

Statement of Management Opportunities and Performance Challenges

FISCAL YEAR 2023



ARCHITECT OF THE CAPITOL

OFFICE OF INSPECTOR GENERAL

OFFICE OF INSPECTOR GENERAL MISSION

The Office of Inspector General (OIG) promotes efficiency, effectiveness and economy to deter and prevent fraud, waste, abuse and mismanagement in Architect of the Capitol (AOC) programs and operations. We do this through value-added, transparent, impactful, and independent audits, inspections and evaluations, and investigations. We strive to positively affect the AOC and benefit the taxpayer while keeping the AOC and Congress fully informed.

INTRODUCTION

The OIG submits this Statement of Management Opportunities and Performance Challenges (Statement) in support of the AOC's Performance and Accountability Report (PAR) for fiscal year (FY) 2023 under best practice guidance identified in the Reports Consolidation Act of 2000¹ and Office of Management and Budget Circular A-136.² This Statement includes the most significant management opportunities and performance challenges facing the AOC as determined by the OIG based on trend analyses and observations as well as information uncovered during the performance of our oversight responsibilities.

DEVELOPMENTS IMPACTING THE AOC IN FY 2023

This FY, the AOC underwent transformative changes among its senior leadership that impacted succession planning and strategic communications with AOC staff. These leadership challenges have had an impact on OIG reporting and a chilling effect on staff communication with the OIG regarding fraud, waste, abuse and mismanagement within AOC programs and operations.

The OIG recognizes the AOC's accomplishments in performing its core mission amid these challenges and highlights the management opportunities and performance challenges noted in this Statement to support effectiveness and efficiency and to detect and deter fraud, waste and abuse within AOC programs and operations.

MANAGEMENT OPPORTUNITIES AND PERFORMANCE CHALLENGES

The challenges in the following list, in no order, illustrate the most significant areas and themes the OIG believes need improvement for the AOC to effectively manage its resources and minimize the potential for fraud, waste, abuse and mismanagement within the AOC's programs and operations. Addressing the issues related to these challenge areas will enable the AOC to increase operational efficiencies and improve mission effectiveness. These challenges are marked as new, renewed or closed for the FY.

Key OIG resources are included for each challenge and indicate work the OIG has either performed, overseen via an independent public accounting firm or referenced as an example of the challenge(s) noted. When applicable, these resources are hyperlinked to their corresponding full report on [Oversight.gov](https://www.oversight.gov).

¹ Public Law 106–531. Reports Consolidation Act of 2000. <https://www.congress.gov/106/plaws/publ531/PLAW-106publ531.pdf>.

² Office of Management and Budget. Circular A-136, *Financial Reporting Requirements*. <https://www.whitehouse.gov/wp-content/uploads/2021/08/Circular-A-136.pdf>.

1. Human Capital Management: Recruitment and Retention, Succession Planning and Employee Misconduct, and Noncompliance
2. Accessibility, Auditability and Records Retention
3. Waste and Accountability
4. Balancing Safety, Security and Preservation
5. Cyber Security
6. Working Capital Fund
7. Whistleblower Protections



1. HUMAN CAPITAL MANAGEMENT: RECRUITMENT AND RETENTION, SUCCESSION PLANNING AND EMPLOYEE MISCONDUCT, AND NONCOMPLIANCE



Renewed for FY 2023

Years Included: 2011-2014, 2019-2023

Key OIG Resources

- [Architect of the Capitol Employee Requests AOC Supervisors to Falsify Time and Attendance Records While Submitting False Medical Records](#) (2022-0006-INVI-P)
- [Architect of the Capitol Employee Conducting Outside Employment Without Prior Approval and Submitting a False Leave Request](#) (2022-0007-INVI-P)
- [Architect of the Capitol Employee Alleged Unauthorized Use of AOC Motor Vehicle](#) (2022-0010-INVI-P)
- [Architect of the Capitol Employee Attended Personal Medical Appointments on Government Time with a Government Vehicle](#) (2022-0011-INVI-P)
- [Architect of the Capitol Employee Misuses AOC Identification to Gain Access to Unauthorized Areas of the U.S. Capitol Building While Utilizing Sick Leave](#) (2022-0012-INVI-P)
- [Architect of the Capitol Alleged Family and Medical Leave Act Policy Violation and Forgery](#) (2022-0017-INVI-P)
- [Alleged Theft of Government Property by Architect of the Capitol Employee](#) (2022-0018-INVI-P)
- [Clear, Consistent and Uniform Application of Architect of the Capitol Policy](#) (2023-0006-INVM-P)
- [Follow-Up Evaluation of the Congressional Request for Architect of the Capitol's Response to Sexual Harassment](#) (OIG-FLD-2022-01)
- [Follow-Up Evaluation of the Architect of the Capitol's Inventory Accountability and Controls](#) (OIG-FLD-2023-01)

Why This Is a Challenge

Human capital management is a broad category of personnel-related activities that encompasses hiring and retention, benefits, payroll, training, wellness and employee and labor relations. This FY, we highlight recruitment and retention, succession planning, and continue to note employee misconduct and noncompliance.

