
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**THE SOCIAL SECURITY ADMINISTRATION'S
GUARD SERVICE CONTRACT FOR HEADQUARTERS,
THE NATIONAL COMPUTER CENTER,
AND SECURITY WEST**

February 2011

A-15-10-11089

AUDIT REPORT



Mission

By conducting independent and objective audits, evaluations and investigations, we inspire public confidence in the integrity and security of SSA's programs and operations and protect them against fraud, waste and abuse. We provide timely, useful and reliable information and advice to Administration officials, Congress and the public.

Authority

The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.**
- Promote economy, effectiveness, and efficiency within the agency.**
- Prevent and detect fraud, waste, and abuse in agency programs and operations.**
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.**
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.**

To ensure objectivity, the IG Act empowers the IG with:

- Independence to determine what reviews to perform.**
- Access to all information necessary for the reviews.**
- Authority to publish findings and recommendations based on the reviews.**

Vision

We strive for continual improvement in SSA's programs, operations and management by proactively seeking new ways to prevent and deter fraud, waste and abuse. We commit to integrity and excellence by supporting an environment that provides a valuable public service while encouraging employee development and retention and fostering diversity and innovation.



SOCIAL SECURITY

MEMORANDUM

Date: February 28, 2011 Refer To:

To: The Commissioner

From: Inspector General

Subject: The Social Security Administration's Guard Service Contract for Headquarters, the National Computer Center, and Security West (A-15-10-11089)

OBJECTIVE

The objectives of this audit were to determine whether (1) the guard services contractor was complying with the contract terms and applicable regulations, and (2) Social Security Administration (SSA) personnel were properly monitoring the contract.

BACKGROUND

Office of the Inspector General Prior Guard Contract Activities

On May 31, 2007, the Office of the Inspector General (OIG) issued a *Performance Review of the Social Security Administration's National Computer Center [NCC] and Security West Building Guard Service Contract*. Paragon Systems, Incorporated, (Paragon) was the contractor providing guard services to SSA's NCC and Security West buildings. This audit report disclosed no findings.

During this same period, USProtect Corporation (USProtect) was providing guard services for SSA's Main Complex. In March 2008, USProtect shut down after the Government dropped its security contracts with the company at Federal buildings nationwide¹ because two former executives of USProtect were convicted of tax evasion, bribery, and concealment of material information.² Paragon hired many of USProtect's personnel, including several USProtect executives. Most notably, a vice president left USProtect (before March 2006) during the Government investigation and became the president of Paragon.

¹ Castaneda, Ruben, *Cash and a Cruise Traded for Contracts*. Washingtonpost.com, October 4, 2007.

² Swift, Aisling, *Naples Man convicted in contract scandal now accused of raiding employee 401(k)*. naplesnews.com, September 12, 2010.

Because SSA no longer had USProtect to provide guard services, SSA re-competed the guard contract and awarded the contract to Paragon to provide guard services at SSA's Main Complex,³ NCC, and Security West buildings in Woodlawn, Maryland. The objective of this contract is to ensure these facilities are secure and adequately protected. This guard service contract is a critical component of SSA's overall physical security program.

Current OIG Audit

The current audit focuses on SSA's contract with Paragon that began on March 14, 2008⁴ (Contract Number SS00-08-60003). It includes 1 base year and 9 option years, ending March 31, 2018, for a total cost of about \$242 million, if all option periods are exercised. As of the date of this audit, the cumulative contract amount obligated was about \$71 million.

The contract requires armed guards at each post location for the times specified in the contract. There are fixed posts and roving posts, and each post has general and specific orders that define the basic duties to be performed. While on duty, guards must be armed, be in uniform, and adhere to all orders for their post. The primary functions of fixed posts include checking badges of people entering the building, inspecting bags, remaining alert, and operating screening equipment. The primary function of roving and mobile posts is to provide foot or mobile patrol of the interior or exterior of the site, as defined by the post orders.

SSA offices involved in managing and directing the Agency's physical security programs and procuring and monitoring the guard service contracts include the Offices of Protective Security Services (OPSS), a component of the Office of Facilities Management, and Acquisition and Grants (OAG). OPSS directs SSA's security programs, develops and establishes security policies, and oversees guard contracts. OAG is responsible for awarding and administering SSA contracts. The Contracting Officer Technical Representative (COTR) monitors the performance of this guard contract. These offices are responsible for ensuring the contractor complies with the contract terms, and the services are provided efficiently and effectively. At the beginning of our audit period, Paragon was an operating subsidiary of Tri-S Security Corporation. In June 2010, Tri-S Security sold Paragon to Pinkerton Government Services, Inc., a wholly owned subsidiary of Securitas AB.

