

SEMIANNUAL REPORT TO CONGRESS

October 1, 2010 to March 31, 2011



Smithsonian Institution
Office of the Inspector General

Cover image: ***Black Shore Dunes, ca. 1955-1965***, Seong Moy, brush and ink and ink wash on paper.
From the collection of the Smithsonian American Art Museum.

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1808 U.S. Two-and-a-half dollar coin. Numismatics Collection, National Museum of American History

Message to Congress

On behalf of the Smithsonian Office of the Inspector General (OIG), I am pleased to submit this report summarizing the work of our office for the semiannual period ending March 31, 2011. Our mission, as stated in our strategic plan for 2011-2015, is to contribute to the strategic advancement of the Smithsonian Institution through independent and transparent oversight. To this end, we strive to promote the integrity, efficiency, and effectiveness of Smithsonian programs and operations; to prevent and detect fraud, waste, and abuse; and to keep stakeholders informed of the results of our oversight.

We completed a substantial amount of audit and investigative work during this semiannual period. We issued five audit reports as well as a Quality Assurance Letter on the Institution's fiscal year 2010 Financial Statement Audits. On the investigative side, we received 50 new complaints and closed 51 complaints. One of our investigations resulted in a felony indictment.

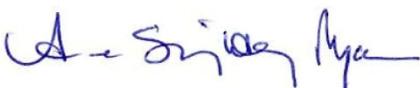
The Institution generally accepted our audit findings and recommendations. It also implemented or planned actions to resolve many open recommendations, including measures that will substantially improve the workers' compensation program, enhance systems security, and strengthen accountability for the Smithsonian's vast collections.

Our oversight continues to focus on governance and on stewardship. We are closely following the Smithsonian Redesign project, whose goal is a "more efficient, transparent, and nimble institution" to implement the 2010-2015 Strategic Plan. Our current and planned work will help advance these important redesign efforts, especially in the areas of finance, procurement, goal-setting, metrics, and external funding. We will also monitor efforts to resolve internal control issues that resulted in a significant deficiency identified in the fiscal year 2010 financial statement audit. Finally, we continue to focus on stewardship of the collections. As the Smithsonian's strategic plan states,

The collections are fundamental to our work and to that of countless scholars and many federal agencies; it is our responsibility to preserve them for future generations. To ensure they remain available, we will improve collections storage and management, substantially expand access to collections through digital technologies, and build public/private partnerships that strategically enhance collections care.

Preserving, tracking, and safeguarding all collections is an enduring challenge and requires management to assess and prioritize collections needs.

We appreciate the cooperation of Smithsonian management and Secretary Wayne Clough, and the ongoing interest of the congressional committees with whom we work. We also thank the Board of Regents and especially the Audit and Review Committee for their support.

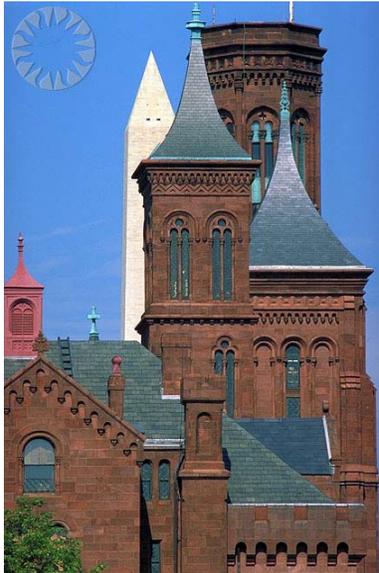


Anne Sprightley Ryan
Inspector General

Profiles

Smithsonian Institution Profile

The Smithsonian Institution is a trust instrumentality of the United States created by Congress in 1846 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.” Although a federal entity, the Smithsonian does not exercise governmental powers or executive authority, such as enforcing the laws of Congress or administering government programs. It functions essentially as a nonprofit institution dedicated to the advancement of learning.



Since its inception, the Smithsonian has expanded from the Castle to an extensive museum and research complex that now includes 19 museums, the National Zoological Park, and research centers around the nation’s capital, in eight states, and in the Republic of Panama. The Institution is the steward of nearly 137 million collection items, which form the basis of world-renowned research, exhibitions, and public programs in the arts, culture, history, and the sciences. It is the largest museum and research complex in the world.

Federal appropriations provide the core support for the Smithsonian’s science efforts, museum functions and infrastructure; that support is supplemented by trust resources, including external grants and private donations.

Smithsonian Institution Strategic Plan

http://www.si.edu/about/documents/SI_Strategic_Plan_2010-2015.pdf

In September 2009, the Board of Regents approved the Smithsonian's strategic plan for fiscal years (FYs) 2010-2015. The plan sets forth the Institution's mission, vision, and values, as well as the following priorities

- Focusing on Four Grand Challenges:
 - ***Unlocking the Mysteries of the Universe***
 - ***Understanding and Sustaining a Biodiverse Planet***
 - ***Valuing World Cultures***
 - ***Understanding the American Experience***
- Broadening Access
- Revitalizing Education
- Crossing Boundaries
- Strengthening Collections
- Enabling Mission through Organizational Excellence
- Measuring Performance
- Resourcing the Plan

The Institution's strategic plan explicitly embraces "a commitment to excellence and accountability" and specifically promotes integrity as a core value, calling on everyone at the Smithsonian to "carry out all our work with the greatest responsibility and accountability."

Smithsonian Redesign

The Smithsonian launched an effort called Smithsonian Redesign to enhance the efficiency and transparency of systems the Institution uses to manage its resources. This project includes pan-institutional, cross-disciplinary committees to address areas such as finance, goal-setting and budget development, procurement, sponsored projects, federal hiring, and metrics, with a focus on the relationship between central management and management at the individual museum, research, and other units. These committees will develop recommendations to streamline and improve these processes and thus help implement the Strategic Plan.

Office of the Inspector General Profile

The Inspector General Act of 1978, as amended, created the OIG as an independent entity within the Institution to detect and prevent fraud, waste, and abuse; to promote economy and efficiency; and to keep the head of the Institution and the Congress fully and currently informed of problems at the Institution. The OIG reports directly to the Smithsonian Board of Regents and to the Congress. Currently, the OIG has 21 full-time and 1 part-time employees.

Office of Audits

The Office of Audits independently audits the Smithsonian's programs and operations, including financial systems, guided by an annual Audit Plan that identifies high-risk areas for review to provide assurance that the Institution's programs and operations are working efficiently and effectively. The Audit Division also monitors the external audit of the Institution's financial statements and contracts out reviews of the Institution's information security practices. The Audit Division includes the Assistant Inspector General for Audits, 3 project managers, 10 auditors, and 1 analyst.

