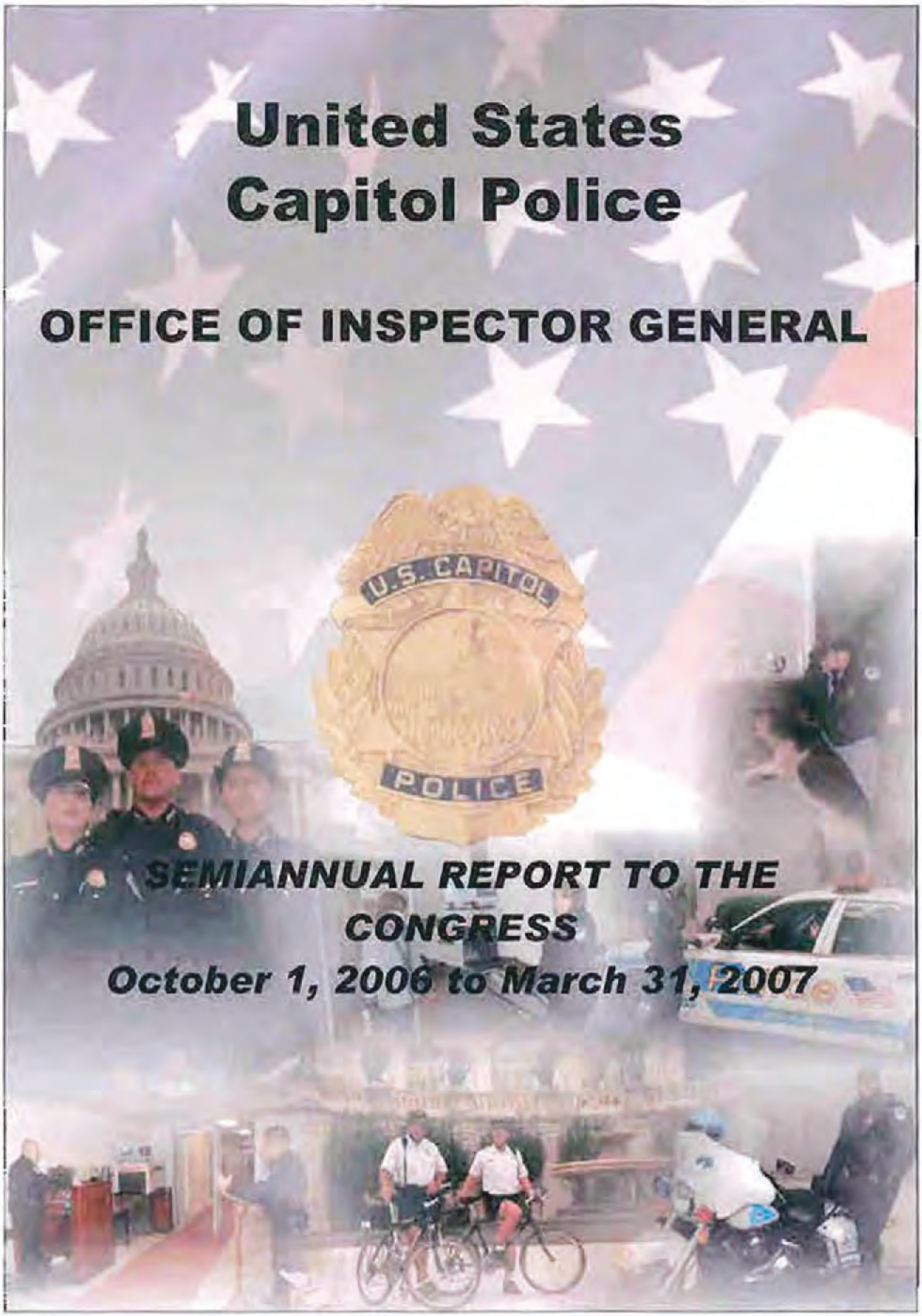
Approved for public release by the Capitol Police Board on September 3, 2026

United States Capitol Police

OFFICE OF INSPECTOR GENERAL



SEMIANNUAL REPORT TO THE CONGRESS

October 1, 2006 to March 31, 2007

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UNITED STATES CAPITOL POLICE
WASHINGTON, DC 20003

April 20, 2007

INSPECTOR GENERAL

Phillip D. Morse, Sr.
Chief of Police
United States Capitol Police
Washington, DC 20510-7218

