



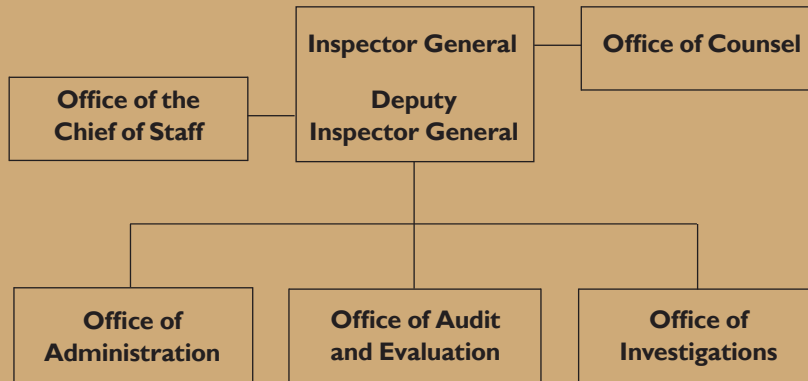
**U.S. Department of Commerce
Office of Inspector General**

Semiannual Report to Congress

September 2022



OFFICE OF INSPECTOR GENERAL



Oversight Areas

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

OIG Main Number

Inspector General 202-793-3331

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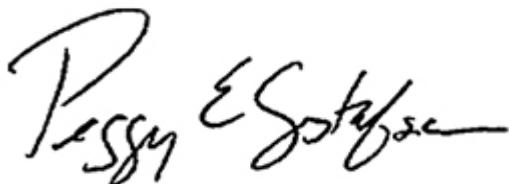
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FROM THE INSPECTOR GENERAL

I am pleased to present the U.S. Department of Commerce (the Department) Office of Inspector General's (OIG's) *Semiannual Report to Congress* for the 6 months ending September 30, 2022.

This report summarizes work that we initiated and completed during this semiannual period on a number of critical Departmental activities. Over the past 6 months, our office issued 16 products related to our audit, evaluation, and inspection work. These products addressed programs and personnel associated with the United States Census Bureau (Census Bureau), United States Economic Development Administration (EDA), First Responder Network Authority (FirstNet Authority), National Oceanic and Atmospheric Administration (NOAA), United States Patent and Trademark Office (USPTO), and the Department itself. This report also describes our investigative activities addressing programs and personnel associated with the Census Bureau, NOAA, and the Department itself.

We thank Secretary Raimondo, senior officials throughout the Department, and members of Congress and their staffs for their support of our work and for their receptiveness to our recommendations to improve Departmental programs and operations.

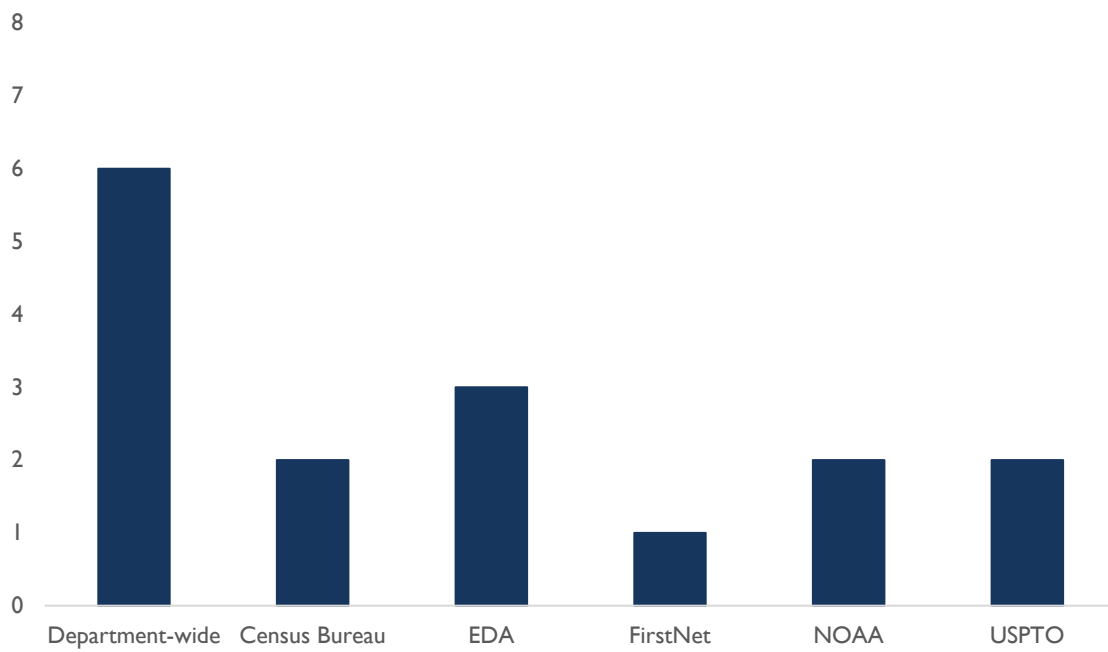
A handwritten signature in black ink, reading "Peggy E. Gustafson". The signature is written in a cursive, flowing style.

PEGGY E. GUSTAFSON

OVERSIGHT AREAS REPORTED ON THIS PERIOD

COMPLETED WORKS (BY OVERSIGHT AREA)

During this reporting period, we completed 16 audit, evaluation, and inspection projects.



DEPARTMENT-WIDE MANAGEMENT



The **U.S. Department of Commerce**'s mission is to create the conditions for economic growth and opportunity for all communities. Through its 13 bureaus, the Department works to drive U.S. economic competitiveness, strengthen domestic industry, and spur the growth of quality jobs in all communities across the country. The Department serves as the voice of business in the federal government, and at the same time, the Department touches and serves every American every day.

THE DEPARTMENT MISMANAGED, NEGLECTED, AND WASTED MONEY ON THE IMPLEMENTATION OF IT SECURITY REQUIREMENTS FOR ITS NATIONAL SECURITY SYSTEMS (OIG-22-023-I)

Our evaluation objective was to determine whether the U.S. Department of Commerce (the Department) and its bureaus are managing national security systems (NSS) in compliance with federal and Departmental information technology (IT) security requirements.

We found the following:

- The Department mismanaged and neglected IT security requirements for its NSS.
- The Department wasted at least \$380,000 on an NSS that it did not use.

We recommended that the Deputy Secretary of Commerce ensure that the Chief Information Officer does the following:

- Implement the following Committee on National Security Systems (CNSS) and National Institute of Standards and Technology (NIST) IT security requirements for System X¹: (a) Fill fundamental security roles (e.g., system owner, information system security officer); (b) complete the risk management framework steps, including authorizing System X to operate; (c) develop a process to regularly install software security updates; and (d) replace end-of-life system components.
- Implement multi-factor authentication (MFA) for access to all of the Department's NSS according to CNSS requirements.
- Define and convey which responsibilities the Department's Office of Chief Information Officer will provide regarding an MFA infrastructure.
- Perform an organizational review to ensure all of the Department's NSS receive sufficient oversight and resources to conduct required security activities.
- Immediately develop detailed policies and procedures that will do the following (a) ensure the authorization process for Departmental NSS is clearly defined and executed according to the risk management framework; (b) require that Department NSS receive regular, independent assessments according to the risk management framework. These policies and procedures must include consideration of security clearance adjudication timeframes for future assessments; and (c) address the creation and maintenance of an NSS inventory. This should include a requirement for all Department bureaus to provide an update when changes occur.

FY 2021 COMPLIANCE WITH IMPROPER PAYMENT REQUIREMENTS (OIG-22-024-I)

Our review objective was to determine the Department's compliance with the Payment Integrity Information Act of 2019 (PIIA). To determine fiscal year (FY) 2021 compliance, we reviewed the "Payment Integrity" section of its *FY 2021 Agency Financial Report (AFR)*, accompanying materials to the *AFR*, and other improper payment-related documentation. We also assessed the Department's efforts related to preventing and reducing improper payments and unknown payments.

Based on our review, we concluded that the Department complied with the PIIA criteria for FY 2021. Additionally, as part of our review, we evaluated the adequacy of the Department's efforts to prevent and reduce improper payments and unknown payments. We did not identify any actions needed to further improve prevention and reduction measures within the Department.

¹ System X refers to a specific, unnamed NSS.

THE BAS PROGRAM NEEDS TO INCREASE ATTENTION TO BUSINESS PROCESS REENGINEERING AND IMPROVE PROGRAM MANAGEMENT PRACTICES (OIG-22-025-A)

Our audit objective was to assess the Department's management and implementation of the Business Applications Solution (BAS) program (the Program).

We found the following:

- The Program continues to lack a sound business process reengineering plan.
- The Program should address weaknesses in its requirements management plans and processes.
- The Program should enhance its risk management practices.

We recommended that the Department's Chief Financial Officer do the following:

- Ensure that the Program revises its business process reengineering plan to be more consistent with best practices by including assumptions, skills, and needed resources; documents existing financial management processes; and identifies performance improvement goals.
- Ensure that the Program sufficiently defines target processes to include details of information flows, interconnections, and potential problem areas and assesses expected performance.
- Ensure the Program updates its requirements management plans and processes to include how it will add, refine, prioritize, and establish bidirectional traceability among its requirements and between requirements and ongoing work.
- Ensure that the Program manages requirements according to the updated requirements management plans and processes.
- Update the Program's risk management plan to ensure that it documents, on an ongoing basis, all information and details necessary to manage its risks, including risk trigger dates, risk mitigation plans, and risk descriptions.
- Ensure that the Program updates its risk register with all information and details necessary to manage its risks, consistent with the updated risk management plan.

MISSING SECURITY CONTROLS PUT THE DEPARTMENT'S CLOUD-BASED HIGH VALUE ASSETS AT RISK (OIG-22-031-A)

Our audit objective was to verify that the Department implemented security controls for cloud-based high value assets (HVAs) in accordance with federal requirements.

We found that the Department does not incorporate all customer responsibility controls for its cloud-based HVAs into system security plans (SSPs).

We recommended that the Deputy Secretary of Commerce direct the Department's Chief Information Officer to (1) revise Department policy to require that SSPs include the implementation status of customer-defined cloud service provider baseline security controls on all cloud systems or document justification for not incorporating those controls, and (2) verify all cloud-based HVA SSPs comply with the revised policy.

THE DEPARTMENT NEEDS TO IMPROVE ITS METADATA PROCESSES UNDER THE GEOSPATIAL DATA ACT (OIG-22-032-A)

Our audit objective was to assess the Department's progress toward compliance with Geospatial Data Act requirements under 43 U.S.C. § 2808(a).

We found the following:

- The Department's geospatial metadata is inconsistent with best practices from *Federal Geographic Data Committee (FGDC) Technical Guidance: Data.gov and The GeoPlatform Metadata Recommendations Including Guidelines for National Geospatial Data Assets (NGDA) (FGDC Guidance)*.
- Technical challenges on GeoPlatform are still causing metadata harvesting issues.

We recommended that the Department's Chief Data Officer and the Senior Agency Official for Geospatial Information do the following:

- Develop plans and timeframes to align metadata quality control processes with *FGDC Guidance*.
- Ensure that the U.S. Census Bureau aligns its metadata quality control process to *FGDC Guidance* best practices for metadata content.
- Ensure that the National Oceanic and Atmospheric Administration aligns its metadata quality control process to *FGDC Guidance* best practices for metadata content.

We recommended that the Department's Chief Data Officer do the following:

- Review the Department's geospatial data harvesting processes to Data.gov to ensure that it does not contain duplicates.

We recommended that the Senior Agency Official for Geospatial Information do the following:

- Work with the U.S. Department of the Interior to establish a reporting process to identify any issues with the availability and organization of national geospatial data assets on the GeoPlatform and to understand GeoPlatform changes affecting the Department's harvesting processes.

PERFORMANCE AUDIT OF THE U.S. DEPARTMENT OF COMMERCE'S WORKING CAPITAL FUNDS (OIG-22-033-A)

We contracted with KPMG LLP—an independent certified public accounting firm—to perform this audit of the Department's working capital funds (WCFs) operated by the Office of the Secretary (Departmental) and NIST. The audit objectives were to determine whether (1) the Departmental and NIST WCF billing methods used to allocate costs for internal Department support services are valid, reasonable, and consistently applied in accordance with applicable Department policies and (2) the internal Department support services costs billed through the WCFs are reasonable, allowable, and supported with documentation in accordance with applicable laws, regulations, and policies.

Our office oversaw the progress of this audit to ensure that KPMG performed the audit in accordance with *Government Auditing Standards* and contract terms. However, KPMG is solely responsible for the report and conclusions expressed in it.

For the Departmental WCF, KPMG concluded that

- No instances were identified where the Departmental WCF billing methods used in allocating costs for internal Department support services in FY 2020 were not in accordance with applicable Department policies in terms of validity, reasonableness, and consistent application.
- No instances were identified where the internal Department support services costs billed through the Departmental WCF in FY 2020 were not in accordance with applicable laws, regulations, and policies in terms of reasonableness, allowability, and supporting documentation.

For the NIST WCF, KPMG concluded that

- For finance service level agreements, the NIST WCF determined its initial billing methods used in allocating costs for internal Department support services in FY 2020 did not reasonably estimate costs, and the adjustments used to revise these bills were not fully documented. Therefore, KPMG could not determine if they were reasonable and consistently applied in accordance with applicable criteria.
- For other reimbursable agreements, no instances were identified where the NIST WCF billing methods used in allocating costs for internal Department support services in FY 2020 were not in accordance with applicable criteria in terms of validity, reasonableness, and consistent application.
- No instances were identified where the internal Department support services costs billed through the NIST WCF in FY 2020 were not in accordance with applicable laws, regulations, and policies in terms of reasonableness, allowability, and supporting documentation, except that the NIST WCF did not consistently document the methodology used to estimate certain reimbursable agreement amounts; and did not consistently follow policy related to the application of 'off-site' indirect cost rates.

KPMG recommended that

- The NIST WCF update existing policies to ensure that the methodology used to estimate reimbursable agreement amounts is consistently documented and the review of reimbursable agreements considers whether amounts are supported and explained by documentation.
- The NIST WCF and Departmental WCF develop, document, and implement a policy to require divisions providing services to customers to periodically solicit formal feedback from customer bureaus, document and assess the feedback received, and document the ‘going-forward’ considerations surrounding the feedback received.
- The NIST WCF coordinate with customers to define a reasonable timeline to communicate estimated reimbursable agreement amounts for recurring agreements; and develop, document, and implement a policy related to the timing of communication of estimated agreement amounts.
- The NIST WCF coordinate with customers to define a reasonable timeline for the true-up and closeout of customer agreements; and develop, document, and implement a policy defining the timeline surrounding the true-up and closeout process.
- The NIST WCF develop and implement monitoring procedures to ensure that documentation used to support the determination of the indirect cost rate is completed and maintained in accordance with NIST PR 4000.01.