Office of Investigations

The Office of Investigations investigates allegations of waste, fraud, abuse, gross mismanagement, employee and contractor misconduct, and criminal and civil violations of law that have an impact on the Institution's programs and operations. It refers matters to the U.S. Department of Justice whenever the OIG has reasonable grounds to believe there has been a violation of federal criminal law. It also identifies fraud indicators and recommends measures to management to improve the Institution's ability to protect itself against fraud and other wrongdoing. Three Special Agents, with full law enforcement authority, make up the Investigations Division.

Counsel

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

Office of the Inspector General Strategic Plan 2011-2015

Mission:

Contribute to the strategic advancement of the Smithsonian Institution through independent and transparent oversight.

Goals:

Promote integrity, efficiency, and effectiveness in the Smithsonian's programs and operations.

Prevent and detect fraud, waste, and abuse.

Timely inform the Board of Regents, Smithsonian management, Congress, and the public on the results of our independent oversight activities.

Strategies	Performance Targets ¹
Conduct audits, evaluations, and investigations of the programs and operations that address the areas of highest risk to the Institution and that support the Institution's strategic priorities.	<i>Create yearly audit plans that reflect key risks, strategic priorities, and emerging developments at the Smithsonian. Produce tangible improvements in the efficiency and effectiveness of Smithsonian mission-enabling operations.</i>
Increase management's awareness of policies to prevent and detect fraud, waste, and abuse.	<i>Brief all new Smithsonian employees on the role of the OIG. Conduct no fewer than 6 fraud awareness briefings at the units each year.</i>
Produce timely, relevant and actionable reports on the results of OIG work.	<i>Achieve 100 percent Smithsonian management agreement with audit recommendations. Initiate 90 percent of planned audits each year. Obtain high marks on post-audit surveys of auditees. Complete 80 percent of audits within time and resource estimates. Reduce average time to resolve hotline complaints by 15 percent.</i>
Communicate the results of our work regularly to the Regents, Congress, Smithsonian management and the public.	<i>Continuously inform key stakeholders on the results of our work through attendance at Board of Regents meetings and through regular briefings to Smithsonian officials and Congressional committees. Increase non-OIG visits to the OIG website by at least 10 percent each year.</i>
Ensure the continuous professional development of the OIG workforce.	<i>Provide all OIG employees relevant training in support of their individual development in compliance with the training standards and expectations for their respective professions.</i>
Demonstrate the highest standards of professionalism in the conduct of investigations and audits.	<i>Receive an unqualified opinion in peer reviews of OIG investigative operations. Receive an unqualified opinion in peer reviews of OIG audit operations.</i>

¹ *The processes to manage and report on OIG performance are governed by professional standards, as well as by OIG policies and internal controls.*

Audits

During this semiannual period, we completed five audit reports and our annual Quality Assurance Letter on the Institution's FY 2011 Financial Statement Audits. We also worked with management to close 28 recommendations from previous and current audits, and completed substantial work on ongoing audits.

Audit Accomplishments

Acquisition Workforce Training

<http://www.si.edu/oig/AuditReports/A-10-06.pdf>

We conducted an audit of the Smithsonian's acquisition workforce – contracting personnel – to assess whether (1) policies and procedures specified their responsibilities; (2) contracting personnel were meeting specified training and certification requirements; and (3) Smithsonian acquisitions complied with applicable laws and regulations.

We found that the Smithsonian has policies and procedures that specify the responsibilities for the acquisition workforce; however, the policies regarding training were not always clear and did not always reflect best practices. We also found that the Office of Contracting and Personal Property Management (OCon&PPM) had not finalized contracting manuals that are to provide detailed implementation guidance and procedures for the Smithsonian Contracting Directive. Further, neither OCon&PPM nor the units have adequate systems in place to monitor and enforce training requirements.

Consequently, the acquisition workforce may not be fulfilling Smithsonian-specified training requirements. For example, 74 percent of contract specialists and 68 percent of simplified acquisition COTRs were deficient in training. Nonetheless, according to our survey of the acquisition workforce, most employees have confidence in their competence to perform their job duties and in the support from their supervisors to attend training classes. At the same time, they expressed interest in more procurement training as they face an environment of changing expectations and dispersed responsibilities at the Smithsonian.

We found that the Smithsonian generally complied with applicable laws and regulations, but needs to improve training in the areas of preparing statements of work and justifying the use of sole-source contracts.

We made four recommendations to ensure that OCon&PPM (1) creates and implements appropriate training policies and procedures and (2) monitors the acquisition workforce's training. Management concurred with our findings and recommendations and has planned corrective actions to resolve the recommendations.

Collections Accessioning at the National Museum of Natural History <http://www.si.edu/oig/AuditReports/A-10-10.pdf>

Accessioning is the formal process of legally acquiring and adding an item or group of items to a museum's collection with the intention of retaining them for an indefinite period. We initiated this audit because previous audits we have done on collections management and an internal Smithsonian report on collections care have found that at some Smithsonian museums, collections management needs outweigh collections management resources. Furthermore, the Smithsonian has identified strengthening collections as one of the six strategic priorities in its strategic plan.

Because each of the Smithsonian's 21 collecting units acquire and accession collections independently and maintain separate collections management policies and procedures, we limited our audit to one museum. We selected the National Museum of Natural History (NMNH) because this museum's nearly 800 acquisition transactions in fiscal year (FY) 2009 totaling more than 114,000 items (objects or specimens) represent 51 percent of the Institution's acquisition transactions and 91 percent of the collection items the Institution acquired during the year. Furthermore, the museum's approximately 126 million collection items, as of the end of FY 2009, constitute more than 92% of the Institution's collections.



***Pinned, labeled, and accessioned insects in the Entomology department at the National History Building on the Mall in Washington, D.C.
Image credit: John Gibbons***

We conducted this audit to assess whether NMNH followed the Institution's and museum's collections management policies and procedures. Specifically, we determined whether NMNH had effective controls in place to (1) align its collecting activities with collecting goals; (2) accession items in a timely manner; and (3) comply with applicable laws and regulations.

Our intent for the first objective was to address the risk that NMNH may acquire and accession items that are not aligned with its collecting goals and priorities, thereby diverting its limited resources away from managing important collections.

Although NMNH has effective controls to ensure that its accession collection items comply with applicable laws and regulations, we found that NMNH needs to strengthen controls over all acquisitions. Smithsonian Directive 600 on collections management and NMNH policy state that all of the museum's acquisitions must comply with relevant laws. Yet, the museum may not provide adequate review of collections that curators obtain directly or collections that are not intended to be added to the museum's accession collections.

Not all items that curators obtain directly pass through control points, and the centralized registration process does not include non-accession collections despite their potential legal risks.

NMNH also may not always provide timely review because the museum does not have required accessioning timeframes. Two divisions did not accession in more than five years. Furthermore, we found that the museum's current method of ensuring that its staff members know the relevant laws and regulations – relying on staff to educate themselves – is inefficient and may be ineffective.