Recruitment and Retention and Succession Planning

For more than two decades, the Government Accountability Office (GAO) has identified strategic human capital management as a governmentwide risk area.³ In its top challenges report, the Council of the

³ GAO. 2023. *High Risk Series: Efforts Made to Achieve Progress Need to Be Maintained and Expanded to Fully Address All Areas*, GAO-23-106203. <https://files.gao.gov/reports/GAO-23-106203/index.html>.

Inspectors General on Integrity and Efficiency (CIGIE) identified recruiting and retaining a diverse and highly skilled staff, succession planning and knowledge management as key areas of concern across many federal agencies.⁴ Since 2018, the AOC has experienced frequent turnover in top leadership positions. The AOC has had five Architect's (two appointed and three acting) in the past five years and is currently recruiting to fill the top position once again.

For years, senior leaders and staff have assumed acting roles to fill vacant senior leadership positions — sometimes acting for more than two years. This FY, multiple members of the AOC's senior leadership team departed either through resignation or termination. Agencies like the AOC face a greater risk of disruption in operations and performance when key personnel retire or leave the agency due to inadequate knowledge management practices and siloed communications. Acknowledging significant concerns pertaining to manager–employee communications and routine knowledge sharing, the agency indicates they will increase access to information and implement tools to hold leadership accountable.

The AOC is further challenged by the need for a diverse, specialized trade workforce. The agency faces competition from the private sector as well as other government entities as they all seek to attract the most qualified candidates from a readily shrinking pool.

Additionally, high turnover, especially in leadership, may affect the agency's

reputation and ability to recruit qualified personnel. The 2022 Federal Employee Viewpoint Survey⁵ (FEVS) results and Partnership for Public Services Best Places to Work in the Federal Government⁶ support concerns regarding the AOC's reputation and culture. The AOC was ranked 14 of 27 among midsize agencies, which is down from a ranking of 9 four years ago. The AOC was also ranked 22 of 24 in the category of effective leadership. These factors emphasize the need for effective succession planning. Succession planning is the process of identifying critical positions and selecting and developing key talent to ensure the continuity of operations. It helps ensure institutional knowledge, experiences and decision-making authority are effectively passed on.

The AOC's Human Capital 2022-2026 Strategic Plan self identifies an aging workforce, loss of institutional knowledge, lack of documentation and inadequate staff mentoring as weaknesses. The agency plans to implement several goals and strategies to combat these weaknesses, including establishing a formal mentoring program. The AOC's succession planning can also be strengthened by implementing strong policies, complete records and standard operating procedures and ensuring these policies are executed consistently across all jurisdictions.

Employee Misconduct and Noncompliance

Workplace compliance is necessary to ensure the safety of employees, achieve AOC's strategic and operational goals and maintain a productive workforce. The OIG

⁴ CIGIE. 2023. *Top Management and Performance Challenges Facing Multiple Federal Agencies*. <https://www.ignet.gov/sites/default/files/files/993-087CIGIE-TMPCReport9-12.pdf>.

⁵ Administered by the Office of Personnel Management, FEVS is an organizational climate survey that assesses how employees jointly experience the policies, practices and procedures characteristic of their agency and its leadership. <https://www.opm.gov/fevs/>.

⁶ Partnership for Public Service. 2023. *Best Places to work in the Federal Government*. <https://bestplacetowork.org/rankings/detail/?c=AC00>.

continues to observe inconsistent application of and noncompliance with AOC policies and orders across many jurisdictions.

AOC policies and orders must be understood, accessible, frequently communicated and consistently applied across all jurisdictions to avoid potential fraud, waste and mismanagement; mitigate legal and safety risks; and increase the effectiveness and efficiency of AOC programs and operations. Additionally, strong internal controls, proper standard operating procedures, effective training and frequent communication demonstrate AOC leadership's commitment to set clear expectations and mitigate risks. Inconsistent application of time and attendance and leave

rules, inconsistent application of telework and other work flexibilities, and definitions inconsistently applied across different policies are just a few examples of variable policy implementation that has been observed both within and across AOC offices and jurisdictions.

