

Committee staff summary of GAO Report

INSPECTORS GENERAL: Additional Efforts Needed by the Department of Commerce OIG to Address Audit Coverage, Hotline Operations, and Employee Concerns

- One of the key metrics used to measure the effectiveness and success of IG offices is the monetary recoveries or savings they make each year from their audits, evaluations and investigations regarding waste, fraud or improved management. The average monetary recoveries among cabinet-level OIGs from 2011-to-2013 was \$22.64, but GAO found recoveries for the Commerce OIG over the same time period was just \$4.18. The GAO also found that this was a marked improvement over the Commerce OIG's return on investment of just \$0.49 per dollar spent in 2011. In addition, 95-percent of the OIG's recoveries from its Office of Investigations (OI) from 2011-to-2013 came from joint investigations with the Department of Justice and other federal agencies where the DOC IG was not the lead investigating agency. Just \$7.5 million or 5-percent of the OI's recoveries were attributable to investigations led by Commerce OIG.
- The GAO report also found that the Commerce OIG conducted no performance audits of eight of the agency's 13 bureaus and offices, including the National Institute of Standards and Technology (NIST), Bureau of Industry and Security (BIS), and National Technical Information Service (NTIA) during this three year period. Those eight offices had combined FY 2013 budget resources of approximately \$2.4 billion. GAO found that seven of these eight bureaus had not undergone a performance audit in eight years or more. The OIG also had not conducted a Federal Information Security Management Act (FISMA) audit of seven of the agency's 13 bureaus in the past three years, including offices with major commercial responsibilities such as NIST, NTIA, BIS, the National Oceanic and Atmospheric Administration (NOAA) and the U.S. Census Bureau.
- As part of its review GAO also examined the Commerce OIG's operations of its complaint Hotline that takes in allegations of criminal, civil or administrative misconduct related to the agency. Hotline policies and procedures were generally consistent with recommended practices GAO said, but were not always followed. GAO also found that case numbers and disposition codes for managing and responding to complaints within recommended time frames were not adhered to consistently. However, the GAO neglected to address Mr. Zinser's central role in directing and mismanaging the Commerce OIG's handling of Hotline complaints, and GAO repeatedly refused to contact key sources that had previously worked on the Commerce OIG Hotline and could have provided needed context to how Mr. Zinser micromanaged the Hotline operations until a few months before they concluded their report. Without fully understanding and addressing the IG's personal role in managing the disposition of Hotline complaints, it is difficult to identify the cause of the problems the GAO identified regarding the operations of the Commerce OIG Hotline.
- The GAO also examined responses by Commerce OIG employees to the Federal Employee Viewpoint Survey (FEVS) administered annually by the Office of Personnel Management (OPM). Those results are used by the Partnership for Public Service to rank federal agencies in terms of the "Best Places to Work." In 2012, the Commerce OIG

ranked 291 out of 292 subcomponent agencies in the U.S. government. In 2013, they were ranked 281 out of 300 subcomponent agencies and in 2014 they were ranked 262 out of 315 subcomponent agencies. But again, GAO failed to provide some of the most telling data regarding employee concerns about senior Commerce OIG management, including whether or not employees believed Commerce OIG management tolerated Prohibited Personnel Practices. This data shows that in 2012 16.8% of the Commerce OIG staff responded negatively to the question: “Prohibited Personnel Practices are not tolerated.” In 2013, the numbers increased to 17.7% and in 2014 they significantly increased to 25.5%. For an Office of Inspector General tasked with protecting employees from Prohibited Personnel Practices, those are disturbing figures. In explaining these poor results generally, the GAO mentioned that in September 2013 the Office of Special Counsel (OSC) issued a report that found two of Mr. Zinser’s senior-most supervisors retaliated against Commerce OIG employees.