The museum's ineffective controls over all acquisitions are primarily caused by NMNH's lack of written policies and procedures. Inadequate controls over any collections acquisitions increases the risk that the museum may not comply with applicable laws and regulations. Nonetheless, both the Smithsonian's Office of General Counsel and museum collections management staff told us that they have few legal disputes involving NMNH's collections.

Additionally, we observed that collections management resources are unbalanced. Although NMNH is collecting items that align with its collecting goals, these goals are extremely broad and do not serve to focus the museum's collecting activities. The museum's current collections growth, combined with its long-standing staffing shortages, have resulted in NMNH limiting access to parts of its collections, thereby reducing the museum's ability to fulfill the Smithsonian's mission of increasing and diffusing knowledge.

We also observed that NMNH could improve documentation of title in some of its accession files.

To strengthen the museum's accessioning process and reduce the risk of non-compliance with relevant laws and regulations, we recommended that Smithsonian and museum management strengthen policies and procedures, as well as evaluate opportunities to centralize training and registration for all acquisitions.

Management concurred in whole with our 13 recommendations and proposed corrective actions that will resolve all of them.

Audit of Travel Expenses of the Board of Regents

<http://www.si.edu/oig/AuditReports/A-11-04.pdf>

We conducted this audit at the request of the Executive Committee of the Board of Regents to fulfill a statutory requirement under 20 U.S.C. § 44, which allows each member of the Board to be paid necessary traveling and other actual expenses to attend meetings of the Board and tasks the Executive Committee with auditing these expenditures.

Our objectives were to determine whether the travel expenses for those Regents who seek reimbursement for expenses associated with attending Board meetings comply with laws, regulations, policies, and procedures. We also assessed the adequacy of the Smithsonian's policies and procedures governing travel expense reimbursements.

We found that for Board meeting travel, the Regents provided adequate documentation to support their travel costs, and that reimbursement requests complied with laws, regulations, policies and procedures. Further, the Office of the Regents (the Office) adequately reviewed the reimbursement requests and explained the Smithsonian's reimbursement policies and procedures in writing to the Regents. We also found, however, that the Office should expand its policies to cover some routine expenses incurred by travelers that are currently not addressed in its written policy guidance.

We recommended that the Smithsonian strengthen the process for reimbursing the Regents' meetings expenses as follows:

1. To provide closer scrutiny before reimbursing Regents, separate people should review and approve travel expenses.
2. The Office should limit reimbursement for the cost of transportation to and from airports or train stations in originating cities to a reasonable standard such as taxi fare.
3. The Office should update its policy to explicitly approve a range of reasonably expected expenses such as the use of privately owned vehicles and related parking fees, and other miscellaneous expenses.

Management concurred with our recommendations and revised the Regents' travel reimbursement policy accordingly.

Information Security Audits: Federal Information Security Management Act

<http://www.si.edu/oig/AuditReports/IBA-10-01.pdf>

Under the Federal Information Security Management Act of 2002 (FISMA), the Office of the Inspector General conducts an annual independent assessment of the Smithsonian Institution's information security controls. As part of that assessment, FISMA requires a review of the Institution's Security Management Program and an evaluation of associated management, operational and technical security controls. An independent auditor conducted this review on our behalf.

During this semiannual period, we completed our fiscal year 2010 evaluation of the Institution's overall information security program and practices to determine their effectiveness, as required by FISMA. While the Institution has made progress in complying with information security requirements, additional work remains to ensure adequate controls are in place and operating effectively.

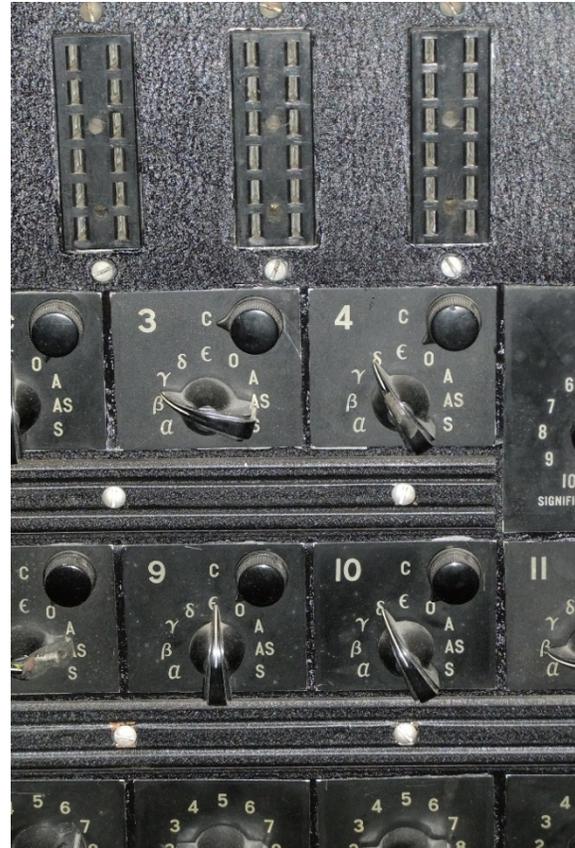
The independent auditors assessed Smithsonian Institution and Smithsonian Enterprises policies and procedures against federal information security policies and guidance. They met with the Smithsonian Institution's and Smithsonian Enterprises' senior IT security management staff, and SI FISMA system points of contacts.

Testing was limited to those major systems included in the Institution's FISMA inventory and, at our request, Smithsonian Enterprises systems that were subject to Payment Card Industry Data Security Standards, although those systems are not subject to FISMA and are not part of the Institution's FISMA inventory. With the exception of the Smithsonian Astrophysical Observatory, these systems were primarily hosted by the Office of the Chief Information Officer at the Smithsonian Data Center and Smithsonian Enterprises.

The independent auditors identified control deficiencies in how management identifies systems to be included in the FISMA Inventory, and operational deficiencies in applying encryption technology to portable computers and mobile devices that may be used to store sensitive information. Specifically, they determined that:

- The method used for determining the FISMA inventory was not based on a risk analysis that assessed all risk elements as found in applicable standards and publications.
- The Institution was not effectively identifying laptops that store sensitive information and applying the appropriate encryption technology.

The independent auditors made five recommendations to improve the Institution's systems inventory and to ensure that portable computers and mobile devices that may store sensitive information are secured with appropriate encryption technology. Management concurred with the findings and recommendations.



A close-up of the ENIAC (Electrical Numerical Integrator and Computer), a large, general-purpose digital computer built to compute ballistics tables for U.S. Army artillery during World War II. It weighed 30 tons and used some 18,000 vacuum tubes and could compute 1,000 times faster than any existing device. From the National Museum of American History Computer History Collection.

