



**NATIONAL  
ENDOWMENT  
FOR THE  
HUMANITIES**

**OFFICE OF INSPECTOR GENERAL**

**SEMIANNUAL REPORT  
TO  
CONGRESS**

**For the Period April 1, 2025 through September 30, 2025**

**Report No. 73**

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**“Democracy demands wisdom and vision in its citizens”**  
**National Foundation on the Arts and Humanities Act of 1965**

# THE OFFICE OF INSPECTOR GENERAL

serves American taxpayers  
by investigating reports of waste, fraud,  
mismanagement, abuse, integrity violations or  
unethical conduct involving Federal funds.

To report any suspected activity  
concerning NEH programs, operations, or employees/contractors

## Contact the OIG Hotline

**(202) 606-8423**

## Mailing Address

Office of Inspector General — Hotline  
National Endowment for the Humanities  
Constitution Center  
400 7th Street, SW  
Washington, DC 20506

## Electronic Mail — Hotline

[oig@neh.gov](mailto:oig@neh.gov)

## OIG Hotline Complaint Form

[www.neh.gov/about/oig/hotline-form](http://www.neh.gov/about/oig/hotline-form)

**Government employees are protected from reprisal**

**Contacts may remain anonymous**

**Information is treated as Confidential**

# TABLE OF CONTENTS

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|   |            |
|---|------------|
| EXECUTIVE SUMMARY.....  | 1          |
| THE NATIONAL ENDOWMENT FOR THE HUMANITIES.....  | 2          |
| THE OFFICE OF INSPECTOR GENERAL.....  | 2          |
| AUDIT AND REVIEW ACTIVITIES .....   | 3          |
| INVESTIGATIVE ACTIVITIES .....  | 9          |
| HOTLINE ACTIVITIES .....  | 10         |
| OTHER ACTIVITIES .....  | 11         |
| TABLE I - REPORTING REQUIREMENTS.....   | 13         |
| TABLE II - INSPECTOR GENERAL-ISSUED REPORTS.....<br>WITH QUESTIONED COSTS                                 | 14         |
| TABLE III - INSPECTOR GENERAL-ISSUED REPORTS WITH.....<br>RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE | 14         |
| PRIOR AUDIT REPORTS — UNRESOLVED .....  | 15         |
| GLOSSARY OF AUDIT TERMINOLOGY .....   | 16         |
| PEER REVIEW RESULTS.....  | Appendix A |

## EXECUTIVE SUMMARY

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This Semiannual Report to Congress highlights the activities of the National Endowment for the Humanities (NEH) — Office of Inspector General (OIG) for the period April 1, 2025 through September 30, 2025. OIG activities completed during this reporting period assessed (1) NEH's compliance with government-wide mandates; and (2) a grant recipient's compliance with applicable award terms and conditions. We also monitored the activities of the independent auditors engaged to conduct an audit of the NEH financial statements for the fiscal year ending September 30, 2025.

During the six-month period ended September 30, 2025, we completed a review of payment integrity reporting in the NEH Performance and Accountability Report for the fiscal year ended September 30, 2024 to determine the agency's compliance with *Payment Integrity Information Act of 2019* requirements, and we completed an evaluation to determine the effectiveness of the NEH information security program and practices, as required by the *Federal Information Security Modernization Act of 2014*. We also issued a limited audit report concerning a grant recipient's compliance with administrative requirements applicable to the respective grant award.

We engaged the services of Williams, Adley & Company-DC, LLP to conduct an audit of the NEH financial statements for the fiscal year ending September 30, 2025, as required by the *Accountability of Tax Dollars Act of 2002*. During this semiannual reporting period, we monitored the planning, internal control, and interim testing activities of the independent auditors to ensure compliance with applicable Federal audit requirements.

No investigations were initiated by the NEH-OIG during this semiannual reporting period. We received thirteen Hotline complaints during this six-month period, all of which have been closed. Five complaints (from previous semiannual reporting periods) remain open as of September 30, 2025.

We continue to receive communications from individuals who have been targeted (and in some instances victimized) by internet phishing scams purporting to represent NEH financial assistance opportunities, and we continue to receive reports from small business entities concerning their receipt of procurement-related solicitations impersonating the authority of NEH officials.

OIG staff participated in several activities within the Federal accountability community to include quarterly meetings of the Grant Fraud Working Group, which is affiliated with the Financial Fraud Enforcement Task Force. We also engaged in outreach activities to promote accountability and compliance with administrative requirements applicable to NEH grant awards.

The NEH-OIG endeavors to strengthen our capability to perform effective independent oversight and to foster mutually beneficial working relationships with NEH leadership and management, the U.S. Congress, other stakeholders (both public and private), and our colleagues within the Inspector General community.

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## THE NATIONAL ENDOWMENT FOR THE HUMANITIES

In order to promote progress and scholarship in the humanities and the arts in the United States, Congress enacted the *National Foundation on the Arts and the Humanities Act of 1965*. This legislation established the National Endowment for the Humanities (NEH) as an independent, grant-making agency of the Federal government to support research, education, and public programs in the humanities. According to the Act, “The term ‘humanities’ includes, but is not limited to, the study of the following: language, both modern and classical; linguistics; literature; history; jurisprudence; philosophy; archaeology; comparative religion; ethics; the history, criticism, and theory of the arts; those aspects of social sciences which have humanistic content and employ humanistic methods; and the study and application of the humanities to the human environment, with particular attention to reflecting our diverse heritage, traditions, and history, and to the relevance of the humanities to the current conditions of national life.”

