



**United States Department of State  
and the Broadcasting Board of Governors  
Office of Inspector General**

**Office of Inspections**

**Inspection of the Bureau of Administration,  
Global Information Services, Global  
Publishing Solutions**

**Report Number ISP-I-12-07, January 2012**

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**Office of Inspector General**

## **PURPOSE, SCOPE, AND METHODOLOGY OF THE INSPECTION**

This inspection was conducted in accordance with the Quality Standards for Inspection and Evaluation, as issued in 2011 by the Council of Inspectors General on Integrity and Efficiency, and the Inspector's Handbook, as issued by the Office of Inspector General (OIG) for the U.S. Department of State (Department) and the Broadcasting Board of Governors (BBG).

### **PURPOSE AND SCOPE**

The Office of Inspections provides the Secretary of State, the Chairman of the BBG, and Congress with systematic and independent evaluations of the operations of the Department and the BBG. Inspections cover three broad areas, consistent with Section 209 of the Foreign Service Act of 1980:

- **Policy Implementation:** whether policy goals and objectives are being effectively achieved; whether U.S. interests are being accurately and effectively represented; and whether all elements of an office or mission are being adequately coordinated.
- **Resource Management:** whether resources are being used and managed with maximum efficiency, effectiveness, and economy and whether financial transactions and accounts are properly conducted, maintained, and reported.
- **Management Controls:** whether the administration of activities and operations meets the requirements of applicable laws and regulations; whether internal management controls have been instituted to ensure quality of performance and reduce the likelihood of mismanagement; whether instance of fraud, waste, or abuse exist; and whether adequate steps for detection, correction, and prevention have been taken.

### **METHODOLOGY**

In conducting this inspection, the inspectors: reviewed pertinent records; as appropriate, circulated, reviewed, and compiled the results of survey instruments; conducted on-site interviews; and reviewed the substance of the report and its findings and recommendations with offices, individuals, organizations, and activities affected by this review.



United States Department of State  
and the Broadcasting Board of Governors

*Office of Inspector General*

## PREFACE

This report was prepared by the Office of Inspector General (OIG) pursuant to the Inspector General Act of 1978, as amended, and Section 209 of the Foreign Service Act of 1980, as amended. It is one of a series of audit, inspection, investigative, and special reports prepared by OIG periodically as part of its responsibility to promote effective management, accountability, and positive change in the Department of State and the Broadcasting Board of Governors.

This report is the result of an assessment of the strengths and weaknesses of the office, post, or function under review. It is based on interviews with employees and officials of relevant agencies and institutions, direct observation, and a review of applicable documents.

The recommendations therein have been developed on the basis of the best knowledge available to the OIG and, as appropriate, have been discussed in draft with those responsible for implementation. It is my hope that these recommendations will result in more effective, efficient, and/or economical operations.

I express my appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in black ink, appearing to read "H.W. Geisel". The signature is fluid and cursive, with a large loop at the end.

Harold W. Geisel  
Deputy Inspector General

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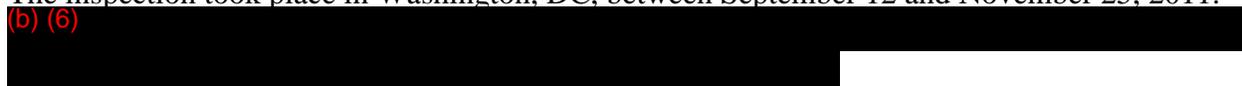
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## Key Judgments

- Bureau of Administration (A Bureau) officials cited the letter of obligation, the equivalent of a contract between the Department of State (Department) and the Bureau of Administration, Global Information Services, Global Publishing Solutions (A/GIS/GPS), as the source of managerial issues in the office and the main obstacle to improving operations. A/GIS/GPS has not developed an action plan to address these managerial issues since the letter's termination in March 2011. A Bureau needs to prepare a strategic plan for A/GIS/GPS that identifies and prioritizes options for short-term and long-term fixes as well as aligns human and financial resources.
- A/GIS/GPS continues to use pricing not designed to recover all or more of its operating costs, which results in other profitable cost centers in the working capital fund absorbing these losses. A/GIS/GPS needs an aggressive approach, for example, a combination of increased prices and cutting its overhead costs, to generate more revenue and cover the costs of its operations.
- There is no management oversight of the information technology (IT) unit in A/GIS/GPS and systems development requires improvement. A/GIS plans to take over management of A/GIS/GPS information technology.

The inspection took place in Washington, DC, between September 12 and November 25, 2011.

(b) (6)



## Context

A/GIS/GPS is the Department’s worldwide centralized resource for printing, publishing, and domestic copier management services. Headquartered in Washington, DC, it has offices in Manila, Philippines; Cairo, Egypt; and Vienna, Austria. The Washington office performs graphic design, digital printing, and reproduction. The Manila and Cairo offices perform graphic design and printing using economical offset printing presses. The Vienna office performs graphic design but has no printing capability. There are also two small satellite offices in Washington in the Office of the Secretary of State and at the Foreign Service Institute. A/GIS/GPS is a fee-for-service organization, financed using the Department’s working capital fund.

