

OFFICE OF THE INSPECTOR GENERAL

 Smithsonian



SEMIANNUAL REPORT TO THE CONGRESS

October 1, 2018 –
March 31, 2019

Smithsonian Institution Building
(The Castle)

Table 1: Semiannual Reporting Requirements of the Inspector General Act, as amended

Public Law Section	Reporting Requirement	Page
Section 4(a)(2)	Review of legislation and regulations	15
Section 5(a)(1)	Significant problems, abuses, and deficiencies	None
Section 5(a)(2)	Significant recommendations for corrective action	None
Section 5(a)(3)	Reports with corrective action not completed	8
Section 5(a)(4)	Matters referred to prosecutive authorities	14
Section 5(a)(5)	Information or assistance refused	None
Section 5(a)(6)	List of reports issued with dollar value of questioned costs and recommendations that funds be put to better use	None
Section 5(a)(7)	Summaries of significant reports	5
Section 5(a)(8)	Audit, inspection, and evaluation reports—questioned costs	None
Section 5(a)(9)	Audit, inspection, and evaluation reports—funds to be put to better use	None
Section 5(a)(10)(A)	Audit, inspection, and evaluation reports issued before the commencement of the reporting period with no management decision	None
Section 5(a)(10)(B)	Audit, inspection, and evaluation reports issued before the commencement of the reporting period with no management comment within 60 days	None
Section 5(a)(10)(C)	Audit, inspection, and evaluation reports issued before the commencement of the reporting period with unimplemented recommendations	8
Section 5(a)(11)	Significant revised management decisions	None
Section 5(a)(12)	Significant management decisions with which the Office of the Inspector General (OIG) disagreed	None
Section 5(a)(13)	Information described under section 804(b) of the Federal Financial Management Improvement Act of 1996	None
Section 5(a)(14-16)	Peer reviews	11,13
Section 5(a)(17-18)	Investigative tables	14
Section 5(a)(19)	Reports on investigations with substantiated allegations involving senior employees	None
Section 5(a)(20)	Whistleblower retaliation	None
Section 5(a)(21)	Attempts to interfere with OIG independence	None
Section 5(a)(22)(A)	Inspections, evaluations, and audits that were closed and not disclosed to the public	None
Section 5(a)(22)(B)	Investigations involving senior employees that were closed and not disclosed to the public	None

Source: OIG assessment as of March 31, 2019.

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Abbreviations

CIGIE	Council of the Inspectors General on Integrity and Efficiency
CIO	Chief Information Officer
COTR	Contracting Officer's Technical Representative
KPMG	KPMG LLP
OCIO	Office of the Chief Information Officer
OIG	Office of the Inspector General
OPM	Office of Personnel Management
OPS	Office of Protection Services
PIA	Privacy Impact Assessment
PII	Personally Identifiable Information
PL	Public Law
Smithsonian	Smithsonian Institution
USC	United States Code

Message from the Inspector General

On behalf of the Smithsonian Institution's (Smithsonian) Office of the Inspector General (OIG), I am pleased to submit this semiannual report to the Congress. This report highlights the accomplishments achieved through our audit and investigative activities for the six-month period ending March 31, 2019.

Our office issued four audit reports, including one with two recommendations to improve Smithsonian's capability to respond to cybersecurity incidents. In addition, our office conducted work on 8 ongoing audits and closed 15 recommendations. At the end of the reporting period, 21 recommendations from 5 previously issued audit reports remained open. More details on our ongoing and completed audit work can be found in the "Audits" section of this report.

Our investigative activities continued to focus on and hold accountable those individuals whose actions harm the Smithsonian's programs and operations. During the reporting period, OIG received 37 new complaints, closed 42 complaints, converted 8 complaints to investigations, and completed 9 investigations. Two of the nine completed investigations involved employee theft at Smithsonian retail stores. In one case, two employees were terminated. One of the two former employees was arrested, and the court ordered a total of \$500 in restitution and 32 hours of community service; the arrest warrant for the second former employee is still outstanding. More details on these cases can be found in the "Investigations" section of this report.