Dear Chief Morse:

Section 5(b) of the Inspector General Act (the Act) of 1978, as amended, requires me to submit our semiannual report to the Congress for the period ended March 31, 2007 to you by April 30, 2007. In addition, Public Law 109-55 requires you to transmit this report to the Capitol Police Board (the Board) and the appropriate Congressional committees and subcommittees not later than thirty days hence, along with any report of your own related thereto that you may wish to append. Enclosed please find our second completed report since our establishment and our first report covering a full six month operating period.

Over the last six months, we have met the challenge of creating a cohesive, integrated, and functional Office of Inspector General (OIG) to oversee the programs and activities of the United States Capitol Police (the Department). My staff has begun to examine each of the Department's bureaus and offices, as well as its freestanding components in detail. To highlight one project of particular importance, we are conducting an audit of the Department's financial statements. With regard to financial management issues, it is imperative that sound financial practices and strong controls be instituted to ensure that the Department can move forward in producing a complete set of financial statements, as directed in Senate Conference Report 109-267, by December 2007. As we have discussed, my office will continue to work collaboratively with the Department to improve practices and processes and track corrective actions, all of which enable good stewardship and reporting of financial information.

Recognizing the daunting nature of the Department's mission and the various constraints under which it labors, we have endeavored in each of the reports referenced in the pages that follow to give the Department due credit for what we believe to be its successes. In those instances where we believe there is room for improvement, we have made recommendations to that effect. We are hopeful that, at least as a general rule, the

Department and OIG will agree on our recommendations' merit and that, accordingly, our recommendations will be promptly implemented.

As you know and as this report signifies, the Inspector General has dual reporting responsibility, to the Congress and the Board as well as to you. During this reporting period, OIG has provided numerous briefings to the Board and Congressional staffers on completed and ongoing work. We have received several requests from the Government Accountability Office (GAO), as well as the Board to examine various aspects of the Department's operations, and we anticipate that such requests will increase in the future as OIG becomes more established.

OIG has risen to the additional challenges, but it is becoming increasingly difficult to continue without further resources. I have discussed my concerns with the Board and Congress and am hopeful that an increase in staffing will be possible in 2008. The fewer resources OIG has to eradicate waste, fraud, abuse, and mismanagement, the greater the potential risk to Department programs and activities.

On a positive note, several Department components have reached out to OIG to request our advice on important matters. We welcome such requests to provide consultative services, and we are hopeful that more Department managers will make such requests of us. Though our resources are limited, responding to the Department, the Board, and Congressional requests will always be a priority. We would especially welcome any request that you might make of us.

I am pleased to present this report to you. We look forward to continuing to work with you and your leadership team to ensure efficiency, effectiveness and integrity of the Department's programs and operations.

Carl W. Hoecker
Inspector General

EXECUTIVE SUMMARY

This is our second semiannual report to the Congress issued by the United States Capitol Police (the Department), Office of Inspector General (OIG) since the establishment of OIG in July 2006. It is issued pursuant to the provisions of Section 5 of the Inspector General Act (the Act) of 1978, as amended, and covers the period October 1, 2006 to March 30, 2007. All activities and results reported herein fall within this reporting period, unless otherwise noted. The OIG has a number of significant accomplishments to report for the last six months.

Of our initial accomplishments, the establishment of a functioning, cohesive and Department-focused organization was the most challenging. Specifically, we: (1) maximized our intellectual capital by staffing projects, where possible, with not only employees with pre-existing expertise in a given issue areas, but also with employees new to the subject matter; (2) co-located four Washington-based employees by consolidating our four separate offices into one suite, resulting in the creation of an esprit de corps; (3) effected a dynamic interactive relationship with the Government Accountability Office (GAO), other legislative branch Inspectors General (IGs), and Department managers, by means of periodic visits by OIG staff; and (4) created administrative processes and support services (i.e., a common electronic mail communication system, OIG website, Hotline complaint and audit resolution tracking systems, procurement, training, and travel) needed to effect a seamless transition and facilitate ongoing operations. We also issued our protocols for working with the Department, the Capitol Police Board (the Board), and Congress in January 2007. On March 30, 2007, OIG also forwarded to the Chief of Police the final draft of a Department directive related to OIG.