### A/GIS/GPS Staffing

	Washington	Manila	Cairo	Vienna	Total
Civil Service	42	0	0	0	42
Foreign Service	0	1	2	0	3
Locally Employed Staff	0	48	27	1	76
Contractors	13	1	0	1	15
Total	55	50	29	2	136

The Washington office is the primary focus of this inspection. The OIG inspectors did not inspect the Manila and Cairo offices. The concurrent inspection of Embassy Vienna found no issues with A/GIS/GPS.

Before reorganizing as A/GIS/GPS in 2007, the Washington office was called the Bureau of Administration, Office of Records and Publishing Services, Office of Multi-Media Services (A/RPS/MMS). It had a staffing complement of 40 centrally funded Civil Service employees and a cadre of contractor staff. During this time, Manila and Vienna had full-scale printing operations. Prior to consolidation with the Department in 1999, these overseas printing and publishing operations were part of the U.S Information Agency.

In 2006, A Bureau’s competitive sourcing program office conducted an Office of Management and Budget (OMB) Circular A-76 study of the Department’s printing operations, which led to an open competition among A/RPS/MMS and two outside commercial contractors. A/RPS/MMS won the competition and become A/GIS/GPS. A letter of obligation between the Department and A/GIS/GPS—the equivalent of a contract between the Department and a private-sector offeror—defined the office’s structure, mission, standards of performance, and terms of service.

In March 2011, A Bureau management notified OMB of its plans to restructure A/GIS/GPS and terminated the letter of obligation effective March 31, 2011. This action removed A/GIS/GPS from A-76 controls.

## Executive Direction

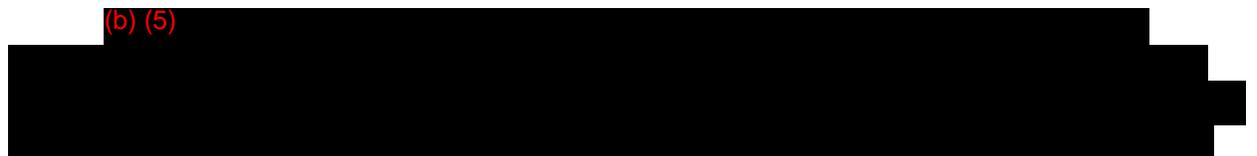
The A/GIS/GPS director, serving in the position since May 2009, manages all A/GIS/GPS printing and copier activities worldwide. Like his three predecessors, he has not been able to resolve longstanding management issues. The office's organizational structure and staffing model have been persistent concerns since the A-76 competition because they do not align with the staffing and grade levels of other Federal printing operations. The reduction in the previous customer base and the lack of fiscal profitability, as well as the loss of institutional knowledge and leadership are other issues cited. Throughout its period of performance until terminated on March 31, 2011, the letter of obligation restricted A Bureau's authority to correct managerial issues. The terms of the letter of obligation required A/GIS/GPS to be run like a commercial business rather than a working capital-funded entity. All A/GIS/GPS directors complied with the letter of obligation performance standards but were unable to reduce annual printing losses and operate on a break-even basis.

Bureau officials frequently cite the letter of obligation as the main obstacle to improving A/GIS/GPS operations. However, A/GIS/GPS has not taken any substantive action since the letter's cancellation to address the issues referred to in the notification for its termination. Furthermore, neither A/GIS/GPS nor A/GIS management produced, during the inspection, any strategic or long-term plan to improve operations, which is surprising given the number of challenges the office faces in the current budget climate. While A/GIS has taken steps to address staffing and IT issues affecting the office, a long-term plan would provide A/GIS/GPS management with the opportunity to define its direction and make decisions for allocating resources.

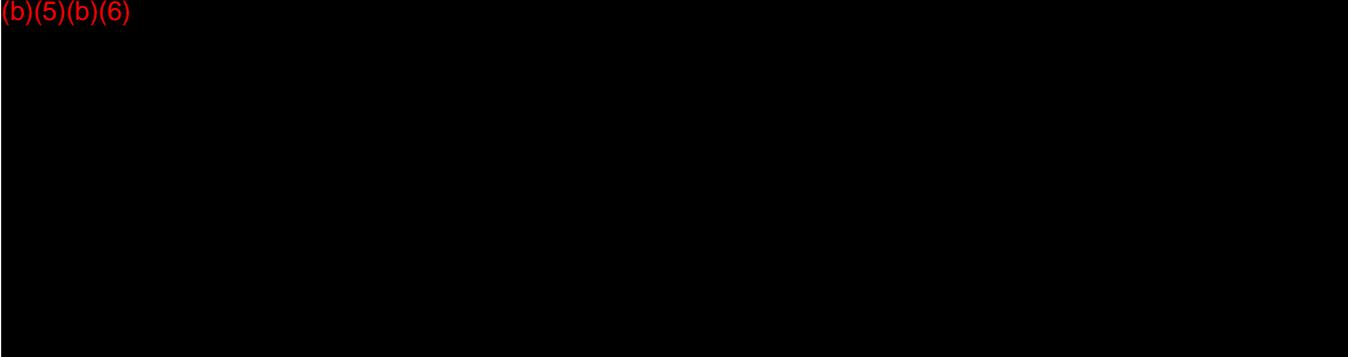
**Recommendation 1:** The Bureau of Administration should review the staffing and structure of its Global Publishing Solutions office and prepare a strategic plan that identifies and prioritizes options for short-term and long-term fixes, as well as aligns human and financial resources. (Action: A)