REVIEWS OF SINGLE AUDITS

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) (2 Code of Federal Regulations [C.F.R.] Part 200) requires colleges, universities, state and local governments, tribes, and non-profit organizations that expend \$750,000 or more a year in federal awards to obtain an annual independent financial audit, referred to as a “single audit” (2 C.F.R. § 200.501). We conducted desk reviews on a judgmental sample of single audit reporting packages for which the Department is the oversight agency. The objectives of the desk reviews included identifying quality issues that may warrant follow-up work, revisions to the reporting package, or appropriate management official attention. During the desk reviews, we examined the audit reporting packages, which included financial statements, federal award expenditures, and auditors’ reports, but not the underlying auditors’ audit documentation. We then determined whether the audit met *Uniform Guidance*, *Generally Accepted Government Auditing Standards (GAGAS)*, *Government Auditing Standards (GAS)*, and American Institute of Certified Public Accountants audit standards.

During this period, we conducted desk reviews of 20 single audit reporting packages. The audits were conducted by 20 different independent public accounting firms and covered \$83 million in total federal expenditures, including \$64 million in Department direct expenditures. Ten audit reporting packages (50 percent) fully met federal reporting requirements.

Ten audit reporting packages (50 percent) did not meet all requirements and were categorized into the following deficiencies:

- An audit in which the auditor did not audit the proper federal assistance programs based on total expenditures and risk levels, required by 2 C.F.R. 200.518.
- An audit in which the independent auditor’s report did not reference the separate report on internal control over financial reporting and on compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, required by GAS 6.43.
- Five audits in which the Schedule of Expenditures of Federal Awards (SEFA) did not accurately identify the source of funding for awards, as required by 2 C.F.R. § 200.510(b)(1).
- Nine audits in which the Data Collection Form (SF-SAC) did not accurately reflect the SEFA, as required by 2 C.F.R. 200.512(b).
 - An audit in which the SEFA shows an award as “Direct,” while the SF-SAC Federal Awards section shows the award as “Pass-Through.”
 - Six audits in which the SEFA listed the Economic Development Administration’s Economic Adjustment Assistance Program and COVID-19 Coronavirus Aid, Relief, and Economic Security Act (CARES) Act Revolving Loan Fund (Catalog of Federal Domestic Assistance [CFDA] 11.307) as a loan program.

However, the SF-SAC's Federal Awards section reflected a response to Loan/Loan Guarantee (Loan) as "N[o]."

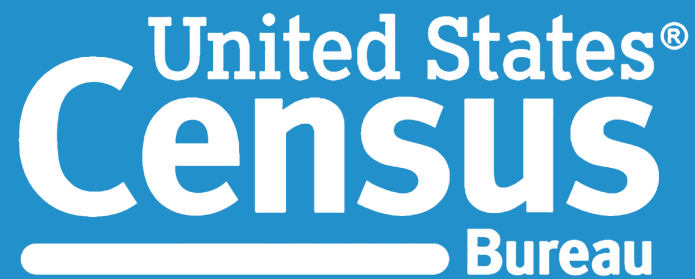
- An audit's Notes to the SEFA states, "The Council has not elected to use the 10 percent de minimis indirect rate as allowed in the *Uniform Guidance*," while the SF-SAC Notes to the SEFA section reflected a response to "Did the auditee use the de minimis cost rate?" as "Yes."
- An audit in which the SEFA included separate entries for three different pass-through entities of the award, while the SF-SAC did not include the three pass-through entities as separate entries but combined them into one line.
- Two audits in which the Schedule of Findings and Questioned Costs and SF-SAC did not accurately reflect the proper determination of low-risk auditee status, as required by 2 C.F.R. § 200.520.
- An audit in which the Schedule of Findings and Questioned Costs did not accurately reference the Uniform Guidance requirement, as required by 2 C.F.R. § 200.516(a).
- An audit in which the Schedule of Findings and Questioned Costs did not identify a specific criteria reference cite for one finding, as required by 2 C.F.R. § 200.516(b)(2) and GAS 6.17 and 6.25.
- An audit in which the Corrective Action Plan did not identify the anticipated completion date for corrective action, as required by 2 C.F.R. § 200.511(c).
- An audit in which the Single Audit Reporting Package and as a result, the Data Collection Form were not submitted to the Federal Audit Clearinghouse within the time frame specified in 2 C.F.R. § 200.512(a).
- An audit in which the SEFA and as a result, the SF-SAC did not accurately identify the correct CFDA number, as required by 2 C.F.R. § 200.510(b)(3).

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

DEPARTMENT CONTRACTOR TAKES REMEDIAL STEPS TO PREVENT FUTURE FRAUD

On May 10, 2022, we closed an investigation regarding allegations that a Department contractor, who falsified employee resumes to fraudulently make it appear as though these individuals were qualified to work on Department task orders under an indefinite delivery, indefinite quantity contract. Five instances of resume falsification were uncovered. The United States Attorney's Office for the District of Columbia accepted the case for civil enforcement action, ultimately resulting in a settlement with the contractor for \$225,000. The case was referred to the U.S. Department of Commerce Suspension and Debarment Official (SDO) for consideration of suspension and debarment; however, based on our investigation, the company took remedial steps to demonstrate they were presently responsible, and the SDO declined to take administrative action. Those remedial steps included hiring experienced human resource professionals knowledgeable in government contracting and establishing new standard operating procedures to require third-party corroboration of resume accuracy throughout the contractor's hiring and onboarding process.

U.S. CENSUS BUREAU



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

THE CENSUS BUREAU NEEDS TO IMPROVE MANAGEMENT AND OVERSIGHT OF VETTING EMPLOYEES TO AVOID HIRING UNSUITABLE INDIVIDUALS FOR FEDERAL EMPLOYMENT (OIG-22-021-I)

The overall objective of our evaluation was to conduct a series of reviews to determine whether the U.S. Census Bureau's planning and execution of 2020 Decennial Census (2020 Census) peak operations successfully reduced the risk to decennial census data quality and costs.

We found that the U.S. Census Bureau continues to face longstanding challenges in providing sufficient governance for its personnel suitability program, which is necessary to ensure that background investigation requirements are met at its facilities. Specifically, we found the following:

- The U.S. Census Bureau continues to have a significant backlog of postemployment cases requiring adjudication and the actual number of cases requiring adjudication is questionable.
- Inadequate documentation and oversight have allowed quality problems regarding post-employment background investigations to persist.
- Census Investigative Services (CIS) did not properly adjudicate results for an estimated 7 percent of temporary 2020 Census pre-employment, fingerprint-only investigations.
- The Census Hiring and Employment Check (CHEC) system data is incomplete and, in some instances, inaccurate.

We recommended that the Director of the U.S. Census Bureau ensure the Census Investigative Service Division does the following:

- Update the *Project Management Plan* to include (a) periodic reconciliations between the CHEC and Defense Counterintelligence and Security Agency reports, (b) quantifiable metrics for eliminating the backlog, and (c) monitoring performance against established metrics.
- Evaluate human capital needs and coordinate appropriate resources to manage adjudication backlog workload.
- Strengthen management oversight of the adjudication process to verify (a) stringent reviews of serious adjudication issues are conducted, (b) cases are properly completed and appropriately reviewed by secondary reviewers or supervisors and signed off, (c) documentation requirements are met, and (d) internal control mechanisms required by policy are properly implemented.
- Take appropriate actions to recommend removal of any employee deemed unsuitable for federal employment based on post-employment adjudication results.
- Resolve inaccuracies in the CHEC system and ensure complete, accurate, and reliable data are entered in the CHEC system.

LESSONS LEARNED FROM THE 2020 DECENNIAL CENSUS (OIG-22-030)

We assessed the adequacy of the U.S. Census Bureau's quality control processes to ensure the data collected during the 2020 Census was complete and accurate. This report discussed lessons learned during the nonresponse followup (NRFU) operations for the 2020 Census:

- Students were likely undercounted at off-campus addresses despite outreach efforts.
- A significant number of NRFU enumerations were completed using a proxy.
- U.S. Census Bureau's improper execution of its *2020 Census Quality Assurance Plan* may have adversely affected data quality.

We suggested proposed actions for change from these lessons learned to inform the research and planning efforts for the 2030 Decennial Census (2030 Census):

- To improve the enumeration of off-campus students despite disruption or cancellation of the early NRFU operation, the U.S. Census Bureau should endeavor to ensure that legislation is passed, notwithstanding the Family Educational Rights and Privacy Act, to allow institutions of higher learning to provide information requested on the official 2030 census of population form as proposed in H.R. 6800, The Heroes Act.

- The quality of proxy response may vary depending upon the respondent, so it is important for the U.S. Census Bureau to conduct research to identify further means to validate proxy information. Additionally, the U.S. Census Bureau should explore the viability of expanding the use of administrative records after validating their reliability.
- To fully use the monitoring tools available during the 2030 Census, the U.S. Census Bureau will need to implement additional monitoring of alert resolution to ensure the tool is implemented and functioning as designed. Additionally, U.S. Census Bureau should assess whether quality alerts are being triggered erroneously or failing to trigger to ensure supervisors are equipped to address enumerator behavior accurately and timely.
- To fully benefit from the reinterview process, U.S. Census Bureau will need to assess the effectiveness of the reinterview program and its ability to provide sufficient coverage over the quality control process.

FORMER U.S. CENSUS BUREAU EMPLOYEE SENTENCED TO TWO YEARS' PROBATION AND ORDERED TO PAY RESTITUTION FOR SUBMITTING FRAUDULENT MEDICAL TRAVEL REIMBURSEMENT REQUESTS

On July 29, 2022, a former employee of the U.S. Census Bureau was sentenced by the U.S. District Court for the Western District of Virginia to two years' probation for committing fraud to obtain federal employees' compensation benefits. The former U.S. Census Bureau employee was also ordered to pay \$26,875.57 in restitution in connection with the offense. The former U.S. Census Bureau employee had been on worker's compensation since an injury in 2002 led to her being declared totally disabled. A joint investigation between our office and the U.S. Department of Labor Office of Inspector General established that between August 2018 and October 2019, the former Census employee submitted \$27,576 worth of Medical Travel Refund Requests to the U.S. Department of Labor, Office of Workers' Compensation Programs in relation to her receipt of benefits under the Federal Employees' Compensation Act for costs associated with medical appointments which she did not attend.

U.S. ECONOMIC DEVELOPMENT ADMINISTRATION



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

We initiated the following quality control reviews (QCRs) in September 2021. On our behalf, McBride, Lock & Associates, LLC, performed these QCRs to ensure that the single audits under review were conducted in accordance with generally accepted auditing standards, GAGAS, and the requirements of federal regulations in Title 2 C.F.R. Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) including its Compliance Supplement.

QUALITY CONTROL REVIEW OF THE SOUTH DELTA PLANNING AND DEVELOPMENT DISTRICT, INC., AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2020 ([OIG-22-QCR-5](#))

We initiated a QCR of the audit of South Delta Planning and Development District, Inc., as of and for the year ended September 30, 2020. The single audit was performed by Watkins, Ward & Stafford, PLLC. The QCR identified no deficiencies, and the rating of the audit for the year ended September 30, 2020, is a *pass*.

QUALITY CONTROL REVIEW OF THE PANHANDLE AREA COUNCIL, INC., AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2020 ([OIG-22-QCR-6](#))

We initiated a QCR of the audit of Panhandle Area Council, Inc., as of and for the year ended September 30, 2020. The single audit was performed by Hayden Ross, PLLC. The QCR identified no deficiencies, and the rating of the audit for the year ended September 30, 2020, is a *pass*.

QUALITY CONTROL REVIEW OF THE EAST-CENTRAL IDAHO PLANNING AND DEVELOPMENT ASSOCIATION, AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2020 ([OIG-22-QCR-8](#))

We initiated a QCR of the audit of East-Central Idaho Planning and Development Association, as of and for the year ended September 30, 2020. The single audit was performed by Jensen Poulson & Company. The QCR identified deficiencies regarding the information presented on the Schedule of Expenditures of Federal Awards, and single audit efforts on the Direct and Material Requirements of the Major Federal Programs. The QCR rating of the audit for the year ended September 30, 2020, is a *fail*. An audit with a QCR rating of fail is an audit for which the audit documentation contains quality deficiencies that affect the reliability of the audit results, does not support the opinions contained in the audit report, or both, and which requires correction for the audit under review.

FIRST RESPONDER NETWORK AUTHORITY



The **First Responder Network Authority**'s mission is to oversee the buildout, development, and operation of the nationwide public safety broadband network called FirstNet.

FIRSTNET AUTHORITY DID NOT HAVE RELIABLE COST ESTIMATES TO ENSURE IT AWARDED TWO REINVESTMENT TASK ORDERS AT FAIR AND REASONABLE PRICES (OIG-22-029-A)

Our audit objective was to determine whether the First Responder Network Authority's (FirstNet Authority's) process for reinvesting fee payments is effective and consistent with established practices, procedures, and regulations.

We found that FirstNet Authority did not follow the Government Accountability Office (GAO) *Cost Estimating and Assessment Guide* when preparing and documenting independent government cost estimates (IGCEs) used to evaluate AT&T's proposals related to the deployable and 5G task orders. Specifically, we found the following:

- FirstNet Authority did not sufficiently document IGCEs.
- FirstNet Authority did not ensure that IGCEs reflected updates based on changed conditions.
- FirstNet Authority did not justify fair and reasonable pricing for additional requirements proposed by AT&T that were not included in the IGCEs.
- FirstNet Authority did not address legal review concerns.
- FirstNet Authority did not develop a cost estimating plan describing the steps for preparing an IGCE.

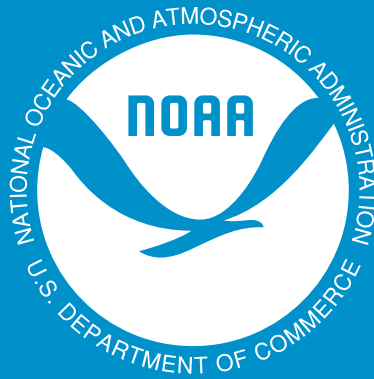
We recommended that the Chief Financial Officer and Assistant Secretary for Administration do the following:

- Develop a comprehensive cost estimating guide that is aligned with the *GAO Cost Estimating and Assessment Guide* and details how to prepare IGCEs.
- Direct FirstNet Authority to follow the Department's cost estimating guidance for future reinvestment task orders issued under contract FN30117CQ0008.

