



Via Email and U.S. Mail

April 27, 2016

The Honorable Jason Chaffetz
Chairman
Committee on Oversight and Government Reform
United States House of Representatives
2157 Rayburn House Office Building
Washington, DC 20515

The Honorable Elijah E. Cummings
Ranking Member
Committee on Oversight and Government Reform
United States House of Representatives
2471 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Chaffetz and Ranking Member Cummings:

This is in reply to your April 6, 2016, letter requesting information on open and unimplemented Office of Inspector General (OIG) recommendations and related cost savings; summaries of nonpublic, closed investigations, evaluations, and audits; number of referrals to the U.S. Department of Justice for criminal prosecution and number of related prosecutions; and a list of any instances in which the Agency refused to provide or otherwise restricted or delayed the OIG's access to records or information since March 1, 2015.

This letter provides responsive data for the time period from March 1, 2015 through April 1, 2016. We have included information from our two most recent Semiannual Reports to Congress, the first issued on October 26, 2015 for the time period dating from April 1, 2015, through September 30, 2015, and the second issued last week for the time period dating from October 1, 2015, through March 31, 2016.

Request No. 1 – “The current number of recommendations by your office that are open or unimplemented.”

As of April 1, 2016, OIG has 21 agreed-upon actions that remain open or unimplemented. (An agreed-upon action is a recommendation made in an OIG audit, evaluation, or inspection which the Agency has accepted. All of OIG's open recommendations discussed in this report have already been accepted by the Agency and are, therefore, designated as “agreed-upon actions”.)

Requests No. 2 and 3 – “The cumulative estimated cost savings associated with the current number of open and unimplemented recommendations” and “[f]or those recommendations that would result in

cost savings if implemented, specify the recommendation, the date the recommendation was made, and an estimate for the cost savings that would be realized if the recommendation were implemented.”

With respect to open recommendations with associated cost savings, as of April 1, 2016, OIG has two such agreed-upon recommendations and they amount to a cumulative estimated amount of \$304,477 in funds put to better use, as follows:

- *Farm Credit Administration’s Risk Project*, Audit No. A-16-01 (March 31, 2016), Agreed-Upon Action Number 1, which identified funds put to better use of \$143,200: “Add or modify current procedures for large IT investments to:
 - Designate a project manager and project management responsibilities;
 - Assess resources and determine whether consultants are needed for project planning and implementation; and
 - Establish guidelines for incremental investment.”
- *Farm Credit Administration’s Commissioning Program*, Audit No. A-14-04 (March 31, 2015), Agreed-Upon Action Number 3, which identified funds put to better use of \$161,277: “Analyze the costs and benefits of streamlining and consolidating current testing and assessment milestones through the elimination of the final Commissioning Test simulations.”

Request No. 4 – “Which three open or unimplemented recommendations does your office consider to be the most important or urgent? For each, identify:

- a. The status of the recommendation, including whether agency management has agreed or disagreed with the recommendation and the expected date of implementation; and,
- b. The cost savings associated with the recommendation (if applicable).”

The Agency has already accepted all 21 recommendations that are currently open. Of these 21 recommendations, OIG considers the following to be the three most important or urgent:

- [*The Farm Credit Administration’s Commissioning Program, No. A-14-04 \(March 31, 2015\)*](#), Agreed-Upon Action No. 3, “Analyze the costs and benefits of streamlining and consolidating current testing and assessment milestones through the elimination of the final Commissioning Test simulations.” The Agency has agreed with this recommendation and we anticipate this item being completed by the end of this fiscal year. We also identified funds put to better use as a result of this recommendation, in the amount of \$161,277.
- [*The Farm Credit Administration’s Risk Project, No. A-16-01 \(March 31, 2016\)*](#), Agreed-Upon Action No. 1, “Add or modify current procedures for large IT investments to:
 - Designate a project manager and project management responsibilities;
 - Assess resources and determine whether consultants are needed for project planning and implementation; and
 - Establish guidelines for incremental investment.”

The Agency has agreed with this recommendation and we anticipate this item being completed by the end of this fiscal year. We also identified funds put to better use as a result of this recommendation, in the amount of \$143,200.

- [*The Farm Credit Administration's Risk Project, No. A-16-01 \(March 31, 2016\)*](#), Agreed-Upon Action No. 5, "Evaluate Risk Project software licenses before the next renewal period." The Agency has agreed with this recommendation and the expected date of implementation is by the end of the fiscal year.

Request No. 5 – *"A summary of all closed investigations, evaluations, and audits that were not disclosed to the public since March 1, 2015, including case number, disposition, a brief description of the allegation, and the date the investigation was closed."*

With respect to information on nonpublic, closed reports issued from March 1, 2015 to the present, all reports generated through OIG audits, inspections, and evaluations conducted during the period were publicly disclosed and are posted on my office's public website at [FCA Office of Inspector General Reports](#). Our office also issued three Reports of Investigation for which Closing Memoranda summarizing the allegations are posted on my office's public website as follows:

- OIG Report of Investigation No. 15-01 addressed allegations relating to an employee's access to Equal Employment Opportunity counseling. The OIG completed its investigation on July 15, 2015, and issued Report of Investigation No. 15-01 to FCA management for appropriate action. On July 31, 2015, FCA management notified the OIG that it had taken administrative action. The OIG Closing Memorandum is published online at: [Closing Memorandum No. 15-01](#).
- OIG Report of Investigation No. 15-03 addressed questions relating to employee suitability adjudications by the FCA. The allegation was not substantiated and OIG closed the investigation on September 29, 2015. The OIG Closing Memorandum is published online at: [Closing Memorandum No. 15-03](#).
- OIG Report of Investigation No. 15-05 addressed an allegation that the Agency was using contract employees to conduct inherently governmental activities in violation of Federal law and FCA policy. The allegation was not substantiated and OIG closed the investigation on December 16, 2015. The OIG Closing Memorandum is published online at: [Closing Memorandum No. 15-05](#).

Our office also issued two unpublished Management Advisories to the FCA Board during this time period:

- OIG Management Advisory No. 15-02, *Federal Records Act Amendments on Personal Emails and Text Messages as Federal Records*. This advisory was issued on April 16, 2015, and recommends that the Agency implement procedures and issue policy statements to address new Federal statutory requirements regarding use of email and text messaging in the context of Federal records requirements. The Agency subsequently developed and shortly thereafter, published a policy addressing the statutory mandate.
- OIG Management Advisory No. 15-03, *Eligibility to Participate in FCA 401(k) Plan*. This advisory was issued on September 16, 2015, addressing questions regarding eligibility to participate in the Agency's 401(k) plan. The Agency responded in a timely manner, and resolved the eligibility issue in its 2016 Compensation and Benefits Program issued in December 2015.

Request No. 6 – “The total number of individuals referred by your office to the Department of Justice for criminal prosecution, and the total number of prosecutions in response to those referrals, since March 1, 2015.”

The FCA OIG has made no referrals to the U.S. Department of Justice for criminal prosecution.

Request No. 7 – “List and describe any instances where the agency refused to provide, or otherwise delayed or restricted your access to, records or other information, since March 1, 2015.”

The FCA OIG has received cooperation from the Agency in response to its information and data requests and thus has had no instances in which the FCA refused to provide or otherwise unduly delayed or restricted OIG’s access to records or other information.

Thank you for your efforts on behalf of the Inspectors General, and please contact my office at (703) 883-4030, if we may further assist.

Sincerely,



Elizabeth M. Dean
Inspector General