The working relationship between the director and A/GIS management has hampered A/GIS/GPS operations. While internal-day-to-day operations are performed adequately, overall planning is insufficient. Communication between A/GIS management and the director is poor. The director does not participate in A/GIS meetings and is not included in major decisions affecting the office. The A/GIS deputy assistant secretary, acting in the position since February 2010 until appointed in September 2010, hired a new staff director with responsibility for supervising A/GIS/GPS. He took the lead in addressing issues in the notification to terminate the letter of obligation, for example, the hiring plan that would gradually replace contract positions with full-time equivalent staff, but left to take another position in the Department about 5 months after he was hired.

(b) (5)



(b)(5)(b)(6)



***Informal Recommendation 1:*** The Bureau of Administration should require the management staff of the Global Information Services office to hold regular office meetings with the management staff of the Global Publishing Solutions office to discuss issues concerning the overall operation of the office.

In October 2010, A/GIS management hired an outside consultant to conduct an assessment and analysis of print production operations within the Department. The resulting report outlines in detail the root causes for A/GIS/GPS fiscal losses, as well as the operation's strengths, weaknesses, opportunities, and remedies for addressing its long-standing internal problems. At the time of the inspection, A/GIS had not shared the report with the A/GIS/GPS director despite it being finalized almost a year ago. [REDACTED]. The OIG inspectors believe the consultant's report contains useful recommendations that would assist the director with improving operations.

***Informal Recommendation 2:*** The Bureau of Administration should require its Global Information Services management to share the Info Trends report, *The U.S. Department of State, Global Publishing Solutions, Print Production Assessment*, December 2010, with the director of its Global Publishing Solutions office, and review and implement the recommendations accordingly.

## **Policy and Program Implementation**

### **OMB Circular A-76 “Performance of Commercial Activities”**

The intent of OMB Circular A-76, “Performance of Commercial Activities,” is to establish procedures for determining whether commercial activities should be performed under contract with commercial sources or in-house using Government facilities and personnel. Under this policy, federal agencies performing commercial-type activities are permitted to provide them in-house after successfully demonstrating through competition that they offer superior performance at lower cost than the private sector.

In the 2007 OMB Circular A-76 competition, the newly established A/GIS/GPS submitted the most economical proposal for printing, publishing, and copier management services among the three proposals and won the competition. Under the letter of obligation, the equivalent of a contract, which defined the structure, mission, standards of performance, pricing, and terms of service, A/GIS/GPS was subject to routine monitoring and adherence to performance standards. For more than a 4-year period until the letter was terminated, A/GIS/GPS met most of its performance standards and terms of service. Also, the contracting officer and contracting officer’s representatives stated that there were no significant issues with A/GIS/GPS’s performance. A minimum monthly performance measurement score of 85 was not only met but often exceeded. A/GIS/GPS monthly printing and publishing customer satisfaction surveys showed that on average, at least 80 percent of customers surveyed were satisfied with printing services. Financial performance was not a criterion stipulated in the letter of obligation.

In March 2011, A Bureau notified OMB of its decision to cancel the letter of obligation and remove the organization from OMB Circular A-76 controls. A/GIS officials believe the stipulations in the letter of obligation severely hampered its autonomy to address its long-standing and unresolved managerial issues, as described in the Executive Direction section of this report. The widespread view among the A/GIS/GPS management and other officials is that the root cause of these conditions and the financial losses stems from the low bid submitted to retain a legacy printing and publication operation in the Department. The OIG inspectors believe there is merit to this assessment.

### **Copier Management**

The copier management program is the only profitable cost center in A/GIS/GPS. All Department domestic bureaus and offices are required to obtain copier services through this program. The now defunct letter of obligation set the pricing A/GIS/GPS could charge. Before the OMB A-76 competition, nine employees performed this function. Under the letter of obligation, the unit was restricted to four employees. At present, two Civil Service and two contractor employees administer the program adequately; three of these employees spend a significant amount of time manually gathering meter readings for about 1,100 copiers throughout the Department. Cost savings could be achieved through automation and possibly negate the need for the two contractor employees at a projected saving of about \$200,000 annually. However, there is concern about security as each copier would require connection to the network. The IT

office would also need to resolve difficulties with its antiquated software and systems in order to automate the process.

**Recommendation 2:** The Bureau of Administration should review the feasibility and cost benefits of an automated system for reading copier meters. (Action: A)

A/GIS/GPS is considering participation in the *Federal Strategic Sourcing for Print Management* initiative. This pilot program is designed to reduce the amount of printing equipment in use, minimize spending on paper and toner supplies throughout federal agencies, and bring the government closer to the current print management practices used in private industry.