Increased employee misconduct and noncompliance may be an indication that employees are confused or unaware of their responsibility and obligation to adhere to AOC policies and orders. The AOC must be proactive and ensure policies, procedures and processes are current, reflect current legal requirements and incorporate industry and government best practices.



2. ACCESSIBILITY, AUDITABILITY AND RECORDS RETENTION



Renewed for FY 2023

Years Included: 2017-2023

Key OIG Resources

- [Review of the Architect of the Capitol’s Multimillion-Dollar Construction Project Change Orders \(OIG-AUD-2023-04\)](#)
- [The Architect of the Capitol Lacked Sufficient Oversight of the Cannon Caucus Room Renovations \(OIG-AUD-2023-06\)](#)
- [Review of the Architect of the Capitol's Multimillion-Dollar Construction Project Change Orders \(OIG-AUD-2023-07\)](#)
- [Cannon House Office Building Renewal Project’s Punch List and Warranty Work Process Lacked Sufficient Oversight \(OIG-AUD-2023-08\)](#)
- [Flash Report Series – Architect of the Capitol’s Records and Archives Management \(2023-0001-IE-P\)](#)

Why This Is a Challenge

The OIG continues to recognize the AOC’s challenge with executing standardized procedures for recording all transactions, communications and significant events in a manner that allows documentation to be readily available for examination. The OIG requests for documentation have continued to take the AOC and its contractors a sizeable amount of time to gather and provide. Often, requested documentation is either delayed, incomplete or not provided.

The AOC’s procedures on documentation do not promote a fully standardized process; therefore, the documentation maintained varies between jurisdictions or offices. Documentation should be appropriately detailed and organized and contain sufficient information to support transactions, events and management decisions. Effective documentation provides a means to:

- Retain historical information of the transaction or event
- Mitigate the risk of having the information limited to a few staff
- Communicate and make information available in a timely manner to external parties, such as external auditors

All transactions and events should be promptly recorded and documented to maintain relevance and value to AOC management and third-party stakeholders. Documentation should apply to the entire process or life cycle of a transaction or event from its initiation and authorization through final status in summary records. Properly managed and maintained documentation with identified points of responsibility and contact would better support management decisions and allow for improved management reviews and auditability that in turn supports the level of assurance required for key decision points.

3. WASTE AND ACCOUNTABILITY

Renewed for FY 2023

Years Included: 2018-2023



Key OIG Resources

- [Review of the Architect of the Capitol’s Multimillion-Dollar Construction Project Change Orders \(OIG-AUD-2023-04\)](#)
- [The Architect of the Capitol Lacked Sufficient Oversight of the Cannon Caucus Room Renovations \(OIG-AUD-2023-06\)](#)
- [Review of the Architect of the Capitol's Multimillion-Dollar Construction Project Change Orders \(OIG-AUD-2023-07\)](#)
- [Cannon House Office Building Renewal Project’s Punch List and Warranty Work Process Lacked Sufficient Oversight \(OIG-AUD-2023-08\)](#)
- [Evaluation of the Information Technology Division’s Inventory Accountability and Controls \(2022-0002-IE-P\)](#)
- [J. Brett Blanton, Architect of the Capitol, Abused His Authority, Misused Government Property and Wasted Taxpayer Money \(2021-0011-INVI-P\)](#)

Why This Is a Challenge

Waste is the extravagant, careless or needless expenditure of AOC funds or the consumption of AOC property that results from deficient practices, systems, controls or decisions. Intent is not necessarily a factor in defining waste. This FY, the OIG has identified nearly \$2 million as questioned costs or funds put to better use. The OIG found the following concerns as major contributors: (1) ambiguous AOC policies and orders and (2) insufficient oversight of construction projects.

Ambiguous AOC Policies and Orders

As noted in challenge one, Human Capital Management, the OIG reports inconsistent and ambiguous language and instructions within current AOC policies and orders or omitted directives altogether. For example, AOC policies are silent on the definition of waste and thus do not identify internal controls to mitigate this risk.

The ambiguities reflect a vague definition of waste, a lack of well-defined or required roles and responsibilities and inconsistent record-keeping practices — in line with other challenges noted in this document. AOC policies and orders also lack comprehensive accountability standards pertaining to the wasteful use of government resources, such as inclusion of waste in AOC’s discipline matrix. To this end, AOC policies and the discipline matrix are also silent on violations of noncooperation with the OIG, further leading to a chilling effect for effective oversight reporting.