³ The contract refers to Headquarters as SSA Main Complex.

⁴ The contract was modified to adjust the performance start date for the Main Complex portion of the contract from April 1 to March 14, 2008. The contract completion date remained unchanged.

RESULTS OF REVIEW

After reviewing the contract, we

- met with the COTR to discuss the required contract deliverables;
- observed guard posts and shift changes at the three sites, including issuance and return of firearms and equipment;
- reviewed guard personnel files to ensure guards met training and suitability requirements; and
- reviewed the *Contract Guard Duty Register* (Form SSA-4072) for 4 weeks.

We determined that the COTR for this contract provided sufficient oversight of the contract. Throughout our review, she informed us of current and past contractor performance issues. On July 9, 2010, she provided us with the Contractor Performance Report for the period April 1, 2009 to March 31, 2010. These issues were the basis for OPSS giving Paragon a rating of “poor” for the element of Quality of Service in the report. In addition to the element of Quality of Service, there were three other elements rated in the performance report: Cost Control – Not applicable, Timeliness of Performance – Fair, and Business Relations – Fair.

Our audit work determined that Paragon was not complying with certain terms of the contract. We found guards were not following post orders as stated in the contract, and supervisors were not providing sufficient post inspection checks. There were excessive errors and discrepancies on the forms used to track post hours worked and account for firearms. These errors and discrepancies could indicate that posts were unattended. Our observations noted several instances where guards did not check the identification of people entering buildings; guards were gathered at posts involved in personal conversations and not focused on post duties; roving guards were not providing foot patrol; and guards were not following operating procedures for x-ray scanners and hand-held wand metal detectors.

GUARD SERVICE PERFORMANCE

To determine whether the guards were performing their duties as stated in the post orders, we observed each shift of every nonsupervisory post at least once, except for the weekend shifts, which we observed once during the weekend. There are 73 posts at the Main Complex, 16 posts at the NCC, and 32 posts at the Security West complex. We conducted 221 post observations from January through August 2010. We found all guards armed and in uniform. However, we noted 46 guards were not performing their post duties as stated in the post orders.

Fixed-Post Guards Not Complying with Post Orders

During our observations, we noted several fixed-post guards were not performing their post duties. Fixed-post guards are charged primarily with screening people entering the

buildings and operating x-ray scanners and other equipment. Valid SSA identification is required to enter the buildings at all times. We noted several instances where fixed-post guards were not checking identification of people entering buildings, including an exterior vehicle entry guard not checking identification of all the passengers in the vehicle. We viewed several instances where guards were not focused on their duties, including guards dozing off and guards loitering at posts involved in personal conversations. During a weekend observation, we noted one guard watching a small television under the desk while working a 24-hour post. Guards not complying with post orders as required by the contract could compromise SSA's physical security.

Additionally, we observed guards not following procedures for x-ray scanners and use of hand-held wand metal detectors. Specifically, we saw two guards neglect to pause the x-ray scanner to view the scanned items. We also viewed two male guards using the hand-held wand metal detectors on female contractors entering the building. The COTR told us that although it is not a written procedure, the best practice is for the guard conducting the wanding inspection to be the same gender as the person being inspected. In these instances, the contractor did not comply with procedures and best practices, and SSA should remain vigilant in requiring that the contractor adhere to accepted procedures.

Roving Posts Not Complying with Post Orders

We noted several issues with the roving guards. Specifically, we observed two mobile patrols idling side by side in a parking lot for more than 10 minutes on 2 different days and were unable to locate one of three mobile patrols. We were unable to locate several roving guards. When we contacted the Altmeyer Control Center (ACC) to ascertain the guards' locations, the ACC could not readily give us their locations. It took 5 to 20 minutes for the ACC to locate the guards and return our calls. Their response revealed that five of eight roving guards were providing relief breaks or were not in their assigned area in the Main Complex. Consequently, five interior roving posts were unattended, or open, at the same time. One of the roving guards told us her supervisor gave her orders to remain at a fixed post until called to provide a relief break to a fixed post. This left her assigned roving post unattended for her entire shift. Open posts violate the contract, and our communication with the ACC provides no assurance that contractor management was aware of who was providing breaks and when.