In the months ahead, our office will continue to conduct audits and investigations that help the Smithsonian Board of Regents and management meet their stewardship and fiduciary responsibilities, support congressional oversight, and provide information to the public.



Cathy L. Helm
Inspector General

Smithsonian Institution Profile

In 1846, the Congress created the Smithsonian as a trust instrumentality of the United States to carry out the provisions of the will of James Smithson, an English scientist who left his estate to the United States to found “an establishment for the increase and diffusion of knowledge.”¹

Today, the Smithsonian consists of 19 museums, the National Zoological Park, 9 research centers, and other facilities around the world. The majority of Smithsonian locations are in Washington, D.C., but the Smithsonian also has facilities in nine states (Arizona, Florida, Hawaii, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, and Virginia), Belize, and Panama.

In fiscal year 2017, there were more than 30 million visits to the Smithsonian museums and the zoo. In addition, more than 150 million people visited the Smithsonian’s public websites. The Smithsonian employs more than 6,700 staff (including about 3,900 federal employees) and has approximately 6,900 volunteers, 770 research fellows, and numerous interns and contractors at its various locations.

The Smithsonian is the steward of an extensive collection. The total number of artifacts, works of art, and specimens in the Smithsonian’s collections is estimated at 155 million, of which 146 million are scientific specimens at the National Museum of Natural History. The collections form the basis of world-renowned research, exhibitions, and public programs in the arts, culture, history, and the sciences. Only a small portion of the Smithsonian’s collections (estimated at less than 2 percent) is on display in the museums at any given time. The Smithsonian’s Affiliations Program brings its collections, scholarship, and exhibitions to most states, Panama, and Puerto Rico.

A substantial portion of the Smithsonian’s operations is funded by annual federal appropriations. Federal appropriations also are received for the construction or repair and restoration of its facilities. In addition to federal appropriations, the Smithsonian receives private support, government grants and contracts, and earns income from investments and its various business activities. Business activities include Smithsonian magazines, online catalogs, and theaters, shops, and food services that are located in its museums.

National Museum of the American Indian’s Water Feature



Photo: Katherine Fogden, Smithsonian.

¹ A trust instrumentality is a government agency or corporation that acts independently in carrying out work for the public good.

Office of the Inspector General Profile

The Office of the Inspector General (OIG) is headed by an Inspector General who is appointed by, reports to, and is under the general supervision of the Board of Regents. OIG is located in Washington, D.C. As of October 2018, OIG comprised 21 staff. In addition to the Inspector General, OIG consists of the Assistant Inspector General for Audits, the Assistant Inspector General for Investigations, Assistant Inspector General for Operations, Counsel to the Inspector General, 12 auditors, 2 criminal investigators, an investigator, and a mission support specialist.

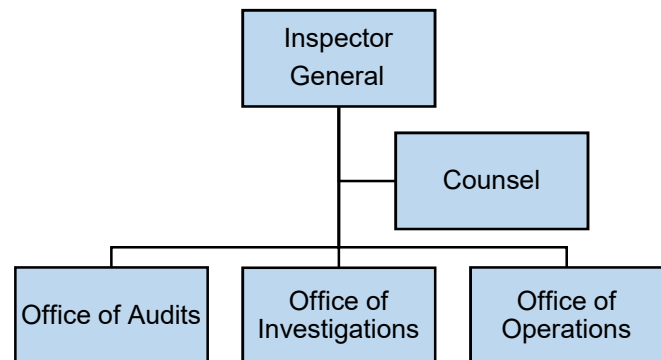
The OIG’s organizational structure is described below.

Audits

The Office of Audits conducts audits of the Smithsonian’s existing and proposed programs and operations to help improve their efficiency and effectiveness. The office develops a risk-based annual audit plan to guide its work. The Office of Audits also actively monitors the external audits of the Smithsonian’s financial statements.