Inventory Controls at the National Museum of American History

<http://www.si.edu/oig/AuditReports/A-10-03.pdf>

We completed the first part of our audit of collections stewardship at the National Museum of American History (NMAH) Behring Center. The NMAH Behring Center has over 3 million artifacts in its collection, reflecting all aspects of the history of the United States. The museum reopened in November 2008 after a 2-year renovation and recently moved a number of its stored collections to the Pennsy Collections and Support Center in Landover, Maryland.

We initiated this audit to examine collections management, which is essential for safeguarding the collections for public and scholarly use and reducing the risk of loss or theft. It is part of our ongoing series of audits addressing weaknesses in physical security and inventory controls for the national collections. With this audit we have expanded our objectives to include an assessment of the preservation of the collections, which we believe is in keeping with the Institution's strategic plan priority to strengthen collections.

Our overall audit objectives were to determine whether (1) physical security is adequate to safeguard the collections, (2) inventory controls are in place and working adequately to ensure that the collections are properly accounted for, and (3) collections are properly preserved at NMAH. This report covered the second objective.

We found that inventory control measures are not in place or are inadequate.

We found that NMAH could strengthen inventory control practices to improve stewardship and broaden access to the collections. Based on our limited tests of the collections inventory, we determined that 212 of the 2,216 objects we sampled, or about 10 percent, were missing. NMAH has not conducted cyclical inventory reviews as required by its policies. NMAH also did not maintain complete inventory records, and those records often contained inaccurate information. NMAH's electronic inventory records accounted for only about half (46 percent) of its accessioned objects. NMAH does not have an accurate count of its collections.

We also found that NMAH has not developed a resource and succession plan for collections management operations. The Office of Curatorial Affairs has an aging staff, most of whom are eligible for retirement. As a result, the museum faces the imminent loss of irreplaceable institutional knowledge.



Storage boxes containing pamphlets, letters, and other papers from the collection of the Politics and Reform division of the National Museum of American History. Image credit: Brendan Phillips

The similarity between the results of this audit and those of our prior audits of the National Museum of Natural History (NMNH) and National Air and Space Museum collections, where we also found inventory problems, is troubling. The collections issues noted in the 2005 report *Concern at the Core: Managing Smithsonian Collections* persist. Six years have passed since that report and almost five years since we issued our report on NMNH. We remain concerned that the



Bottles in the collections of the Medicine and Science Division, National Museum of American History. Image credit: Brendan Phillips

Smithsonian has not undertaken stronger Institution-wide efforts to improve these practices, which are critical to protecting the collections from theft and loss and essential to maintaining access to the collections. Smithsonian and museum management have not allocated sufficient resources to provide adequate stewardship of the national collections.

We recommended that NMAH develop a prioritized plan to conduct and document inventories in accordance with policy as well as convert and reconcile external systems with its official collections information system; include measurable goals for record completeness and a requirement to conduct cyclical inventories in curatorial performance plans; and revise its Collections Management Plan to strengthen collections management guidance. We also recommended that it assess staffing needs and develop a succession plan, as well as ensure that budget requests continue to reflect collection management staffing priorities.

Management generally concurred with our findings and recommendations.

We continue to hope that the Institution's Strategic Plan objective to strengthen collections stewardship results in increased attention to collections management.

Our field work continues on the remaining two objectives, and we intend to issue the report covering the remaining two objectives before the end of the next semiannual period.

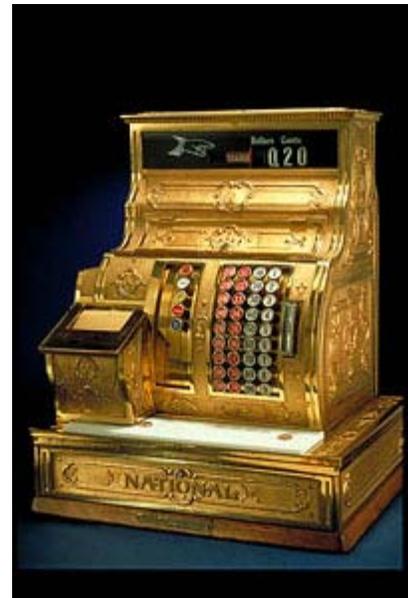
Quality Assurance Letter on the Institution's FY 2010 Financial Statement Audits

<http://si.edu/oig/AuditReports/A-10-11.pdf>

Our office oversees the Institution's independent auditors (KPMG) in their audit of the Institution's annual financial statements. As part of our oversight, we issue a quality assurance letter to the Regents' Audit and Review Committee in which we summarize our observations on the Smithsonian's three annual financial statement audits and offer suggestions for improvements in the audit process and in the Institution's financial management in general.

Summary of Independent Auditors' Opinions

- Federal Closing Package of the Smithsonian's Special-Purpose Financial Statements
In its report dated November 15, 2010, KPMG issued an unqualified opinion (the highest level of audit assurance) on the FY 2010 federal special-purpose financial statements. KPMG reported no matters involving internal control that it considered material weaknesses or deficiencies.
- Smithsonian Institution Financial Statements
On March 4, 2011, KPMG issued an unqualified opinion on the Smithsonian's financial statements for FY 2010. KPMG reported no material weaknesses in internal control. KPMG did, however, identify one significant deficiency in this year's audit related to financial reporting and continuing deficiencies related to contribution accounting, sponsored projects accounting, and the Office of Treasurer (OT). KPMG also reported that a prior year finding related to accounting for Restricted Net Assets was substantially resolved. These matters resulted in 13 recommendations. Smithsonian management agreed to act on the recommendations.
- Smithsonian's OMB A-133 Audit of Federal Awards
OMB Circular A-133 audit reports are not published until approximately 9 months after the Smithsonian's fiscal year end. As a result, current year (FY 2010) results are unavailable. However, in FY 2009, KPMG gave the Smithsonian an unqualified opinion on its Supplementary Schedules of Expenditures of Federal Awards and on its compliance with the requirements of OMB Circular A-133.



A 1919 cash register from the collection of the National Museum of American History. Image credit: Laurie Minor-Penland

Fiscal Year 2010 Deficiencies Reported by KPMG

The Institution issued its audited financial statements five weeks later than last year, and close to six months after the end of the fiscal year.