We recommended that the Assistant Secretary of Commerce for Communications and Information and National Telecommunications and Information Administration (NTIA) Administrator direct FirstNet Authority's Chief Executive Officer to do the following:

- Follow the Department's cost estimating guide for developing cost estimates that will be issued resulting from actions taken to address recommendation 1.
- Develop clear and detailed procedures on how to develop IGCEs, including detailing the source and methodology information needed for a well-documented IGCE.
- Train cost estimating team personnel, program officials, and contracting officials on their responsibilities for developing, reviewing, and approving IGCEs and evaluating contracting cost proposals.
- Establish a cost estimating team with the appropriate expertise and define qualifications necessary for personnel on the cost estimating team responsible for developing the IGCE.
- Require that IGCEs include the name and signature of the preparer, the date prepared, and the signature of the approving official.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION



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

THE SUCCESS OF NOAA'S NEXT-GENERATION SATELLITE SYSTEM ARCHITECTURE DEPENDS ON SOUND REQUIREMENTS MANAGEMENT PRACTICES (OIG-22-022-A)

Our audit objective was to assess the National Oceanic and Atmospheric Administration's (NOAA's) progress planning and implementing its next-generation satellite system architecture.

We found the following:

- NOAA requirements management practices need improvement.
- NOAA should improve tools in support of observing system portfolio management.

We recommended that the NOAA Deputy Under Secretary for Operations do the following:

- Update policies and procedures to ensure user observation requirements are validated in advance of next-generation satellite system acquisitions.
- Ensure that next-generation satellite programs do not define more stringent requirement thresholds than corresponding thresholds in the NOAA dataset.
- Ensure that next-generation satellite programs include requirement objective values that are different from thresholds.
- Assign responsibility and design a process for determining the relative priority of each NOAA user observation requirement.
- Ensure that the National Environmental Satellite, Data, and Information Service (NESDIS) standardizes requirement priority definitions for next-generation programs, to include information about the extent to which its programs contribute to meeting NOAA user observation requirements.
- Ensure that NESDIS revises policies and procedures for assigning requirements to next-generation satellite programs.
- Ensure that portfolio management tools include accurate and complete data to produce useful information for investment decisions.

QUALITY CONTROL REVIEW OF THE OF AUDIT OF THE GREAT LAKES OBSERVING SYSTEM REGIONAL ASSOCIATION AS OF AND FOR THE YEAR ENDED JUNE 30, 2020 (OIG-22-QCR-7)

We initiated a QCR of the audit of Great Lakes Observing System Regional Association as of and for the year ended June 30, 2020. The single audit was performed by Bennett & Associates CPAs, PLLC. On our behalf, McBride, Lock & Associates, LLC, performed this QCR to ensure that the audit was conducted in accordance with generally accepted auditing standards, GAGAS, and the requirements of federal regulations in Uniform Guidance, including its Compliance Supplement.

The QCR identified deficiencies regarding dual purpose testing of payroll and nonpayroll attributes. The QCR rating of the audit for the year ended June 30, 2020, is a *pass with deficiencies*. An audit with a QCR rating of *pass with deficiencies* is an audit for which the audit documentation contains quality deficiencies that should be brought to the attention of the auditor (and auditee, where appropriate) for correction in future audits.

FORMER NOAA CONTRACTOR SENTENCED TO 40 MONTHS IN FEDERAL PRISON FOR DEFRAUDING GOVERNMENT

On May 10, 2022, the U.S. District Court for the Eastern District of Washington sentenced a former NOAA contractor to 40 months in federal prison, followed by a 3-year term of supervised release. He was also ordered to pay restitution of \$14,220.17. The contractor, despite knowing he was debarred and disqualified from receiving federal government contracts, posed as government contract officials, and made false misrepresentations in a scheme to fraudulently obtain dozens of federal government contracts, including with NOAA, and hundreds of thousands of dollars. This sentencing was the result of a joint investigation among the Defense Criminal Investigative Service, our office, and multiple other federal law enforcement agencies.

FORMER NOAA GRANTEE DEBARRED AFTER SENTENCING FOR EMBEZZLING FEDERAL GRANT FUNDS IN ALASKA

On April 22, 2022, the U.S. Department of Commerce SDO debarred, for a period of one year, the former Executive Director of an entity that received grant funding from NOAA and the Bureau of Indian Affairs. The SDO previously suspended the former Executive Director pending the conclusion of legal proceedings. As reported in our previous Semiannual Report (SAR), the former Executive Director was sentenced on January 14, 2022, in the U.S. District Court for the District of Alaska for embezzlement of funds from an Indian Tribal Organization.

This was a joint investigation among the U.S. Department of Interior's OIG, the Anchorage Police Department, and our office.

FORMER NOAA EMPLOYEE DEBARRED AFTER IMPROPER USE AND THEFT OF GOVERNMENT PROPERTY

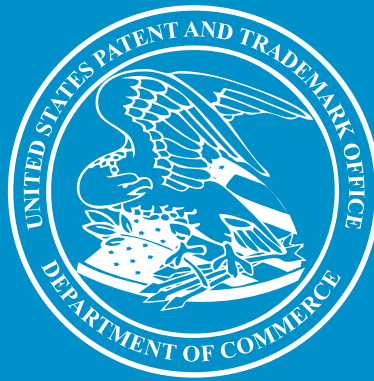
On June 22, 2022, we closed an investigation into an allegation that a NOAA employee used a U.S. government laptop to access child pornography. We did not find evidence to support the allegation; however, we found evidence that the employee falsified NOAA disposition forms, converted the laptop to his own personal use, and used the laptop for unauthorized purposes. The case was declined for criminal prosecution and the employee resigned from federal service. Based on the evidence developed by our office, the SDO debarred the former NOAA employee for a period of three years.

TEXAS COMPANY SENTENCED TO PAY A \$1 MILLION FINE AND EMPLOYEE SENTENCED TO TWO YEARS' PROBATION FOR CAUSING 2016 OIL SPILL

On June 14, 2022, a Texas-based company was sentenced for violating the Clean Water Act in connection with an oil spill and ordered to pay a \$1 million fine. The company admitted that in its contract with NOAA, the company was responsible for locating all pipelines in the area of a dredging project in the Gulf of Mexico and complying with federal and state pipeline safety and underground utilities damage prevention laws. The company admitted it violated these laws by failing to alert pipeline companies about continuing work near the pipelines for several months leading up to the oil spill. A subcontractor working for the company operated a marsh buggy in an unapproved area and struck one of the pipelines causing the oil spill. The subcontractor was charged in a separate case and admitted to being instructed by a company employee not to disclose to anyone about digging near the site of the spill. Ultimately, the company admitted its negligent supervision of the subcontractor that caused the oil spill. On September 8, 2022, the subcontractor was sentenced to two years' probation and a \$2,500 fine for violating the Clean Water Act in connection with the oil spill.

Our office, along with the U.S. Environmental Protection Agency Criminal Enforcement Division and the U.S. Department of Transportation OIG, conducted this investigation.

UNITED STATES PATENT AND TRADEMARK OFFICE



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

USPTO NEEDS TO IMPROVE ITS COST ESTIMATING, SCHEDULING, AND AGILE PRACTICES TO TIMELY RETIRE PATENT LEGACY SYSTEMS (OIG-22-026-A)

Our audit objective was to review the United States Patent and Trademark Office's (USPTO's) progress towards retiring its patent legacy systems.

We found the following:

- USPTO's cost estimating and scheduling processes are not comprehensive.
- USPTO needs to improve Agile adoption practices when developing next-generation patent systems.

We recommended that the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office direct the Chief Information Officer to do the following:

- Establish a life cycle cost estimate (LCCE) and integrated master schedule (IMS) for current and planned Patent Product Line (PPL) investments.
- Establish a training plan to ensure PPL team members and other appropriate personnel receive specialized training to develop and maintain an LCCE and IMS.
- Establish contingency plans consistent with the National Institute of Standards and Technology's *Risk Management Framework, Systems and Services Acquisition*, for system components when support for the components is no longer provided by the manufacturer.
- Establish processes and procedures to ensure all end-user feedback is properly captured, tracked, and timely communicated to the appropriate product teams during the product life cycle.
- Establish a detailed plan to ensure PPL team members and other appropriate personnel receive specialized training in developing key performance indicators (KPIs) and revise existing KPIs to ensure they are comprehensive.
- Establish policy, guidance, and leadership roles and responsibilities for the Agile Delivery Office (or equivalent successor).

USPTO SHOULD STRENGTHEN ITS PLANNING AND OVERSIGHT OF PATENT DATA CAPTURE CONTRACTS TO MANAGE RISKS AND PREVENT UNNECESSARY COSTS (OIG-22-028-A)

Our audit objective was to determine whether the USPTO awarded and administered patent data capture contracts in compliance with applicable laws and federal regulations and U.S. Department of Commerce policies and procedures.

Overall, we found that USPTO did not fully comply with one or more requirements or best practices in the Federal Acquisition Regulation, the *Commerce Acquisition Manual*, and USPTO policies and procedures applicable to awarding and administering the patent data capture contracts. Specifically, we found the following:

- Ineffective acquisition planning delayed the use of competition and achieving lower prices.
- USPTO inadequately managed contract risks.
- USPTO did not timely inspect contractor deliverables and track errors.
- USPTO inadequately addressed contractor security issues.

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

- Develop controls to prevent unnecessary or unreasonable costs, such as the \$22,418,462 in questioned costs, by (a) developing procedures to define the structure, roles, and communication methods of the offices and individuals on an acquisitions team and (b) completing *Patent and Trademark Acquisition Manual* guidance on the reasonableness of noncompetitive acquisitions.
- Develop procedures to assess, mitigate, and track risks to acquisitions, including the identification of responsible individuals and the establishment of timeframes for mitigation.

We recommended that the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office direct the Director of the Office of Data Management to do the following:

- Revise database inspection procedures to specify sampling procedures.
- Revise box inspection procedures to specify (1) error communication and resolution procedures and (2) sampling procedures.

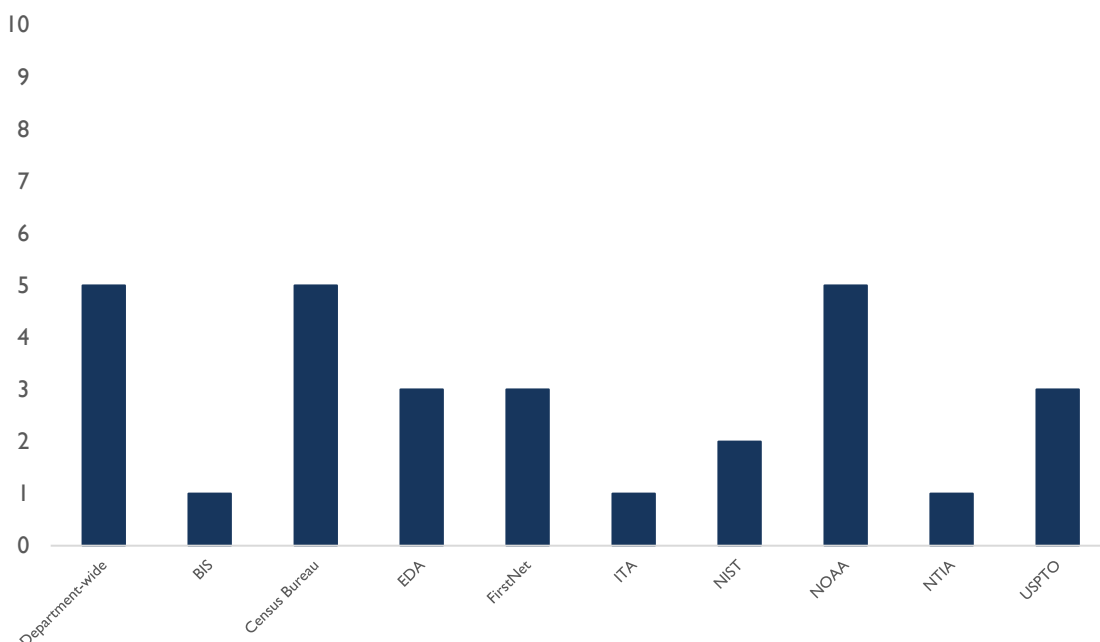
We recommended that the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office direct the Director of the Office of Procurement to do the following:

- Develop policies and procedures to monitor plan of action and milestones documents against timelines and communicate and escalate contractor security issues, including existing issues such as contractor background investigations. The procedures should clarify (a) communication of serious or persistent issues to the Contracting Officer for action and (b) available enforcement actions, including the reduction of payments.

WORK IN PROGRESS

WORK IN PROGRESS (BY OVERSIGHT AREA)

During this reporting period, we initiated or continued 29 audit, evaluation, and inspection projects.



DEPARTMENT-WIDE

Evaluation of the Department of Commerce's Cyber Incident Detection and Response

To assess the adequacy of actions taken by the Department and its bureaus when detecting and responding to cyber incidents in accordance with federal and Departmental requirements.

Audit of the Department of Commerce's Active Directories

To identify the remaining Department Active Directories which have not been reviewed by the OIG and summarize past OIG work related to the management of Active Directories.

Audit of FY 2022 Department of Commerce Consolidated Financial Statements (will result in two separate reports)

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

Audit of the Department's Identification and Remediation of Vulnerabilities for High Value Assets

To determine if the Department and its bureaus identify and remediate vulnerabilities on High Value Assets according to federal requirements.

Audit of the Department's Implementation of the Business Applications Solution Program

To assess the Department's progress in managing and implementing the Business Applications Solution program.

BUREAU OF INDUSTRY AND SECURITY

Review of the Bureau of Industry and Security's Law Enforcement Function

To determine (1) the mission, legal basis, and authority for such functions and whether relevant statutes and guidelines are satisfied, (2) whether the Bureau of Industry and Security's (BIS's) law enforcement function developed plans and policies for oversight of their jurisdictions and offices and the extent to which oversight was provided, (3) whether training for BIS's law enforcement officers is adequate and up-to-date, and (4) the extent to which the Department provides oversight to ensure that BIS's law enforcement powers are properly exercised within jurisdictional limits.

U.S. CENSUS BUREAU

Audit of the U.S. Census Bureau Working Capital Fund

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

Audit of the U.S. Census Bureau Demographic Programs Directorate's Reimbursable Survey Data Quality and Reliability

To determine whether reimbursable surveys conducted by this directorate provide quality and reliable data to help sponsoring federal agencies make informed decisions.