The NEH is directed by a Chairperson, who is appointed by the President and confirmed by the U.S. Senate, for a term of four years. Advising the Chairperson is the National Council on the Humanities, a board of 26 distinguished private citizens who are also appointed by the President and confirmed by the U.S. Senate. National Council members serve staggered six-year terms.

In August 2025, the NEH announced an agency-wide reorganization to consolidate its grantmaking programs and divisions. The functions and staff of seven grantmaking offices and divisions were merged into four new divisions to support projects that advance humanities research, education, public programs, infrastructure, and cultural preservation. The new NEH divisions are — Division of Federal/State Partnership, Division of Collections & Infrastructure, Division of Lifelong Learning, and Division of Research.

In anticipation of the 250th anniversary of the signing of the Declaration of Independence in 2026, NEH currently offers several funding opportunities through the agency’s *A More Perfect Union* initiative that focus on exploring America’s story and celebrating its 250 years of cultural heritage. In connection with the January 2025 “Celebrating America’s Birthday” Presidential Executive Order, NEH is administering a special grant program to support the design and creation of statutes of important Americans for the planned National Garden of American Heroes. Other Semiquincentennial-related funding opportunities include NEH’s Celebrate America, Rediscovering Our Revolutionary Tradition, and Public Humanities Projects grant programs.

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## THE OFFICE OF INSPECTOR GENERAL

The NEH Office of Inspector General (OIG) was established April 9, 1989, in accordance with the *Inspector General Act Amendment of 1988*, (Public Law 100-504). In this legislation, Congress established Offices of Inspectors General in several departments and in thirty-three agencies, including the NEH. The NEH Inspector General (IG) is appointed by the Chairperson of the National Council on the Humanities. The independence of the IG is a critical aspect of the *Inspector General Act*, (the IG Act). For example, the IG: cannot be prevented from initiating, carrying out, or completing an audit or investigation, or from issuing any subpoena; and, has access to all records of the NEH. The IG reports to the National Council on the Humanities, and can only be removed by the National Council on the Humanities, which must give Congress 30 days notice of the reasons for the removal. The IG also reports directly to Congress.

The IG Act states that the NEH-OIG is responsible for (1) conducting audits and investigations; (2) reviewing legislation; (3) recommending policies to promote efficiency and effectiveness; and (4) preventing and detecting fraud, waste, and abuse in the operations of the NEH. The IG is responsible for keeping the Head of the NEH and the Congress fully and currently informed of problems and deficiencies concerning NEH programs and operations.

NEH-OIG staff currently consists of the IG and two auditors. The Deputy Inspector General position is vacant. The OIG has a Memorandum of Understanding with the U.S. Treasury Inspector General for Tax Administration detailing procedures for the NEH-OIG to be provided legal services. The IG handles investigative matters.

# AUDIT AND REVIEW ACTIVITIES

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## **LIST OF REPORTS ISSUED**

The NEH-OIG is responsible for external and internal audit, inspection, and review engagements. External engagements include on-site audits and limited-scope desk audits of NEH grant awards; surveys of grant recipient financial management policies and procedures; desk reviews of Single Audit reports issued by non-Federal auditors; and on-site quality control reviews of workpapers prepared by non-Federal auditors during performance of Single Audit engagements. Internal engagements include audits, inspections/evaluations, and reviews of NEH administrative and program-related activities, including the NEH information security program and practices. The NEH-OIG is also responsible for monitoring the activities of the independent public accounting firm (the “IPA”) engaged to conduct the annual audit of NEH financial statements, as required by the *Accountability of Tax Dollars Act of 2002*, and examining the IPA’s audit workpapers and draft reporting deliverables to ensure compliance with applicable Federal audit requirements.

Below is a list of reports issued by the NEH-OIG during the six-month period ended September 30, 2025. The *Inspector General Act of 1978* (as amended) requires the Inspector General to report on the “Total Dollar Value of Questioned Costs” (including a separate category for the “Dollar Value of Unsupported Costs”) and the “Dollar Value of Recommendations that Funds Be Put to Better Use by Management” [see Tables II and III on page 14].

|   | <u>Report Number</u> | <u>Date Issued</u> |
|---|----------------------|--------------------|
| <b><u>INTERNAL EVALUATIONS</u></b>  |                      |                    |
| National Endowment for the Humanities’ Compliance with the<br><i>Payment Integrity Information Act of 2019</i> — Fiscal Year 2024 | OIG-25-01 (IR)       | May 28, 2025       |
| <i>Federal Information Security Modernization Act of 2014</i> (FISMA)<br>Inspector General Report — Fiscal Year 2025              | N/A                  | August 13, 2025    |
| <b><u>EXTERNAL AUDIT</u></b>  |                      |                    |
| Limited Audit — National Indian Education Association   | OIG-25-01 (EA)       | April 22, 2025     |
| <b>REVIEW OF SINGLE AUDIT FINDINGS</b>  |                      |                    |
| — See Page 7 —  |                      |                    |