In addition, during this reporting period, we were an agent of positive change and conducted audits and investigations of our own, as opposed to the first reporting period, when we essentially were establishing a new office. Using the compilation of GAO's concerns as a guidepost, we initiated reviews and audits relative to high-risk areas and audit resolution. To be specific, we completed one audit and two management reviews related to: (1) the financial statements for the period ended September 31, 2005; (2) [redacted] (3) the Department's audit resolution of GAO and OIG recommendations; and (4) had four on-going assignments related to lump sum payments for compensatory time, FY 2006 financial statements, wall-to-wall inventory and valuation, and the student loan repayment program.

We also opened investigations for 8 of 13 complaints received through the newly established hotline and other methods. To further our outreach program, we developed an OIG pamphlet detailing our mission and services and conducted briefings at officer recruit classes and roll calls. Finally, we continued to support the Department by serving in an advisory or consultative capacity on various task forces and working groups.

AGENT OF POSITIVE CHANGE

As part of the overall mission and responsibilities of OIG, we continue to assist the Department in developing a strong, sound organization, employing best practices. While working alongside the Department during this reporting period, OIG was able to effect immediate and positive change.

HANDGUN QUALIFICATION



Although the Department's General Order 2320, [redacted] established handgun qualification biannually from January 1 through June 30, and July through December 31, the Department had been qualifying biannually from October 1 through March 31, and April 1 through September 30. OIG recognized that this practice was not aligned with the Department's written policy. Thus, OIG recommended that the Department formalize their qualification practice. In February 2007, the Department issued a special directive requiring biannual handgun qualification based on a fiscal year cycle.

INDICES CHECKS

As part of our continuing oversight responsibilities, OIG identified a control weakness in the Department's policy of conducting indices checks for employees seeking favorable personnel actions and potential new employees. Specifically, OIG noted that the Department did not perform checks of all its databases to determine whether there was an on-going investigation, administrative action, or performance issues related to a specific employee prior to granting awards, promotion, or special assignments. Based on an OIG suggestion, the Department added additional records checks to its checklist for both sworn and civilian employees.

MAJOR MANAGEMENT CHALLENGES

During our first six-months, OIG identified financial management, security, human capital, information management, contract management, and resolution of audit recommendations as major management challenges for the Department for FY 2007. The Chief of Police immediately included OIG's challenges into his priority listing for the Department.

PROACTIVE EFFORTS

DEPARTMENT/OIG DIRECTIVE

On March 30, 2007, OIG forwarded to the Chief of Police the final draft of the Department directive, which clarifies the duties, powers, functions, and responsibilities of OIG including the authority contained in the enacting legislation and the IG Act. Issuing this directive was a priority during the first months of OIG's operations to articulate the authority of OIG and its role in the Department. OIG has the responsibility to supervise and conduct audits and oversee nonfederal auditors' work. As OIG is assigned the dominant role in investigating criminal and non-criminal allegations against Department employees and contractors relative to Department programs and operations, and oversee such investigations as are conducted by the Department, this directive will assist in clarifying OIG's role and successful integration into the Department. The aim is to ensure that OIG can carry out its statutory responsibilities, and, in so doing, provide the Department, the Board, and Congress with an independent assurance that matters meriting OIG's oversight are thoroughly pursued.

OIG PROTOCOLS

In January 2007, OIG published its protocols that will govern its work with the Department. These protocols are intended to provide clear and transparent policies and practices on how OIG interacts with the Chief of Police, Board, Congress, and the Department in performing its work. In all cases, OIG seeks to carry out its mission in a professional, independent, objective, fact-based, nonpartisan, and nonideological manner, to help improve government. OIG's protocols are based on those developed and used by GAO and business practices within the IG community, as applicable to the Department. OIG will monitor their application to (1) help ensure a consistent and unified approach and (2) determine when additional clarification is warranted.

OUTREACH ACTIVITIES



As part of our continuing efforts to promote accountability through better awareness of OIG's role, mission, and services, OIG made presentations to Department managers and employees, Legislative branch officials, and committee staffers.