Evaluation of the U.S. Census Bureau's Award and Use of a Cooperative Agreement

To determine whether the cooperative agreement was properly authorized, executed, and administered in accordance with relevant laws and regulations.

Audit of the 2020 Census Paid Advertising Campaign

To determine whether the Census Bureau effectively managed selected task orders related to paid advertising for the 2020 Census integrated communications contract to ensure desired outcomes were achieved.

Evaluation of 2020 Census Experiments and Evaluations Operation

To determine whether the Census Bureau prepared adequate and timely operational assessments that included the appropriate metrics to support planning for the 2030 decennial research and testing.

U.S. ECONOMIC DEVELOPMENT ADMINISTRATION

Evaluation of EDA's Grant File Maintenance

To determine whether the U.S. Economic Development Administration (EDA) is properly maintaining grant files during the COVID-19 pandemic.

Audit of EDA's Monitoring of FY 2019 Disaster Relief Awards

To determine whether grants awarded under the *FY 2019 EDA Disaster Supplemental Notice of Funding Opportunity* are effectively and adequately monitored by EDA. Specifically, we will determine whether EDA monitored grants to ensure (1) compliance with grant terms, conditions, and performance requirements and (2) costs associated with awards were allowable, allocable, and reasonable, in accordance with federal cost principles.

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

To determine whether EDA followed federal and Departmental guidelines to award and disburse Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funding through its Revolving Loan Fund Program.

FIRST RESPONDER NETWORK AUTHORITY

Audit of FirstNet Authority's Reinvestment Process (one report has published, two reports remaining)

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

Audit of FirstNet Authority's Nationwide Public Safety Broadband Network Device Connection Targets

To determine whether FirstNet Authority is ensuring that AT&T is achieving the desired results for device connection targets for each state and territory.

Audit of FirstNet Authority's Nationwide Public Safety Broadband Network Coverage

To determine whether FirstNet Authority is ensuring that AT&T is achieving the desired results for network coverage for each state and territory.

INTERNATIONAL TRADE ADMINISTRATION

Audit of ITA's Efforts to Resolve Foreign Trade Barriers

To assess the progress and actions taken by the International Trade Administration (ITA) to remove, reduce, and prevent foreign trade barriers.

NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

Evaluation of NIST's Hollings Manufacturing Extension Partnership Program

To determine the adequacy of NIST's oversight of the Manufacturing Extension Partnership Program to ensure requirements are met.

Evaluation of NIST Grantees' and Subrecipients' Use of Pandemic Relief Funds

To determine whether NIST grantees and subrecipients accounted for and expended pandemic relief funds provided under the Coronavirus Aid, Relief, and Economic Security Act and subsequent funding authorizations in accordance with federal laws and regulations.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Audit of Space Weather Follow-On Program Performance Challenges

To identify challenges that may affect the Space Weather Follow-On program's cost, schedule, or overall mission performance and assess the extent to which NOAA is addressing these challenges.

Audit of NOAA's Geostationary Extended Observations (GeoXO) Program Formulation

To assess NOAA's progress defining GeoXO's mission and establishing programmatic baselines.

Audit of Polar Weather Satellites (PWS) Program Execution

To assess the PWS program's execution of selected development activities.

Evaluation of NOAA Fisheries Grantees' and Subrecipients' Use of Pandemic Relief Funds

To determine whether NOAA Fisheries grantees and subrecipients accounted for and expended pandemic relief funds provided under the Coronavirus Aid, Relief, and Economic Security Act and subsequent funding authorizations in accordance with federal laws and regulations.

Audit of Puerto Rico Department of Natural and Environmental Resources' Administering of National Oceanic Atmospheric Administration Grants

To determine whether Puerto Rico Department of Natural and Environmental Resources (1) claimed allowable, allocable, and reasonable costs; and (2) met performance requirements of the grants.

NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION

Evaluation of NTIA's Implementation of Coronavirus Response and Relief Requirements Under the Consolidated Appropriations Act, 2021

To determine whether the National Telecommunications and Information Administration (NTIA) is complying with the Coronavirus Response and Relief Requirements under the Consolidated Appropriations Act, 2021. Specifically, we will determine (1) what steps NTIA took to award and disburse funds, (2) the challenges faced during implementation, and (3) the status of awarding and disbursing funds under the Consolidated Appropriations Act, 2021.

UNITED STATES PATENT AND TRADEMARK OFFICE

Audit of FY 2022 USPTO Financial Statements (will result in two separate reports)

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

Audit of USPTO's Patent Classification and Routing Processes

To determine whether USPTO's patent application classification and routing processes are effective.

Audit of USPTO's Acquisition Practice

To determine whether USPTO's processes and activities for acquisition planning are effective and consistent with established practices, procedures, and regulations.

STATISTICAL DATA

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

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10-b. Description of Certain Closed and Non-Public Investigations	54

TABLE I. OFFICE OF INVESTIGATIONS STATISTICAL HIGHLIGHTS FOR THIS PERIOD

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

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

Allegations Received

Total hotline contacts	398
Contacts related to Departmental programs	315
Number of hotline referrals to Departmental management	151

Investigative Caseload

Investigations opened this period	33
Investigations closed/completed this period	18 (15/3)
Investigations in progress as of Sept. 30, 2022	81 ^a

Reports

Total number of investigative reports issued during the reporting period	7
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Prosecutive Actions and Monetary Results

Total number of individuals or entities referred to DOJ for criminal prosecution	8
Total number of entities referred to state/local prosecuting authorities	1
Indictments/Informations/Criminal Complaints	4
Convictions	1
Monetary recoveries (Fines, Restitution, Settlements, Judgments and Administrative Remedies)	\$1,043,945.74 ^b

Administrative Actions

Suspension/Debarment actions	4
Disciplinary actions	0

^a This figure excludes 61 investigations consisting of 10 pending prosecution or completion of judicial proceedings, 4 pending agency action, 29 preliminary investigations, and 18 requests for assistance.

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

TABLE 2. RESOLUTION AND FOLLOW-UP

The IG Act requires us to present in this report information concerning reports issued before the beginning of the reporting period (April 1, 2021) for which no management decision had been made by the end of the period (September 30, 2022). No reports remain unresolved for more than 6 months for this reporting period.

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

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

Report Category	Modifications	Appeals
Actions pending (April 1, 2022)	2	0
Submissions	11	1
Decisions	6	0
Actions pending (September 30, 2022)	7	1

TABLE 3. AUDIT AND INSPECTION STATISTICAL HIGHLIGHTS FOR THIS PERIOD

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

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

Questioned Costs ^a	\$22,418,462
Value of audit recommendations that funds be put to better use ^b	\$0
Total potential monetary benefits	\$22,418,462
Value of audit recommendations agreed to by management ^c	\$0

^a **Questioned cost:** This is a cost questioned by OIG because of (1) an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; (2) a finding that, at the time of the audit, such cost is not supported by adequate documentation; or (3) a finding that an expenditure of funds for the intended purpose is unnecessary or unreasonable.

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

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

TABLE 4. REPORTS WITH QUESTIONED COSTS

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

Report Category	Number	Questioned Costs (\$)	Unsupported Costs (\$)
A. Reports for which no management decision had been made by the beginning of the reporting period	0	\$0	\$0
B. Reports issued during the reporting period	1	\$22,418,462	\$0
Total reports (A+B) requiring a management decision during the period	1	\$22,418,462	\$0
C. Reports for which a management decision was made during the reporting period ^a	0	\$0	\$0
i. Value of disallowed costs		\$0	\$0
ii. Value of costs not disallowed		\$0	\$0
D. Reports for which no management decision had been made by the end of the reporting period	1	\$22,418,462	\$0

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

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

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

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

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

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

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

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

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

Other public reports from this period are comprised of correspondence—including two letters to Congress.

TABLE 6. SUMMARY OF REPORT TYPES FOR THIS PERIOD

Type	Number of Reports	Table Number
Performance Audits	8	Table 6-a
Inspections/Evaluations	4	Table 6-b
Total	12	

TABLE 6-A. PERFORMANCE AUDITS

Report Title	Report Number	Date Issued	Funds to Be Put to Better Use (\$)	Amount Questioned (\$)	Amount Unsupported (\$)
<i>The Success of NOAA's Next-Generation Satellite System Architecture Depends on Sound Requirements Management Practices</i>	<u>OIG-22-022-A</u>	6.8.2022	0	0	0
<i>The BAS Program Needs to Increase Attention to Business Process Reengineering and Improve Program Management Practices</i>	<u>OIG-22-025-A</u>	7.7.2022	0	0	0
<i>USPTO Needs to Improve Its Cost Estimating, Scheduling, and Agile Practices to Timely Retire Patent Legacy Systems</i>	<u>OIG-22-026-A</u>	7.20.2022	0	0	0
<i>USPTO Should Strengthen Its Planning and Oversight of Patent Data Capture Contracts to Manage Risks and Prevent Unnecessary Costs</i>	<u>OIG-22-028-A</u>	8.16.2022	0	\$22,418,462.00	0
<i>FirstNet Authority Did Not Have Reliable Cost Estimates to Ensure It Awarded Two Reinvestment Task Orders at Fair and Reasonable Prices</i>	<u>OIG-22-029-A</u>	8.25.2022	0	0	0
<i>Missing Security Controls Put the Department's Cloud-Based High Value Assets at Risk</i>	<u>OIG-22-031-A</u>	9.14.2022	0	0	0
<i>The Department Needs to Improve Its Metadata Processes Under the Geospatial Data Act</i>	<u>OIG-22-032-A</u>	9.22.2022	0	0	0
<i>Performance Audit of the U.S. Department of Commerce's Working Capital Funds</i>	<u>OIG-22-033-A</u>	9.22.2022	0	0	0

TABLE 6-B. INSPECTIONS/EVALUATIONS

Report Title	Report Number	Date Issued	Funds to Be Put to Better Use (\$)	Amount Questioned (\$)	Amount Unsupported (\$)
<i>The Census Bureau Needs to Improve Management and Oversight of Vetting Employees to Avoid Hiring Unsuitable Individuals for Federal Employment</i>	OIG-22-021-I	5.9.2022	\$0	\$0	\$0
<i>The Department Mismanaged, Neglected, and Wasted Money on the Implementation of IT Security Requirements for Its National Security Systems</i>	OIG-22-023-I	6.15.2022	\$0	\$0	\$0
<i>Fiscal Year 2021 Compliance with Improper Payment Requirements</i>	OIG-22-024-I	6.23.2022	\$0	\$0	\$0
<i>Lessons Learned from the 2020 Decennial Census</i>	OIG-22-030	9.14.2022	\$0	\$0	\$0

TABLE 6-C. FINANCIAL STATEMENT AUDITS

There were no financial statement audits for this period.

TABLE 6-D. OTHER PUBLIC REPORTS

Title	Date Issued
<i>Inspector General Response Letter to Senator Thune</i>	09.02.2022

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

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

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

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

Unresolved recommendations include those with no approved action plan as of September 30, 2022, or those for which the action plans are not due until after September 30, 2022. Columns 6 through 7 of table 7 provide details on “unresolved” recommendations.

Table 7-a provides details on FY 2016–2022 performance audit, evaluation, or inspection reports that have resolved but unimplemented recommendations. During this period, we issued 124 audits and evaluations (excluding financial statement audits). As of September 30, 2022,

- 28 of the 124 reports (23 percent) had resolved but unimplemented recommendations;
- 100 of 626 total recommendations (16 percent) were resolved but unimplemented; and
- 1 of these resolved but unimplemented recommendations had potential monetary benefits of \$11,895,000.

Table 7-b provides details on 6 performance audits with 28 unresolved recommendations and one evaluation with 2 unresolved recommendations.

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

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

Operating Unit	FY 2016–2020 Unimplemented Recs (Resolved)	Potential Monetary Benefits of FY 2016–2020 Unimplemented Recs	FY 2021–2022 Unimplemented Recs (Resolved)	Potential Monetary Benefits of FY 2021–2022 Unimplemented Recs	Unresolved FY 2022 Recs	Potential Monetary Benefits of Unresolved FY 2022 Recs
Bureau of Economic Analysis						
Bureau of Industry and Security			1	\$0		
U.S. Census Bureau	5	\$0	11	\$0		
U.S. Economic Development Administration						
First Responder Network Authority						
International Trade Administration			1	\$0		
Minority Business Development Agency						
National Institute of Standards and Technology			5	\$0	5	\$0
National Oceanic and Atmospheric Administration	2	\$11,895,000	16	\$0		
National Technical Information Service						
National Telecommunications and Information Administration			6	\$0	5	\$0
Office of the Secretary	15	\$0	27	\$0	9	\$0
United States Patent and Trademark Office	1	\$0	10	\$0	11	\$22,418,462
Total	23	\$11,895,000	77	\$0	30	\$22,418,462

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

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

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

- FY 2016: OIG issued 27 reports with a total of 111 recommendations. As of September 30, 2022, 1 recommendation (1 percent of FY 2016 recommendations) were resolved but unimplemented. There are no unimplemented recommendations with potential monetary benefits.
- FY 2019: OIG issued 12 reports with a total of 79 recommendations. As of September 30, 2022, 8 recommendations (10 percent of FY 2019 recommendations) were resolved but unimplemented. There are no unimplemented recommendations with potential monetary benefits.
- FY 2020: OIG issued 16 reports with a total of 76 recommendations. As of September 30, 2022, 14 recommendations (18 percent of FY 2020 recommendations) were resolved but unimplemented. There is one unimplemented recommendation, with \$11,895,000 in funds put to better use, for \$11,895,000 potential monetary benefits.
- FY 2021: OIG issued 14 reports with a total of 72 recommendations. As of September 30, 2022, 27 recommendations (38 percent of FY 2021 recommendations) were resolved but unimplemented. There are no unimplemented recommendations with potential monetary benefits.
- FY 2022: OIG issued 19 reports with a total of 112 recommendations. As of September 30, 2022, 50 recommendations (47 percent of FY 2022 recommendations) were resolved but unimplemented. There are no unimplemented recommendations with potential monetary benefits.

The remaining 7 reports and their 30 unresolved recommendations are listed under table 7-b.

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

Objective(s)

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

Finding(s)

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

Unimplemented Recommendation(s)

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

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
10.30.2018	OIG-19-002-A , <i>The Census Bureau Must Improve Its Implementation of the Risk Management Framework</i>	7	3	0

Objective(s)

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

Finding(s)

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

Unimplemented Recommendation(s)

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

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

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

02.06.2019	OIG-19-008-A , <i>2020 Census: Issues Observed During the 2018 End-to-End Census Test's Address Canvassing Operation Indicate Risk to Address List Quality</i>	6	1	0
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Objective(s)

Our audit objectives were to (1) assess the performance of in-field address canvassing operations and (2) determine whether in-office address canvassing correctly identified blocks for the in-field address canvassing operation.

