



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Washington, DC 20415

The Director

STATEMENT by OPM DIRECTOR JOHN BERRY OPM OIG AUDIT OF NATIONAL CAPITAL AREA COMBINED FEDERAL CAMPAIGN

March 27, 2012

The Office of Personnel Management's Inspector General has issued a report detailing the results of an audit of the National Capital Area Combined Federal Campaign. Shortly after I came into office in 2009, OPM asked the IG to conduct this audit on the agency's behalf to insure the integrity as the largest federal employee giving campaign and because of the passage of time since the last audit. In the report, titled "Audit of the 2007 through 2010 Combined Federal Campaigns of the National Capital Area," the Inspector General details seven instances during the 2007-2010 campaigns where Global Impact, the non-profit entity serving as the administrator of the NCA Campaign (also called the "Principal Combined Fund Organization (PCFO)") failed to adequately document expenses and/or failed to comply with OPM Regulations governing CFC campaigns, by improperly expending campaign funds for certain travel expenses, meals, and other costs not beneficial to the campaign. The expenses disallowed by the IG totaled \$308,820, with the most questionable expenditures occurring in 2007 and 2008. The IG also identified other costs for such items as training conferences and software applications and licenses which fell within legitimate campaign expense categories, but which the IG believed could have been secured at lower costs. The report contains 15 recommendations for corrective action. OPM concurs with and has begun immediately implementing each of the IG recommendations.

As the Federal agency responsible for overseeing the CFC across the nation and around the world, OPM is committed to ensuring that charitable contributions made by federal employees and service members are properly administered, with the maximum amount reaching charities. Any failure to abide by OPM regulations regarding the handling of charitable contributions is unacceptable and OPM responded immediately to the IG's findings by directing Global Impact to return all funds that the IG concluded were either inadequately documented or spent inappropriately to the charities for which they were intended and initiating new accountability and oversight measures. Global Impact has cooperated thus far with the IG's audit and has agreed to take each of the actions OPM has specified. Global Impact's continued relationship with CFC is contingent on completing these actions.

First, in response to OPM's direction, Global Impact has already restored to the Campaign the entire \$308,820 that the IG concluded had been improperly expended or insufficiently documented.

Second, Global Impact has agreed that, as a condition of continuing to serve as administrator, it will implement additional internal controls and policies specified by OPM that will ensure its compliance with OPM regulations and guidance going forward. Global Impact will supply OPM with a certification of its compliance by April 23, 2012.

Third, OPM will put in place a new task force group led by the watchdog organization Charity Navigator to look at the potentially wasteful expenditures identified by the IG. This task force will be part of a broader CFC commission already created by OPM to identify ways to increase

accountability and transparency in the CFC, co-chaired by Former Members of Congress Tom Davis and Beverly Byron.

OPM also issued a [directive](#) to all non-profit entities associated with CFC, and loaned executives, prohibiting the use of campaign funds for meals or entertainment in any circumstances. In directing a complete prohibition against the use of campaign funds for meals or entertainment, OPM's new directive goes beyond what the IG recommended by banning the use of campaign funds for food and refreshment even in the context of special events such as campaign kick off or award ceremonies.

In order to assure the quality of CFC operations, OPM requires every PCFO to be audited by a third party every year and, beyond that, asks the OPM IG to look at a few selected local campaigns where OPM believes additional attention may be warranted. OPM then follows up on the IG recommendations.

As the world's largest and most successful workplace charity fundraiser, the CFC has touched the lives of millions of people through thousands of charities over its 50 years. We are committed to taking all steps necessary to insure that charities receive the maximum amount possible from this historic program.

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