### **Customer Service Management**

The customer service unit, a staff of four direct-hire and three contractor employees, performs adequately. Staffing is sufficient to meet customer demand. The unit effectively responds to and manages customer requests for printing jobs from the design phase to the delivery of the finished product.

(b) (5)



The OIG inspectors counseled A/GIS/GPS management on the need to implement an internal policy for AWS and disseminate it to all employees in the office.

### **Graphic Design Management**

The graphic design unit is well managed and customer focused. The staff works well together, assisting each other on assignments when necessary, particularly on large complex projects. The designers work directly with customers to transform their ideas into professionally designed products for distribution. These products include everything from simple logo creation to bound book publications. The staff of five Civil Service and three contractor employees in the unit is sufficient to meet customer demand.

### **Production Management**

The print production unit adequately performs its mission to provide print and reproduction services to Department domestic offices. The unit's staffing complement of 12 Civil Service and 5 contractor employees is sufficient to meet customer demand. For jobs beyond its capability or requiring an offset press, the unit outsources work to the Manila and Cairo printing plants or to the U.S. Government Printing Office. OIG's limited customer satisfaction survey showed that most A/GIS/GPS customers are generally satisfied with the

printing unit's performance. (b) (5)

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The unit's products include a wide array of items, including seasonal desk and wall calendars, weekly planners, certificates for awards, stationary with logos, business cards, and custom design and print jobs. While these products are generally well received, a few customers complained about quality control. Occasionally there were issues with inconsistent colors found on the graphics and missing documents. Some customers also complained about the absence of information on the A/GIS/GPS Web site and errors with prices, estimates, billings, and refunds. The OIG inspectors did not look in-depth at these complaints but found that the customer service unit does a good job of responding to customers and works closely with the production unit to remedy all production errors.

## Resource Management

A/GIS/GPS's Washington office is comprised of 42 Civil Service employees and 13 contractors. The chart below summarizes the 7-year financial performance of the office's six cost centers with further detail in Appendix I. Copier management is the only cost center that has been consistently profitable.

A/GIS/GPS – Financial Performance Summary

Year	Revenue	Expenses	Profit/Loss
2005	\$46,899,125	\$47,742,427	(\$843,302)
2006	\$65,643,565	\$63,789,909	\$1,853,656
2007	\$249,449,152	\$244,050,222	\$5,398,930
2008	\$371,418,587	\$386,406,577	(\$14,987,990)
2009	\$190,860,852	\$186,504,038	\$4,356,814
2010	\$67,652,949	\$70,000,065	(\$2,347,116)
2011	\$22,983,073	\$25,180,513	(\$2,197,440)
Total	\$1,014,907,303	\$1,023,673,751	(\$8,766,448)

Source: Bureau of Administration, Office of the Executive Director, Working Capital Fund

A/GIS/GPS - Financial Performance Summary by Cost Center

Fiscal Year	Washington Printing	Vienna Printing	Manila Printing	Cairo Printing	GPO Printing	Copier Mgmt.	TOTAL
2005	64,737	(18,199)	(825,156)	0	52,781	(117,465)	(843,302)
2006	(3,411,980)	603,926	475,792	0	2,741,245	1,444,673	1,853,656
Subtotal MMS	(3,347,243)	585,727	(349,364)	0	2,794,026	1,327,208	1,010,354
2007	(1,393,638)	(725,920)	(995,868)	0	6,685,621	1,828,735	5,398,930
2008	(3,296,586)	(692,236)	(1,578,279)	(699,536)	(11,714,459)	2,993,106	(14,987,990)
2009	(3,628,479)	(733,084)	128,816	(4,050,716)	11,116,426	1,523,851	4,356,814
2010	(3,781,863)	140	(212,484)	(1,407,886)	(43,995)	3,098,972	(2,347,116)
2011	(1,794,976)	(366,078)	(968,428)	(1,628,437)	146,623	2,413,856	(2,197,440)
Subtotal GPS	(13,895,542)	(2,517,178)	(3,626,243)	(7,786,575)	6,190,216	11,858,520	(9,776,802)
TOTAL	(17,242,785)	(1,931,451)	(3,975,607)	(7,786,575)	8,984,242	13,185,728	(8,766,448)

Source: Bureau of Administration, Office of the Executive Director, Working Capital Fund

As shown in the chart above, A/GIS/GPS has not generated sufficient revenue to cover its printing operation costs. Standard practice in the U.S. Government is for working capital cost centers to set their prices for services based on a thorough review of operational costs, ensuring that each activity is priced for full recovery of costs. The general intent of the working capital fund is to generate adequate sales revenue to cover the full costs of its operations, finance its continuing operations, and operate on a break-even basis. These are the criteria the U.S. Government Printing Office, also a working capital-funded entity, uses for its operation. For A/GIS/GPS, these core precepts were not followed. Since its inception in 2007, A/GIS/GPS has charged unrealistically low printing prices formulated during the OMB Circular A-76 competition. One of the repercussions has been that the office operates at a loss. It appears that A/GIS/GPS's compliance with the letter of obligation was in conflict with criteria governing the operation of working capital-funded entities.