Finding(s)

We found (1) in-office address canvassing did not correctly identify blocks for in-field address canvassing at the Providence test site; (2) resolution of alerts indicating potential instances of low quality and fraud/abuse was sometimes untimely or non-existent; (3) the Census Bureau's ability to inform the 2020 Census address canvassing operation using the 2018 End-to-End Census Test faces some limitations; and (4) the Census Bureau is unsure of whether 26 Listers who updated addresses were qualified. In addition—and as part of our fieldwork—we conducted on-site observations of Listers during the test and observed instances of some Listers' noncompliance with procedures.

Unimplemented Recommendation(s)

Recommendation 1: We recommend the Director of the U.S. Census Bureau evaluate how the number of incorrectly categorized passive blocks will affect census quality and how those errors may affect demographic groups.

06.13.2019	OIG-19-014-A , <i>Inadequate Management of Active Directory Puts USPTO's Mission at Significant Cyber Risk</i>	8	1	0
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Objective(s)

Our objective was to determine whether USPTO has adequately managed its Active Directory to protect mission critical systems and data.

Finding(s)

We found that USPTO (1) inadequately managed its Active Directory, and (2) poorly protected its critical IT assets hosting Active Directory.

Unimplemented Recommendation(s)

Recommendation 4: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of USPTO direct the Chief Information Officer to ensure personal identity verification (PIV) card technology compatibility with on-going and future system development for USPTO next-generation applications, and switch PIV enforcement to a per-user basis, when technically feasible.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
08.12.2019	OIG-19-022-A , <i>Geostationary Operational Environmental Satellite–R Series: Program Success Requires Added Attention to Oversight, Risk Management, Requirements, and the Life-Cycle Cost Estimate</i>	11	1	0

Objective(s)

Our primary objective was to assess the adequacy of the Geostationary Operational Environmental Satellite–R Series (GOES-R) program's satellite development and testing, and the transition of launched satellites into operations. Our second objective was to monitor the program's progress on contracting actions and changes to minimize cost increases.

Finding(s)

We identified inadequacies in the development, testing, and operations of the satellites, specifically: (1) Advanced Baseline Imager issues highlight the need for increased oversight in technical, programmatic, and contractual areas; (2) GOES-R series magnetometers are less accurate than the previous series, revealing opportunity for NOAA to refine its threshold requirement; (3) the GOES-R program did not identify and manage risk to the availability of GOES-East and GOES-West orbital positions; and (4) ground system server replacement will increase the program's life-cycle cost and presents risk management challenges.

Unimplemented Recommendation(s)

Recommendation 7: We recommend that the Deputy Under Secretary for Operations ensure NOAA assesses whether GOES are the optimal satellites to achieve geomagnetic field observation requirements, using an analysis of alternatives or similar cost-benefit approach.

09.30.2019	OIG-19-026-A , <i>The Department Needs to Improve Its Capability to Effectively Share Cyber Threat Information</i>	4	2	0
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Objective(s)

Our objective was to determine the capabilities and practices of the Department to carry out cybersecurity information sharing.

Finding(s)

We found (1) the Department lacked an internal automated sharing capability; (2) the Commerce Threat Intelligence Portal (CTIP) application was not accessible by all bureaus; and (3) the Department lacked adequate information sharing policies, procedures, and training.

Unimplemented Recommendation(s)

Recommendation 1: We recommend that the Chief Information Officer finalize CTIP licensing and interconnection agreements and utilize the CTIP Application Programming Interface to automate Department bureaus' ingestion of cyber threat information.

Recommendation 2: We recommend that the Chief Information Officer ensure that all Department bureaus have access to CTIP.

11.12.2019	OIG-20-006-A , <i>NOAA's Office of Marine and Aviation Operations Needs to Improve the Planning and Governing of Its Ship Fleet Recapitalization Effort</i>	7	1	\$11,895,000 Funds to Be Put to Better Use
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Objective(s)

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

Finding(s)

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

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

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

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

Objective(s)

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

Finding(s)

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

Unimplemented Recommendation(s)

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

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

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

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

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

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

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

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

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

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

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

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
07.20.2020	OIG-20-037-A , <i>Fleet Program Is Not Managed in Accordance with Fleet Management Requirements</i>	7	2	0

Objective(s)

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

Finding(s)

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

Unimplemented Recommendation(s)

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

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

10.01.2020	OIG-21-001-A , <i>The Department Has Made Progress Meeting Its Responsibilities Under the Geospatial Data Act But Must Improve Controls to Ensure Full Compliance</i>	6	1	0
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Objective(s)

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

Finding(s)

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

Unimplemented Recommendation(s)

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

01.07.2021	OIG-21-018-A , <i>Fundamental Security Safeguards Were Not in Place to Adequately Protect the IT Systems Supporting the 2020 Census</i>	5	1	0
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Objective(s)

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

Finding(s)

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

Unimplemented Recommendation(s)

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

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
01.25.2021	OIG-21-020-A , <i>Decisions on Exclusions from Section 232 Tariffs Were Not Transparent and Based on Incomplete and Inaccurate Information</i>	2	2	0

Objective(s)

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

Finding(s)

We found that (1) U.S. companies were denied ERs based on incomplete and contradictory information, and (2) the Section 232 ER review process lacked transparency.

Unimplemented Recommendation(s)

Recommendation 1: We recommend that the Under Secretary of Commerce for Industry and Security reexamine the Section 232 ER review process to ensure decisions are based on complete and accurate information and are transparent. At a minimum: (a) require an objector that indicates it has confidential business information to provide a public summary of it in its objection form; (b) require personnel involved in the decision-making process on whether ERs are granted or denied to document the reason for changes made to decision memoranda; and (c) protect spreadsheets that are used to track decision memoranda from unauthorized changes.

Recommendation 2: We recommend that the Under Secretary of Commerce for International Trade reexamine the Section 232 ER review process to ensure recommendations are based on complete and accurate information and are transparent. At a minimum: (a) ensure evaluators properly consider an objector's capacity and current plant percentage utilization when determining whether there is a sufficient U.S. supply of a product; (b) ensure subject matter experts are able to obtain the appropriate information needed to make an informed decision regarding the U.S. availability of a product; (c) comply with the requirement that the objecting firm must be able to manufacture the product within 8 weeks to meet the demand identified in the ER; and (d) prepare and maintain complete documentation to support the rationale for determining the U.S. availability of a product.

05.03.2021	OIG-21-024-A , <i>Audit of National Institute of Standards and Technology Working Capital Fund for Fiscal Year Ended September 30, 2019</i>	5	5	0
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Objective(s)

Ollie Greene & Company, CPAs, LLC (OG&C)—an independent public accounting firm—performed this audit to determine whether budgetary controls over the WCF were adequate. Specifically, the audit focused on determining whether the WCF was (1) recovering the full cost of reimbursable services; (2) appropriately accounting for advances and carryover balances; and (3) maintaining a reasonable WCF balance, in accordance with applicable laws, regulations, and policies.

Finding(s)

OG&C found that (1) internal control procedures that ensure the timely closing of expired reimbursable agreement orders needed improvement, (2) requirements of the Economy Act of 1932, as amended, (31 U.S.C. § 1535) were not always being followed, and (3) the system of internal controls for monitoring advances and other funding sources needed improvement.

Unimplemented Recommendation(s)

Recommendation 1: OG&C recommends that NIST revise and finalize the Management Report on Expired Agreements Procedure. The revised procedure should specify how often the Management Report on Expired Agreements should be created by the Reimbursable Group (e.g., quarterly) and submitted to the Organizational Unit for review, evaluation, and approval. Designate a specific period of time for the resolution of undelivered orders and unmatched costs.

Recommendation 2: OG&C recommends that NIST revise the Revenue Cycle Memo to concisely document the current process for the close out of Expired Reimbursable Agreement Orders.

Recommendation 3: OG&C recommends that NIST improve monitoring procedures, as needed, to ensure expiring Agreements and Orders whose transfer authority is the Economy Act are clearly identified and monitored.

Recommendation 4: OG&C recommends that NIST reevaluate procedures that document the process NIST uses to timely refund unused advances transferred under the authority of the Economy Act. Consider developing a process to inform the requesting agency that the period of availability has expired on an agreement or order whose transfer authority is the Economy Act.

Recommendation 5: OG&C recommends that NIST develop and document for Fund Code 98 formal policies and procedures that describe roles and responsibilities by component for the process of tracking and billing costs, recording advances, the carryover process and tracking and monitoring the period of performance on an order when applicable.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
05.25.2021	OIG-21-027-I , <i>OMAO Must Define and Implement a Disciplined Requirements Management Process to Ensure Future Acquisitions Meet User Needs</i>	7	7	0

Objective(s)

MITRE—an independent firm—performed this evaluation to determine the extent to which NOAA OMAO's acquisition fleet lifecycle processes were followed throughout the development, operation, maintenance, and sustainment of the program to meet mission requirements, with a focus on OMAO's requirements management processes.

Finding(s)

MITRE found that (1) NOAA and OMAO lack current long-range strategies and well-defined standards and processes for managing ship fleet requirements, (2) requirements allocation is not well defined or organized and there is no formal process for requirements traceability, and (3) OMAO's current requirements validation process is not adequate for new, changing, and emerging requirements.

Unimplemented Recommendation(s)

Recommendation 1: MITRE recommends that NOAA's Deputy Under Secretary for Operations ensure OMAO develops and regularly updates a long-range vessel acquisition plan that lays out the dependencies between fleet objectives, funding, inventory, technology, and sustainment costs, among others, and supports program milestone requirements.

Recommendation 2: MITRE recommends that NOAA's Deputy Under Secretary for Operations ensure OMAO establishes a requirements management and change control process to ensure guidance is consistent, repeatable, regularly updated, and baselined. Ideally, this would be developed at the NOAA level and disseminated to NOAA program managers and appropriate line office representatives.

Recommendation 3: MITRE recommends that NOAA's Deputy Under Secretary for Operations ensure OMAO develops and implements a systems engineering policy that integrates systems engineering principles into program management processes across the entire acquisition lifecycle.

Recommendation 4: MITRE recommends that NOAA's Deputy Under Secretary for Operations ensure OMAO incorporates guidance on the use of interagency agreements in acquisition policies, with an emphasis on tailoring documentation to minimize duplication while meeting agency requirements.

Recommendation 5: MITRE recommends that NOAA's Deputy Under Secretary for Operations ensure OMAO develops a requirements management guide and traceability process that follows the *Scalable Acquisition Project Management Guidebook* and system engineering standards (e.g., International Council on Systems Engineering).

Recommendation 6: MITRE recommends that NOAA's Deputy Under Secretary for Operations ensure OMAO leverages mission requirements and at-sea-data collection requirements to provide OMAO with verifiable means of capturing the annual mission performance.

Recommendation 7: MITRE recommends that NOAA's Deputy Under Secretary for Operations ensure OMAO documents and implements a disciplined approach to validating requirements through increased line office communication.

07.06.2021	OIG-21-030-I , <i>USPTO Has Opportunities to Improve Its Internal Controls and Oversight Related to PTA and PTE Calculations</i>	6	2	0
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Objective(s)

MITRE—an independent firm—performed this evaluation to determine whether USPTO (1) calculates and awards Patent Term Adjustment (PTA) and Patent Term Extension (PTE) in compliance with relevant statutes, regulations, and case law; (2) has adequate internal controls to ensure the proper calculation and award of PTA and PTE; and (3) uses valid and reliable data to calculate PTA and PTE.

Finding(s)

MITRE found that (1) USPTO uses valid and reliable data to calculate PTA, but manual data entry may introduce errors; (2) USPTO calculates PTA and PTE in compliance with statutes, regulations, and case law; and (3) USPTO has adequate internal controls to ensure proper calculation of PTA and PTE.

Unimplemented Recommendation(s)

Recommendation 1: MITRE recommends that the Undersecretary of Commerce for Intellectual Property and Director of USPTO direct the Commissioner for Patents to (1) mandate the use of the "safe harbor" form to claim the exception, and (2) ensure the inclusion of clear category and description definitions for applicants while keeping their focus on the task at hand (i.e., the document submission form).

Recommendation 3: MITRE recommends that the Undersecretary of Commerce for Intellectual Property and Director of USPTO direct the Office of Patent Legal Administration to coordinate with the U.S. Food and Drug Administration and USDA to determine if electronic filing of PTE applications would be acceptable as a permanent practice after the current public health emergency has passed.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
08.11.2021	OIG-21-033-A , <i>USPTO Should Improve Controls over Examination of Trademark Filings to Enhance the Integrity of the Trademark Register</i>	7	4	0

Objective(s)

Our audit objective was to determine whether USPTO's trademark registration process is effective in preventing fraudulent or inaccurate registrations.

Finding(s)

Overall, we found that USPTO's trademark registration process was not effective in preventing fraudulent or inaccurate registrations. Specifically, we found the following: (1) USPTO lacks controls to effectively enforce the U.S. counsel rule; (2) USPTO approved trademark filings with digitally altered or mocked-up specimens; (3) USPTO did not ensure accurate identification of goods and services; and (4) USPTO lacks a comprehensive fraud risk strategy.

Unimplemented Recommendation(s)

Recommendation 3: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of USPTO direct the Commissioner for Trademarks to revise *Examination Guide 3-19*, or other procedures as appropriate, to clarify (a) expectations for the extent of examining attorneys' use of third-party information sources when examining specimens, (b) steps for assessing webpage specimens (to include an overall assessment of a website's authenticity), and (c) guidance for identifying mocked-up labels and tags in specimen photos.

Recommendation 4: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of USPTO direct the Commissioner for Trademarks to develop controls to ensure consistency and coordination among examining attorneys for the examination of multiple trademark applications from a single applicant.

Recommendation 5: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of USPTO direct the Commissioner for Trademarks to develop specific guidance for examining attorneys' use of *Trademark Manual of Examining Procedure* Section 904.01(a).

Recommendation 7: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of USPTO direct the Commissioner for Trademarks to develop procedures to aggregate data from managing attorneys' reviews of examining attorneys' work and use this data to monitor and assess the effectiveness of efforts to improve the accuracy of the trademark register.

08.16.2021	OIG-21-034-A , <i>The U.S. Census Bureau's Mishandling of a January 2020 Cybersecurity Incident Demonstrated Opportunities for Improvement</i>	9	5	0
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Objective(s)

Our audit objective was to assess the adequacy of the Census Bureau's process to respond to cybersecurity incidents according to federal and Departmental requirements.

