



June 3, 2015

Dear Commerce OIG Colleagues,

Earlier today, I informed the President that I intended to retire from federal service effective today. I have also informed Secretary Pritzker. My decision to retire is based on my desire to pursue opportunities outside of government service.

It has been a true honor to serve with you and to have had the opportunity to lead the Office of Inspector General for the past 7 and a half years. Over the course of my 31 year career in the federal government, I can reflect on many great memories but none compare to what we have been able to accomplish together in what seems like a very short period of time.

We set out in 2008 to build an effective oversight organization and through your hard work and with the confidence placed in us by Congress and two Administrations, we have been able to do just that. Our budgetary authority approximately doubled over the past 7 years and we have increased our staff from a beginning level of approximately 112 to our current staffing level of approximately 155 with a projected staffing level of close to 190 by the end of FY15. During a recent budget meeting for FY17 with the Department, I related that OIG staffing has not been at that level since the early 1990's and would represent having an appropriate number of talented, committed professionals necessary to oversee our vast and diverse department. We noted in our FY17 budget request that over the past 5 years, despite the Department not having large dollar benefit programs that would enable larger returns, OIG's return on investment is \$5.35 in financial benefits for every dollar appropriated. The financial benefits our team reported for the past 5 years total \$800 million.

As you know, this past year we underwent, and successfully passed, CIGIE peer reviews for both our Office of Investigations and our Office of Audit and Evaluations. GAO also recently completed a review of our office and will note that we have directed our work to those programs and operations of the Department that represent over 80 percent of the department's budgetary authority. GAO will be making three helpful recommendations relating to our audit planning process, an internal control review process for our Hotline and how to better measure our actions in response to the annual Federal Employee View point Survey. These recommendations will help continue strengthening the organization.

In addition to strengthening our staff capabilities, we have secured and modernized our IT systems. When I arrived in late 2007, the OIG IT system was operating without proper authorization because the OIG had not kept up with the required certification and accreditation of its system. The management of our IT infrastructure has been completely turned around in a very positive way. OIG did not have an intranet, and the website was sadly outdated. Those challenges were successfully addressed. OIG did not deploy blackberries before 2008. Today we have 106 Blackberries deployed to the staff. In the near future, we will be upgrading to smartphones. During the first quarter of FY16, our bandwidth capacity will be significantly increased allowing for greater and more efficient exchange of data among the staff through our network. Yes, we have made significant progress strengthening and updating our IT infrastructure and support.



We also renovated our office space in the Hoover Building to make it more efficient, appropriate for our work and cost effective. OIG's repository for its policies and procedures had been neglected and we established a central repository on our intranet as well as a process for maintaining and updating our policies and procedures, harmonized the standards followed by our four audit and evaluation groups and standardized our use of electronic work papers across headquarters and the regional offices. We also recently expanded our presence in Alaska by establishing a post of duty in Anchorage reporting to our Seattle Regional Office. As noted below, we have also increased our presence at USPTO with a new field office on USPTO's Alexandria campus.

We have significantly strengthened our own internal controls and business practices. Our Office of Administration, including Budget and Administration, Information Technology and Human Resources has worked tirelessly to support the organization. In FY14 for example, the office managed 57 contracts and 26 MOUs necessary to acquire the goods and services needed to carry out our mission. So far, in FY 15, there have been 20 contracts awarded and 27 MOUs executed with another 18 contract awards in progress. This level of administrative support for the office was not possible and did not exist in 2007. That is also the case with our Office of Human Resources which was an essentially contracted out to another federal agency when I arrived. We now have our own fully staffed, full-service human resource operation. And as I announced at our most recent All Hands meeting, I have established a position dedicated to training and professional development that will hopefully be advertised and filled by the end of the fiscal year.