Although now released from OMB Circular A-76 controls with the termination of the letter of obligation, A/GIS/GPS continues to use pricing that is not designed to recover all or more of its operating costs. The last price increase occurred in FY 2011, when the contracting officer approved a modest 5 percent price increase for inflation for printing services. A/GIS/GPS management is reluctant to dramatically increase its prices for fear it will alienate its customers. Bureau of Administration, Office of the Executive Director, Working Capital Fund (A/EX/WCF) projections estimate that A/GIS/GPS, including all six cost centers, will incur a total loss of \$1.2 million or more for FY 2012. For the Washington printing office, the losses are estimated at about \$1.8 million. Other profitable cost centers in the working capital fund continue to absorb these losses, which takes away resources from their own internal operations. To stem further losses, A/GIS/GPS needs an aggressive approach, for example, through a combination of increased prices and cutting its overhead costs, to generate more revenue and cover the costs of its operations.

**Recommendation 3:** The Bureau of Administration should implement the prices it needs to charge for its printing services to achieve its break-even point. (Action: A)

### Office Staffing

Staffing at the Washington printing office requires attention. The general consensus among most Department officials interviewed by the OIG inspectors is that many of the General Schedule (GS) positions in the office are graded too low. The OIG inspectors agree. (b) (5) makes it difficult for A/GIS/GPS to hire and retain good personnel. Many employees, once granted a security clearance, opt to leave for better paying jobs elsewhere. This was not always the case. Before the OMB Circular A-76 competition, many of the positions were graded two levels higher. Moreover, an independent consultant reported that print production employees in the office currently paid at the GS-5 level are normally paid at the GS-7 level in other agencies depending on their skill level. A/GIS/GPS's print production manager is a GS-9. The same position in comparable U.S. Government agencies is graded as GS-12 or GS-13. In other sections of A/GIS/GPS, supervisors are graded at the GS-11 level but are performing duties associated with the GS-12 or GS-13 range. Position audits performed in conjunction with the OMB Circular A-76 competition deemed the current grades appropriate at the time. A/GIS/GPS management acknowledges that this is an issue but has not yet taken steps to remedy the situation.

**Recommendation 4:** The Bureau of Administration should review the grade levels of positions in the Global Publishing Solutions office and bring the grade levels of positions in the Washington printing office in line with other offices such as the U.S. Government Printing Office. (Action: A)

The terms of the now obsolete letter of obligation placed a limit on the number of Civil Service positions in A/GIS/GPS. To compensate, A/GIS/GPS is using contractors to supplement its staff. A consultant estimated savings of about \$400,000 to \$600,000 in the Washington office if the contractors were replaced with direct-hire employees. A/GIS has taken action to address this issue. It is working with the Bureau of Human Resources on a hiring plan that would phase out contract positions and replace them with full-time equivalent staff. This is a long-term plan

with the goal of filling five positions per quarter. The positions would not be regularized until contractors are moved off the payrolls and savings realized.

### **Service-Level Agreements**

For its high volume customers, A/GIS/GPS negotiates service-level agreements defining the terms and conditions for providing print services. A/GIS/GPS has approved service-level agreements with the Bureau of Diplomatic Security and the Foreign Service Institute. The agreement with the Office of the Secretary is still in draft.

***Informal Recommendation 3:*** The Bureau of Administration should finalize the service-level agreement between the Global Publishing Solutions office and the Office of the Secretary.

### **Administrative Functions**

The OIG inspectors found issues, though not significant, with the performance appraisal process, the training and awards programs, and outdated or nonexistent standard operating plans and internal administrative policies. Administrative functions in A/GIS/GPS are performed by a small cadre of staff. When the A/GIS/GPS director arrived in 2009, there were no positions for a financial manager, purchasing agent, or managers over customer service, the copier program, and information technology. In an office reorganization, the director distributed the duties of a vacant administrative manager position among some of his first- and second-line supervisors. He created and filled the financial manager position and assigned human resources duties to the supervisor of the graphics design section. While this structure works well and the managers perform adequately, the supervisor of the graphic design section puts in extra time handling human resources issues for the office as well as managing the graphic design unit. A/GIS/GPS no longer has the full-time equivalent staff to fill an administrative management position so this issue cannot be resolved until a review of positions is performed, as recommended above.

During the FY 2010 rating period, A/GIS/GPS staff did not receive formal performance counseling sessions even though the dates were recorded in the performance appraisals. According to 3 FAH-1 H-2821.3, these sessions are required and serve as a means for supervisors to provide guidance to employees.

***Informal Recommendation 4:*** The Bureau of Administration should train supervisors and staff on the performance appraisal process and add performance appraisal duties to the work commitments of supervisors.