# AUDIT AND REVIEW ACTIVITIES

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## SUMMARY OF REPORTS ISSUED

### INTERNAL EVALUATIONS

#### **National Endowment for the Humanities' Compliance with the *Payment Integrity Information Act of 2019* — Fiscal Year 2024** **May 28, 2025; OIG-25-01 (IR)**

The *Payment Integrity Information Act of 2019* (PIIA) aims to improve efforts to identify and reduce government-wide improper payments. Under PIIA, the head of each agency shall periodically review all programs and activities that the agency administers and identify those programs that may be susceptible to significant improper payments, based on guidance provided by the Director of the Office of Management and Budget (OMB). Each fiscal year, the agency is responsible for ensuring it has met the requirements to achieve compliance with PIIA. To achieve compliance with PIIA, the agency must publish any applicable payment integrity information in the agency's Annual Financial Report (AFR) or annual Performance and Accountability Report (PAR), in accordance with payment integrity guidance provided by OMB. The agency must also publish applicable payment integrity information in the accompanying materials to the annual financial statement in accordance with applicable guidance. The most common accompanying materials to the annual financial statement are the payment integrity information published on paymentaccuracy.gov.

PIIA and OMB guidance further specifies that each agency's Inspector General should review payment integrity reporting in the agency's AFR or annual PAR, and accompanying materials, to determine whether the agency complied with PIIA. The term "compliance" with PIIA means the agency complied with the specific requirements identified in OMB guidance. If the agency does not meet one or more of the requirements, then it is not compliant.

I determined and reported that NEH was compliant with PIIA requirements concerning fiscal year 2024.

#### ***Federal Information Security Modernization Act of 2014 (FISMA)* Inspector General Report ~ Fiscal Year 2025** **Completed within the Department of Homeland Security CyberScope Portal on August 13, 2025**

The *Federal Information Security Modernization Act of 2014* (FISMA) requires each agency Inspector General (IG) or an independent external auditor, as selected by the IG, to conduct an annual independent evaluation to determine the effectiveness of the information security program and practices of its respective agency. The results of the annual evaluations are reported to the Office of Management and Budget (OMB) through the Department of Homeland Security's CyberScope portal.

The FY 2025 FISMA evaluation included the 20 Core IG Metrics and 5 Supplemental IG Metrics. The Core IG metrics are assessed annually and represent a combination of Administration priorities, high impact security processes, and essential functions necessary to determine security program effectiveness. The Supplemental IG Metrics represent important activities conducted by security programs and contribute to the overall evaluation and determination of security program effectiveness. For FY 2025, the Supplemental IG Metrics comprise five new metrics designed to gauge the maturity of agencies' cybersecurity governance practices and implementation of key components of zero trust architecture. The Core and Supplemental IG metrics align with the six functional areas in the National Institute of Standards and Technology (NIST) *Framework for Improving Critical Infrastructure CyberSecurity: Govern, Identify, Protect, Detect, Respond, and Recover* and are designed to facilitate assessment of the maturity of an agency's information security program concerning each of the six functional domains. When performed concurrently and continuously, the six functional areas form an operational culture that addresses the dynamic nature of cybersecurity risk.

# AUDIT AND REVIEW ACTIVITIES

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## SUMMARY OF REPORTS ISSUED (con't.)

### INTERNAL EVALUATIONS (con't.)

#### *Federal Information Security Modernization Act of 2014 (FISMA) Inspector General Report ~ Fiscal Year 2025 (con't.)*

The six functional domains in the NIST framework are:

- **Govern** — Establish, communicate, and monitor the organization's cybersecurity risk management strategy, expectations, and policy. The *Govern* function provides outcomes to inform what an organization may do to achieve and prioritize the outcomes of the other five Functions in the context of its mission and stakeholder expectations. *Govern* addresses an understanding of organizational context; the establishment of cybersecurity strategy and cybersecurity supply chain risk management; roles, responsibilities, and authorities; policy; and the oversight of cybersecurity strategy.
- **Identify** — Develop an organizational understanding to manage cybersecurity risk to systems, people, assets, data, and capabilities. Understanding the business context, the resources that support critical functions, and the related cybersecurity risks enables an organization to focus and prioritize its efforts, consistent with its risk management strategy and business needs.
- **Protect** — Develop and implement appropriate safeguards to ensure delivery of critical services. The *Protect* function supports the ability to secure the organization's assets to prevent or lower the likelihood and impact of adverse cybersecurity events.
- **Detect** — Develop and implement appropriate activities to identify the occurrence of a cybersecurity event. The *Detect* function enables timely discovery of cybersecurity events.
- **Respond** — Develop and implement appropriate activities to take action regarding a detected cybersecurity incident. The *Respond* function supports the ability to contain the impact of a potential cybersecurity incident.
- **Recover** — Develop and implement appropriate activities to maintain plans for resilience and to restore any capabilities or services that were impaired due to a cybersecurity incident. The *Recover* function supports timely recovery to normal operations to reduce the impact from a cybersecurity incident.