Most importantly, we have assembled a very talented, diversified, multi-disciplined staff that brings substantial expertise to our mission and the vast array of business, scientific, economic, and environmental programs and operations of the Commerce Department. In addition to traditional OIG criminal investigators, auditors, administrative support staff and attorneys, our workforce includes experts on satellite acquisitions, computer scientists, statisticians, data analysts, attorney-investigators, as well as experts in federal contracting and system acquisitions. As a result, we have been able to bring effective oversight to the very diverse and critical programs and operations of the Department which in many ways is analogous to overseeing a dozen different departments. While your current contributions to OIG's oversight of the Department are remarkable and too numerous to fairly detail in this communication, here are some of the most noteworthy accomplishments of our team of professionals:

- **NOAA Weather Satellites:** We have significantly strengthened oversight of NOAA's two multi-billion dollar weather satellite acquisitions: the Geostationary Operational Environmental Satellite – R Series (GOES-R) (\$10.9B) and the Joint Polar Satellite System (JPSS) (\$11.3B). These satellite programs are the nation's primary source of weather data and impact every aspect of the nation's safety, security and economic prosperity. In the past 7 years we have issued 7 public reports on these programs, more than 3 times as many reports during the previous 6 years. An additional report, requested by the House Appropriations subcommittee, is forthcoming in the near future. As a result, we have made important recommendations for improvements and helped keep Congress, the Department, and the public informed of the ongoing challenges facing these highly complex and critical acquisitions.
- **2010 Decennial Census:** We have significantly strengthened oversight of the Census Bureau as evidenced by our oversight of the 2010 decennial census. We issued 30 reports, Congressional testimonies and other work products on the 2010 decennial census (which cost nearly \$13 billion) culminating in a Final Report to Congress in June 2011 that looked ahead with a series of recommendations for cost savings for the 2020 decennial census. Our work on the 2010 decennial census was recognized by the IG Community with three separate awards including the "Glenn/Roth

Award for Exemplary Service to Congress.” Our oversight of the 2020 decennial planning is underway and two audit reports concerning the Census Bureau will be issued later this month. The Office of Investigations recently issued a report on sole source contracting and is also completing an investigation into systemic, wide-spread, time and attendance fraud in a Census division that will be the subject of a report later this year.

- **NOAA Fisheries Enforcement Program:** In 2009, at the request of several members of the Massachusetts delegation and other Members of Congress, we undertook a difficult, nationwide review of NOAA’s Fisheries Enforcement Program to address long standing concerns about unfair enforcement practices against commercial fisherman. In the end, our review led to significant reforms to bring greater fairness to the program. We issued over 10 reports and other work products concerning fisheries enforcement and testified on 4 occasions before both the House and Senate on the findings of our review. Based on our recommendation, the Secretary of Commerce took the unprecedented action of appointing a Special Master to review dozens of enforcement cases to determine whether penalties should be mitigated in any way based on the cases of unfair enforcement indicated by our review. Based on the recommendations of the Special Master, the Secretary remitted hundreds of thousands of dollars to dozens of fisherman.
- **U.S. Patent and Trademark Office:** We have been successful in obtaining the necessary resources to provide oversight to USPTO, increased our presence on USPTO’s Alexandria campus and focused those resources on both investigate and audit oversight of USPTO. In FY14, we issued two public investigative reports and testified before a joint hearing of the Government Oversight and Reform Committee and Judiciary Committee concerning our investigative work. One report highlighted \$5 million in wasted salaries and bonuses paid to paralegals who teleworked and spent most of their official time over several years on personal business because they did not have sufficient assignments from USPTO to keep them busy. In FY14, we also issued four audit reports concerning USPTO and recently issued a report on patent quality with USPTO concurring with our recommendations to improve their quality processes. Maintaining the integrity, efficiency and effectiveness of USPTO programs and operations is critical to the nation’s economy and we have effectively positioned our office to provide independent oversight to that important mission.
- **First Responder Network Authority (FirstNet):** The long-standing public interest in establishing a nation-wide broadband network for our nation’s first responders is now the responsibility of the Department through the First Responder Network Authority. This \$7 billion effort is a new oversight responsibility for our office but you have already provided important oversight to their program with our initial report on procurement and ethics matters which was issued in December 2014. In March of this year, we testified before the Senate Commerce Committee on FirstNet’s progress. Our oversight is continuing through our Office of Audit and Evaluation as well as our Office of Investigations with additional results from both of those groups forthcoming in the near future.
- **Cyber Security:** Some of our most significant work has been in the area of cybersecurity. In addition to our annual report under the Federal Information Security Management Act (FISMA), in the last two years alone we have issued reports concerning: IT Security vulnerabilities specifically relating to the ground system for NOAA’s polar satellite program, and more generally in several other systems supporting NOAA’s environmental satellite service; EDA’s mismanagement of a suspected malware infection; the cyber incident detection and response capabilities of the Department and its Bureaus; USPTO’s deployment of a wireless network without following proper security protocols; as well as the IT systems of the International Trade Administration and the National Telecommunications and Information Administration. Our continued focus on cybersecurity has contributed to the Department’s efforts to strengthen its IT security but as we all know, it is an effort that will need to continue and increase.

