OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

AUG 16 2011

Memorandum

To: Rhea S. Suh, Assistant Secretary for Policy, Management and Budget
Joseph M. Ward, Jr., Director, National Business Center
Marcia McNutt, Director, U.S. Geological Survey
Michael L. Connor, Commissioner, Bureau of Reclamation

From: Hannibal M. Ware
Assistant Regional Manager

Subject: Verification Review of Recommendations for the Inspection Report, "Final Report - Passport Offices Failing to Manage and Secure Employee Passports (Report No. ER-EV-MOA-0002-2008), May 2009"
Report No. VI-VS-MOA-0003-2011

The Office of Inspector General (OIG) has completed a verification review of the seven recommendations presented in the subject inspection report. The objective of the verification was to determine whether the U.S. Department of the Interior (DOI) and the National Business Center, U.S. Geological Survey, and Bureau of Reclamation (Departmental Offices) implemented the recommendations as reported to the Office of Financial Management (PFM), Office of Policy, Management and Budget. In a memorandum dated September 30, 2009, PFM reported to OIG that all of the recommendations in the subject report had been implemented and the inspection report was closed. Based on our verification review, we concur that all recommendations are resolved and implemented.

Background

Our May 2009 inspection report, "Passport Offices Failing to Manage and Secure Employee Passports," contained seven recommendations relating to collecting, disposing, and securing passports, visas, and passport applications in accordance with Federal and Departmental regulations.

In memorandums dated June 2009, DOI and the Departmental Offices concurred with all findings and recommendations in the inspection report. They also provided a list of actions associated with each recommendation that either had been taken, were in progress, or had been planned. Based on these responses, the OIG considered all seven recommendations resolved but not implemented. On July 23, 2009, we referred the recommendations to PFM for tracking and implementation. Based on information DOI and the Departmental Offices subsequently provided, PFM reported that all the recommendations had been implemented (memorandum dated September 30, 2009). The inspection report was closed.

Scope and Methodology

The scope of this verification review was limited to determining whether DOI and the Departmental Offices implemented the recommendations. To accomplish our objective, we reviewed the supporting documents that DOI and the Departmental Offices officials provided and discussed actions taken relating to each of the seven recommendations.

We did not perform any site visits or conduct fieldwork to determine whether the underlying deficiencies that were initially identified have actually been corrected. As a result, this review was not conducted in accordance with the Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States or the "Quality Standards for Inspections" of the Council of the Inspectors General on Integrity and Efficiency.

Results of Review

All seven of the OIG's recommendations have been satisfied, as previously indicated by their closure.

Three recommendations were issued to DOI as follows:

> **Recommendation 1:** Issue a revision of 64 FR 16981 to accurately reflect the location of the passport offices and to update any other items that might be in error or outdated.

DOI issued a public notice of its intent to amend an existing Privacy Act system of records notice, Passport and Visa Records, OS-52, in June 2009. We reviewed the July 16, 2009 revision, 74 Federal Register Notice 34588. The revision updated the locations and managers of passport offices, the categories of records kept, and safeguards. The Privacy Act system number changed from OS-52 to DOI-52.

> **Recommendation 2:** Issue a revision of 383 DM 8.3B to be consistent with the standards laid out in 64 FR 16981 regarding storage of passports and passport applications.

383 DM 8.3B did not need to be revised. 64 Federal Register Notice 16981 of April 7, 1999, required a safe to store paper records. The Office of the Secretary confirmed that it was superseded by 74 Federal Register Notice 34588 that states records subject to the Privacy Act can be stored in a locked, fire-proof file cabinet. We reviewed 74 Federal Register Notice 34588 and found it consistent with 383 DM 8.3B that states "paper records are stored in locked, fire-proof file cabinets or in safes located within locked offices of the Department."

> **Recommendation 3:** Require that passport acceptance agents undergo regular training on Federal and Departmental standards governing the managing and securing of passports and passport-related information.

We reviewed the Departmental Offices' policies that include training requirements for passport acceptance agents. The Departmental Offices also confirmed that all or some of their

passport acceptance agents and supporting staff had either attended training, were registered for training, or arrangement was being made for refresher training.

After reviewing the available documentation and speaking with appropriate management officials, we conclude that Recommendations 1, 2, and 3 were satisfactorily resolved and closed.