Counsel

The Counsel to the Inspector General provides independent legal advice to the Inspector General and OIG staff.



Investigations

The Office of Investigations pursues allegations of waste, fraud, abuse, and gross mismanagement; misconduct by employees, contractors, or others who affect the Smithsonian; and criminal violations of law that have an impact on the Smithsonian’s programs and operations. It refers matters to federal, state, and local prosecutors for action whenever the Inspector General has reasonable grounds to believe there has been a violation of criminal law. The Office of Investigations also presents to management any administrative misconduct for possible disciplinary action.

Operations

The Office of Operations provides technical and administrative support. It is responsible for OIG administrative matters, such as budgeting, procurement, human resources, information technology, and measuring organizational performance.

OIG's vision, mission, authority, and core values are described below.²

Vision

OIG's vision is to provide the highest quality oversight through timely action, independent and objective reporting, and an overall commitment to excellence.

Mission

OIG's mission is to promote the efficiency, effectiveness, and integrity of the Smithsonian's programs and operations through independent and objective audits and investigations and to keep stakeholders fully and currently informed.

Authority

The Inspector General Act of 1978, as amended in 1988 (P.L. 100-504), established the Smithsonian's OIG. The Act requires the Smithsonian OIG to perform the following functions:

- Conduct audits and investigations relating to Smithsonian's programs and operations.
- Promote economy, efficiency, and effectiveness within the Smithsonian.
- Review and make recommendations regarding existing and proposed programs and operations.
- Prevent and detect waste, fraud, and abuse in Smithsonian's programs and operations.
- Report expeditiously to the Attorney General whenever the Inspector General has reasonable grounds to believe there has been a violation of criminal law.
- Keep the Board of Regents and the Congress fully and currently informed of serious problems in Smithsonian's programs and operations.

Core Values

Consistent with its mission and responsibilities, OIG's efforts are guided by four core values — accountability, excellence, integrity, and teamwork. These core values reflect the most important qualities needed for success and are reflected in all of the work done by OIG.

Accountability. A commitment to promoting accountability in the Smithsonian and taking personal accountability for actions and decisions within OIG.

Excellence. A commitment to providing timely, relevant, and high-quality products and services.

Integrity. A commitment to operating under the highest ethical principles by conducting our work in an honest, objective, and independent manner.

Teamwork. A commitment to working together to collectively achieve OIG's mission through respectful and professional interactions among ourselves and others.

² The OIG vision, mission, goal and objectives, and core values are part of the OIG Strategic Plan for Fiscal Years 2019 – 2023, available from the OIG website at <https://www.si.edu/oig>.

Audits

Audit work focuses on improving the efficiency and effectiveness of the Smithsonian's programs and operations. During this semiannual period, OIG issued 4 reports, conducted work on 8 ongoing audits, and closed 15 recommendations. OIG also issued its annual audit plan.

Summary of Issued Audit Reports

Below are summaries of the four audit reports that OIG issued during this reporting period.

[Actions Needed to Enhance Protection of Sensitive Information \(OIG-A-19-01, October 10, 2018\)](#)

OIG issued a report that assessed the Smithsonian's capabilities to prevent, detect, and respond to information security incidents and made two recommendations to improve the Smithsonian's capability to protect sensitive information. Management concurred with both recommendations.

[Independent Auditor's Fiscal Year 2018 Closing Package Financial Statement Report of the Smithsonian Institution Federal Appropriated Funds \(OIG-A-19-02, November 15, 2018\)](#)

OIG issued KPMG LLP's (KPMG) report on the Smithsonian's federal closing package financial statements. KPMG expressed an opinion that these financial statements present fairly, in all material respects, the financial position of the Smithsonian's federal appropriated funds as of September 30, 2018, and its net cost and changes in net position for the year then ended in accordance with U.S. generally accepted accounting principles.