In multiple instances, the OIG has identified substantiated investigations of wasteful actions and behaviors that occur without the appropriate consequence per AOC policy.

Also related, the OIG has regularly observed inconsistencies in holding staff accountable for their actions across and within

jurisdictions that have the potential to create an agency culture in which recurrent instances of wasting government and taxpayer resources could become commonplace. Some examples the OIG has encountered of actions that have gone without consequence include damage to AOC property due to lack of access controls, misuse of government resources and other waste issues.

Insufficient Oversight of Construction Projects

The OIG has identified waste for multiple construction projects resulting from the AOC's insufficient oversight of contract and specification compliance. OIG reviews have found various areas where the AOC needs to improve review and approval processes to ensure compliance with construction contract requirements.

This FY, the OIG's construction audits found \$803,150 in questioned costs and \$66,198 as funds put to better use due to insufficient documentation, noncompliance and errors. The OIG further notes that the AOC is expected to incur approximately \$1.17 million in additional costs to repair the Cannon Caucus Room for water damage that should have been prevented by the contractor.

Antideficiency Act and Purpose Statute Violations

Based on the results of an OIG investigation, the GAO determined that the AOC violated the Antideficiency Act when it obligated appropriations for the purchase of a passenger motor vehicle for use by the former Architect in excess of the FY 2021 statutory price limitation. The GAO further determined the AOC violated the purpose



statute when it obligated appropriations for expenses incurred in relation to the use of AOC vehicles by the then-Architect's family members.⁷ These actions were not only ethical lapses by the former Architect but a failure of internal controls and wastes of taxpayer funds.

These examples indicate increased risk and financial loss to the AOC if not properly addressed through improved oversight, policy, internal controls and senior leadership strategy and vision. AOC senior leaders should acknowledge and address waste and hold staff accountable for wasteful practices.

Finally, and in parallel with other challenges noted in this Statement, waste and inconsistent accountability practices impact employee retention and increase the opportunity for fraud, waste and abuse by creating a perception and culture of allowability.

⁷ GAO. Decision file B-333508, *Top Management and Performance Challenges Facing Multiple Federal Agencies*. September 7, 2023. <https://www.gao.gov/assets/830/828708.pdf>.

4. BALANCING SAFETY, SECURITY AND PRESERVATION



Renewed for FY 2023

Years Included: 2019-2023

Key OIG Resources

- [Flash Report Series – Architect of the Capitol’s Records and Archives Management](#) (2023-0001-IE-P)
- [Evaluation of the Architect of the Capitol’s Safety Inspection Program](#) (2022-0004-IE-P)

Why This Is a Challenge

The AOC’s mission to “Serve, Preserve, Inspire” recognizes the desire that all construction and renewal projects maintain the historical heritage of the Capitol campus. This effort is done, in part, using historically accurate, custom-designed and manufactured pieces, such as plasterwork and moldings, bollards and barricades, security systems and devices, railings and ironwork, which can add substantial costs and time to projects.

Historical heritage and archival requirements of the Capitol campus are supported through the AOC’s preservation operations and activities. AOC archives include paper and electronic records along with other unique material, such as architectural models and product samples. To provide efficient and effective archival and related educational and operational functions, the AOC should continue timely policy development and adequate resourcing to ensure historical records are preserved and accessible for ongoing and archived programs and operations.

Additionally, emergency preparedness and safety are also key considerations to this balance. Understandably, safety is an AOC core value. Though the AOC generally

performs well on this important topic, as with other challenges noted in this Statement, the OIG continues to note concerns with consistency and implementation across the Capitol campus. To this end, there is a noted inconsistency across jurisdictions in applying safety codes and standards and a past culture of not complying with safety regulations.

The OIG recognizes that there are multiple internal policies in the review process to address these issues; however, even those policies lack clear and comprehensive detail and structure. For the AOC to provide a robust safety culture, the agency must continue improvements to safety policies, technical guidance, management practices and standard operating procedures combined with consistent implementation and execution. Consequently, the AOC’s siloed communications and leadership turnover this FY have likely exacerbated safety and security strategic dialog and collaboration.

Finally, the AOC should consider additional coordination efforts with other Capitol campus stakeholders to develop a comprehensive emergency preparedness and safety mindset across the campus.