The contract states that Paragon must comply with Federal, State, and local regulations regarding breaks.⁵ However, there are no such regulations regarding relief breaks. The COTR told us that past practice has been to allow roving guards to give short, 5 to 7 minute relief breaks; however, roving guards are not to provide 30-minute meal breaks. Paragon should have enough guards scheduled to cover 30-minute breaks. Revising the contract language to address controls over relief breaks would help alleviate this issue.

⁵ Contract SS00-08-60003, Section B-9.m.

High Volume Telephone Use

OPSS officials also expressed concern over a high volume of telephone calls to and from guard posts. The contract states that the contractor may use SSA's telephone system to conduct official business and carry out the performance of the SSA contract. We obtained telephone logs for the period May 1 through June 11, 2010 from OPSS and reviewed the number and duration of telephone calls. There were 227 calls lasting over 20 minutes and 23 calls lasting 1 hour or longer. We also noted 69 calls made overnight to closed posts. Eleven of these lasted over 30 minutes, and four were 1 hour or longer. The COTR told us that it is unusual for closed posts to receive calls, and she suspects that given the duration and time of the calls, they were not of a business nature. The number and duration of calls for this time period is inappropriate considering the primary purpose of the contract is to provide armed and unarmed guard services to the three SSA sites.

GUARD SERVICE HOURS

Form SSA-4072, *Contract Guard Duty Register*, shows the hours worked by security officers, supervisors, and project managers for each duty post. According to contract documentation, contract employees must sign in on the Form SSA-4072 when reporting to their post and sign out on the Form SSA-4072 when leaving their post.⁶ The contractor is required to submit the Forms SSA-4072 weekly to the COTR to verify compliance with the contract's hour requirements for each post.⁷

Review of Form SSA-4072 Contract Guard Duty Register

We obtained the Form SSA-4072 for 4 weeks in Calendar Year 2009 to ensure the contractor provided the work hours stated in the contract. We verified that the number of hours worked for each post agreed with the hours required by the contract. There were a few minor exceptions where post hours did not agree by less than 1 hour because of errors. However, we noticed that there were numerous corrected entries on the Forms SSA-4072 for all the weeks selected. For the weeks selected, most posts had at least two or more corrected entries, and some posts had over nine corrections in 1 week. This raised a concern that the guards were crossing out the actual time they left a post and writing in another time to conceal an open post. We observed a supervisor directing a guard to change an entry on the Form SSA-4072. When we asked why they were changing the entry, the supervisor said he had turned away a relief guard, and the original guard was rewriting his entry. This caused concern because both guards had signed in and out as if an actual break had occurred. When we asked Paragon managers about these errors, they stated these were careless errors, and they periodically retrain guards on proper sign-in procedures. We asked a few guards about their errors and received similar responses—that the errors were simple mistakes. However, we cannot verify the cross-outs on the Forms SSA-4072

⁶ Contract SS00-08-60003, Section C-4.34.

⁷ Contract SS00-08-60003, Section B-9.b and Section C-4.19.

were simple mistakes. Since the Forms SSA-4072 are used to verify compliance with the contract work hour requirements, it is imperative that they contain valid information. If SSA cannot rely on the Forms SSA-4072, it should consider another method of recording time worked by individual guards.

Guard Posts Not Properly Supervised

Also during our review of the Forms SSA-4072, we found that supervisors were not performing regular guard post inspections. We noted large time lags between supervisory checks. Some posts were not inspected for as long as 16 hours, and some posts were inspected only once during an 8-hour shift or not at all. The contract requires that contract management supervise and inspect all shifts and posts and evidence their post inspection by signing in and out on the Form SSA-4072.⁸ The contract does not specify the number of times each post should be inspected; however, the contractor's Operations Manager told us that each guard post should be inspected two times per shift. Stronger contract language indicating the number of supervisor inspections required during a shift would ensure posts are adequately supervised.