Finding(s)

We found that the Census Bureau should make improvements to its cyber incident response process. Specifically, the Census Bureau missed opportunities to mitigate a critical vulnerability, which resulted in the exploitation of vital servers. Once the servers had been exploited, the Census Bureau did not discover and report the incident in a timely manner. Additionally, the Census Bureau did not maintain sufficient system logs, which hindered the incident investigation. Following the incident, the Census Bureau did not conduct a lessons-learned session to identify improvement opportunities. We also found that the Census Bureau was operating servers that were no longer supported by the vendor.

Unimplemented Recommendation(s)

Recommendation 2: We recommend that the Director of the U.S. Census Bureau ensure that the Census Bureau's Chief Information Officer frequently reviews and updates vulnerability scanning lists to ensure all network-addressable IT assets are identified for vulnerability scanning and documents all exceptions as part of this process.

Recommendation 3: We recommend that the Director of the U.S. Census Bureau ensure that the Census Bureau's Chief Information Officer ensures all network-addressable IT assets are scanned using credentials when feasible according to Census Bureau-determined frequencies, but no less than DHS's *Continuous Diagnostics and Mitigation Program* guidance.

Recommendation 5: We recommend that the Director of the U.S. Census Bureau ensure that the Census Bureau's Chief Information Officer ensures Census Bureau incident responders comply with Departmental and Census Bureau requirements to report confirmed computer security incidents to the Enterprise Security Operations Center within 1 hour.

Recommendation 7: We recommend that the Director of the U.S. Census Bureau ensure that the Census Bureau's Chief Information Officer incorporates periodic reviews of the Census Bureau's system log aggregation configurations to ensure all network-addressable IT assets are correctly configured.

Recommendation 9: We recommend that the Director of the U.S. Census Bureau ensure that the Census Bureau's Chief Information Officer establishes plans with milestones to prioritize the decommissioning of end-of-life products.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
11.08.2021	OIG-22-003-A , <i>Audit of the Department's Digital Accountability and Transparency Act of 2014 Submission for the First Quarter of Fiscal Year 2021</i>	9	6	0

Objective(s)

KPMG—an independent public accounting firm—performed this audit of the Department's DATA Act submission for the first quarter of FY 2021. The DATA Act, in part, requires federal agencies to report financial and award data in accordance with government-wide financial data standards. It also requires the inspector general of each federal agency to review a sample of the submitted data and then report on the completeness, timeliness, quality, and accuracy of the data, as well as the agency's implementation and use of the required standards.

Finding(s)

In its audit of the Department's DATA Act submission for the first quarter of FY 2021, KPMG identified the following: (1) The Department submitted data of a "Higher" quality (i.e., the error rate corresponded to the quality level "Higher" in the CIGIE Federal Audit Executive Council's *Inspectors General Guide to Compliance Under the DATA Act*). However, the Department did not submit certain data completely, accurately, or timely. (2) The Department implemented and used the government-wide financial data standards established by OMB and the U.S. Department of the Treasury under the DATA Act, except for the omission of outlay amounts required by OMB memorandum M-20-21, *Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)*, from its File C submission. Additionally, as a result of KPMG's audit procedures, including an assessment of internal controls relevant to the audit objectives, KPMG identified nine internal control deficiencies.

Unimplemented Recommendation(s)

Recommendation 3: KPMG recommends that Department management enhance its FPDS-NG data error checking controls (including manual investigation and resolution by COs), and controls over the input of award data in FPDS-NG to effectively identify and correct incomplete and inaccurate data within FPDS-NG prior to the Department's submissions.

Recommendation 4: KPMG recommends that Department management enhance its FPDS-NG procurement award approval controls to ensure all contract award data are timely approved in accordance with FAR 4.604.

Recommendation 5: KPMG recommends that Department management reinforce its contract award approval procedures to ensure all contract are signed and dated to properly evidence award approval dates.

Recommendation 6: KPMG recommends that Department management enhance its controls over the input of data into FABS so that discrepancies between FABS and the underlying support are resolved prior to the Department's submissions.

Recommendation 7: KPMG recommends that Department management enhance its controls over the verification of whether awardee information in SAM.gov agrees to awardee information in the grants system at the time of award.

Recommendation 8: KPMG recommends that Department management enhance its controls related to the timely input of financial assistance award data to FABS.

11.22.2021	OIG-22-009-A , <i>Enterprise Services Needs to Improve Upon Its Contract Management and Oversight of Accenture BPA No. DOCSS130116BU0004 and Subsequent Call Orders</i>	11	1	0
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Objective(s)

Our audit objective was to determine whether Enterprise Services (ES) effectively and efficiently managed contractor performance in accordance with federal regulations and Department policy.

Finding(s)

Overall, we found significant weaknesses in ES' management and oversight of the Accenture blanket purchase agreement. Specifically, we found the following: (1) ES was not effective in enforcing performance requirements to ensure contract quality and timeliness standards were met and did not timely assess or adequately document contractor performance in Contractor Performance Assessment Reporting System (CPARS); and (2) ES COs and the assigned CORs did not properly maintain invoices or supporting documentation to demonstrate that invoices were reviewed and work was performed prior to approving invoices for payment.

Unimplemented Recommendation(s) (potential monetary benefits for unimplemented recommendation 9)

Recommendation 5: We recommend that the Deputy Secretary of Commerce ensure that the Enterprise Services Executive Director develops a contingency plan to ensure continuity of operations to minimize the risk to employees' pay, personnel action requests, and benefits (PP&B) as a result of ES' efforts to redress vendor performance issues.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
12.02.2021	OIG-22-010-I , <i>USPTO Has Opportunities to Improve its Patent Examination Process and to Advance Patent Decision-Making</i>	7	4	0

Objective(s)

MITRE—an independent firm—performed this evaluation to (1) assess whether patents are examined in compliance with applicable statutes, regulations, and case law; (2) identify deficiencies within the examination process impacting the quality of patents granted; and (3) identify areas for improvement within the examination process to increase its effectiveness and efficiency.

Finding(s)

In its evaluation of the patent examination process, MITRE identified the following: (1) USPTO examines patents in compliance with applicable statutes, regulations, and case law; (2) USPTO quality review practices may not provide an accurate measure of patent examination quality; (3) USPTO does not meet all the timeliness benchmarks detailed in statute, impacting stakeholders' right to prompt notice of the patent landscape; (4) USPTO does not have a reliable means of measuring or controlling examiner consistency; (5) USPTO has internal controls for most aspects of the GAO *Green Book*, but they are not managed as a system of controls; and (6) examiners have adequate patent and non-patent prior art search resources, but improvements could have a significant positive impact on effectiveness and efficiency.

Unimplemented Recommendation(s)

Recommendation 3: MITRE recommends that the Under Secretary of Commerce for Intellectual Property and Director of USPTO direct the Commissioner for Patents to solicit external stakeholder feedback on responsiveness as an additional performance indicator and to calibrate incentives and expectations.

Recommendation 4: MITRE recommends that the Under Secretary of Commerce for Intellectual Property and Director of USPTO direct the Commissioner for Patents to assess the effectiveness of current tools (e.g., those aiding in performing prior art search and preparation of Office Actions) to help examiners perform more efficiently.

Recommendation 5: MITRE recommends that the Under Secretary of Commerce for Intellectual Property and Director of USPTO direct the Commissioner for Patents to establish regular monitoring of consistency in examination decisions, including trainees' decisions, by randomly selecting applications for parallel examination.

Recommendation 7: MITRE recommends that the Under Secretary of Commerce for Intellectual Property and Director of USPTO direct the Office of Patent Automation to define objective measures of effectiveness for the search tools and training to inform decisions related to prior art search improvements.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
12.14.2021	OIG-22-011-I , <i>FirstNet Authority Must Increase Governance and Oversight to Ensure NPSBN Security</i>	6	6	0

Objective(s)

We contracted with MITRE—an independent firm—to perform this evaluation of Nationwide Public Safety Broadband Network's (NPSBN's) security architecture. The objective was to assess the NPSBN's security risks resulting from its security architecture.

Finding(s)

In its evaluation of the NPSBN security architecture, MITRE identified one overarching finding and three supporting sub-findings: (1) the FirstNet Authority lacks governance over network security and the ability to hold AT&T accountable for failing or ineffective security requirements; (a) insufficient vulnerability management, specifically patch management and application monitoring processes, leaves the NPSBN more susceptible to exploitation of remote services; (b) AT&T's Business Continuity Plan/Disaster Recovery Plan has proven ineffective at mitigating and managing some public safety emergency events; and (c) the NPSBN security architecture may be susceptible to supply chain attacks due to FirstNet Authority's inability to validate AT&T's Supply Chain Risk Management.

Unimplemented Recommendation(s)

(A portion of recommendation 2 and all of recommendation 3 are not included in this publicly released *Semiannual Report to Congress*. At the request of FirstNet Authority and AT&T, redactions were placed in the publicly available version of this evaluation report to cover sensitive information about IT vulnerabilities that would be protected from release by Exemption 7(E) of the Freedom of Information Act, 5 U.S.C. § 552, and information protected by the Trade Secrets Act, 18 U.S.C. § 1905.)

Recommendation 1: MITRE recommends that the FirstNet Authority Chief Executive Officer direct the NPSBN Program Management Division staff to, in coordination with AT&T, increase governance and ownership over the NPSBN by instituting penalties for failing to meet security requirements (i.e., failing scorecard items).

Recommendation 2: MITRE recommends that the FirstNet Authority Chief Executive Officer direct the NPSBN Program Management Division staff to, in coordination with AT&T, implement a process to review Critical and High vulnerabilities and mutually agree upon deadlines for remediation.

Recommendation 3: Recommendation 3 of this report is Controlled Unclassified Information and is not included in this publicly released *Semiannual Report to Congress*.

Recommendation 4: MITRE recommends that the FirstNet Authority Chief Executive Officer direct the NPSBN Program Management Division staff to, in coordination with AT&T, validate the NPSBN Business Continuity Plan/Disaster Recovery Plan by applying lessons learned to first responder-specific continuity scenarios. Use those scenarios to check the underlying assumptions and recovery time requirements and reduce the current recovery time objective and reliance on deployables as an appropriate backup option during a crisis.

Recommendation 5: MITRE recommends that the FirstNet Authority Chief Executive Officer direct the NPSBN Program Management Division staff to, in coordination with AT&T, develop a comprehensive cyber supply chain risk scoring mechanism and response strategy.

Recommendation 6: MITRE recommends that the FirstNet Authority Chief Executive Officer direct the NPSBN Program Management Division staff to, in coordination with AT&T, develop an NPSBN-specific supply chain digital roadmap that anticipates future supply chain developments for the purposes of scalability and adaptability.

01.20.2022	OIG-22-015-A , <i>Redesigned GOES-T is Ready for Launch, but NOAA Should Reassess Its Assumptions for Satellite Launch Planning and Storage</i>	5	2	0
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Objective(s)

Our audit objective was to assess the GOES-R series program's progress in achieving launch readiness for the GOES-T mission.

Finding(s)

We found that (1) the GOES-R series program works toward the earliest achievable launch dates at potentially increased development risk; (2) NESDIS is planning GOES launches sooner than its policy requires without analyzing the costs; and (3) NESDIS assumes ground storage of satellites is not viable, but has not formally studied tradeoffs.

Unimplemented Recommendation(s)

Recommendation 2: We recommend that the NOAA Deputy Under Secretary for Operations ensure that the Assistant Administrator for Satellite and Information Services conducts a cost-benefit analysis of selected geostationary coverage availability thresholds and updates its geostationary launch policy as appropriate.

Recommendation 5: We recommend that the NOAA Deputy Under Secretary for Operations ensure that the Assistant Administrator for Satellite and Information Services, on future satellite series, documents storage option considerations early in the acquisition process to optimize satellite storage alternatives.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
01.25.2022	OIG-22-017-A , <i>The Department Needs to Improve Its System Security Assessment and Continuous Monitoring Program to Ensure Security Controls Are Consistently Implemented and Effective</i>	8	6	0

Objective(s)

Our audit objective was to assess the effectiveness of the Department's system security assessment and continuous monitoring program to ensure security deficiencies were identified, monitored, and adequately resolved.

Finding(s)

We found that the Department did not effectively execute its continuous monitoring and system assessment process. Specifically, we found that (1) the Department did not effectively plan for system assessments; (2) the Department did not consistently conduct reliable system assessments; (3) the Department did not resolve security control deficiencies within defined completion dates; and (4) the Department's security system of record—i.e., the cyber security asset and management (CSAM) tool—did not provide accurate and complete assessment and plan of action & milestone (POA&M) data.

Unimplemented Recommendation(s)

Recommendation 1: We recommend that the Department's Chief Information Officer ensure that bureau Chief Information Officers implement tracking and reporting verifying that (1) assessment planning procedures are documented prior to the execution of an assessment and (2) system security documentation is accurate.

Recommendation 2: We recommend that the Department's Chief Information Officer ensure that bureau Chief Information Officers hold IT security staff accountable for the quality and effective execution of preassessment and assessment processes.

Recommendation 3: We recommend that the Department's Chief Information Officer ensure that bureau Chief Information Officers verify that assessment supporting documentation is maintained and sufficiently supports assessment results to facilitate oversight.

Recommendation 4: We recommend that the Department's Chief Information Officer ensure that bureau Chief Information Officers determine why POA&M dates are not achievable.

Recommendation 5: We recommend that the Department's Chief Information Officer ensure that bureau Chief Information Officers, using the analysis from recommendation 4, provide guidance for how to better plan, prioritize, and resolve POA&Ms within their established milestones.

Recommendation 6: We recommend that the Department's Chief Information Officer ensure that bureau Chief Information Officers hold individuals accountable for not resolving issues within established milestones.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
05.09.2022	OIG-22-021-I , <i>The Census Bureau Needs to Improve Management and Oversight of Vetting Employees to Avoid Hiring Unsuitable Individuals for Federal Employment</i>	5	5	0

Objective(s)

The overall objective of our evaluation was to conduct a series of reviews to determine whether the Census Bureau's planning and execution of 2020 Census peak operations successfully reduced the risk to decennial census data quality and costs.

Finding(s)

Overall, we found that the Census Bureau continues to face longstanding challenges in providing sufficient governance for its personnel suitability program, which is necessary to ensure that background investigation requirements are met at its facilities. Specifically, we found that (1) the Census Bureau continues to have a significant backlog of post-employment cases requiring adjudication and the actual number of cases requiring adjudication is questionable, (2) inadequate documentation and oversight have allowed quality problems regarding post-employment background investigations to persist, (3) CIS did not properly adjudicate results for an estimated 7 percent of temporary 2020 Census pre-employment, fingerprint-only investigations, and (4) the Census Hiring and Employment Check (CHEC) system data is incomplete and, in some instances, inaccurate.