The deficiencies KPMG reported in its FY 2010 Management Letter were as follows:

- Financial Reporting (Significant Deficiency) - KPMG reported a significant deficiency in the Institution's control environment surrounding its financial reporting process. Problems included: significant reconciling differences among all three of the Institution's financial statements; improper support for major accounts in the Statement of Cash Flows; and improper support for certain significant footnote disclosures.
- Office of the Treasurer (Deficiency) - KPMG noted that OT failed to perform key functions in a timely manner, creating significant delays in the financial reporting process. One effect of the delay was that \$13 million in pooled endowment funds were not invested timely, a lag of 60 to 120 days.
- Contribution Accounting (Deficiency) - KPMG noted discrepancies in accounting and record keeping for contributions, some caused by manual processing and others by the inconsistent application of accounting policies and procedures. KPMG originally reported this deficiency in its management letter on the FY 2007 audits and has reported it each year since.
- Sponsored Projects Accounting (Deficiency) - KPMG noted errors in the calculation of discounts on outstanding contributions receivable and a lack of review and regular report reconciliations. KPMG originally reported this deficiency in its management letter on the FY 2007 audits and has reported it each year since.

In 2010, the Institution did resolve one of the deficiencies reported in prior years related to temporarily restricted net asset accounts.

OIG Observations on Smithsonian Financial Management

We remain concerned that Smithsonian leaders have not yet sufficiently committed to sustained financial management improvement. The following areas require further management attention and strong leadership: (1) hiring a new CFO; (2) resolving internal control deficiencies; (3) managing and organizing decentralized accounting and reporting; (4) complying with Smithsonian Directives and policies; (5) training and supervising employees adequately; (6) communicating effectively with central offices and the units; (7) preparing timely financial statements; (8) and addressing employee dissatisfaction.

Further, the above deficiencies have consequences beyond the delay of the financial statements. The delay itself cost the Institution \$37,000 in additional fees to KPMG. And OT's lag in investing \$13 million in endowment funds represented a lost investment opportunity, and may give the appearance that OT is not acting promptly to honor the expectations of donors.

One fundamental cause for the deficiencies, in our judgment, is the Smithsonian's underappreciation for the importance of financial management. During much of the year, key positions within the Office of the Chief Financial Officer (OCFO) remained vacant, including the CFO and the Director of the Office of Contracting. We recognize that the Institution has taken important steps to hire a qualified CFO. All the same, we note that much of the audit work took place without the senior financial officer in place.

In addition to limited financial management leadership, functional fragmentation across the units once again constrained the financial reporting process this year. The frustrations encountered by the Office of the Comptroller (OC) in collecting financial information from other units to prepare the financial statements revealed the inherent difficulties of decentralization and distributed accountability across the Institution. For example, OC must depend on other units for functions such as accounting for contributions, grants, and contracts – functions outside of its control – which hampers its ability to influence timely and accurate financial reporting. The Institution must address the partnership between the central financial functions and the units with effective leadership and communication.

Prior to this year, the Smithsonian had been making steady progress to resolve these issues and to improve its reporting and control processes. In our FY 2009 oversight letter, we complimented the Smithsonian for issuing its financial statements two weeks earlier than the prior year. We credited the efficiency to improvements in communications among OC, other central offices, and the units. We also reported that the OCFO addressed deficiencies relating to staff resources and capabilities. And, we noted then that the Smithsonian had made some improvement in its accounting for contributions and sponsored projects, and made progress in implementing the 23 internal control recommendations in the Regents' Governance Report.

However, the Smithsonian did not sustain this progress in FY 2010. The delay in the issuance of the financial statements and the addition of the significant deficiency in the auditor's report reflect poorly on the Institution. These developments come at a time when the need to build confidence is paramount as the Smithsonian rolls out its ambitious capital campaign. Indeed, the campaign will rely heavily on the Institution's financial management function to provide reliable and transparent financial data and instill confidence in donors and taxpayers.

We recognize that the Smithsonian is attending to many of these concerns through ambitious reforms undertaken in implementing its Strategic Plan, most notably through the efforts of the Finance Redesign team.

Prior Year Observations on Smithsonian Financial Management

Over the past few years, we have reported on the following four issues and we continue to view them as concerns. To sustain the progress it has made, the Smithsonian needs to follow through on its commitment to improve in these areas.

- **Improve Contribution Accounting** (first reported in our FY 2009 Oversight Letter)
According to management, the Recommendation 23 improvement plans for the area of Charitable Contributions are "on track" except for identifying a funding source for system acquisition and implementation. There is some time to identify a funding source as transition year to the new system is planned for FY 2013.
- **Develop a Plan for Closing Accounts and Producing Quarterly Financial Statements** (first reported in our FY 2007 Oversight Letter)
We acknowledge the cost of producing Institution-wide quarterly statements in accordance with professional accounting standards. However, we believe that doing so must remain a long-term goal and that in the interim the Smithsonian should produce meaningful quarterly statements on a modified basis.

- The Institution's Comprehensive Plan for Internal Controls (first reported in our FY 2008 Oversight Letter)
OCFO has made progress in addressing the 23 internal control processes fundamental to the Institution, with an emphasis on the five high-risk areas:
 - Personal Property Management. The Office of Contracting and Personal Property Management (OCON) hired property accounting specialists and issued a policy directive and an implementation manual in fiscal year 2011.
 - Procurement, Contracting and Leasing, and Purchase Card Use. OCON issued 3 of 7 policy manuals in fiscal year 2011. All were originally to be completed by FY 2010.
 - Capital Projects. The Office of the Chief Information Officer (OCIO) delayed implementing the project costing module in the Institution's financial system (ERP), originally due no later than 2010, but expects to deliver the module later in FY 2011.
 - Charitable Contributions – The Office of Development (OD) hired a Gift Registrar and began to centralize the process for receiving gifts in FY 2011. OD completed documentation for the IT infrastructure requirements for the development system, which it expects to be delivered in FY 2013. As we noted above, however, OD has not identified how it will fund the system.
 - Use of Funds Restrictions – The Office of Policy Management and Budget (OPMB) hired a financial policy analyst for policy development and training support. OPMB completed the Use of Funds Handbook in mid-FY2011, approximately a year beyond the date promised last year.

Finally, Smithsonian Directive 310, ***Financial Reporting and Risk Management Internal Control*** is under review and is expected to be issued in the third quarter of FY 2011.

OIG Impact – Improved Administration of the Worker's Compensation Program

In accordance with our recommendations from our 2009 audit of the Workers' Compensation Program, the Smithsonian has implemented an Institution-wide return-to-work program and incorporated training on the new program for supervisors. These improvements should help reduce the Smithsonian's workers' compensation costs and more efficiently return injured employees to productive work.

* * * * *

Table 1 lists the audit reports we issued during this semiannual period.