IGs are required to assess the effectiveness of information security programs on a maturity model spectrum, whereby the foundational levels ensure that agencies develop sound policies and procedures and the advanced levels capture the extent that agencies institutionalize those policies and procedures. The five maturity model levels are:

- **Ad Hoc** (Level 1): Policies, procedures, and strategies are not formalized; activities are performed in an ad-hoc, reactive manner.
- **Defined** (Level 2): Policies, procedures, and strategies are formalized and documented but not consistently implemented.
- **Consistently Implemented** (Level 3): Policies, procedures, and strategies are consistently implemented, but quantitative and qualitative effectiveness measures are lacking.
- **Managed and Measurable** (Level 4): Quantitative and qualitative measures on the effectiveness of policies, procedures, and strategies are collected across the organization and used to assess them and make necessary changes.
- **Optimized** (Level 5): Policies, procedures, and strategies are fully institutionalized, repeatable, self-generating, and regularly updated based on a changing threat and technology landscape and business/mission needs.

# AUDIT AND REVIEW ACTIVITIES

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## SUMMARY OF REPORTS ISSUED (con't.)

### INTERNAL EVALUATIONS (con't.)

#### *Federal Information Security Modernization Act of 2014 (FISMA)* Inspector General Report ~ Fiscal Year 2025 (con't.)

Within the context of the maturity model, OMB considers an information security program assessed as *Managed and Measurable* (Level 4) or above to be operating at an effective level of security.

Based on our evaluation of NEH information security policies and practices, we assessed the *Protect*, *Detect*, and *Respond* functional domains at the maturity level of **Managed and Measurable (Level 4)**, the *Identify* functional domain at the maturity level of **Consistently Implemented (Level 3)** and the *Govern* and *Recover* functional domains at the maturity level of **Defined (Level 2)**. We concluded and reported that the NEH information security program has been designed to comply with NIST and FISMA requirements and is generally effective as implemented. The size and composition of the NEH Office of Information Technology (OIT) staff has been negatively impacted by recent staff reduction actions; therefore, it is critical that the NEH continue to leverage on automated cybersecurity tools to support and augment the efforts of OIT staff to effectively and efficiently manage and mitigate cyber risks. We recommended the NEH develop qualitative and quantitative performance measures to facilitate periodic assessments of established information security procedures to ensure continued suitability and effectiveness. We also recommended that NEH engage in routine contingency plan testing, consistent with requirements outlined in the information security contingency plans for the agency's mission-critical systems.

### EXTERNAL AUDIT

#### **Limited Audit — National Indian Education Association** **April 22, 2025; OIG-25-01 (EA)**

We completed a limited audit of National Indian Education Association (NIEA) records as they relate to NEH grant GG-271516-20. The grant was awarded to support the implementation of an online archive, educational materials, and an oral history exhibition that collects, interprets, and chronicles the contributions of Native American veterans to the United States, (*Warrior Spirit Project*). NIEA certified total Federal expenditures related to the *Warrior Spirit Project* in the amount of \$250,000.

The principle objectives of the limited audit were to determine whether (1) grant expenditures were made in accordance with applicable provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR Part 200), NEH *General Terms and Conditions for Awards to Organizations (for grants and cooperative agreements issued December 26, 2014, or later)*, and the specific terms and conditions applicable to the grant award; and (2) NIEA implemented proper control over the administration of the NEH grant award in accordance with minimum standards prescribed in 2 CFR Part 200.

As a result of our audit testing, we identified questioned costs as follows, totaling \$16,723:

- ◆ NIEA staff salary mischarges and applicable salary-related costs **[\$5,783]**
- ◆ Payments to a consultant in excess of the fee provided in the related Memorandum of Agreement **[\$3,420]**
- ◆ Lack of documentation to substantiate charges to the NEH grant award for video production services **[\$6,000]**
- ◆ Indirect costs **[\$1,520]**

# AUDIT AND REVIEW ACTIVITIES

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## **SUMMARY OF REPORTS ISSUED (con't.)**

### **EXTERNAL AUDIT (con't.)**

#### **Limited Audit — National Indian Education Association April 22, 2025; OIG-25-01 (EA) (con't.)**

We also noted internal control deficiencies concerning NIEA time and effort reporting activities and record management practices.

We recommended that NEH disallow Federal expenditures associated with the *Warrior Spirit Project* in the amount of \$16,723.

The NIEA acknowledged and agreed with all findings presented in the OIG limited audit report. The organization asserted that proactive steps have been taken to address the issues identified and corrective action has been implemented to strengthen internal control and the organization's compliance framework.

### **REVIEW OF SINGLE AUDIT FINDINGS**

We periodically receive communications from other Federal agencies concerning the results of their Single Audit desk reviews (primarily the National Science Foundation OIG and the U.S. Department of Education OIG) and Single Audit findings identified for NEH resolution. We also routinely perform queries of the Federal Audit Clearinghouse to ascertain the reporting of Single Audit findings applicable to NEH programs.

During the six-month period ended September 30, 2025, we reviewed Single Audit report communications from other Federal agencies concerning four (4) NEH grant recipients.

No Single Audit findings were specifically identified for NEH resolution.