[Independent Auditor's Report on the Smithsonian Institution's Fiscal Year 2018 Financial Statements \(OIG-A-19-03, January 8, 2019\)](#)

OIG issued KPMG's report on the statement of the Smithsonian Institution's financial position as of September 30, 2018, and the related statements of financial activity and cash flows. KPMG expressed an unmodified opinion that concluded the financial statements were presented fairly, in all material respects, in accordance with the applicable financial reporting standards.

[Independent Accountant's Report on the Smithsonian Enterprises Net Gain for Fiscal Year 2018 \(OIG-A-19-04, January 8, 2019\)](#)

OIG issued KPMG's independent accountants' report on the Smithsonian Enterprises Statement of Net Gain, as of September 29, 2018. KPMG concluded that no material modifications should be made to the Statement of Net Gain to be in accordance with U.S. generally accepted accounting principles.

Work in Progress

At the end of the period, OIG had eight audits in progress, as described below.

[Assessment of Detection and Response Capabilities for Information Security Incidents](#)

OIG auditors are evaluating the Smithsonian's capabilities to prevent, detect, and respond to information security incidents.

[Management of Revenue-Generating Contracts](#)

OIG auditors are assessing to what extent the Smithsonian has effective controls to manage its revenue-generating contracts.

[Hiring Practices for Trust Employees](#)

OIG auditors are determining to what extent the offices of human resources comply with Smithsonian policies and procedures for hiring trust employees.

[Inventory Controls for the National Museum of African American History and Culture](#)

OIG auditors are assessing to what extent the National Museum of African American History and Culture has developed and implemented an inventory policy and plan and has an accurate inventory of its collections.

[Financial Statements Audits, Fiscal Year 2018](#)

KPMG is conducting an audit of federal awards in accordance with the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. An OIG auditor serves as the contracting officer's technical representative for this audit.

Governance of Information Technology

OIG auditors are assessing to what extent the Smithsonian has effective and efficient governance structures and processes to consistently manage information technology across the organization.

Evaluation of the Smithsonian’s Information Security Program, Fiscal Year 2018

An independent public accounting firm, Williams, Adley & Company - DC, LLP, is evaluating the Smithsonian’s information security program for fiscal year 2018. An OIG auditor serves as the contracting officer’s technical representative for this audit.

Expense Reimbursements for the Board of Regents, Fiscal Years 2017 and 2018

OIG auditors are assessing whether the Regents travel and other expense reimbursements for fiscal years 2017 and 2018 comply with the Regent’s *Reimbursement of Regents’ Meeting Expenses* policy.

Other Audit Activities

Status of Recommendations

Smithsonian management made progress in implementing 15 of the 34 recommendations from audit reports that OIG had issued in previous semiannual reporting periods, as shown in table 2.

Table 2: Summary of Audit Recommendation Activity during the Semiannual Reporting Period Ending March 31, 2019

Status of Recommendations	Number of Recommendations
Open at the beginning of the period	34
Issued during the period	2
Subtotal	36
Closed during the period	15
Open at the end of the period	21

Source: OIG assessment as of March 31, 2019.

Table 3 summarizes the audit reports from previous periods that have unimplemented recommendations. None of these recommendations involve any cost savings.

