

**TESTIMONY OF CATHY L. HELM
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BEFORE THE UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON HOUSE ADMINISTRATION
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Chairman Lofgren, Ranking Member Davis, and Members of the Committee:

Thank you for the opportunity to testify today about the role of the Office of the Inspector General (OIG) in the oversight of the Smithsonian Institution (Smithsonian). OIG's mission is to promote the efficiency, effectiveness, and integrity of the Smithsonian's programs and operations through independent and objective audits and investigations, and to keep stakeholders fully and currently informed.

Every year, OIG conducts an independent assessment of the risks facing the Smithsonian to produce an audit plan that focuses on those areas of concern. As a result, OIG has conducted numerous audits concerning the management of collections, facilities, grants, sole-source procurements, and information security.

Today I will focus on OIG's work related to long-standing management challenges related to the Smithsonian's stewardship of public resources: collections management, facilities management, information security, and physical security.

Collections Management

The Smithsonian is the world's largest museum and research complex, including 19 museums and galleries, 9 research facilities, and the National Zoological Park (National Zoo). There are more than 155 million artifacts, works of art, and specimens in the Smithsonian's collections. The collections contain irreplaceable national icons and specimens vital to the study of the world's scientific and cultural heritage. They play a vital role in advancing scientific knowledge and educating the public.

The collections are the core of the Smithsonian, and they need to be preserved and remain accessible for current and future generations. OIG has done extensive work concerning collection stewardship, particularly at the National Museum of Natural History, the National Air &

Space Museum, the National Museum of American History, the National Museum of the American Indian, and at Cooper-Hewitt, Smithsonian Design Museum. OIG audits found a pattern of inadequate preservation practices, insufficient inventory controls, and security of collections that did not meet Smithsonian standards.

In 2015, OIG reported that the Smithsonian faces challenges to fully implement the plan that is to ensure the proper storage of its collections because of its estimated cost, \$1.3 billion in 2013 dollars, over 30 years, and the need to balance competing demands to fund other capital projects. At the time of this audit, the Smithsonian had completed the first comprehensive survey of the condition of the spaces used to store collections, and that survey found approximately 30 percent of collections storage spaces were optimal, 20 percent were acceptable, but 50 percent were unacceptable. In addition, the Smithsonian had made progress towards creating digital images and electronic records of its collections, but significant work remains. This digitization initiative will help the Smithsonian to achieve important goals, such as to broaden access to the collections by making them available to view online and strengthen inventory control through improved electronic record keeping.

Although OIG's recommendations from these audits have been addressed, collection management will always be a challenge for the Smithsonian as collections grow and age, preservation standards change, and technologies evolve. OIG is currently conducting an audit of the Smithsonian's newest museum, the National Museum of African American History and Culture, to assess the extent to which the museum has an inventory process and accurate and complete collections records.

Facilities Management

The Smithsonian faces long-standing issues involving deferred maintenance for its more than 600 facilities. Deferred maintenance refers to maintenance and repair activities that were not performed when they should have been. About half of the major buildings are more than 35 years old, and 6 are designated as National Historic Landmarks. The Smithsonian generally uses federal appropriations to pay for the maintenance of its facilities. But when the amount of work needed exceeds the funds available, the Smithsonian must defer some or all of the work. In fiscal year 2017 the deferred maintenance backlog was \$937 million.

In 2016, OIG reported that the Smithsonian has not reduced the backlog of deferred maintenance because it is spending less than the recommended amounts to maintain the condition of its facilities. The National Research Council recommends that government-funded organizations annually spend 2 to 4 percent of the current replacement value of their facilities on maintenance. For example, the Smithsonian estimated that it would need to spend between \$169 million (2 percent) and \$338 million (4 percent) in fiscal year 2017 to keep up with needed maintenance. However, the Smithsonian has been spending approximately 1 percent on maintenance annually. In its budget request for fiscal year 2020, the Smithsonian requested \$84.5 million, about half of the lowest estimated need. Given the disparity, the deferred work will continue to grow.

Deferring maintenance work can reduce the overall life of facilities and may lead to higher costs in the long term. Eventually the work requires a major capital investment. In fact, the Smithsonian is currently working on a \$650 million capital project to revitalize the National Air and Space museum, which includes more than \$250 million of deferred maintenance as of fiscal year 2017. Since the museum on the National Mall opened in 1976, substantial degradation of the building's mechanical systems and exterior façade has occurred, posing risks to the museum's collections, staff, and visitors.

Information Security

Information technology (IT) security is a growing risk for all organizations. Security breaches cost money, disrupt operations, and erode public trust. The Smithsonian has the challenge of achieving its mission to increase and diffuse knowledge, which demands openness and public availability of information, while protecting sensitive data and computer systems.