Unimplemented Recommendation(s)

Recommendation 1: We recommend that the Director of the U.S. Census Bureau ensure the Census Investigative Service Division update the Project Management Plan to include (a) periodic reconciliations between the CHEC and U.S. Department of Defense's Defense Counterintelligence and Security Agency reports, (b) quantifiable metrics for eliminating the backlog and (c) monitoring performance against established metrics.

Recommendation 2: We recommend that the Director of the U.S. Census Bureau ensure the Census Investigative Service Division evaluate human capital needs and coordinate appropriate resources to manage adjudication backlog workload.

Recommendation 3: We recommend that the Director of the U.S. Census Bureau ensure the Census Investigative Service Division strengthen management oversight of the adjudication process to verify (a) stringent reviews of serious adjudication issues are conducted, (b) cases are properly completed and appropriately reviewed by secondary reviewers or supervisors and signed off, (c) documentation requirements are met and (d) internal control mechanisms required by policy are properly implemented.

Recommendation 4: We recommend that the Director of the U.S. Census Bureau ensure the Census Investigative Service Division take appropriate actions to recommend removal of any employee deemed unsuitable for federal employment based on post-employment adjudication results.

Recommendation 5: We recommend that the Director of the U.S. Census Bureau ensure the Census Investigative Service Division resolve inaccuracies in the CHEC system and ensure complete, accurate, and reliable data are entered in the CHEC system.

06.08.2022	OIG-22-022-A , <i>The Success of NOAA's Next-Generation Satellite System Architecture Depends on Sound Requirements Management Practices</i>	7	7	0
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Objective(s)

Our audit objective was to assess NOAA's progress planning and implementing its next-generation satellite system architecture.

Finding(s)

We found (1) NOAA requirements management practices need improvement and (2) NOAA should improve tools in support of observing system portfolio management.

Unimplemented Recommendation(s)

Recommendation 1: We recommend that the NOAA Deputy Under Secretary for Operations update policies and procedures to ensure user observation requirements are validated in advance of next-generation satellite system acquisitions.

Recommendation 2: We recommend that the NOAA Deputy Under Secretary for Operations ensure that next-generation satellite programs do not define more stringent requirement thresholds than corresponding thresholds in the NOAA dataset.

Recommendation 3: We recommend that the NOAA Deputy Under Secretary for Operations ensure that next-generation satellite programs include requirement objective values that are different from thresholds.

Recommendation 4: We recommend that the NOAA Deputy Under Secretary for Operations assign responsibility and design a process for determining the relative priority of each NOAA user observation requirement.

Recommendation 5: We recommend that the NOAA Deputy Under Secretary for Operations ensure that the National Environmental Satellite, Data, and Information Service (NESDIS) standardizes requirement priority definitions for next-generation programs, to include information about the extent to which its programs contribute to meeting NOAA user observation requirements.

Recommendation 6: We recommend that the NOAA Deputy Under Secretary for Operations ensure that NESDIS revises policies and procedures for assigning requirements to next-generation satellite programs.

Recommendation 7: We recommend that the NOAA Deputy Under Secretary for Operations ensure that portfolio management tools include accurate and complete data to produce useful information for investment decisions.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
06.15.2022	OIG-22-023-1 , <i>The Department Mismanaged, Neglected, and Wasted Money on the Implementation of IT Security Requirements for Its National Security Systems</i>	5	5	0

Objective(s)

Our evaluation objective was to determine whether the Department and its bureaus are managing national security systems in compliance with federal and Departmental information technology security requirements.

Finding(s)

We found (1) the Department mismanaged and neglected IT security requirements for its national security systems and (2) the Department wasted at least \$380,000 on a national security system that it did not use.

Unimplemented Recommendation(s)

Recommendation 1: We recommend that the Deputy Secretary of Commerce ensure that the Chief Information Officer implement the following Committee on National Security Systems and National Institute of Standards and Technology IT security requirements for System X: (a) fill fundamental security roles (e.g., system owner, information system security officer); (b) complete the risk management framework steps, including authorizing System X to operate; (c) develop a process to regularly install software security updates; and (d) replace end-of-life system components.

Recommendation 2: We recommend that the Deputy Secretary of Commerce ensure that the Chief Information Officer implement multi-factor authentication for access to all of the Department's National Security Systems according to Committee on National Security Systems requirements.

Recommendation 3: We recommend that the Deputy Secretary of Commerce ensure that the Chief Information Officer define and convey which responsibilities OCIO will provide regarding a multi-factor authentication infrastructure.

Recommendation 4: We recommend that the Deputy Secretary of Commerce ensure that the Chief Information Officer perform an organizational review to ensure all of the Department's National Security Systems receive sufficient oversight and resources to conduct required security activities.

Recommendation 5: We recommend that the Deputy Secretary of Commerce ensure that the Chief Information Officer immediately develop detailed policies and procedures that will do the following: (a) ensure the authorization process for Departmental NSS is clearly defined and executed according to the risk management framework; (b) require that Department NSS receive regular, independent assessments according to the risk management framework. These policies and procedures must include consideration of security clearance adjudication timeframes for future assessments; and (c) address the creation and maintenance of an NSS inventory. This should include a requirement for all Department bureaus to provide an update when changes occur.

07.07.2022	OIG-22-025-A , <i>The BAS Program Needs to Increase Attention to Business Process Reengineering and Improve Program Management Practices</i>	6	6	0
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Objective(s)

Our objective was to assess the Department's mismanagement and implementation of the Business Applications Solution program (the Program).

Finding(s)

We found (1) the Program continues to lack a sound business process reengineering plan, (2) the Program should address weaknesses in its requirements management plans and processes, and (3) the Program should enhance its risk management practices.

Unimplemented Recommendation(s)

Recommendation 1: We recommend that the Department's Chief Financial Officer ensure that the Program revises its Business Process Reengineering plan to be more consistent with best practices by including assumptions, skills, and needed resources; documents existing financial management processes; and identifies performance improvement goals.

Recommendation 2: We recommend that the Department's Chief Financial Officer ensure that the Program sufficiently defines target processes to include details of information flows, interconnections, and potential problem areas and assesses expected performance.

Recommendation 3: We recommend that the Department's Chief Financial Officer ensure the Program updates its requirements management plans and processes to include how it will add, refine, prioritize, and establish bidirectional traceability among its requirements and between requirements and ongoing work.

Recommendation 4: We recommend that the Department's Chief Financial Officer ensure that the Program manages requirements according to the updated requirements management plans and processes.

Recommendation 5: We recommend that the Department's Chief Financial Officer update the Program's risk management plan to ensure that it documents, on an ongoing basis, all information and details necessary to manage its risks, including risk trigger dates, risk mitigation plans, and risk descriptions.

Recommendation 6: We recommend that the Department's Chief Financial Officer ensure that the Program updates its risk register with all information and details necessary to manage its risks, consistent with the updated risk management plan.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Unimplemented Recommendations	Potential Monetary Benefits of Unimplemented Recommendations
08.25.2022	OIG-22-029-A FirstNet Authority Did Not Have Reliable Cost Estimates to Ensure It Awarded Two Reinvestment Task Orders at Fair and Reasonable Prices	7	2	0

Objective(s)

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

Finding(s)

We found that FirstNet Authority did not follow the *GAO Cost Estimating and Assessment Guide* when preparing and documenting IGCEs used to evaluate AT&T's proposals related to the deployable and 5G task orders. Specifically, we found that FirstNet Authority did not (1) sufficiently document IGCEs, (2) ensure that IGCEs reflected updates based on changed conditions, (3) justify fair and reasonable pricing for additional requirements proposed by AT&T that were not included in the IGCEs, (4) address legal review concerns, and (5) develop a cost estimating plan describing the steps for preparing an IGCE.

Unimplemented Recommendation(s)

Recommendation 1: We recommend that the Chief Financial Officer and Assistant Secretary for Administration develop a comprehensive cost estimating guide that is aligned with the *GAO Cost Estimating and Assessment Guide* and details how to prepare IGCEs.

Recommendation 2: We recommend that the Chief Financial Officer and Assistant Secretary for Administration direct FirstNet Authority to follow the Department's cost estimating guidance for future reinvestment task orders issued under contract FN30117CQ0008.

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

Table 7-b includes audit, evaluation, and inspection reports with unresolved recommendations (i.e., OIG has not yet approved auditees' action plans). Either OIG is reviewing an action plan submitted or the action plan is not due until after September 30, 2022.

The seven reports listed have a total of 30 unresolved recommendations.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Reason	Potential Monetary Benefits of Unresolved Recommendations
12.16.2021	OIG-22-014-I , <i>The Department Must Improve Processes for Addressing and Managing 'H' Referrals</i>	2	Action Plan Was Due 02.14.2022	0

Unresolved Recommendation(s)

Recommendation 1: We recommend that the Chief Financial Officer and Assistant Secretary for Administration establish a Department-wide framework that includes written procedures and a quality assurance process to ensure prompt processing, independent and objective reviewing, thorough reporting, and tracking the status of *H* referrals from OIG.

Recommendation 2: We recommend that the Chief Financial Officer and Assistant Secretary for Administration enforce the reporting requirement on providing to OIG the *H* referral response as required in DAO 207-10. If the suspense date cannot be met, report its progress to and request an extension from OIG before the suspense date.

07.20.2022	OIG-22-026-A <i>USPTO Needs to Improve Its Cost Estimating, Scheduling, and Agile Practices to Timely Retire Patent Legacy Systems</i>	6	Action Plan Due 09.20.2022	0
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Unresolved Recommendation(s)

Recommendation 1: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office direct the Chief Information Officer to establish an LCCE and IMS for current and planned PPL investments.

Recommendation 2: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office direct the Chief Information Officer to establish a training plan to ensure PPL team members and other appropriate personnel receive specialized training to develop and maintain an LCCE and IMS.

Recommendation 3: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office direct the Chief Information Officer to establish contingency plans consistent with NIST's *Risk Management Framework, Systems and Services Acquisition*, for system components when support for the components is no longer provided by the manufacturer.

Recommendation 4: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office direct the Chief Information Officer to establish processes and procedures to ensure all end-user feedback is properly captured, tracked, and timely communicated to the appropriate product teams during the product life cycle.

Recommendation 5: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office direct the Chief Information Officer to establish a detailed plan to ensure PPL team members and other appropriate personnel receive specialized training in developing KPIs and revise existing KPIs to ensure they are comprehensive.

Recommendation 6: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office direct the Chief Information Officer to establish policy, guidance, and leadership roles and responsibilities for the Agile Delivery Office (ADO) (or equivalent successor).

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Reason	Potential Monetary Benefits of Unresolved Recommendations
08.16.2022	OIG-22-028-A , <i>USPTO Should Strengthen Its Planning and Oversight of Patent Data Capture Contracts to Manage Risks and Prevent Unnecessary Costs</i>	5	Action Plan Due 10.17.2022	\$22,418,462 Questioned Costs

Unresolved Recommendation(s)

Recommendation 1: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office direct the Director of the Office of Procurement to develop controls to prevent unnecessary or unreasonable costs, such as the \$22,418,462 in questioned costs, by (a) developing procedures to define the structure, roles, and communication methods of the offices and individuals on an acquisitions team and (b) completing Patent and Trademark Acquisition Manual guidance on the reasonableness of noncompetitive acquisitions.

Recommendation 2: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office direct the Director of the Office of Procurement to develop procedures to assess, mitigate, and track risks to acquisitions, including the identification of responsible individuals and the establishment of timeframes for mitigation.

Recommendation 3: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office direct the Director of the Office of Data Management to revise database inspection procedures to specify sampling procedures.

Recommendation 4: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office direct the Director of the Office of Data Management to revise box inspection procedures to specify (1) error communication and resolution procedures and (2) sampling procedures.

Recommendation 5: We recommend that the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office direct the Director of the Office of Procurement to develop policies and procedures to monitor plan of action and milestones documents against timelines and communicate and escalate contractor security issues, including existing issues such as contractor background investigations. The procedures should clarify (a) communication of serious or persistent issues to the Contracting Officer for action and (b) available enforcement actions, including the reduction of payments.

08.25.2022	OIG-22-029-A , <i>FirstNet Authority Did Not Have Reliable Cost Estimates to Ensure It Awarded Two Reinvestment Task Orders at Fair and Reasonable Prices</i>	7	Action Plan Due 10.24.2022	0
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Unresolved Recommendation(s)

Recommendation 3: We recommend that the Assistant Secretary of Commerce for Communications and Information and NTIA Administrator direct FirstNet Authority's Chief Executive Officer to follow the Department's cost estimating guide for developing cost estimates that will be issued resulting from actions taken to address recommendation 1.

Recommendation 4: We recommend that the Assistant Secretary of Commerce for Communications and Information and NTIA Administrator direct FirstNet Authority's Chief Executive Officer to develop clear and detailed procedures on how to develop IGCEs, including detailing the source and methodology information needed for a well-documented IGCE.

Recommendation 5: We recommend that the Assistant Secretary of Commerce for Communications and Information and NTIA Administrator direct FirstNet Authority's Chief Executive Officer to train cost estimating team personnel, program officials, and contracting officials on their responsibilities for developing, reviewing, and approving IGCEs and evaluating contracting cost proposals.

Recommendation 6: We recommend that the Assistant Secretary of Commerce for Communications and Information and NTIA Administrator direct FirstNet Authority's Chief Executive Officer to establish a cost estimating team with the appropriate expertise and define qualifications necessary for personnel on the cost estimating team responsible for developing the IGCE.

Recommendation 7: We recommend that the Assistant Secretary of Commerce for Communications and Information and NTIA Administrator direct FirstNet Authority's Chief Executive Officer to require that IGCEs include the name and signature of the preparer, the date prepared, and the signature of the approving officials.

09.14.2022	OIG-22-031-A , <i>Missing Security Controls Put the Department's Cloud-Based High Value Assets at Risk</i>	2	Action Plan Due 11.14.2022	0
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Unresolved Recommendation(s)

Recommendation 1: We recommend that the Deputy Secretary of Commerce direct the Department's Chief Information Officer to revise Department policy to require that SSPs include the implementation status of customer-defined cloud service provider (CSP) baseline security controls on all cloud systems or document justification for not incorporating those controls.

Recommendation 2: We recommend that the Deputy Secretary of Commerce direct the Department's Chief Information Officer to verify all cloud-based HVA SSPs comply with the revised policy.