AUDITS

Financial Statements and Independent Auditors' Report Fiscal Years 2005 and 2004 (OIG-2007-01)

OIG's independent auditors audited the Department's Statements of Budgetary Resources (SBR) for the years ended September 30, 2005 and 2004. The SBR presented fairly, in all material respects, the budgetary resources of the Department at September 30, 2005 and 2004, in conformity with accounting principles generally accepted in the United States of America.

In performing the fiscal year 2005 and 2004 financial statement audits of the Department, the independent auditors identified three reportable conditions—Payroll Processing, Financial Management, and Information Systems. The auditors reported these same conditions in the Department's FY 2003 audit report. The auditors noted that the Department has made some progress toward implementing the recommendations. However, payroll processing still remained a material weakness. We did not prepare a separate management letter as the financial statement audit report included internal control conditions identified.

Ongoing FY 2006 Financial Statements

The Department has a target goal of preparing a full set of financial statements by the end of FY 2007. OIG is currently finalizing our audit of the FY 2006 financial statements, which includes two of five required financial statements –Statement of Budgetary Resources and Balance Sheet.

Ongoing Inventory Count and Valuation

OIG is currently conducting a test count of inventory and valuation of Department property, which OIG and its external auditors will use in establishing beginning balances on the Department's financial statements.

Followup Report on the Department's Resolution of Audit Recommendations (OIG-2007-03)

This followup report provides the results of activities by the Department in resolving findings and recommendations previously identified by GAO, OIG, and its external auditors during fiscal years 2000 through December 2006. Our primary purpose was to determine the status of corrective actions on recommendations and provide assistance to the Department in facilitating closure of prior recommendations. During the audit period, GAO, OIG, and its external auditors made 88 recommendations, which required corrective actions by the Department. OIG found that the Department had fully implemented 10 of 88 recommendations or 11 percent, which GAO and OIG considered resolved and closed. However, the other 78 recommendations remained open pending further action(s) by the Department.

Originated	*Number of Recommendations*	*Closed*	*Resolved but Open*	*Unresolved and Open*
GAO	60	7	53	0
OIG	28	3	25	0
Total	88[1]	10	78	0

In fact, OIG found that some recommendations made to the Department have remained open for years and were repeat findings in both GAO and OIG reports. For example, in its report (GAO/AIMD-00-153) dated May 15, 2000, GAO recommended that the Department develop and implement policies and procedures covering all matters, which impact its financial performance. This same recommendation was a repeat finding in an OIG report, *Independent Auditors Report on FY 2004 and 2005 Financial Statements* (OIG-2007-01), dated October 2006. OIG also reported financial management and resolution of prior recommendations as major management challenge for the Department