5. CYBER SECURITY

Renewed for FY 2023

Years Included: 2017-2023



Key OIG Resources

- [Evaluation of the Architect of the Capitol’s Implementation of Federal Information Security Modernization Act of 2014, Fiscal Year 2022 \(2022-0005-IE-P\)](#)

Why This Is a Challenge

The AOC is responsible for the operations, maintenance, development and preservation of the Capitol campus. Additionally, it is responsible for effectively managing the information technology (IT) used in AOC programs and operations, especially as IT is increasingly integral to most aspects of these programs and operations. IT devices and components are generally interdependent with disruption in one node impacting others.

Continued public and private data breaches and attacks underscore the importance of securing sensitive data and clearly demonstrate that the AOC is also vulnerable. Sophisticated attacks can result in significant releases of information and potential damage to AOC IT infrastructure as well as the security of the Capitol campus.

The OIG continues to document cybersecurity risks and vulnerabilities that impact the AOC. In an era of ever-increasing cyber threats, the AOC faces challenges effectively applying security policies and directives consistently and implementing cyber security best practices across all offices and jurisdictions. The AOC must continue to implement effective

information security programs and practices to protect privacy and defend systems from intrusions, attacks and unauthorized access.



6. WORKING CAPITAL FUND

Renewed for FY 2023

Years Included: 2019-2023



Key OIG Resources

- [Government Accountability Office Architect of the Capitol—Proposal for Establishment of a Working Capital Fund \(B-328065\)](#)
- [Evaluation of the Architect of the Capitol’s Fleet Management Program \(2021-0001-IE-P\)](#)

Why This Is a Challenge

Management of construction projects and other programs that cross appropriations pose both challenges and risks to the AOC that are not typical to other agencies. Though adequate planning and design can decrease some of these challenges, unforeseen circumstances can increase vulnerabilities and costs and create inefficiencies. To alleviate such risks, the AOC establishes policies and procedures, though some risks reach across the agency.

With no working capital fund, there are operational and programmatic redundancies leading to decentralized decision-making. The OIG has recently observed an example of this in the AOC’s vehicle fleet management program. This issue creates inefficiencies, waste and duplication of efforts that could be mitigated through centralized efforts.



7. WHISTLEBLOWER PROTECTIONS

Renewed for FY 2023

Years Included: 2017-2023



Key OIG Resources

- [Office of Congressional Workplace Rights Recommendations for Improvements to the Congressional Accountability Act – 118th Congress](#)
- [Architect of the Capitol Supervisor Accusations of Abuse of Power, Mismanagement and Reprisal \(2022-0009-INVI-P\)](#)
- [Authority and Responsibilities of the OIG \(2023-0002-INVM-P\)](#)