A review of FY 2010 time and attendance records found the hard copies filed in an unorganized manner. The approval of the actual records did not appear to be a problem, and the files are stored in a locked file cabinet as required. There is no criterion in 4 FAH-3 H-520 describing how these records should be maintained (other than the number of years), and the employee responsible for time and attendance has not had the formal training course. The OIG inspectors counseled the employee and supervisor on the need to keep organized records and for the timekeeper to attend formal training.

**Informal Recommendation 5:** The Bureau of Administration should provide formal time and attendance training to the timekeeper in the Global Publishing Solutions office.

Other than an attendance and leave policy, the inspectors found no internal administrative policies for the office. A/GIS/GPS has standard operating procedures but these may be outdated.

**Informal Recommendation 6:** The Bureau of Administration should review and draft administrative policies and standard operating procedures for its Global Publishing Solutions office and disseminate them to staff.

There is a perception among some of the staff that A/GIS/GPS lacks transparency in its policies for training, awards, and some of its other internal office operations. Training opportunities among A/GIS/GPS staff vary depending on the position. The staff with administrative duties and graphics design staff appear to receive adequate training compared to staff in other units. Several factors play into the limited training some staff receives. For example, for some skill sets there are few training opportunities and the small size of some units prohibits staff training because consistent day-to-day coverage is needed to meet customer demand. (b) (5)

[REDACTED]

**Informal Recommendation 7:** The Bureau of Administration should implement policies for awards and training in the Global Publishing Solutions office and disseminate them to the staff.

The A/GIS/GPS information management section is responsible for four locally developed applications used throughout the Department. These applications, operating on both the Windows and Macintosh platforms, are used for Department notices, online certificates, post reports, and the organizational telephone directory. The core print application used for the Washington office's day-to-day printing operation is the electronic print management system (EPMS), a Macintosh application. The Washington office collaborates with A/GIS/GPS regional offices overseas but the OIG team did not review the IT aspects of these operations.

While not formally announced, plans are underway for A/GIS to merge the A/GIS/GPS IT section with A/GIS to consolidate operations and improve efficiencies. Since there was no formal plan to merge the IT functions of the two offices, the inspectors could not assess the impact of the merger on A/GIS/GPS. During the inspection, A/GIS took over responsibility for the organizational telephone directory and has plans to redesign A/GIS/GPS's Web site. A/GIS has taken the lead on other IT issues affecting the office. For example, during the inspection it initiated action for the Bureau of Information Resource Management to take ownership of Department Notices as part of the State Messaging and Archive Retrieval Toolset implementation as originally envisioned in foundation documents.

Three direct-hire positions in the section are vacant. The first week of the inspection, the lead information management specialist departed. This individual managed the section and her departure left a contract programmer as the sole IT staff for the office. Despite the transition the

unit is experiencing, the OIG inspectors found that the office's applications meet the basic business needs of A/GIS/GPS users and customers.

Because the position for the section supervisor is vacant, the contract programmer works on his own, solely deciding the changes made to the system. The hiring process for the vacant manager position is ongoing. A/GIS/GPS is in the process of hiring a second contractor with Macintosh skills because finding a qualified direct-hire IT specialist with Macintosh experience has been a challenge for the office. Lack of oversight and direct government supervision over the section affects the integrity of the application.

**Recommendation 5:** The Bureau of Administration should assign a qualified full-time equivalent employee to supervise Global Publishing Solutions programming tasks until the supervisory information technology position is filled. (Action: A)

Since the section's expertise is with Macintosh rather than Windows systems, A/GIS/GPS turned over to the Bureau of Administration, Executive Office, Information Technology Services (A/EX/ITS) the management of the Windows applications. A service-level agreement signed between the two parties obligates A/EX/ITS to manage the office's application servers and operating system.

The OIG team identified problems with the IT section's approach to systems development, as well as a lack of government oversight related to changes and enhancements made to the core print-production application. According to the programmer staff, the EPMS application was developed and put into production over 10 years ago without a formal user requirements study, design, or related documentation. As a result, the section performs programming, systems maintenance, and enhancements in a disorganized manner without a formalized change management system to ensure modifications follow generally accepted systems development methodologies.

The contract programmer generally receives user requests for programming maintenance and enhancements through email, makes the code changes, and implements them in EPMS. While the programmer reviews and tests each change to ensure the results are as expected, there is no independent business review of the changes, nor does the programmer create or maintain documentation related to the change. The programmer's approach to change management has sometimes surprised the users, as they are not notified that a change was made to EPMS until they see the results on the screen or in a printout. Furthermore, there is no single log for annotating programming changes that would detail the requestor and purpose of the change.

There are various industry standard methodologies for systems development life cycle management governing the process of building and maintaining information systems in a structured and methodical way. The goal is to establish a consistent, predictable, and transparent process. The current approach to systems development in A/GIS/GPS does not follow any standard methodology.