Discrepancies on the Form SSA-3089, *Firearms and Equipment Control Register*

All firearms, radios, and other equipment are accounted for on the Form SSA-3089, *Firearms and Equipment Control Register*. We compared the Forms SSA-3089, with the Forms SSA-4072 for 1 day. The contract states that supervisors and guards should make accurate receipt and return entries on the Forms SSA-3089. Based on discussions with the COTR, guards should sign out their weapons about 5 to 7 minutes before signing in on post to allow time to arrive at their posts. Similarly, we expected that guards would return their weapons a few minutes after signing out of their posts. However, our testing showed that guards were generally signing out their weapons and returning weapons at the same time they signed in or out on their post. Since a guard cannot be in two places at once, we believe one of the forms is inaccurate and posts were not covered as required by the contract. We also found instances of guards signing in on post before signing out their weapon and returning their weapon before signing out on post. These are clear violations of the contract.

We discussed the discrepancies between the Forms SSA-4072 and SSA-3089 with Paragon's contract manager and site manager. They acknowledged that guards had been making inaccurate entries and told us that Paragon was implementing a "Guardmount" procedure, which would allow the guards time before their shift to arm, receive instructions, report to their post, and return their weapons and equipment after their shift. At the conclusion of our audit, we did not have documentation that Paragon implemented this procedure. Modifying the contract to require a formal "Guardmount" procedure before each shift would alleviate these discrepancies.

⁸ Contract SS00-08-60003, Section B-4.b.

QUALIFIED GUARD FORCE

The contract requires that the contractor retain qualified personnel and provide guard training in firearms, cardiopulmonary resuscitation (CPR), emergency first aid procedures, and equipment operation. All contract personnel assigned to an armed post must qualify annually in firearms proficiency. CPR certification is required annually, and first aid certification is required every 3 years.⁹ In accordance with industry standards, each contract guard must pass the Maryland State Police guard certification examination and be certified in the use of Oleoresin Capsicum (OC) spray. We selected 50 guard employee files for testing of training documentation as well as disclosure and suitability statements. We found that all the selected guards had current handgun permits, CPR, first aid, and OC spray certifications. They had all passed their firearms proficiency qualification and guard certification examination. Based on our review of the personnel and training files, we determined the contractor provided a qualified guard force.

However, the COTR informed us that she had found guards working on post without proper training on equipment operation. We reviewed a selection of guards working posts with screening equipment and barrier posts. Each guard had received the applicable training required before working these posts. One training incident described to us by the COTR is discussed in the SSA Oversight of Contract section.

While on duty, guards must carry with them a valid security guard clearance card; a handgun permit; and OC spray, CPR, and first aid certifications. We randomly selected 20 on-duty guards at each location to check that they were carrying valid credentials. We found the selected guards were carrying valid credentials.

The Government requires that contractor guards receive a favorable suitability determination every 2 years.¹⁰ Paragon management told us that if a guard is arrested or convicted within the 2-year period, the Maryland State or county police departments would notify the contractor. At our request, SSA's Center for Personnel Security and Project Management tested a sample of 50 guards to verify that they had no convictions since their last suitability determination. None of the selected guards had current convictions.

FIREARMS AND EQUIPMENT

Paragon provides all firearms and equipment used for this contract. Firearms, radios, and other equipment are stored in secure areas at each site. At all three sites, we observed shift changes that included the issuance and return of firearms and equipment.

⁹ Contract SS00-08-60003, Section B-5 and B-6.

¹⁰ Contract SS00-08-60003, Section C-4.7.

Based on our observations, procedures surrounding safeguarding and providing firearms and equipment were followed in accordance with the contract. We noted that firearms were stored in locked safes. Keys to the safe and safe room were restricted to authorized contract personnel. Firearms and equipment were returned to the designated room at the end of each shift. We also observed the contracting supervisors inspecting firearms and equipment at the beginning and end of the shifts and keeping an inventory of all firearms and weapons.

Although weapons and ammunition were accounted for during our observations, the COTR told us there were two recent incidents of missing weapons and ammunition. The contractor ultimately resolved these incidents. Details are provided in the next section.

SSA OVERSIGHT OF CONTRACT

Based on our discussions with the COTR and OPSS personnel, we determined that the COTR provided the necessary oversight of the guard services contract. The COTR reviews the Forms SSA-4072 weekly and routinely takes payment deductions if posts are open or errors are not corrected within 24 hours, per the contract. She took prompt action when contractor issues arose. She provided us examples of guard performance issues including

- guards were not following procedures, talking on telephones, loitering on posts, and engaged in personal conversations;
- rovers were sitting or standing still, were not in their assigned areas, and were providing relief breaks lasting longer than 7 minutes;
- errors and discrepancies on the Forms SSA-4072 and SSA-3089; and
- guards operating equipment without proper training.