Why This Is a Challenge

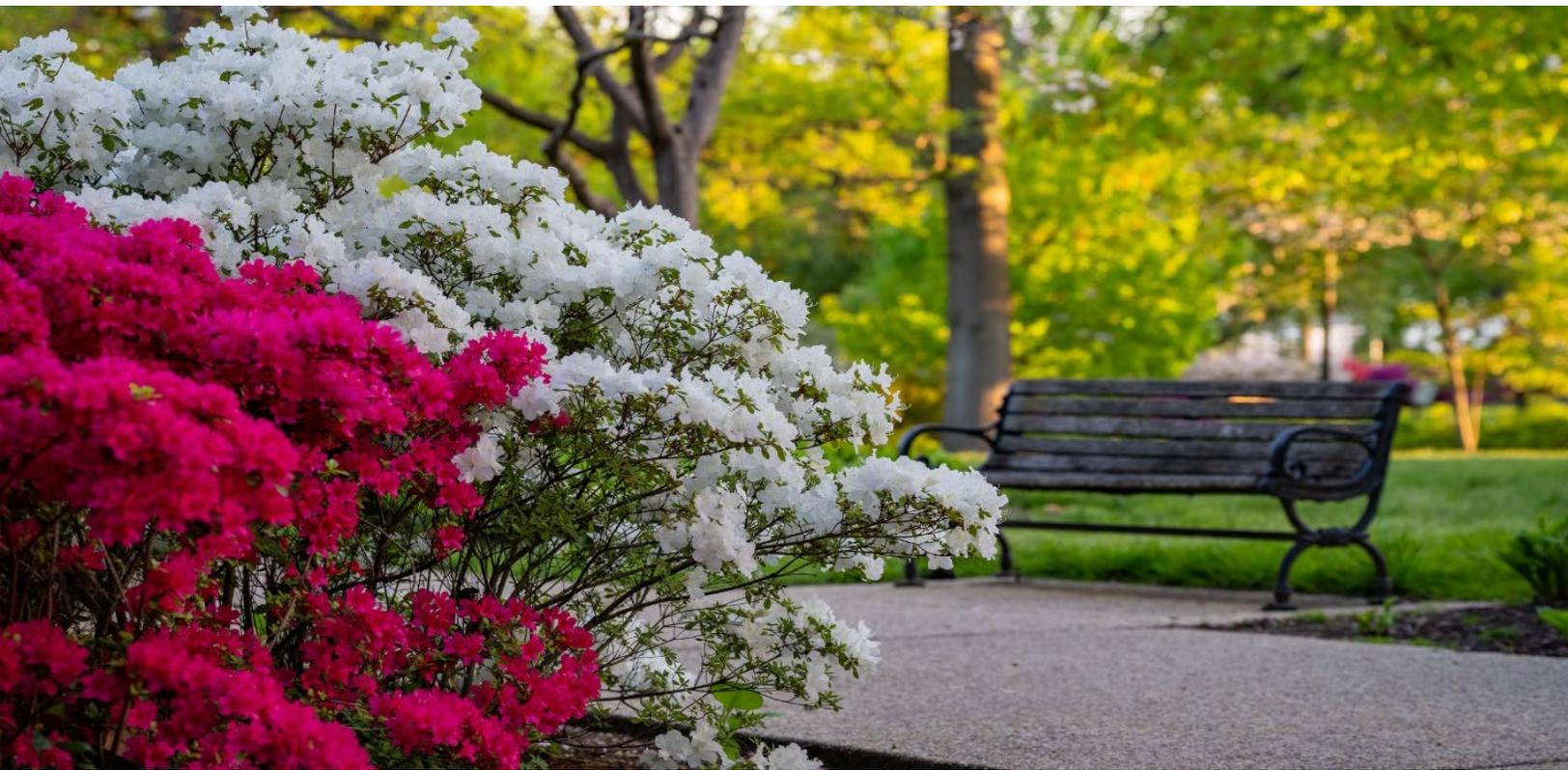
The OIG’s independent hotline continues to be the greatest source of tips and complaints regarding fraud, waste and abuse within AOC programs and operations, and the OIG continues to treat all allegations with the utmost concern and consideration. To this end, the OIG emphasizes that complainants need not fear that the OIG will voluntarily or knowingly release their identity. Finally, the OIG continues to receive complaints from persons who wish to remain confidential due to fears of reprisal from AOC supervisors, managers and peers. While it is encouraging to see a willingness to report fraud, waste and abuse, AOC leadership has a responsibility to ensure employee confidence in reporting programs and oversight activities.

Likewise, AOC leadership has a responsibility to provide a safe work environment free from reprisals against those who do report. To do this, the AOC should reward integrity and emphasize to management that employees who “see something and say something” are not subject to reprisal. Employees should not be fearful of retribution or retaliation after reporting a crime or violation to the OIG or their own management. A single instance of

reprisal could cause a chilling effect on the reporting of information. As noted previously in challenge 3, Waste and Accountability, the AOC discipline matrix is silent regarding violations of noncooperation with the OIG.

The OIG documented an incident in which at least 17 employees had knowledge of alleged wrongdoing by the former Architect and did not report the wrongdoing to the OIG. It is unknown whether this was because the employees were not aware of their obligation to report under AOC policy or they feared reprisal. Either cause represents a fundamental breakdown and is unacceptable. Each of those employees should have felt protected and empowered to report the alleged misconduct.

The OIG recognizes that legislation is required to fully address this issue for the Legislative Branch as a whole and that the AOC does maintain a policy guarding against retaliation. However, the AOC may consider strengthening its own internal policies for whistleblower protections as other agencies have done and/or working with Congress to include statutory whistleblower protections.



CONCLUSION

All federal agencies and offices have areas in which improvements are needed. This Statement is written from the OIG’s perspective and should be understood in that context. The AOC has much to be proud of as it has worked to reduce or eliminate elements of the previous years’ challenges. The progress made on these opportunities is very encouraging, and the management challenges noted in this Statement will serve to improve the AOC’s efforts to prevent and detect fraud, waste and abuse as well as improve the effectiveness and efficiency of its programs and operations. As the OIG identifies additional challenges, we will inform AOC management of findings and recommendations via audits, inspections and evaluations, follow-up evaluations, investigations, and management advisories. The intent of findings and recommendations is to improve upon the AOC’s programs and operations to meet its overall mission to “Serve, Preserve, Inspire.”



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