**Recommendation 6:** The Bureau of Administration should implement a systems development lifecycle process for its locally developed Global Publishing Solutions applications. (Action: A)

Some users expressed concern with the data integrity of the EPMS program and noted incidents where customers complained about EPMS invoices or reports containing errors, including incorrect and missing information and figures. The inspectors confirmed these problems. The lack of a formalized test process and direct user involvement has negatively affected the integrity of EPMS. Until a life cycle management procedure is implemented in accordance with 5 FAH-5 H-520, users will continue to perform extra work and manually check a sampling of EPMS transactions to ensure the program results. It is a time consuming and labor intensive process for users to manually check each transaction to ensure the results are correct. The OIG team observed these and other problems with the system adding to the user's workload and prohibiting EPMS from being user-friendly.

**Recommendation 7:** The Bureau of Administration should conduct an independent review of the electronic print management system to ensure the program logic and computations perform as required. (Action: A)

### Security

The A/GIS/GPS competently administers the security program and meets 12 FAM 563.1 requirements for appointing a unit security officer. The newly appointed, managerial-level unit security officer has been with the office for 19 years and is knowledgeable of its operations. He executes his duties in accordance with 12 FAM 563.2, which requires him to oversee, develop, implement, and advise on procedures and controls for safeguarding classified information entrusted to A/GIS/GPS, and to enforce all associated regulations. The director of A/GIS/GPS is not directly involved in security matters. The unit security officer interacts directly with the A Bureau security officer. Their working relationship is good.

(b)(5)(b)(6)



The A/GIS/GPS printing plant is considered a Secret-level classified work area. The inspectors found proper operating procedures. Classified hard drives used for classified printing are properly secured at close of business. The printing plant is locked and alarmed after hours. The OIG inspectors counseled the unit security officer on printers not properly labeled for classified processing in accordance with 12 FAM 632.1-5 c. This oversight was corrected during the inspection.

## Management Controls

The OIG team found no significant management controls issues in A/GIS/GPS other than the lack of oversight and direct government supervision, as well as data integrity issues as described in the information management section.

## List of Recommendations

**Recommendation 1:** The Bureau of Administration should review the staffing and structure of its Global Publishing Solutions office and prepare a strategic plan that identifies and prioritizes options for short-term and long-term fixes, as well as aligns human and financial resources.

(Action: A)

**Recommendation 2:** The Bureau of Administration should review the feasibility and cost benefits of an automated system for reading copier meters. (Action: A)

**Recommendation 3:** The Bureau of Administration should implement the prices it needs to charge for its printing services to achieve its break-even point. (Action: A)

**Recommendation 4:** The Bureau of Administration should review the grade levels of positions in the Global Publishing Solutions office and bring the grade levels of positions in the Washington printing office in line with other offices such as the U.S. Government Printing Office. (Action: A)

**Recommendation 5:** The Bureau of Administration should assign a qualified full-time equivalent employee to supervise Global Publishing Solutions programming tasks until the supervisory information technology position is filled. (Action: A)

**Recommendation 6:** The Bureau of Administration should implement a systems development lifecycle process for its locally developed Global Publishing Solutions applications. (Action: A)

**Recommendation 7:** The Bureau of Administration should conduct an independent review of the electronic print management system to ensure the program logic and computations perform as required. (Action: A)

## List of Informal Recommendations

Informal recommendations cover operational matters not requiring action by organizations outside the inspected unit and/or the parent regional bureau. Informal recommendations will not be subject to the OIG compliance process. However, any subsequent OIG inspection or on-site compliance review will assess the mission's progress in implementing the informal recommendations.

***Informal Recommendation 1:*** The Bureau of Administration should require the management staff of the Global Information Services office to hold regular office meetings with the management staff of the Global Publishing Solutions office to discuss issues concerning the overall operation of the office.

***Informal Recommendation 2:*** The Bureau of Administration should require its Global Information Services management to share the Info Trends report, *The U.S. Department of State, Global Publishing Solutions, Print Production Assessment*, December 2010, with the director of its Global Publishing Solutions office, and review and implement the recommendations accordingly.

***Informal Recommendation 3:*** The Bureau of Administration should finalize the service-level agreement between the Global Publishing Solutions office and the Office of the Secretary.

***Informal Recommendation 4:*** The Bureau of Administration should train supervisors and staff on the performance appraisal process and add performance appraisal duties to the work commitments of supervisors.

***Informal Recommendation 5:*** The Bureau of Administration should provide formal time and attendance training to the timekeeper in the Global Publishing Solutions office.

***Informal Recommendation 6:*** The Bureau of Administration should review and draft administrative policies and standard operating procedures for its Global Publishing Solutions office and disseminate them to staff.

***Informal Recommendation 7:*** The Bureau of Administration should implement policies for awards and training in the Global Publishing Solutions office and disseminate them to the staff.