Table 3: Reports from Previous Periods with Unimplemented Recommendations

Report summary	Unimplemented recommendations
<p><i>Audit of the Smithsonian Institution's Privacy Program</i> (OIG-A-16-04, March 14, 2016).</p> <p>The Smithsonian has made progress in privacy management since the previous OIG privacy audit in May 2009. However, significant work was still needed to institute key privacy processes and controls. For example, key activities that have not been completed include developing an organization-wide privacy strategic plan and documenting a comprehensive list of personally identifiable information (PII) being collected, processed, and stored throughout the Smithsonian. Without a clear understanding of the types of PII being handled, management officials do not have reasonable assurance that they are collecting only the information needed to carry out the Smithsonian's mission and are adequately protecting that information. In addition, the Smithsonian's privacy impact assessment (PIA) process needed improvement. OIG made 11 recommendations, and one remains unimplemented.</p>	<p>The Privacy Officer ensures that a PIA is completed for all systems containing PII.</p> <p>Target completion date: November 30, 2019.</p>
<p><i>Fiscal Year 2016 Independent Evaluation of the Smithsonian Institution's Information Security Program</i> (OIG-A-18-02, November 21, 2017).</p> <p>For fiscal year 2016, Williams, Adley & Company - DC, LLP (Williams Adley) found that the Office of the Chief Information Officer (OCIO) had implemented key elements of the Smithsonian's information security program. However, Williams Adley found that OCIO did not have an effective, risk-based process to target resources with the highest vulnerabilities for the two systems tested. They also found significant, unresolved issues from prior audits. OIG made three recommendations to enhance information security at the Smithsonian, of which two remain unimplemented.</p>	<p>(1) The Chief Information Officer (CIO) should develop and implement an enterprise information security architecture that aligns with Smithsonian's strategic plan and mission objectives. (2) The CIO should update the Technical Standard & Guideline IT-960-02, Disaster Recovery Planning (January 2003), to reflect current National Institute of Standards and Technology guidance. The CIO also should ensure that current disaster recovery plans and information system contingency plans reflect the changes in guidance.</p> <p>Target completion date: July 30, 2019.</p>
<p><i>Physical Security: The Office of Protection Services Needs to Strengthen Training, Medical and Physical, and Equipment Requirements for Armed Security Guards and Improve Oversight of Unarmed Contract Guards</i> (OIG-A-18-08, September 18, 2018)</p> <p>OIG found that OPS basic training met or partially met most ISC standards. However, the ISC recommends that armed guards qualify on firearms twice a year, while OPS only requires firearms qualification once a year.</p>	<p>The Director of OPS should direct the Contracting Officer's Technical Representative (COTR) to do the following: (1) Develop a standard curriculum for the basic training program to establish a minimum number of required classroom and hands-on training hours for the eight major subject areas that correspond to critical tasks for armed security guards. (2) Develop and implement procedures to ensure that guards receive all basic training</p>

Report summary	Unimplemented recommendations
<p>Furthermore, OIG found that the ISC has more detailed and specific medical and physical standards than OPS in such areas as vision, hearing, cardiovascular system, musculoskeletal system, and general health. The ISC also recommends a medical examination and physician clearance for armed security guards, but OPS did not have independent verification by a physician that its minimum medical and physical requirements had been met. OPS is working to establish improved medical and physical standards, but it has not established a target completion date or interim milestones for implementation of these new medical and physical standards.</p> <p>In addition to its armed security guard force, OPS uses unarmed contract guards. The COTR, an OPS employee, is responsible for ensuring that the contract requirements for licensing and training of unarmed contract security guards are met. OIG found that the COTR did not verify whether the contract security guards met licensing and training requirements. The COTR instead relied on the contractor to ensure that the contract security guards met the requirements.</p> <p>OIG made seven recommendations, and five remain unimplemented.</p>	<p>classes before they graduate from the basic training program. (3) Assess the costs and benefits of adopting the ISC's best practice to require semi-annual firearms qualifications for all armed security guards.</p> <p>The Director of OPS should direct the COTR to do the following: (4) Develop and implement procedures to periodically assess that the unarmed guards meet the contract qualification and training requirements. (5) Establish and implement a process to identify the unarmed guards who conduct visitor screening and periodically assess that they have met the training requirements.</p> <p>Target completion date: October 1, 2019.</p>
<p><i>Personnel Security: Actions Needed to Strengthen the Background Investigation Process</i> (OIG-A-18-09, September 20, 2018)</p> <p>The offices of human resources use a position designation process to determine the required level of this more in-depth investigation (low, moderate, or high). However, OIG found that the Smithsonian has no assurance that most of its employees hired in 2015 obtained the required level of background investigation. Due to incorrect designations and missing documentation, OIG could determine that only 35 percent of the sampled employees had received the required level of post-employment background investigation.</p> <p>In addition, OIG found that the Office of Protection Services (OPS) did not always schedule or promptly schedule post-employment background investigations with the U.S. Office of Personnel Management (OPM). For instance, OPS did not schedule post-employment background investigations for 12 percent of sampled employees.</p> <p>OIG also found that the Smithsonian granted computer network access to more than 500 affiliated individuals, without background investigations, contrary to policy requirements. Furthermore, nearly a quarter were granted remote access. In addition, in accordance with its policy,</p>	<p>The Director of Human Resources should develop and implement policies and procedures to do the following: (1) Designate and document position risk and sensitivity for all human resources offices. (2) Include a requirement that Trust positions receive a sensitivity designation. (3) Monitor compliance of position risk and sensitivity designations conducted by all human resources offices.</p> <p>The Director of the Office of Protection Services should do the following: (4) Develop and implement procedures to establish time frames to schedule post-employment background investigations, monitor compliance with the newly established scheduling time frames, provide post-employment background investigations for temporary employees whose appointment extends past 180 days, and review data in the Identity Management System to ensure that it is accurate and complete. (5) Conduct the required level of background investigations for the sampled employees who did not have a post-employment background investigation</p>