Table 1: List of Issued Audit Reports

Report Number	Title	Date Issued
A-10-06	Acquisition Workforce Training	10/28/2010
A-10-10	Collections Accessioning at the National Museum of Natural History	11/18/2010
A-11-04	Travel Expenses of the Board of Regents	1/14/2011
A-10-03	Stewardship of Collections at the National Museum of American History – Inventory Controls	2/8/2011
A-10-01	Smithsonian Institution Information Security Program	3/15/2011
A-10-11	Quality Assurance Letter on the Institution’s FY 2010 Financial Statement Audits	3/30/2011

Other Audit Activity

Status of Recommendations

Smithsonian management made significant efforts to implement the recommendations from audit reports we issued during this and prior semiannual reporting periods. As a result, we closed 28 recommendations during the past six months. Implementation of these recommendations strengthened:

- information technology security
- collections accessioning procedures
- training of employees involved in procurement
- workers’ compensation policies

OIG Impact – Strengthened IT Security Training

In implementing recommendations from two of our IT security audits, the Institution has reduced the risk of improper and unsafe computer use by ensuring that all employees, contractors, volunteers, visiting scholars and interns complete information security awareness training

Table 2 summarizes audit recommendation activity.

Table 2: Audit Recommendation Activity

Status of Recommendations	Numbers
Open at the beginning of the period	<u>48</u>
Issued during the period	<u>36</u>
Subtotal	84
Closed during the period	<u>28</u>
Open at the end of the period	<u>56</u>

Tables 3 and 4 detail management decisions regarding questioned costs and funds to be put to better use.

Table 3: Reports Issued with Questioned Costs

Reports	Number	Questioned	Unsupported
Reports for which no management decision has been made by the commencement of the reporting period	0	\$0	\$0
Reports issued during the reporting period	0	\$0	\$0
<i>Subtotal</i>	0	\$0	\$0
Reports for which a management decision was made during the reporting period			
• Dollar value of disallowed costs	0	\$0	\$0
• Dollar value of costs not disallowed	0	\$0	\$0
Reports for which no management decision has been made by the end of the reporting period	0	\$0	\$0
Reports for which no management decision was made within 6 months of issuance	0	\$0	\$0

OIG Impact – More Robust Personal Property Management

Since we issued our audit on personal property accountability in November 2009 ([see our April 2010 Semiannual Report, p. 4](#)), we have been urging management to strengthen controls over Smithsonian personal property, and in particular to hold individuals accountable for missing and lost items.

In addition to the regular updates that management issues reminding staff of their responsibilities ([see our October 2010 Semiannual Report, p. 10](#)), the Institution has now implemented an automated system to expedite the processing of personal property transactions for the most significant types of personal property, and is training appropriate staff on its use. It will ultimately expand the automated system to include all forms of personal property and thereby eliminate paper tracking

Table 4: Audit Reports Issued with Recommendations that Funds Be Put to Better Use

Reports	Number	Funds Put to Better Use
Reports for which no management decision has been made by the commencement of the reporting period	2	\$6,994,321
Reports issued during the reporting period	0	\$ 0
<i>Subtotal</i>	2	\$6,994,321
Reports for which a management decision was made during the reporting period		
• Dollar value of recommendations that were agreed to by management	2	\$2,184,904
• Dollar value of recommendations that were not agreed to by management	2	\$ 625,051
Reports for which no management decision has been made by the end of the reporting period	0	\$ 0
Reports for which no management decision was made within 6 months of issuance	1	\$4,184,366

While management made progress in closing old recommendations, 32 recommendations we made in prior semiannual periods remained open at the end of this reporting period. Of those recommendations, 4 are over 3 years old, 7 are over 2 years old, 19 are over 1 year old, and the remaining 2 are less than 1 year old. We summarize these open recommendations from prior semiannual periods and their target implementation dates in Table 5.

OIG Impact – Development of a Comprehensive Privacy Program

The Institution continues to take significant, positive steps in response to our 2009 audit of the Institution’s Privacy Program (see our October 2009 Semiannual Report, p. 12), in which we recommended that the Smithsonian hire a Senior Privacy Officer (SPO), create a program to identify and protect personally identifiable information (PII), and implement and enforce privacy protections.

With the SPO now in place, the Smithsonian has designed the following privacy program, which, once full operationally in 2012, follows through on our recommendations:

- *Life Cycle Development - Working with the Smithsonian’s Technology Review Board, the SPO will integrate privacy protections in the information system life cycle process for all new technology projects that collect PII.*
- *Social Media – The SPO will now evaluate the privacy risks associated with social media and exercise approval authority over all such projects.*
- *PII Holdings – Through a formal data collection process, the Smithsonian will require all its units to document the types of PII they collect, the systems containing the PII, and the manner with which it is contained and disseminated.*
- *Policies, Training and Compliance – The SPO will develop policies governing the use of PII at the Smithsonian along with an annual training program and a program to ensure compliance.*
- *Contracts – The SPO will work with the contracting officials to review contracts and related documents to ensure that they contain required privacy clauses.*
- *Web Site – The SPO will revise the privacy statement on the Institution’s website to accurately reflect the privacy related activities at the Smithsonian.*



Ancient Iranian Beak-spouted jar, ca. 1400-800 B.C.E., from the Ancient Near Eastern Art collections of the Smithsonian's Freer/Sackler Galleries. Gift of Osborne and Gratia Hauge.

Table 5: Prior Recommendations for which Corrective Actions Are Not Yet Complete

Audit Title (Date)	Number of Recs	Summary of Recommendations	Target Date
FY 2006 FISMA Review of the Smithsonian Institution's Information Security Program (4/20/2007)	1	The CIO should establish procedures to ensure existing policies requiring the use of standard baselines are implemented and enforced.	9/15/2011
FY 2006 Smithsonian Institution Network (SINet) Audit (8/10/2007)	1	The CIO should enforce separation of duty controls noted in the SINet system security plan.	9/15/2011
FY 2007 FISMA Audit of the Smithsonian Institution's Information Security Program (3/31/2008)	1	The CIO should ensure that all major and minor systems are addressed in system security plans in accordance with OMB and NIST guidelines. OCIO should identify, document, and implement controls over major and minor systems based on their impact on the Institution or sensitivity of data they process or store.	9/15/2012
ID and Badging, C-CURE Central, and Central Monitoring Systems (3/31/2008)	1	The System Sponsor should implement baselines for the various components of the system including all databases and operating systems, and document deviations from the baseline.	6/30/2011