Four recommendations were issued to the National Business Center (NBC), U.S. Geological Survey (USGS), and Bureau of Reclamation (USBR) as follows:

> **Recommendation 1:** Develop a process to ensure that passports, visas, and passport applications are stored, retained, disposed of, and tracked in accordance with Federal (Privacy Act) and Departmental regulations. Particular attention should be paid to making sure employees return their diplomatic and official passports to DOI before separating and notifying State [Department of State] of any uncollected passports.

We reviewed documentation to support that NBC: issued a policy titled "Maintain, Storage, and Disposal of Passport/Visa Information," that was effective June 2009; purchased a fireproof file cabinet in April 2011 to store all passports, visas, and passport applications; tracks passports on an excel spreadsheet with results retained by NBC's Passport and Visa Office; forwards all expired passports to State for destruction; requires passport holders to sign the "Memo on Safe Keeping of U.S. Official Passports," certifying that their official passports will be returned when they no longer working for DOI; and notifies State of any uncollected passports for separating employees. The process of identifying the passports to be reported occurs by either Human Resource Office notification or employees going through the exit process.

We reviewed documentation to support that USGS: issued a policy titled "USGS Passport Office SOP for Managing Accountability and Security of Official Passports," that was effective June 2009; uses a safe to store all passports, visas, and passport applications; reconfigured its electronic database of official passports issued to its employees to improve passport accountability and tracking - passport acceptance agents can now identify those official passports logged out without a valid official purpose; transmits expired passports and official passports for separating employees via cover memo to the State Special Issuance Agency; and uses the revised USGS exit clearance Form 9090. The audit liaison officer confirmed that no notice of uncollected passports for separating employees is necessary to provide to State because the exit clearance form works well and is automatically routed to USGS Passport Office to verify the return of any official passport issued to a separating employee.

We reviewed documentation to support that USBR: issued its standard operating procedures "Managing Accountability and Security of Official Passports" that was effective April 1, 2010; tracks the location of all passports through information entered in a master list of the Passport Office computer system; and sends expired passports to State. USBR was already in compliance in storing passports and passport-related documents in a safe at the time of the inspection. USBR reported that it did not have uncollected passports for separated employees, therefore notifying State of such is not necessary.

Recommendation 2: Destroy passport applications once State issues the corresponding passports.

The three Departmental Offices audit liaison officers confirmed that the passport offices shred all copies of passport applications once State delivers a new passport to the offices.

Recommendation 3: Post Privacy Act notices clearly, wherever passports, visas, and passport applications are stored.

We reviewed documentation to support that NBC and USGS posted Privacy Act notices above locked file cabinets, on the door of the safe in which official passports are stored, and on the locking Lektriever file cabinet where other documents with Privacy Act information are stored.

At the time of the inspection, USBR already complied with posting Privacy Act notices wherever passports, visas, and passport applications are stored.

Recommendation 4: Consult with State regarding the provision and content of regular training to DOI passport acceptance agents on Federal and Departmental standards that govern the managing and securing of passports and passport-related information.

We reviewed documentation to support that two of NBC's passport acceptance agents received training in 2009 and 2011, and that NBC consulted with State regarding training for new agents and refresher training scheduled for February and August 2011.

We reviewed documentation to support that three of the five USGS passport acceptance agents attended refresher training in 2010, USGS consulted with State regarding training for new agents and refresher training scheduled for February and August 2011, and the remaining two agents requested "stand-by" status for refresher training in August 2011 in the event openings become available. If not, they have requested registration for refresher training in February 2012.

We reviewed documentation to support that three of USBR's passport acceptance agents received refresher training in 2010. USBR's audit liaison officer confirmed that they consulted State Department regarding regular training.

After reviewing the available documentation and speaking with appropriate management officials, we conclude that Recommendations 1, 2, 3, and 4 were satisfactorily resolved and closed for all three Departmental Offices.

Conclusion

We informed DOI and Departmental Offices officials of the results of this review at exit conferences on August 1, 2011. The officials agreed with the results of our review.

cc: Eric Eisenstein, Division Chief, Internal Control and Audit Follow-up, Office of Financial Management
Alexandra Lampros, Financial Specialist, Office of the Secretary
Dean N. Martin, NBC Audit Liaison Officer, Office of the Assistant Secretary for Policy, Management and Budget
Rebecca Bageant, USGS Audit Liaison Officer, Office of the Assistant Secretary for Water and Science
Elaine Ferrari, USBR Audit Liaison Coordinator, Office of the Assistant Secretary for Water and Science