



UNITED STATES COMMISSION
FOR THE PRESERVATION OF AMERICA'S HERITAGE ABROAD

March 18, 2014

The Honorable Carolyn N. Lerner
Special Counsel
1730 M Street, NW - Suite 300
Washington, DC 20036-4505

Dear Special Counsel Lerner:

This is in response to the e-mail from Jennifer Pennington of February 14, 2014, seeking clarification and an update of a few matters discussed in my Report to you (September 16, 2013).

1. Since its establishment, the Commission has grappled with limitations that have made it difficult to employ personnel for needed support of its mission. It has been restricted in its ability to hire Government employees as well as in its authority to engage contractors as an alternative. For many years, the Commission has been engaged with OMB and Congress regarding this problem.

After I received the referral from OSC, I met with staff from the Senate Appropriations Committee and explained the relevance of our ongoing personnel difficulty in light of issues raised by the OSC referral.

Congressional committee staff suggested that the Administration consider proposing legislation to broaden the Commission's contracting authority. We subsequently discussed the suggestion with officials at OMB. After the Administration decided to adopt the proposal, OMB provided input for the legislative language.

The President's FY 2015 Budget, which was sent to Congress on March 4, 2014, includes language that authorizes the Commission to engage the services of contractors "as the Commission deems desirable."

This suggestion from Congress and action by the Administration demonstrate that key policymakers in the Government recognize the unique needs of the Commission. The statutory language in the new budget exempts the Commission from the usual regulatory requirements of federal Departments and agencies in engaging the services of contractors.

This action, which addresses the Commission's fundamental and persistent staffing

problem, is in the best interest of the Commission, and it obviates the need for continuing temporary fixes. Our goal from the outset was to ensure long term stability for the Commission by providing necessary flexibility in employing contractors, especially for the critical Executive Director position.

I am grateful for the guidance the Commission has received over the past several months from Congress and the Executive Office of the President in resolving a persistent difficulty in our ability to properly carry out the mission of our small agency. The OSC referral has played a significant role in leading us to this point.

A copy of the legislation is attached along with the statute that would be amended.

2. Through the Oliver Group, Inc., Mr. Farrow continues to provide advice and assistance to me and the other members of the Commission, conducting research, drafting and reviewing documents, and representing the Commission and me before other agencies, the Executive Office of the President, the Congress and foreign governments. Pursuant to the corrective action set forth in my report to OSC, Mr. Farrow is not asked to sign any documents or perform any other functions that are permitted only to Government employees. He continues to provide assistance on a part-time, intermittent basis. He has no set schedule but provides substantial and essential services at the direction and pleasure of the Chair. The Oliver Group continues to be paid for its weekly services as indicated in the OIG Report.

3. With respect to the footnotes in the OIG Report, the OIG referred information to the Commission in two areas. First, it reported that, in the years between 2008 and 2011, the Commission temporarily increased the compensation rates of two contract workers. Second, the OIG stated that the Commission reserved funds "for possible future expenditures " at the end of its fiscal years.

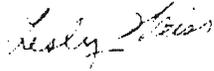
As to the first issue, I have been informed that my predecessor, in the years in question, authorized the payment of increased hourly rates on a temporary basis to the two contractors in two years each as the fiscal years were coming to a close. This was done in lieu of permanent increases that he determined were deserved but which the Commission's small budget could not support on an on-going basis.

With respect to the reservation of funds near the end of fiscal years, I have learned that such a practice has been longstanding at the Commission and is common throughout the Government. GSA, which handles all of the financial transactions for the Commission as well as for a large number of other small agencies, requires this practice because it is unable to process all transactions on a timely basis in the final days of a fiscal year. In addition, the Commission and other agencies are sometimes billed for or accept goods or services provided in one fiscal year in the following year. The governmental practice of reserving funds involves sound budgetary

planning that, among other things, prevents unintentional overspending and maximizes the proper use of appropriations. It is my understanding that my predecessor directed such reservation of funds.

This addresses the two questions that Ms. Pennington raised regarding Footnotes 1 and 2 in the OIG report. The rest of the OIG letter she referred to addresses other matters beyond the scope of its investigation and outside of the issues raised by OSC in its referral. Also attached are the portions of the OIG letter that relate to the referral.

Sincerely,



Lesley Weiss
Chair