Audit Title (Date)	Number of Recs	Summary of Recommendations	Target Date
Smithsonian Astrophysical Observatory Scientific Computing Infrastructure (9/30/2008)	2	The CIO should develop, document, and implement controls to ensure Smithsonian policy is updated timely to include new IT requirements and disseminated to system sponsors and contractors; and ensure system sponsors timely implement NIST, OMB, and Smithsonian requirements.	12/15/2010
NMNH EMu Application (10/7/2008)	2	The CIO should ensure all individuals who have direct access to Institution information system resources sign required rules of behavior forms and complete security awareness training; and enforce Institution policy and procedures requiring submission of appropriately detailed management reports to OCIO.	12/15/2010
FISMA Audit of the Smithsonian Institution's Information Security Program (3/17/2009)	3	The CIO should ensure the implementation of FDCC requirements across all Institution domains and document any deviations; and identify and complete risk assessments for all Institution public websites that use e-authentication.	9/15/2011 to 9/15/2012
Smithsonian Institution Privacy Program (5/29/2009)	9	The SAOP and the Chief Information Officer (CIO) should develop, document, and implement privacy policies and procedures to support an overall privacy program that adequately addresses privacy-related risks. The Director of the Office of Protection Services should develop and implement an annual privacy-training program and require all Smithsonian employees and contractors to complete the training. The SAOP should develop, document, and implement policies and procedures for identifying, documenting, and safeguarding PII used by the Smithsonian; establish and implement requirements to reduce holdings of PII; and develop, document, and implement procedures for privacy impact assessments (PIAs).	12/31/2010 to 3/15/2012
Personal Property Accountability (11/18/2009)	5	The Under Secretaries should strengthen adherence to personal property management policies and procedures by conducting regular compliance reviews, including ensuring that individuals are being held accountable for missing property; require and offer personal property training for property custodians; reevaluate its criteria for designating property as sensitive; and immediately evaluate whether mitigating controls to protect sensitive information could be implemented prior to the 2012 PII inventory.	11/30/2010 to 12/31/2012
Physical Security and Inventory Control Measures to Safeguard the National Collections at the National Air and Space Museum (3/17/2010)	5	The Director of the Office of Protection Services should conduct security assessments of NASM facilities and develop a plan to acquire missing security devices; finalize and issue the OPS Collections Management Security Standards; re-emphasize OPS requirements for security managers to review Key Holder List information semiannually, verify its accuracy and take appropriate corrective actions; improve security system reports; and provide training to Security Managers on how to produce and interpret reports from the security systems and ensure that Security Managers alert TSD to system problems.	6/30/2011 to 12/31/2011
FY 2009 FISMA Audit of the Smithsonian Institution's Information Security Program (6/30/2010)	2	The Secretary and Senior Privacy Officials should reassess the security categorization for major systems currently categorized as low-impact systems, based on the type of PII stored on the system. The CIO and Information Technology Security Staff should ensure that all interconnections have signed agreements prior to execution.	9/30/2012 to 10/15/2012

Work in Progress

We have a number of audits in progress, including those we describe below.

Financial Management Operations at Smithsonian Enterprises

Smithsonian Enterprises (SE) comprises the majority of the revenue-generating functions of the Smithsonian Institution and is its most significant source of unrestricted funds. It operates four principal business activities: Smithsonian Magazine; museum stores and concessions; mail order catalogues; and product development and licensing.

Although external auditors have given SE clean audit opinions on its net gain, internal and external stakeholders have expressed concern about SE's internal financial reporting operations, including skepticism over the reliability, timeliness, and transparency of accounting data. There is also a concern about internal financial policies, unclear roles and responsibilities, and collaboration within the group. SE management has indicated that they plan to address many of these issues, using the assistance of a contracted facilitator.

In this audit, we are assessing SE financial management operations. We will examine whether the SE Office of the Chief Financial Officer (1) has collaborated with division management to accurately and timely report financial data, (2) provided transparent accounting services to museum partners, and (3) established clear roles, responsibilities, and lines of accountability. We will also assess employee morale as it relates to financial management operations. We hope to make recommendations to improve the reliability, efficiency and transparency of SE's financial management operations.

NMAH II

We are auditing the preservation of and physical security over the collections at the National Museum of American History (NMAH). It is the second of two reports covering stewardship of the national collections at the National Museum of American History and one of our series covering collections at the Smithsonian. We issued our first report covering inventory controls at NMAH on February 8, 2011 (see p. 10, above).

We initiated this audit to examine collections management, which is essential for safeguarding the collections for public and scholarly use and reducing the risk of loss or theft. Earlier audits covered the National Museum of Natural History (A-05-06, September 29, 2006) and the National Air and Space Museum (A-09-04, March 17, 2010); the next audit in the series will cover the Cooper-Hewitt National Design Museum collections.

Our objectives in the overall audit were to assess (1) whether physical security is adequate to safeguard the collections, (2) whether inventory controls are in place and working adequately, and (3) whether collections are properly preserved to ensure that the collections are properly accounted for in compliance with Smithsonian and museum collections management policies and procedures. This report covers the first and third objectives.

We will issue our final report before the end of the next semiannual period.

Collections Stewardship at the Cooper-Hewitt, National Design Museum

We have initiated an audit of collections stewardship at the Cooper-Hewitt, National Design Museum. We will assess (1) whether physical security is adequate to safeguard the collections, (2) whether inventory controls are in place and working adequately, and (3) control over the preservation of the collections.

We have completed the field work and will issue our report in the next semiannual period.



Early 17th century embroidery and stitching. From the collection of the Cooper-Hewitt, National Design Museum. Gift of Marian Hague.

Oversight of Staff Travel

We will assess whether the Smithsonian is using the results of the Office of the Comptroller's Smithsonian Institution Non-Senior Travel Compliance Review Reports to hold individual travelers accountable and to bring about improvement in travel management.

The Office of the Comptroller conducts travel reviews quarterly to determine compliance with Smithsonian travel policy. Our office has reviewed these reports for the purpose of selecting units for our review. Based on results of this preliminary analysis we have selected units with the largest expenditures for travel or the highest number of incidences of non-compliance in the Office of the Comptroller's Non Senior Travel Compliance Reviews.

Use of Social Media

Social media are forms of online publication or presence that allow users to engage in multi-directional conversations in or around the content on a website. In its Fiscal Year 2010-2015 Strategic Plan, the Smithsonian committed to using social media and other new media tools to foster transparency, engagement, and collaboration, as well as to broaden access to the Institution's programs and outreach.

In July 2010, the Secretary reported that the Institution had more than 300 social media accounts. These accounts are operated by units throughout the Smithsonian, with several central offices having roles related to social media. The most used social media tools at the Smithsonian are Facebook, Twitter, blogs, YouTube, and Flickr.

Benefits of strategically using such tools include spreading knowledge virally, learning about audience needs, engaging audiences as partners for mission-related projects, and increasing loyalty.

Recognizing the growing use of social media and the role they play in the Institution's mission to increase and diffuse knowledge, we are conducting an audit of the Smithsonian's use of social media.

Specifically, we are assessing whether the Institution's plans for and current uses of social media productively and responsibly advance the Smithsonian mission, including whether the

Institution provides adequate oversight and accountability. We are currently completing the fieldwork for this audit and will issue the final report in the next semiannual period.