# AUDIT AND REVIEW ACTIVITIES

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## **WORK IN PROGRESS (as of September 30, 2025)**

### **Limited Audit ~ University of Pittsburgh**

NEH awarded grant EH-281254-21 to University of Pittsburgh (the “University”) to support a two-week institute for 25 higher education faculty that would bring a transnational perspective to Afro-Latin American and Afro-Latinx cultures in the United States. We initiated a limited audit of the University’s records related to the grant award.

The principal objectives of this limited audit are to determine whether (1) expenditures related to the grant award were made in accordance with the applicable provisions of NEH’s *General Terms and Conditions for Awards to Organizations (for grants and cooperative agreements issued December 26, 2014 or later)*, and the specific terms of the grant award; and (2) the University implemented proper control over the administration of the NEH grant award in accordance with minimum standards prescribed in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR Part 200).

### **Limited Audit ~ Little Big Horn College**

NEH awarded grant PW-264289-19 to Little Big Horn College (the “College”) to support the preservation, transcription, translation, and digitization of audiovisual materials that document Crow history, language, and culture. We initiated a limited audit of the College’s records related to the grant award.

The principal objectives of this limited audit are to determine whether (1) expenditures related to the grant award were made in accordance with the applicable provisions of 2 CFR Part 200, NEH’s *General Terms and Conditions for Awards to Organizations (for grants and cooperative agreements issued December 26, 2014 or later)*, and the specific terms and conditions applicable to the grant award; and (2) the College implemented proper control over the administration of the NEH award in accordance with minimum standards prescribed in 2 CFR Part 200.

### **Limited Audit ~ Providence Children’s Museum**

NEH awarded grant ZED-283472-22 to Providence Children’s Museum (the “Museum”) to support the development of digital education materials on local immigration history for virtual field trips and museum programming. We initiated a limited audit of the Museum’s records related to the grant award.

The principal objectives of this limited audit are to determine whether (1) expenditures related to the grant award were made in accordance with the applicable provisions of 2 CFR Part 200, NEH’s *General Terms and Conditions for Awards to Organizations (for grants and cooperative agreements issued December 26, 2014 or later)*, and the specific terms and conditions applicable to the grant award; and (2) the Museum implemented proper control over the administration of the NEH award in accordance with minimum standards prescribed in 2 CFR Part 200.

# INVESTIGATIVE ACTIVITIES

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## **BACKGROUND**

The *Inspector General Act of 1978* (as amended) provides the authority for NEH-OIG to investigate possible violations of criminal or civil laws, administrative regulations, and policies that impact the programs and operations of the NEH. In the past, in order to fully execute this authority, we have obtained assistance from other OIGs, the Federal Bureau of Investigation (FBI), the Postal Inspection Service, or other investigative entities.

Over the years, NEH-OIG has received allegations through the OIG Hotline and did not have sufficient resources to initiate an investigation. To address this inherent challenge, we continue to inquire of other OIGs concerning their willingness and ability to assist us on an “as needed” basis under a reimbursable agreement. A few OIGs have responded that they would consider performing work for us on a case-by-case basis, contingent upon the availability of their staff. However, this assistance would only be for criminal cases, with no guarantee that investigative staff would be available when needed.

## **INVESTIGATIVE ACTIVITIES**

No investigations were initiated by the NEH-OIG during the six-month period ended September 30, 2025.

## **MATTERS REFERRED TO PROSECUTIVE AUTHORITIES**

No matters were referred to the U.S. Department of Justice during the six-month period ended September 30, 2025.

## **STATISTICAL SUMMARY OF INVESTIGATIVE ACTIVITY**

|  |   |
|--|---|
| Number of Investigative Reports Issued   | 0 |
| Number of Persons Referred to the Department of Justice for Criminal Prosecution                             | 0 |
| Number of Persons Referred to State and Local Prosecuting Authorities for Criminal Prosecution               | 0 |
| Number of Indictments and Criminal Informations that Resulted from Prior Referral to Prosecuting Authorities | 0 |

## HOTLINE ACTIVITIES

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We maintain a Hotline telephone number and a dedicated NEH e-mail address to provide confidentiality for individuals bringing matters to the attention of the NEH-OIG. We also have an internet-based template to facilitate the submission of complaints to the NEH-OIG. The complaint template is accessible through the OIG homepage, ([www.neh.gov/about/oig/hotline-form](http://www.neh.gov/about/oig/hotline-form)). The Hotline telephone number, internet-based complaint form, e-mail address, and ground mail services are efficient and effective means for NEH employees and contractors, recipients of NEH awards, and the general public to communicate complaints and allegations of fraud, waste, abuse, mismanagement, and misconduct concerning NEH programs and operations to the NEH-OIG.

When the NEH-OIG receives a complaint or allegation of a criminal or administrative violation, we engage in preliminary research activities to inform the decision regarding the appropriate action to take. Based on the results of our preliminary research, we may initiate an investigation or an audit; refer the matter to an NEH office/division; refer the matter to another Federal agency; or take no further action. Upon determining that a matter represents a criminal violation, we seek assistance from another Federal Inspector General, the Federal Bureau of Investigation (FBI), or the U.S. Department of Justice.