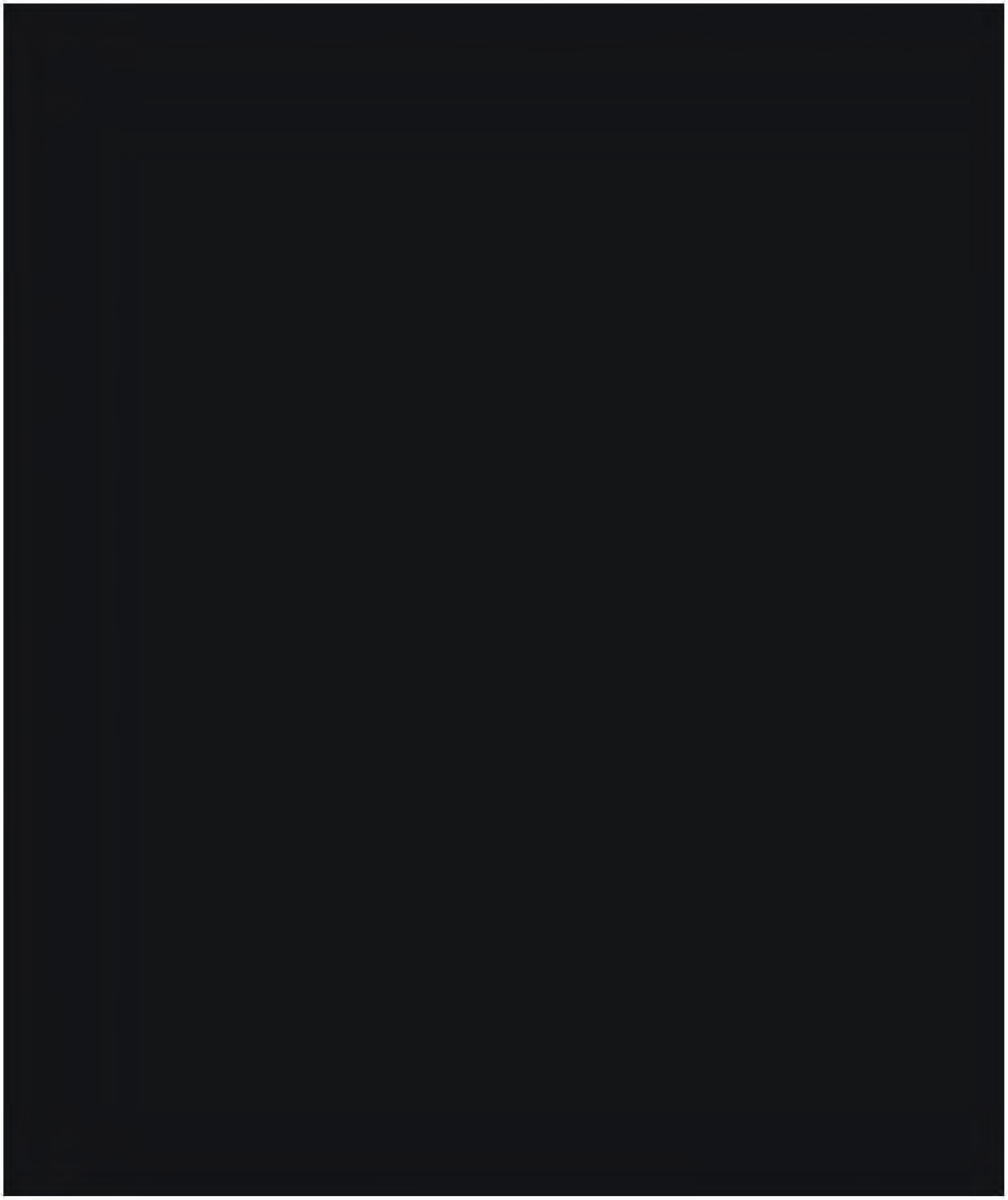
Furthermore, the Department had not established a formalized process to assure the prompt and proper resolution and implementation of audit recommendations, or issued guidance regarding audit followup, or designated audit followup officials. Thus, OIG recommended that the Department hold managers accountable for implementation and establish systems to assure the prompt and proper resolution of audit recommendations.

Audit Resolution of Recommendations

In its ongoing compliance with recommendations made in OIG's followup report related to audit resolution, the Chief of Police immediately appointed audit followup officials and directed the Chief Administrative Officer to establish a system to assure the prompt and proper resolution and implementation of GAO and OIG audit recommendations.

[1] OIG enumerated each sub-component of GAO's recommendations to assist in implementation tracking and closure of recommended actions.

Investigations



[redacted]

Fraud Awareness and Prevention Activities



With the support of the Chief of Police, OIG has undertaken a proactive initiative to strengthen financial accountability by providing fraud prevention and awareness training to Department personnel responsible for financial systems, contracts, and procurement. The OIG fraud prevention and awareness program is presented to relevant personnel as well as new recruit classes. The Assistant Inspector General for Investigations has also met with senior Department managers to discuss areas of emphasis in their area and provide suggestions to assist in the management of Department programs and activities.

APPENDIX 1 – REPORTS ISSUED

OIG-2007-01	**Financial Statements and Independent Auditors' Report Fiscal Years 2005 and 2004**
[redacted]	[redacted]
OIG-2007-03	**Followup Report on the Department's Resolution of Audit Recommendations**
[redacted]	[redacted]

Table 1

Audit Reports Issued with Questioned Costs[2]
October 1, 2006, to March 31, 2007

Category	(Dollars in Thousands)		
	No. of Reports	Questioned Costs	Unsupported Costs
For which no management decision has been made by the commencement of the reporting period	0	0	0
Which were issued during the reporting period	0	0	0
Subtotals	0	0	0
For which a management decision was made during the reporting period			
• dollar value of disallowed costs	0	0	0
• dollar value of cost not disallowed	0	0	0
For which no management decision has been made by the end of the reporting period	0	0	0
Reports for which no management decision was made within 6 months of issuance	0	0	0

[2] A "questioned cost" denotes that one or more of the following three situations exist: (1) an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, 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 the expenditure of funds for the intended purpose is unnecessary or unreasonable.