Report summary	Unimplemented recommendations
<p>the Smithsonian did not conduct background investigations on locally hired Panamanian employees at Smithsonian Tropical Research Institute.</p> <p>OIG also estimated that the Smithsonian could realize about \$165,000 annually in savings if the Smithsonian Enterprises human resources office used OPM's Automated Tool to establish the required post-employment background investigation for its retail employees. According to this tool, these employees would require a low-level background investigation in contrast to the moderate level they now receive. In 2016, the difference in cost between the low-level and moderate-level background investigations was \$1,241. This potential annual savings is nearly one-third of the total amount the Smithsonian spent on all background investigations in fiscal year 2016.</p> <p>OIG made nine recommendations to improve the background investigation process and none have been implemented.</p>	<p>scheduled. (6) Conduct the required level of background investigations for those employees without a record of one.</p> <p>The Chief Operating Officer and Under Secretary for Finance and Administration should do the following: (7) Develop and implement a policy to require all employees and affiliated individuals to undergo a background investigation prior to being granted computer system access, and OCIO to independently verify with OPS that an investigation was completed. (8) Identify all employees and affiliated individuals who have computer system access but have not received background investigations and ensure that they receive background investigations.</p> <p>The directors of the Office of Protection Services and the Smithsonian Tropical Research Institute should: (9) Develop and implement background investigation policies and procedures for all Smithsonian Tropical Research Institute's locally hired Panamanian employees.</p> <p>Target completion date: March 31, 2020.</p>
<p><i>Fiscal Year 2017 Independent Evaluation of the Smithsonian Institution's Information Security Program (OIG-A-18-10, September 21, 2018)</i></p> <p>For fiscal year 2017, Williams Adley found that the Smithsonian made improvements to its information security program. Significant improvements included updating the specialized security training program; adopting and beginning to implement a security information and event management tool; and adopting a governance, risk, and compliance tool to assist in security assessment and authorization.</p> <p>However, the Smithsonian did not achieve the minimum maturity level defined by the Department of Homeland Security to be considered fully effective in fiscal year 2017. Williams Adley determined that the Smithsonian made progress in maturing its cybersecurity functions. For example, the Detect and Respond functions progressed from level 1: ad-hoc in fiscal year 2016 to level 2: defined in fiscal year 2017. While the Smithsonian has made considerable efforts to define policies and procedures for its program, additional work is needed to consistently implement them.</p>	<p>The Chief Information Officer should: (1) Collaborate with Smithsonian Astrophysical Observatory system owners to ensure appropriate access is granted to OCIO personnel to conduct continuous monitoring activities on the Smithsonian Astrophysical Observatory information systems. (2) Conduct a business impact analysis to correlate the information systems with the critical mission processes and services provided and, based on that information, characterize the consequences of a disruption, in accordance with National Institute of Standards and Technology Special Publication 800-34 Revision 1.</p> <p>Target completion date: September 30, 2019.</p>