There were seven Hotline matters open as of March 31, 2025. During the six-month period ended September 30, 2025, we received one complaint alleging waste and mismanagement concerning a project to be supported by an NEH infrastructure grant award; one complaint concerning the NEH grant process, alleging publicized selection preference for upcoming grant opportunities to scholars doing research on specific racial groups; four reports from individuals targeted (and in some instances victimized) by internet phishing scams purporting to represent NEH financial assistance opportunities; and seven complaints concerning matters not related to NEH activities or operations. Five matters remain open as of September 30, 2025.

### STATISTICAL SUMMARY OF HOTLINE ACTIVITY

|  |    |
|--|----|
| <b>Open as of March 31, 2025</b>   | 7  |
| Matters communicated to the OIG during the six-month period ended September 30, 2025 | 13 |
| Total Number of Matters Communicated via OIG Hotline                                 | 20 |
| Matters closed, referred, or no action deemed necessary                              | 15 |
| <b>Open as of September 30, 2025</b>   | 5  |

## OTHER ACTIVITIES

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### REGULATORY AND LEGISLATIVE REVIEWS

The *Inspector General Act of 1978* (as amended) requires the Inspector General to review proposed legislation and regulations. The reviews should be designed to assess whether proposed legislation and/or regulations (1) affect the economy and efficiency of agency programs and operations; and (2) provide sufficient internal control to prevent and detect fraud and abuse.

No legislative reviews concerning the NEH were required during the six-month period ended September 30, 2025.

### WORKING WITH THE AGENCY

OIG staff attended meetings convened by NEH leadership – meetings of the National Council on the Humanities (July 2025). The Inspector General was not apprised of any senior staff meetings during the six-month period ended September 30, 2025.

### PARTICIPATION ON THE COUNCIL OF THE INSPECTORS GENERAL ON INTEGRITY AND EFFICIENCY

The *Inspector General Reform Act of 2008* (Public Law 110-409) amended the *Inspector General Act of 1978* and established the Council of the Inspectors General on Integrity and Efficiency [CIGIE]. CIGIE is comprised of all Inspectors General whose offices are established by the *Inspector General Act of 1978* (and subsequent amendments) — those that are Presidentially-appointed/Senate-confirmed and those that are appointed by Agency Heads.

During the six-month period ended September 30, 2025, the Inspector General regularly attended CIGIE member meetings (recurring monthly and ad hoc), provided responses to various CIGIE inquiries, attended two meetings of the CIGIE Technology Committee (July 2025 and September 2025), participated in one meeting convened for Inspectors General reporting to Boards or Commissions (June 2025), attended three meetings of the CIGIE workgroup representing “Small/Unique OIGs” (April 2025, June 2025, and September 2025), and attended four meetings of the Financial Statement Audit Network (April 2025, May 2025, July 2025, and August 2025).

The Inspector General also attended six status meetings convened by the Pandemic Response Accountability Committee [PRAC] (April 2025, May 2025, June 2025, July 2025, August 2025, and September 2025). The PRAC was established as a committee of CIGIE by the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act). The mission of the PRAC is to (1) promote transparency of coronavirus response funds provided in the CARES Act and three related pieces of legislation; and (2) provide oversight of those funds and the coronavirus response.

The Inspector General attended one quarterly meeting of the Federal Audit Executive Council [FAEC] (June 2025). FAEC is a subgroup established by CIGIE to discuss and coordinate issues affecting the Federal audit community, with special emphasis on audit policy and operations of common interest to FAEC members.

### PARTICIPATION IN OTHER ACTIVITIES WITHIN THE FEDERAL ACCOUNTABILITY COMMUNITY

The Inspector General attended two quarterly meetings of the Grant Fraud Working Group (April 2025 and July 2025). The Grant Fraud Working Group is affiliated with the Financial Fraud Enforcement Task Force and represents a diverse coalition from across the OIG community and certain U.S. Department of Justice components (e.g., the Civil Division), working to improve investigation and prosecution of grant-fraud matters.

## OTHER ACTIVITIES

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### **PARTICIPATION IN OTHER ACTIVITIES WITHIN THE FEDERAL ACCOUNTABILITY COMMUNITY (con't.)**

The Inspector General participated in the virtual Single Audit Roundtable (SART) held in June 2025. The purpose of the SART is to provide a venue for an exchange of ideas, problems, solutions, and best practices related to the Single Audit process. The SART involves audit and accountability representatives from the non-Federal audit community, and Federal and State government communities.

### **OIG INTERNET PRESENCE**

Reports concerning the results of individual NEH-OIG engagements and the OIG Semiannual Reports to Congress are posted on the internet. The reports are accessible through the OIG homepage on the NEH website ([www.neh.gov/about/oig](http://www.neh.gov/about/oig)).

To promote awareness and understanding of the OIG mission and responsibilities, we provide hyperlinks to other Federal agency websites, such as the Council of the Inspectors General on Integrity and Efficiency [Oversight.gov] and the Government Accountability Office [FraudNet].

### **“AUDIT READINESS” AWARENESS CAMPAIGN**

The NEH-OIG executes an email-based “Audit Readiness” awareness campaign, the timing of which corresponds with NEH grant award cycles. The objective of the campaign is to proactively promote accountability and disseminate guidance that would assist NEH grant award recipients in their efforts to preclude unfavorable outcomes should the organizations’ NEH awards be selected for audit. The email communication emphasizes the value of each recipient’s understanding of the terms and conditions specific to their NEH grant award and the administrative requirements applicable to all Federal awards. We remind recipients that they are stewards of Federal funds and therefore must comply with uniform administrative requirements and the terms and conditions applicable to NEH grant awards. We highlight in the communications, specific areas wherein problems are commonly identified during audits of NEH grant awards, and include hyperlinks to appropriate guidance materials and resources. We also discuss the importance of effective internal control. The email communications are sent directly to project directors (including co-project directors) and institutional grant administrators identified for all organization-based awardees.