Table 2

Audit Reports Issued with Recommendations that Funds Be Put to Better Use[3]
October 1, 2006, to March 31, 2007

Category	Number of Reports	Dollar Value (in thousands)
For which no management decision has been made by the commencement of the reporting period	0	0
Which were issued ruing the reporting period	0	0
Subtotals	0	0
For which a management decision was made during the reporting period	0	0
• dollar value of recommendations that were agreed to by management ○ **based on proposed management action** ○ **based on proposed legislative action**	0	0
• dollar value of recommendations that were not agreed to by management	0	0
For which no management decision has been made by the end of the reporting period	0	0
Reports for which no management decision was made with 6 months of issuance	0	0

[3] A recommendation that funds be put to better use is a recommendation by the OIG that funds could be used more efficiently if Department management took actions to implement and complete the recommendations, including: reductions in outlays, deobligation of funds from programs or operations; withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds; costs not incurred by implementing recommended improvements related to the operations of the Department, a contractor, or a grantee; avoidance of unnecessary expenditures noted in preaward reviews of contract or grant agreements; or any other savings which are specifically identified.

Table 3

INVESTIGATIONS STATISTICS
October 1, 2006 to March 31, 2007

Funds Recovered (Investigative Recoveries)	$0
Fines and Restitutions	$0
Administrative Cost Savings and Recoveries	$0
Investigative Cases Opened	8
Investigative Cases Closed	4
Internal Control Reviews Initiated	1
Arrests	0
Indictments	0
Convictions	0
Personnel Actions	0
Complaints Received	13
Hotline Complaints Received	5
Complaints Referred (to Department or other agencies)	3

IG Act	REPORTING REQUIREMENTS	PAGE

Reporting requirements required by the Inspector General Act of 1978, as amended are listed below.

Section 4(a)(2)	Review of Legislation	None
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	10
Section 5(a)(2)	Recommendations with Respect to Significant Problems, Abuses, and Deficiencies	10
Section 5(a)(3)	Recommendations Included in Previous Reports on Which Corrective Action Has Not Been Completed	9
Section 5(a)(4)	Matters Referred to Prosecuting Authorities	None
Section 5(a)(5)	Summary of Instances Where Information Was Refused	None
Section 5(a)(7)	Summary of Significant Reports	12
Section 5(a)(8)	Questioned and Unsupported Costs (Table 1)	13
Section 5(a)(9)	Recommendations that Funds be put to Better Use (Table 2)	14
Section 5(a)(10)	Summary of Audit Reports Issued before the start of the Reporting Period for which no Management Decision has been made	N/A
Section 5(a)(11)	Significant Revised Management Decisions	N/A
Section 5(a)(12)	Management Decisions with which the Inspector General is in Disagreement	None

CONTACTING THE OFFICE OF INSPECTOR GENERAL

The success of OIG's mission to prevent fraud, waste, abuse or mismanagement depends on the cooperation of employees and the public. There are several ways to reports questionable activity.

Call us at 202-593-4201 or toll-free at 1-800-906-2446. A confidential or anonymous message can be left 24 hours a day/7days a week.



Toll-Free
1-866-906-2446

Write or visit us – we are located at:



United States Capitol Police
Attn: Office of Inspector General, Investigations
499 South Capitol Street, SW, Suite 345
Washington, D.C. 20003

OIG staff members open mail addressed to the above address.

You can also contact us by email at: OIG@cap-police.senate.gov.

When making a report convey as much information as possible such as: Who? What? Where? When? Why? Complaints may be made anonymously or you may request confidentiality.

Additional Information and Copies:
To obtain additional copies of this report, call the Office of Inspector General (OIG) at (202) 593-4201.