Report summary	Unimplemented recommendations
<p>Williams Adley found that the maturity of the Smithsonian’s information security program was hampered by an incomplete inventory of information systems, including related hardware and software components, and an information security architecture that was only partially defined. In addition, the Office of the Chief Information Officer had not yet defined an entity-wide disaster recovery plan based on a business impact analysis and had outdated guidance for configuration management and contingency planning. Further, Williams Adley found that, for the two information systems reviewed, there was minimal documentation in place to formalize their security practices.</p> <p>OIG made nine recommendations to enhance information security at the Smithsonian, and two remain unimplemented.</p>	

Source: OIG assessment as of March 31, 2019.

[Audit Peer Review](#)

Government Auditing Standards require audit organizations to (1) establish and maintain a system of quality control that is designed to provide the audit organization with reasonable assurance that the organization and its personnel comply with professional standards and applicable legal and regulatory requirements, and (2) undergo external peer reviews by independent reviewers every three years. On September 22, 2017, the Amtrak Office of Inspector General completed the most recent peer review of the office, giving the Smithsonian OIG a rating of pass, the highest rating.

Investigations

At the start of the reporting period, OIG had 24 open complaints and 13 ongoing investigations. During the reporting period, OIG received 37 new complaints, closed 42 complaints, converted 8 complaints to investigations, and completed 9 investigations. At the end of the reporting period, there were 11 open complaints and 12 ongoing investigations.

Highlights of Investigative Actions

Cash Theft from Museum Stores by Two Employees

OIG determined that two employees stole \$3,431 in cash from Smithsonian museum retail stores. The Smithsonian terminated the employees; an arrest warrant was served on one employee; the other warrant remains outstanding. Subsequent to the arrest, the former employee entered into a deferred prosecution agreement with the United States Attorney's Office. Based on this agreement, the court ordered \$500 in restitution and 32 hours of community service.

Assistance on Investigation into Violation of Indian Arts and Crafts Act of 1990

OIG assisted the United States Fish and Wildlife Service in an investigation to determine whether a Smithsonian vendor falsely claimed Native heritage so that he could illegally sell American Indian artwork, pottery, and jewelry. The investigation determined that the contractor violated the Indian Arts and Crafts Act of 1990 and the wire fraud statute. The United States Attorney's Office declined prosecution of this matter.

Theft from Museum Store by Employee

OIG determined that a Smithsonian employee stole a statue valued at \$185 from a Smithsonian museum retail store. An arrest warrant was obtained and executed by OIG. Subsequent to the arrest, the employee entered into a deferred prosecution agreement with the United States Attorney's Office. Based on this agreement, the court ordered 32 hours of community service. The employee retired from the Smithsonian.

Theft of Smithsonian Equipment by Contractor Employee

OIG determined that a Smithsonian contractor's employee stole a Smithsonian laptop computer valued at \$1,500. Based on OIG's investigation the computer was recovered and the contractor terminated their employee. The United States Attorney's Office declined prosecution of this matter.

Alleged Violation of Smithsonian Procedures by Senior Employee

OIG received a complaint alleging that a senior Smithsonian employee was not following program procedures. OIG learned that an outside agency is planning to conduct an

independent program review that would include the areas of concerns raised by the complainant. OIG closed the matter due to the program review.

[Alleged Whistleblower Retaliation by Senior Smithsonian Employee](#)

OIG received a complaint alleging whistleblower retaliation by a senior Smithsonian employee. OIG determined that two positions, including the one occupied by the complainant, were eliminated due to budget constraints. Therefore, OIG found that the allegation was unsubstantiated.