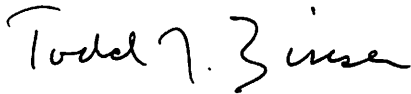
- **Compliance and Ethics:** The oversight work by our Office of Investigations, including criminal investigations, our Hotline and our more recently established Office of Special Investigations, has promoted accountability and transparency across the department to a significant degree. In our most recent Top Management Challenges Report we noted that over the past two years, the Department and its Bureaus worked closely with us to resolve management issues reported through our hotline and in doing so has made important progress in fostering a culture of accountability. In April 2014, we reported in Congressional testimony that the Department had made progress in this area but also noted the need to consistently ensure that issues concerning compliance and ethics that we refer to management are timely addressed. In addition, in 2014, we issued 5 public investigative reports concerning NOAA, USPTO and Census that contributed significantly to greater transparency and accountability as well as recommendations to strengthen the integrity of their programs and operations. More recently, we issued two public investigative reports concerning contracting improprieties at NOAA and Census demonstrating the need to remain vigilant in our oversight.
- **Denali Commission:** A year ago, we agreed to serve as the Inspector General for the Denali Commission. The Denali Commission was struggling based on a difficult relationship with their previous Inspector General who resigned and upon his departure recommended to Congress that the Commission be abolished. At the time, the Denali OIG was a one-person operation. The position and therefore the OIG function remained vacant for 5 months. Once we agreed to serve as the Commission's IG, I asked our Regional Audit Manager in Seattle to serve as Acting IG. We found a lot of work necessary to bring the IG function for the Commission up to speed - not the least of which was to rebuild the OIG's relationship with the Commission. We finalized an outstanding financial statement audit, issued a Top Management Challenges Report, completed a risk assessment, established a web-based hotline, established audit policies and procedures that had been non-existent, corresponded with Denali Commission grantees about the OIG, recruited a dedicated auditor and initiated an audit of the Commission's grant monitoring. In other words, in a short period of time, we have delivered the full range of professional OIG oversight to the Denali Commission. As a result, the Commission has expressed interest in extending our relationship with the Commission for multiple years.
- **Working with Congress:** We set out to engage Congress in a more meaningful way. Since 2008, we have been called on by Congress to provide testimony on 28 occasions which is more than twice as many hearings for DOC OIG as in the previous 10 years. You serve Congressional Committees as a valuable resource in their oversight efforts concerning the Department. We have been responsive to Congress whether it involved statutory requirements; appropriations report language; Committee requests; or Member constituency issues. I have recounted for some of you how my confirmation was briefly delayed because the office had not responded to a request by a Senator for an audit of earmarks. I provided assurance that we would undertake the audit should I be confirmed. We did so and issued our report in May 2008. I also took particular pride in involving our staff in briefing Congressional staff and establishing that as part of our culture of accountability, responsiveness and transparency. I remember once, early on, travelling to the Hill with a senior audit manager who had been with the office nearly three decades but had never participated in a briefing on the Hill. Being responsive and having a relationship with our Congressional stakeholders is critical to our mission.
- **Independence:** One of our most significant accomplishments and one that must also carry over is our independence. We have not hesitated to report critical audit findings and investigative results to the Department and conversely, we have given credit to the Department for its successes. We took on issues that some in Congress appreciated and issues that others in Congress did not. In August 2014, an interview of the DHS Inspector General was published in the Washington Post, styled as "Telling Truth to Power." One of the questions, after it was noted that IG's often take

criticism for being too tough or too lenient, was a questions about how to balance between the two. In response, the DHS Inspector General is quoted as stating,

“Your job is not to please people. There are times when, one week, this component is mad at me, and the next week, this component is mad at me, and then the next week, Congress is mad at me, and then maybe the public is mad at me. That is life as an IG. . . .”

The Inspector General put it well. You have an important mission that is critical to the success of the Department. I leave with confidence in your ability to continue to succeed in that mission and wish you all the best. Finally, you have my sincerest thanks from the bottom of my heart.

Sincerely,

A handwritten signature in black ink that reads "Todd J. Zinser". The signature is written in a cursive style with a large, stylized "Z" and "I".

Todd J. Zinser