## Principal Officials

	Name	Arrival Date
Director	Steven C. Johnston	May/2009

## Abbreviations

A Bureau	Bureau of Administration
A/EX/ITS	Bureau of Administration, Executive Office, Information Technology Services
A/GIS	Bureau of Administration, Global Information Services,
A/GIS/GPS	Bureau of Administration, Global Information Services, Global Publishing Solutions
A/RPS/MMS	Bureau of Administration, Office of Records and Publishing Services, Office of Multi-Media Services
AWS	Alternate work schedule
Department	Department of State
EPMS	Electronic Print Management System
GS	General Schedule
GPO	U.S. Government Printing Office
OMB	Office of Management and Budget
OIG	Office of Inspector General

## Appendix I

### A/GIS/GPS – Financial Performance by Cost Center

Copier Mgmt	Year	Revenue	Expenses	Profit/Loss
	2005	\$12,518,716	\$12,636,181	-\$117,465
	2006	\$10,825,217	\$9,380,544	\$1,444,673
	2007	\$9,507,990	\$7,679,255	\$1,828,735
	2008	\$11,426,532	\$8,433,426	\$2,993,106
	2009	\$9,742,245	\$8,218,394	\$1,523,851
	2010	\$9,938,948	\$6,839,976	\$3,098,972
	2011	\$9,903,736	\$7,489,880	\$2,413,856
<b>Total 8611</b>		<b>\$73,863,384</b>	<b>\$60,677,656</b>	<b>\$13,185,728</b>

GPS Printing	Year	Revenue	Expenses	Profit/Loss
	2005	\$351,860	\$287,123	\$64,737
	2006	\$2,669,767	\$6,081,747	(\$3,411,980)
	2007	\$2,632,825	\$4,026,463	(\$1,393,638)
	2008	\$2,584,737	\$5,881,323	(\$3,296,586)
	2009	\$2,433,738	\$6,062,217	(\$3,628,479)
	2010	\$2,829,382	\$6,611,245	(\$3,781,863)
	2011	\$4,373,869	\$6,168,845	(\$1,794,976)
<b>Total 8614</b>		<b>\$17,876,178</b>	<b>\$35,118,963</b>	<b>(\$17,242,785)</b>

Vienna Center	Year	Revenue	Expenses	Profit/Loss
	2005	\$950,360	\$968,559	(\$18,199)
	2006	\$852,530	\$248,604	\$603,926
	2007	\$490,381	\$1,216,301	(\$725,920)
	2008	\$803,092	\$1,495,328	(\$692,236)
	2009	\$380,079	\$1,113,163	(\$733,084)
	2010	\$672,916	\$672,776	\$140
	2011	\$343,480	\$709,558	(\$366,078)
<b>Total 8723</b>		<b>\$4,492,838</b>	<b>\$6,424,289</b>	<b>(\$1,931,451)</b>

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Manila Center	Year	Revenue	Expenses	Profit/Loss
	2005	\$4,546,079	\$5,371,235	(\$825,156)
	2006	\$3,928,230	\$3,452,438	\$475,792
	2007	\$3,052,388	\$4,048,256	(\$995,868)
	2008	\$3,262,532	\$4,840,811	(\$1,578,279)
	2009	\$3,765,141	\$3,636,325	\$128,816
	2010	\$3,910,159	\$4,122,643	(\$212,484)
	2011	\$3,114,121	\$4,082,549	(\$968,428)
<b>Total 8724</b>		<b>\$25,578,650</b>	<b>\$29,554,257</b>	<b>(\$3,975,607)</b>

Cairo Center	Year	Revenue	Expenses	Profit/Loss
	2005	\$0	\$0	\$0
	2006	\$0	\$0	\$0
	2007	\$0	\$0	\$0
	2008	\$0	\$699,536	(\$699,536)
	2009	\$138,256	\$4,188,972	(\$4,050,716)
	2010	\$570,264	\$1,978,150	(\$1,407,886)
	2011	\$1,109,674	\$2,738,111	(\$1,628,437)
<b>Total 8729</b>		<b>\$1,818,194</b>	<b>\$9,604,769</b>	<b>(\$7,786,575)</b>

Government Print Office	Year	Revenue	Expenses	Profit/Loss
	2005	\$28,532,110	\$28,479,329	\$52,781
	2006	\$47,367,821	\$44,626,576	\$2,741,245
	2007	\$233,765,568	\$227,079,947	\$6,685,621
	2008	\$353,341,694	\$365,056,153	(\$11,714,459)
	2009	\$174,401,393	\$163,284,967	\$11,116,426
	2010	\$49,731,280	\$49,775,275	(\$43,995)
	2011	\$4,138,193	\$3,991,570	\$146,623
<b>Total 8615</b>		<b>\$891,278,059</b>	<b>\$882,293,817</b>	<b>\$8,984,242</b>

A/GIS/GPS Combined Total	Year	Revenue	Expenses	Profit/Loss
	2005	\$46,899,125	\$47,742,427	(\$843,302)
	2006	\$65,643,565	\$63,789,909	\$1,853,656
	2007	\$249,449,152	\$244,050,222	\$5,398,930
	2008	\$371,418,587	\$386,406,577	(\$14,987,990)
	2009	\$190,860,852	\$186,504,038	\$4,356,814
	2010	\$67,652,949	\$70,000,065	(\$2,347,116)
	2011	\$22,983,073	\$25,180,513	(\$2,197,440)
<b>Combined Total All Years</b>		<b>\$1,014,907,303</b>	<b>\$1,023,673,751</b>	<b>(\$8,766,448)</b>

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