Other Investigative Activities

[Fraud Awareness Program](#)

OIG investigators continued efforts to reach out to Smithsonian staff and provide information on fraud awareness in Smithsonian programs and operations. During this reporting period, OIG investigators made fraud awareness presentations to 174 new employees during their orientation sessions.

[Investigative Peer Review](#)

The Office of Investigations complies with guidelines established by the U.S. Attorney General. On February 27, 2015, the Government Publishing Office's OIG completed a peer review of the Smithsonian's OIG investigative program based on the *Quality Assessment Review Guidelines for Investigative Operations of Federal Offices of Inspector General*. The Smithsonian received a peer review rating of "compliant," the highest rating. Our next investigative peer review is scheduled for the summer of 2020.

Table 4 contains a statistical summary of OIG's investigative results during the semiannual reporting period.

Table 4: Statistical Summary of the Office of the Inspector General's Investigative Results during the Semiannual Reporting Period Ending March 31, 2019

Investigative activity or result	Number or amount
Caseload	
Cases pending at beginning of reporting period	13
Cases opened during the reporting period	<u>8</u>
<i>Subtotal</i>	21
Cases closed during the reporting period	9
Investigative reports issued	9
Cases carried forward	12
Referrals for prosecution	
Referrals to the Department of Justice	2
Referrals to state and local prosecuting authorities	0
Indictments and criminal information from current period referrals	0
Indictments and criminal information from prior period referrals	0
Successful prosecutions	
Convictions	1
Fines	0
Probation	0
Confinement	0
Monetary restitutions	\$500
Forfeiture of assets and seized evidence	0
Administrative actions	
Terminations	0
Resignations	0
Reprimands or admonishments	0
Suspensions	0
Monetary loss prevented	0
Value of items recovered	\$1,500

Source: OIG investigative activity statistics as of March 31, 2019.

Other OIG Activities

Legislative and Regulatory Review

In accordance with the Inspector General Act of 1978, as amended, OIG monitored and reviewed legislative and regulatory proposals for their impact on the Smithsonian's programs and operations. Additionally, the Counsel to the Inspector General monitored congressional bills and issues relating to the inspector general community. OIG also reviewed draft Smithsonian policies for their impact on OIG operations.

Other Activities

OIG remained actively involved with the Council of the Inspectors General on Integrity and Efficiency (CIGIE), a statutory council of federal inspectors general that promotes collaboration on integrity, economy, and efficiency issues that transcend individual agencies. The Inspector General serves as the Vice Chair of the CIGIE Audit Committee; as a member on three other CIGIE committees; and as the chair of the Small/Unique OIG Group, a group of inspectors general who meet quarterly and exchange ideas and practices. The OIG Counsel leads the Smaller OIG Counsel Working Group and serves on the steering committee for the OIG Freedom of Information Act Working Group.

In addition, OIG staff participated in the Association of Certified Fraud Examiners, the Institute of Internal Auditors, the Federal Audit Advisory Committee for Enterprise Technology Solutions, the Financial Statement Audit Network, and the Interagency Fraud Risk Data Mining Group.

OFFICE OF THE INSPECTOR GENERAL



OIG's Mission

Our mission is to promote the efficiency, effectiveness, and integrity of the Smithsonian Institution's programs and operations through independent and objective audits and investigations and to keep stakeholders fully and currently informed.

Reporting Fraud, Waste, and Abuse to OIG Hotline

OIG investigates allegations of waste, fraud, abuse, gross mismanagement, employee and contractor misconduct, and criminal and civil violations of law that have an impact on Smithsonian Institution programs and operations.

If requested, anonymity is assured to the extent permitted by law. Although you may remain anonymous, we encourage you to provide us with your contact information. The ability to gather additional information from you may be the key to effectively pursuing your allegation.

To report fraud and other serious problems, abuses, and deficiencies, you can do one of the following:

Call 202-252-0321.

Send an email to: oighotline@oig.si.edu.

Visit OIG's website: <https://www.si.edu/oig>.

Write to:
Office of the Inspector General
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