OIG conducts an annual audit of the Smithsonian's IT security program. This audit assesses the effectiveness of the information security program using Department of Homeland Security (DHS) maturity model metric, which Inspector Generals throughout the federal government use. The foundational levels of this metric indicate whether agencies have developed sound policies and procedures and the advanced levels capture the extent that agencies have institutionalized those policies and procedures. Over the past 3 years, the Smithsonian has made steady progress in improving the IT security program. In 2016, OIG assessed the program at the lowest maturity rating—level 1 of 5. By fiscal year 2018, Smithsonian management had taken

steps to bring the program to level 2. However, DHS establishes a target of level 4 as effective security. Smithsonian management still has work to do on consistently implementing its policies and procedures across the whole organization.

In 2016, OIG also reported that the Smithsonian's privacy program needed significant work in the areas of privacy processes and controls. For example, the Smithsonian did not have a comprehensive inventory of personally identifiable information being collected, processed, and stored. This issue has since been addressed. The Smithsonian is still working to address one open recommendation – to conduct a privacy assessment on each information system that contains personally identifiable information. Privacy assessments are important because they help identify the risk associated with each system and the impact if the system is breached.

Personnel Security

The Smithsonian's personnel security program helps ensure that the approximately 6,700 employees and 12,000 affiliated individuals who are responsible for the Smithsonian's collections, information systems, financial assets, and reputation have the appropriate character and conduct to be associated with the Smithsonian.

The Smithsonian requires almost all employees to undergo a background investigation conducted by the U.S. Office of Personnel Management (OPM). The Smithsonian also requires that many affiliated individuals who are not employees undergo an OPM-conducted background investigation if their work with the Smithsonian lasts more than 30 days and if they have unescorted access to staff-only areas.

In an audit completed last year, OIG found that all sampled Smithsonian employees and affiliated individuals who were hired or joined the Smithsonian in 2015 received a pre-employment background investigation, but the Smithsonian has no assurance that most employees obtained the required level of post-employment background investigation. OIG could determine that only 35 percent of the sampled employees had received the required level of post-employment background investigation. Further, OIG found that the Smithsonian did not always schedule or promptly schedule post-employment background investigations with OPM.

OIG also found that in accordance with its policy, the Smithsonian did not conduct background investigations on the approximately 380 locally hired employees at the Smithsonian Tropical Research Institute (STRI) in Panama. These individuals represent an estimated 90 percent of STRI's employees. Although STRI management stated that, starting in January 2017, STRI began reviewing Panamanian police records provided by the local hires prior to being employed, this practice has not yet been included in the Smithsonian's policies or procedures.

In addition, OIG found that the Smithsonian granted computer network access to more than 500 affiliated individuals who had not received background investigations, and nearly a quarter of those individuals had remote access, increasing the risk that the Smithsonian's IT network could be compromised.

Finally, OIG estimated that the Smithsonian could realize about \$165,000 annually in savings if it used OPM's Automated Tool to establish the required post-employment background investigation for its retail employees. Using this tool, retail employees would require a low-level background investigation in contrast to the more costly moderate level investigation they now receive. This potential annual savings is nearly one-third of the total amount the Smithsonian spent on all background investigations in fiscal year 2016.

Physical Security

The Smithsonian relies on its security guard force to ensure the safety of its staff and visitors. In today's world, the importance of a skilled, well-trained security guard force is more important than ever. Last year, OIG completed an audit of the Smithsonian's training and standards for its armed security guard force and its oversight of its unarmed contract guards.

The Smithsonian's Office of Protection Services (OPS) requires new security guards to attend basic training classes before they can become armed guards. However, OIG found that, from 2014 to 2016, 74 percent of new security guards were allowed to graduate without completing all basic training instruction, and individual guards had missed 1 to 6 days of instruction.

OIG also compared the basic training provided by OPS with a set of minimum standards developed by the Interagency Security Committee (ISC) for armed security guards. Although the Smithsonian is not required to meet these standards, they are recognized as best practices

governing armed guards working at buildings and facilities in the United States that are occupied by federal employees for nonmilitary activities. OIG found that OPS basic training met or partially met most ISC standards. However, the ISC recommends that armed guards qualify on firearms twice a year, and OPS requires firearms qualification only once a year. Furthermore, OIG found that the ISC had more detailed and specific medical and physical standards for security guards than OPS in such areas as vision, hearing, cardiovascular system, musculoskeletal system, and general health. The ISC also recommends a medical examination and physician clearance for armed security guards, but OPS did not have independent verification by a physician that its minimum medical and physical requirements had been met.

In addition to its armed security guard force, OPS uses unarmed contract guards. These guards perform visitor screening and monitor the exhibition galleries at Smithsonian museums in Washington, D.C. OIG found that the Smithsonian employee overseeing the contract did not verify whether the contract security guards met licensing and training requirements. Instead, that individual relied on the contractor to ensure that the requirements were met.

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We look forward to continuing our efforts to provide independent and effective oversight of the Smithsonian and working with the Board of Regents, Congress, and Smithsonian management on important issues that affect the Institution.

Thank you, Chairman Lofgren, Ranking Member Davis, and Members of the Committee. This concludes my prepared statement. I would be pleased to respond to any questions that you may have at this time.