During the six-month period ended September 30, 2025, we sent email communications as noted below. We have reasonable assurance that all awardees received a copy of the “Audit Readiness” communication.

| NEH Division/Office                 | Number of Awardees | Total Value of Awards |
|-------------------------------------|--------------------|-----------------------|
| Division of Preservation and Access | 21                 | \$ 5,618,938          |
| Division of Education Programs      | 15                 | \$ 1,022,659          |
| Division of Public Programs         | 5                  | \$ 1,119,870          |
| Office of Digital Humanities        | 1                  | \$ 130,288            |

# TABLE I

## REPORTING REQUIREMENTS

The *Inspector General Act of 1978* (as amended) specifies reporting requirements for semiannual reports. The requirements are listed and cross-referenced to the applicable pages in this report.

| <u>IG Act Reference</u> | <u>Reporting Requirements</u>                                   | <u>Page</u> |
|-------------------------|---|-------------|
| Section 404(a)(2)       | Regulatory and Legislative Reviews.....                         | 11          |
| Section 405(b)(1)       | Significant Problems, Abuses, and Deficiencies.....             | *           |
| Section 405(b)(2)       | Recommendations for Corrective Action .....                     | *           |
| Section 405(b)(3)       | Prior Significant Recommendations Unimplemented.....            | *           |
| Section 405(b)(4)       | Matters Referred to Prosecutive Authorities.....                | 9           |
| Section 405(b)(21)(b)   | Instances Where Information Was Refused or Not Provided.....    | *           |
| Section 405(b)(6)       | List of Reports Issued.....                                     | 3           |
| Section 405(b)(5)       | Summary of Reports Issued.....                                  | 4 - 7       |
| Section 405(b)(8)       | Audit Reports - Questioned Costs.....                           | 14          |
| Section 405(b)(9)       | Audit Report - Funds To Be Put to Better Use by Management..... | 14          |
| Section 405(b)(10)      | Prior Audit Reports — Unresolved.....                           | 15          |
| Section 405(b)(11)      | Significant Revised Management Decisions.....                   | *           |
| Section 405(b)(12)      | Significant Management Decisions with which IG Disagrees.....   | *           |
| Section 405(b)(14-16)   | Peer Review Results.....  | Appendix A  |
| Section 405(b)(17-18)   | Investigation Statistics.....                                   | 9           |
| Section 405(b)(19)      | Investigations Involving Senior Government Employees.....       | *           |
| Section 405(b)(20)      | Instances of Whistleblower Retaliation.....                     | *           |
| Section 405(b)(21)      | Instances of Agency Interference with OIG Independence.....     | *           |
| Section 405(b)(22)      | Description of Reports Not Disclosed to the Public.....         | *           |

\* None this reporting period

**TABLE II**  
**INSPECTOR GENERAL-ISSUED REPORTS**  
**WITH QUESTIONED COSTS**

|  | Number<br>of Reports | Questioned<br>Costs | Unsupported<br>Costs |
|--|----------------------|---------------------|----------------------|
| A. For which no management decision has been made by the commencement of the reporting period. | - 0 -                | \$ - 0 -            | \$ - 0 -             |
| B. Which were issued during the reporting period.  | - 1 -                | \$ 16,723           | \$ - 0 -             |
| <b>Subtotals (A+B)</b>   | <b>- 1 -</b>         | <b>\$ 16,723</b>    | <b>\$ - 0 -</b>      |
| C. For which a management decision was made during the reporting period.                       |                      |                     |                      |
| i. Dollar value of disallowed costs.   | - 1 -                | \$ 16,723           | \$ - 0 -             |
| ii. Dollar value of costs not disallowed   | - 0 -                | \$ - 0 -            | \$ - 0 -             |
| iii. Dollar value of costs not disallowed based on the "Value of Services Received."           | - 0 -                | \$ - 0 -            | \$ - 0 -             |
| D. For which no management decision has been made by the end of the reporting period.          | - 0 -                | \$ - 0 -            | \$ - 0 -             |
| E. Reports for which no management decision was made within six months of issuance.            | - 0 -                | \$ - 0 -            | \$ - 0 -             |

**TABLE III**  
**INSPECTOR GENERAL-ISSUED REPORTS**  
**WITH RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE BY MANAGEMENT**

|  | Number<br>of Reports | Dollar<br>Value |
|--|----------------------|-----------------|
| A. For which no management decision has been made by the commencement of the reporting period. | - 0 -                | \$ - 0 -        |
| B. Which were issued during the reporting period.  | - 0 -                | \$ - 0 -        |
| C. For which a management decision was made during the reporting period.                       | - 0 -                | \$ - 0 -        |
| i. Dollar value of recommendations that were agreed to by management.                          | - 0 -                | \$ - 0 -        |
| ii. Dollar value of recommendations that were not agreed to by management.                     | - 0 -                | \$ - 0 -        |
| D. For which no management decision was made by the end of the reporting period.               | - 0 -                | \$ - 0 -        |