Date Report Issued	OIG Report No. and Title	Total Recommendations Made	Reason	Potential Monetary Benefits of Unresolved Recommendations
09.22.2022	OIG-22-032-A , <i>The Department Needs to Improve Its Metadata Processes Under the Geospatial Data Act</i>	5	Action Plan Due 11.21.2022	0

Unresolved Recommendation(s)

Recommendation 1: We recommend that the Department's Chief Data Officer and the Senior Agency Official for Geospatial Information develop plans and timeframes to align metadata quality control processes with FGDC Guidance.

Recommendation 2: We recommend that the Department's Chief Data Officer and the Senior Agency Official for Geospatial Information ensure that the Census Bureau aligns its metadata quality control process to FGDC Guidance best practices for metadata content.

Recommendation 3: We recommend that the Department's Chief Data Officer and the Senior Agency Official for Geospatial Information ensure that NOAA aligns its metadata quality control process to FGDC Guidance best practices for metadata content.

Recommendation 4: We recommend that the Department's Chief Data Officer review the Department's geospatial data harvesting processes to Data.gov to ensure that it does not contain duplicates.

Recommendation 5: We recommend that the Senior Agency Official for Geospatial Information work with the U.S Department of the Interior to establish a reporting process to identify any issues with the availability and organization of National Geospatial Data Assets (NGDAs) on the GeoPlatform and to understand GeoPlatform changes affecting the Department's harvesting processes.

09.22.2022	OIG-22-033-A , <i>Performance Audit of the U.S. Department of Commerce's Working Capital Funds</i>	5	Action Plan Due 11.21.2022	0
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Unresolved Recommendation(s)

Recommendation 1: KPMG recommends that the NIST WCF update existing policies to ensure that the methodology used to estimate reimbursable agreement amounts is consistently documented and the review of reimbursable agreements considers whether amounts are supported and explained by documentation.

Recommendation 2: KPMG recommends that the NIST WCF and Departmental WCF develop, document, and implement a policy to require divisions providing services to customers to periodically solicit formal feedback from customer bureaus, document and assess the feedback received, and document the 'going-forward' considerations surrounding the feedback received.

Recommendation 3: KPMG recommends that the NIST WCF coordinate with customers to define a reasonable timeline to communicate estimated reimbursable agreement amounts for recurring agreements; and develop, document, and implement a policy related to the timing of communication of estimated agreement amounts.

Recommendation 4: KPMG recommends that the NIST WCF coordinate with customers to define a reasonable timeline for the true-up and closeout of customer agreements; and develop, document, and implement a policy defining the timeline surrounding the true-up and closeout process.

Recommendation 5: KPMG recommends that the NIST WCF develop and implement monitoring procedures to ensure that documentation used to support the determination of the indirect cost rate is completed and maintained in accordance with NIST Procedure Manual section 4000.01.

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

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

TABLE 8. REPORTS ON INVESTIGATIONS CONCERNING SENIOR GOVERNMENT EMPLOYEES

There were no reports on investigations concerning Senior Government Employees for this period.

TABLE 9. DESCRIPTIONS OF INSTANCES OF WHISTLEBLOWER RETALIATION**DEPARTMENT FINDS NOAA AND EDA GRANTEE RETALIATED AGAINST ITS EMPLOYEE FOR WHISTLEBLOWING AFTER ALLEGING COMINGLING GRANT FUNDS**

Based on evidence developed during an OIG whistleblower retaliation investigation, the Department found that a not-for-profit organization in Alaska that receives NOAA and EDA grants retaliated against one of its employees. The investigation revealed that the employee had raised questions to the organization's director about comingling NOAA and EDA grant funds and that the director terminated the employee, asserting the organization had insufficient funds to continue employing the employee and that the employee was a poor performer. The Department found the director's evidence that the organization would have terminated the employee absent the employee's disclosures to be insufficiently clear and convincing. The Department ordered remedies.

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

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

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

During this semiannual period, we issued four inspections, evaluations, and audits that were not disclosed to the public.

Date Product Issued	Title	Narrative Description
07.27.2022	<i>FY 2022 Federal Information Security Modernization Act Annual Report (OIG-22-027-A)</i>	To meet OIG obligations under the Federal Information Security Modernization Act, we assessed the effectiveness of the Department's information security program and practices against metrics developed by DHS and OMB. Specifically, we reviewed a representative subset of 10 IT systems across the Department and its bureaus. We assessed each of the five functional areas against the metrics and found the Department's overall maturity rating is not fully effective.

**TABLE 10-B. DESCRIPTION OF CERTAIN CLOSED AND NON-PUBLIC INVESTIGATIONS
(NARRATIVE DESCRIPTION FOR CLOSED CASES OF INVESTIGATIONS INVOLVING SENIOR
GOVERNMENT EMPLOYEES NOT DISCLOSED TO PUBLIC—UNSUBSTANTIATED)**

During this semiannual period, we issued two products involving senior government employees that were closed and not disclosed to the public.

OIG Case No.	Narrative Description for Closed Cases of Investigations Involving Senior Government Employees Not Disclosed to Public
19-0804	On May 26, 2022, OIG closed an investigation regarding allegations of Whistleblower retaliation by a Census official against the Complainant, a Census employee who resigned. The Complainant alleged he was terminated after making a protected disclosure to U.S. Census Bureau officials. OIG did not determine a retaliation occurred as the Complainant voluntarily resigned from his position.
17-0686	On May 3, 2022, OIG closed an investigation regarding possible misconduct and conflicts of interest by a senior Minority Business Development Agency (MBDA) official. While our office did not substantiate the specific allegations against the senior official, OIG identified inconsistencies in MBDA policies and procedures and referred that information to MBDA to address.

REPORTING REQUIREMENTS

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

SECTION	TOPIC	PAGE(S)
4(a)(2)	Review of Legislation and Regulations	56
5(a)(1)	Significant Problems, Abuses, and Deficiencies	3-21
5(a)(2)	Significant Recommendations for Corrective Action	3-21
5(a)(3)	Prior Significant Recommendations Unimplemented	56
5(a)(4)	Matters Referred to Prosecutorial Authorities	26
5(a)(5) and 6(c)(2)	Information or Assistance Refused	56
5(a)(6)	Listing of Audit, Inspection, and Evaluation Reports	30-32
5(a)(7)	Summary of Significant Reports	3-21
5(a)(8)	Reports with Questioned Costs	28
5(a)(9)	Reports with Recommendations That Funds Be Put to Better Use	29
5(a)(10)	Prior Reports with Unimplemented and/or Unresolved Recommendations	35-52, 56
5(a)(11)	Significant Revised Management Decisions	56
5(a)(12)	Significant Management Decisions with Which OIG Disagreed	57
5(a)(13)	Department Compliance with the Federal Financial Management Improvement Act	57
5(a)(14) and 5(a)(15)	Results of Peer Review	57
5(a)(16)	Peer Reviews Conducted by OIG	57
5(a)(17)	Investigative Reports Issued and Referrals for Criminal Prosecution and Indictments	26
5(a)(18)	Description of Metrics Used for Determining the Data in 5(a)(17)	58
5(a)(19)	Reports on Investigations Concerning Senior Government Employees	N/A
5(a)(20)	Description of Whistleblower Retaliation Instances	53
5(a)(21)	Description of Establishment Interference Attempts	N/A
5(a)(22)	Description of Closed and Non-Public Inspections, Evaluations, Audits, and Certain Investigations	53-54

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

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

This section requires the inspector general of each agency to review existing and proposed legislation and regulations relating to that agency's programs and operations. Based on this review, the inspector general is required to make recommendations concerning the impact of such legislation or regulations on (1) the economy and efficiency in the administration of programs and operations administered or financed by the agency or (2) the prevention and detection of fraud and abuse in those programs and operations. Some of OIG's audits examine compliance with existing laws, regulations, and other legal requirements. OIG's reports of such audits describe findings and include recommendations on any action necessary to address such findings. OIG is also a participant in Council of the Inspectors General on Integrity and Efficiency (CIGIE) and its regular review of legislative and regulatory items that affect the inspector general community at large and individual departments. Further, during this reporting period, our office reviewed the following—including, but not limited to—NOAA Corps Whistleblower Protection regulations, to be added at 15 C.F.R. § 998.40 through § 998.45 effective November 2, 2022, as well as Section 5674 of Subtitle G, Title LVI of H.R. 7900 – National Defense Authorization Act, FY 2023, "Submission of Reports that Specifically Identify Non-Government Organizations or Business Entities."

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

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

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

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

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

This section requires (1) a summary of each audit, inspection, and evaluation report issued before the beginning of the reporting period for which no management decision has been made by the end of the reporting period (including the date and title of each such report); (2) an explanation of why a decision has not been made; and (3) a statement concerning the desired timetable for delivering a decision on each such report. Table 7-b, *Unresolved Recommendations from Audit, Evaluation, and Inspection Reports*, provides summaries of unresolved recommendations. We issued [OIG-22-014-I](#), *The Department Must Improve Processes for Addressing and Managing "H" Referrals*, on December 16, 2021. Although the Department submitted an agency action plan on April 29, 2022, OIG determined that it was not responsive to recommendation 1 and, therefore, did not concur. We anticipate a management decision by December 16, 2022.

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

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

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

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

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

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

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

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

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

On September 13, 2022, OAE received official notification of its peer review of its inspection and evaluation operations by the OIG of the Library of Congress (LOC), conducted in accordance with CIGIE Inspection and Evaluation Committee guidance. LOC OIG assessed the extent to which our office complied with CIGIE *Quality Standards for Inspection and Evaluation* standards, January 2012 (Blue Book). LOC OIG determined that our policies and procedures generally were consistent with the Blue Book standards. We received one recommendation that OIG management should confirm supervisory review through electronic sign-off has occurred prior to issuance of the final report for all project documentation, especially those that support conclusions in the report. We will modify our OAE Policy Manual quality control checklists to confirm division director certification of project documentation, including verification of supervisory review through electronic sign-off of documents that support conclusions in the report by November 1, 2022.

On September 20, 2017, our Office of Investigations received official notification that the system of internal safeguards and management procedures for OIG's investigative function was in compliance with the quality standards established by CIGIE and the applicable Attorney General Guidelines. The Peace Corps OIG, with assistance by the computer forensic staff from the National Aeronautics and Space Administration OIG, conducted the peer review. There are no outstanding recommendations as a result of this peer review.

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

In November 2019, our Office of Investigations completed its peer review of investigative operations for the OIG of the U.S. Nuclear Regulatory Commission and Defense Nuclear Facilities Safety Board OIG. Our Office of Investigations found that the U.S. Nuclear Regulatory Commission and Defense Nuclear Facilities Safety Board OIG's system of internal safeguards and management procedures for its investigative function was in compliance with the quality standards established by CIGIE and the applicable Attorney General Guidelines.

On September 20, 2021, we issued our System Review Report of the U.S. Railroad Retirement Board (RRB) OIG audit organization. In our opinion, the system of quality control for the audit organization of RRB OIG in effect for the year ended March 31, 2021, has been suitably designed and complied with to provide reasonable assurance of performing and reporting in conformity with applicable professional standards and applicable legal and regulatory requirements in all material respects. RRB OIG received a *pass* rating, the highest available rating. There are no outstanding recommendations as a result of our peer review of RRB OIG.

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

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

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

ACRONYMS AND ABBREVIATIONS

ADO	Agile Delivery Office	ES	Enterprise Services
AFR	Agency Financial Report	EWS	Enterprise Web Solutions
BAS	Business Applications Solution	FDIC	Federal Deposit Insurance Corporation
BIS	Bureau of Industry and Security	FGDC	Federal Geographic Data Committee
CARES Act	Coronavirus Aid, Relief, and Economic Security Act	FirstNet Authority	First Responder Network Authority
Census	Census Bureau	FY	fiscal year
C.F.R.	Code of Federal Regulations	GAGAS	generally accepted government auditing standards
CHEC	Census Hiring and Employment Check	GAO	U.S. Government Accountability Office
CIGIE	Council of the Inspectors General on Integrity and Efficiency	GAS	Government Auditing Standards
CIS	Census Investigative Services	GOES-R	Geostationary Operational Environmental Satellite–R Series
CNSS	Committee on National Security Systems	GSA	U.S. General Services Administration
COR	Contracting Officer’s Representative	IG Act	Inspector General Act of 1978, as amended
COVID-19	coronavirus disease 2019	IGCE	independent government cost estimates
CPARS	Contractor Performance Assessment Reporting System	IMS	integrated master schedule
CSAM	cyber security asset and management	IT	information technology
CSP	cloud service provider	ITA	International Trade Administration
CTIP	Commerce Threat Intelligence Portal	ITMS	Investigations and Threat Management Service
DAO	Department Administrative Order	KPI	key performance indicator
DATA Act	Digital Accountability and Transparency Act of 2014	LCCE	life cycle cost estimate
Department	U.S. Department of Commerce	LOC	Library of Congress
DHS	U.S. Department of Homeland Security	MBDA	Minority Business Development Agency
DOJ	U.S. Department of Justice	MFA	multi-factor authentication
EDA	U.S. Economic Development Administration	NESDIS	National Environmental Satellite, Data, and Information Service
ER	exclusion requests	NGDA	National Geospatial Data Assets

NIST	National Institute of Standards and Technology	PTA	Patent Term Adjustment
NOAA	National Oceanic and Atmospheric Administration	PTE	Patent Term Extension
NPSBN	Nationwide Public Safety Broadband Network	QCR	quality control review
NRFU	nonresponse followup	RRB	U.S. Railroad Retirement Board
NSS	national security systems	SAR	Semiannual Report
NTIA	National Telecommunications and Information Administration	SBA	U.S. Small Business Administration
OAE	Office of Audit and Evaluation	SDO	Suspension and Debarment Official
OCIO	Office of the Chief Information Officer	SEFA	Schedule of Expenditures of Federal Awards
OG&C	Ollie Greene & Company, CPAs	SF-SAC	Standard Form-Single Audit Collection Form
OIG	Office of Inspector General	SIGTARP	Special Inspector General for the Troubled Asset Relief Program
OMAO	Office of Marine and Aviation Operations	SSPs	system security plans
OMB	Office of Management and Budget	Uniform Guidance	<i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i>
OPM	Office of Personnel Management	U.S.	United States
PIIA	Payment Integrity Information Act of 2019	U.S.C.	United States Code
PIV	personal identity verification	USPTO	United States Patent and Trademark Office
POA&M	plan of action & milestone	WCF	working capital fund
PP&B	pay, personnel action requests, and benefits		
PPL	Patent Product Line		

REPORT

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