Review of the Smithsonian Institution's Information Security Program

To fulfill our responsibilities under the Federal Information Security Management Act (FISMA), the Office of the Inspector General will engage an independent audit firm to review the Smithsonian Institution's information security program. FISMA requires that the OIG perform an independent annual evaluation of the Institution's information security program and practices, including testing and evaluating controls that safeguard information and systems. Through the independent contractor, we will conduct our annual evaluation of the effectiveness of the Smithsonian's information security and privacy programs.

OIG Impact – A More Rigorous Approach to Assessing Systems Security

In our 2007 Federal Information Systems Management Audit ([see our March 2008 Semiannual Report, p. 6](#)), we found weaknesses in how the Smithsonian identified and then ensured that all major and minor systems are included in system security plans and therefore subject to appropriate IT security scrutiny. We had raised this issue repeatedly and again in our 2010 FISMA audit found that the method the Smithsonian used to determine what systems should be counted in the FISMA inventory was not based on a risk analysis that considered all appropriate factors (see p. 8, above).

Recently, the Under Secretary for Finance and Administration tasked the leaders of Smithsonian units to review their systems inventories and recommend which systems to include. Each unit is now assessing each of their systems and attesting in writing to their risk analysis and decisions on what to include in the FISMA inventory.

Investigations

During the last two reporting periods, we received 50 complaints, approximately the same number as in the last semiannual period, reflecting a steady trend, and we closed 51 complaints. One of our investigations resulted in a felony indictment.

Following are summaries of significant cases and complaints that we closed in the last six months.

Theft of Funds

We conducted an investigation into the theft of approximately \$55,000 from a Smithsonian museum. An OIG special agent interviewed and subsequently arrested the subject. The U.S. Attorney's Office accepted the case for prosecution, and the special agent testified in front of a grand jury, which returned a felony indictment on one count of violating 18 U.S.C. section 641. The indictment also seeks forfeiture.

Further proceedings are pending.

Failure to Obtain Authorization for Outside Employment

We conducted an inquiry into an employee, an exhibition developer, who sits on outside boards and had, in the past, consulted with non-Smithsonian museums without first obtaining the required clearance from the Office of General Counsel (OGC). As a result of our inquiry, OGC advised the employee on proper procedure and ensured that the employee obtained the proper authorizations both for participating on outside boards and for outside paid employment.

Recovery of Artifact

We assisted a federal agency with an inquiry into the status of an artifact that was being publicly auctioned. We determined that the artifact had belonged to the Smithsonian but that the Smithsonian had deaccessioned it in 1983 and transferred it to the other agency. Using the information our special agents gathered, including Smithsonian curatorial and registration documentation, the agency was able to recover the artifact.

* * * * *

The following table summarizes complaint activity for this reporting period.

Table 6: Summary of Complaint Activity

Status	Number
Open at the start of the reporting period	43
Received during the reporting period	50
Subtotal	93
Closed during the reporting period	51
Total complaints pending	42

The following table summarizes investigative activity for this reporting period.

Table 7: Summary of Investigative Activity

Investigations	Amount or Number
Caseload	
Cases pending at beginning of reporting period	6
Cases opened during the reporting period	3
<i>Subtotal</i>	9
Cases closed during the reporting period	2
Cases carried forward	7
Accepted for Prosecution	
Pending at the beginning of the period	1
Accepted during the period	1
Pending at the end of the period	1
Successful Prosecutions	
Convictions	0
Fines	0
Probation	0
Confinement	0
Monetary Recoveries and Restitutions	0
Administrative Remedies	
Terminations	0
Resignations	1
Reprimands or admonishments	3
Reassignments	0
Demotions	0
Suspensions	0
Monetary loss prevented	0
Funds Recovered	0
Management Advisories	0
Collection Items Recovered	0

Other Investigative Activity

Fraud Awareness Program

Presentations on fraud awareness throughout the Institution are a cornerstone of our efforts to prevent and detect waste, fraud and abuse and promote economy, efficiency and effectiveness at the Smithsonian.

OIG Special Agents continue to make these presentations at new employee orientations held by the Institution, which occur bi-weekly. As a result, during this period OIG Agents presented an “Introduction to the OIG and Fraud Awareness” session to 237 new employees during orientation.

Involvement with Other Organizations

OIG agents remain actively involved with the Washington Metro Electronic Crimes Task Force, the Metropolitan Area Fraud Task Force, the Security Association of Financial Institutions workgroup and the Interagency Fraud Risk Data Mining Group, which assists other OIGs and similar offices to identify systemic fraud and other risks through automated techniques.



Wolf Hat (1989) by Preston Singletary (Gooch S'aawx) from the collection of the National Museum of the American Indian. Photo: Russell Johnson

Other OIG Activities

Congressional Liaison

We continue to meet with staff from the various House and Senate committees that have jurisdiction over the Smithsonian to brief them on our work and on upcoming issues, and to solicit their suggestions for future audits and reviews.

We responded to a request by Representative Issa, Chairman of the House Committee on Oversight and Government Reform, for a log of all Freedom of Information Act requests and the status of our responses to those requests. We also provided a biannual report to Senators Grassley and Coburn on all closed investigations we conducted that we did not disclose to the public.



Legislative and Regulatory Review

The Inspector General Act mandates that our office monitor and review legislative and regulatory proposals for their impact on the Smithsonian's programs and operations and with an eye toward promoting economy, effectiveness, efficiency, and preventing fraud, waste, abuse and mismanagement.

During this period, we reviewed and commented on draft policies by the Office of the Chief Information Officer, including its draft ***Security Controls Manual***.

The Counsel to the Inspector General, working with counsel from other Inspector General offices across the federal government, also monitored and commented on a number of congressional bills relating to the Inspector General community.

Other Activities

The Inspector General gave a presentation on her office at the Smithsonian's first "Executive Refresher" session hosted by the Institution's Secretary. This session, targeted to senior executives, was held in response to our office's recommendation that the Institution's leaders periodically refresh their knowledge of Institution policies involving accountability and ethics.

The Inspector General is serving as the Co-Chair of the Strategic Planning committee of the Council of Inspectors General on Integrity and Efficiency (CIGIE) and continues to serve on the CIGIE Integrity Committee, which receives and reviews allegations of misconduct against federal Inspectors General and senior Inspector General staff.

Peer Review

Peer Review

http://www.si.edu/oig/AuditReports/Smithsonian_OIG_Peer_Review.pdf

Government Auditing Standards require audit organizations to undergo external peer reviews by independent reviewers every three years. Our most recent peer review, conducted by the Office of the Inspector General for the Federal Reserve Board and issued in December, 2008, concluded that our quality control system was designed to meet government auditing standards, and complied with those standards, for the 14-month period ending May 31, 2008. We have addressed the three findings from the review.

Our next peer review, conducted by the Office of Inspector General for the Federal Deposit Insurance Corporation, will be for the period ending March 31, 2011.

Back cover:
Cymbidium orchid. Smithsonian Gardens. Image by James Osen.



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