## PRIOR AUDIT REPORTS — UNRESOLVED

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| Reports with Unimplemented Recommendations   | Number of Unimplemented Recommendations | Dollar Value of Aggregate Potential Cost Savings  |
|--|---|---|
| Report Number: OIG-15-03 (I)<br><br><i>Federal Information Security Management Act (FISMA) Reporting Document: Inspector General Section — Fiscal Year 2014</i><br><br>Date of Report: August 15, 2015 | 1                                       | The recommendation concerns a FISMA-related matter and we are unable to quantify the total potential cost savings to the NEH. |

### SUMMARY OF UNIMPLEMENTED RECOMMENDATIONS

#### 1. Contingency Planning

**Finding:** Due to competing priorities, neither the Agency-wide continuity of operations (COOP) exercise nor the prescribed divisional exercise, to be led by Emergency Response Team (ERT) members, were conducted in FY 2013. Furthermore, the master COOP document was not updated to incorporate/address issues identified in the prior year after-action report. The OIG also noted that several Emergency Operations Team (EOT) and ERT members were either unable to access the COOP-related documents on the secured OMB CyberScope site or did not have access to the most current version of the master COOP document.

**Recommendation:** The NEH must reinstate annual continuity of operations training exercises and update COOP-related documents maintained on the secured OMB Cyberscope platform.

**Implementation Status: Open/Partially Implemented.** The master COOP document has been updated to incorporate/address issues identified in the FY 2012 after-action report. However, a continuity of operations training exercise has not been conducted since FY 2012.

## GLOSSARY OF AUDIT TERMINOLOGY

**Questioned Cost:** A cost that is questioned by the OIG because of (1) an alleged violation of a provision of law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; (2) a finding that, at the time of the audit, such cost is not supported by adequate documentation; or (3) a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

**Unsupported Cost:** A cost that is questioned by the OIG because, at the time of the audit, such cost is not supported by adequate documentation.

**Disallowed Cost:** A questioned cost that management, in a management decision, has sustained or agreed should not be charged to the Government.

**Funds Be Put To Better Use:** A recommendation by the OIG that funds could be used more efficiently if management of an establishment took actions to implement and complete the recommendation, including (1) reductions in outlays; (2) deobligation of funds from programs or operations; (3) withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds; (4) costs not incurred by implementing recommended improvements related to the operations of the establishment, a contractor or grantee; (5) avoidance of unnecessary expenditures noted in preaward reviews of contract or grant agreements; or (6) any other savings which are specifically identified.

**Management Decision:** The evaluation by the management of an establishment of the findings and recommendations included in an audit report and the issuance of a final decision by management concerning its response to such findings and recommendations, including actions concluded to be necessary.

**Final Action:** The completion of all actions that the management of an establishment has concluded, in its management decision, are necessary with respect to the findings and recommendations included in an audit report. In the event that management concludes no action is necessary, final action occurs when such management decision has been made.

Source: Excerpt from Section 405(a) of the *Inspector General Act of 1978* (as amended)

## APPENDIX A

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### PEER REVIEW RESULTS

The following information is provided pursuant to the requirements of Section 989C of Public Law 111-203 (July 21, 2010), the *Dodd-Frank Wall Street Reform and Consumer Protection Act*, amending the *Inspector General Act of 1978* (the IG Act), 5 U.S.C. App. This appendix complies with Section 405(b)(14 - 16) of the IG Act of 1978, as amended.

**(14)(A) Peer Review of the Audit Function.** On September 16, 2022, the U.S. Election Assistance Commission - Office of Inspector General (USEAC-OIG) issued a System Review Report on the audit organization of the NEH-OIG in effect for the 3-year period ended March 31, 2022. The USEAC-OIG found that the system of quality control for the audit organization of the NEH-OIG had been suitably designed and complied with to provide reasonable assurance of performing and reporting in conformity with applicable professional standards and applicable legal and regulatory requirements in all material respects. Federal audit organizations can receive a rating of *Pass*, *Pass with Deficiencies*, or *Fail*. The NEH-OIG received a peer review rating of *Pass*.

**(15) Outstanding Recommendations from any Peer Review of the NEH-OIG.** There are no outstanding recommendations from any peer review of the NEH-OIG, as conducted by another Office of Inspector General, that have not been fully implemented.

**(16) Peer Review Conducted by the NEH-OIG.** On June 25, 2025, the NEH-OIG issued a Modified Peer Review Report on the audit function of U.S. AbilityOne - Office of Inspector General (AbilityOne OIG) in effect for the year ended September 30, 2024. The objective of the Modified Peer Review was to determine whether AbilityOne OIG's established audit policies and procedures are current and consistent with applicable professional standards. Established policies and procedures represent a component of a system of quality control to provide AbilityOne OIG with reasonable assurance of conforming to applicable professional standards. The components of a system of quality control are described in the *Government Auditing Standards*. Based on our review, we concluded that the established policies and procedures for the AbilityOne OIG audit function at September 30, 2024 are current and consistent with applicable professional standards as stated.