On July 9, 2010, the COTR provided us with the Contractor Performance Report for the period April 1, 2009 to March 31, 2010. There were four elements rated in the performance report: 1) Quality of Service – Poor, 2) Cost Control – Not applicable, 3) Timeliness of Performance – Fair, and 4) Business Relations – Fair. Based on this report, Paragon has responded to certain issues by terminating and demoting guards and supervisors. The performance issues stated above were the basis for OPSS giving Paragon a “poor” rating for the element of Quality of Service. The following paragraphs describe the most serious infractions relayed to us by the COTR.

- In January 2010, a Paragon supervisor realized a firearm was missing after completing the inventory at the end of a shift. Both the guard and supervisor had documented on the Form SSA-3089 that the missing weapon had been returned. The guard later reported that she found the weapon in her possession and returned it to the site approximately 6 hours after it was reported missing. Paragon did not notify the COTR even though the contract states the COTR should be notified

immediately if there are any missing weapons. Paragon notified the OPSS Director the following morning. Paragon issued the guard a written reprimand and 1-day suspension and demoted the supervisor.

- In July 2010, Paragon reported 4 speed loaders containing 24 rounds of ammunition as missing. A shift supervisor determined that there was missing ammunition while taking inventory at the end of a shift, but the incident was not immediately reported to the COTR. The ammunition was found several hours later. It is unclear whether Paragon took any disciplinary action.
- The COTR told us she had found instances of guards operating barrier or screening equipment who had not received training on that equipment. She cited the most serious incident, in which a guard was not properly trained on the grab barrier he was operating. While the guard was operating the netted grab barrier,¹¹ another guard was crossing it and was severely injured.

CONCLUSION AND RECOMMENDATIONS

We determined that Paragon did not comply with the terms of the contract in certain areas. Specifically, we noted instances where guards did not perform the post orders as stated in the contract, and supervisors were not providing sufficient post inspections. There were also excessive errors and pre-signed guard post sign-in and sign-out sheets, and discrepancies between the Forms SSA-4072 and SSA-3089. We determined that the COTR for this contract had provided the proper oversight of the security guards. Because of the number of varying issues we noted on this contract, it is imperative that SSA remain aware of contractor issues and continue its strong oversight. SSA should examine the current contract clauses specific to performance and modify the contract as deemed necessary. If the COTR continues to note issues with the service provided by Paragon, it may become necessary to take corrective action in accordance with the contract that may require that SSA re-compete this contract before its expiration.

We recommend SSA:

1. Require that the contractor enforce strict adherence to post orders.
2. Modify the contract to control the number of roving posts left open while relief breaks are provided.
3. Modify the contract to require that the contractor provide supervisor post inspections at least two times per shift for each post.
4. Formalize a “Guardmount” procedure prior to each shift.

¹¹ The netted grab barrier is a vehicle barrier on an SSA loading dock.

5. Ensure the contractor complies with proper procedures for signing in and signing out on the Forms SSA-4072 and SSA-3089 or develop another method for tracking the contract post hour requirements.

AGENCY COMMENTS AND OIG RESPONSE

In response to the draft report, the Agency agreed with three of our five recommendations. Concerning the two recommendations the Agency disagreed with, SSA agreed to take alternative actions. We believe the Agency's alternative actions address the intent of our recommendations and should resolve the issues identified during our audit. As a result, we consider all five recommendations to be appropriately addressed once SSA implements its proposed corrective actions.

OTHER MATTER

Subsequent to our fieldwork, it came to our attention that the contract did not contain a limitation on hours that each guard can work. According to SSA, guards are working consecutive shifts or extending an 8-hour shift when relief guards do not report to work. We found a Paragon contract with another Federal agency that has specific language addressing limitations on the number of hours a guard may work in a 24-hour period. It states that, "No productive guard shall provide more than twelve (12) hours of service on one or more Contracts/task orders administered by DHS FPS [Department of Homeland Security, Federal Protective Service] in any twenty-four (24) hour period, unless the work periods are separated by an eight (8) hour non-duty period." We believe SSA should modify the contract to include similar language.



Patrick P. O'Carroll, Jr.

Appendices

[APPENDIX A](#) – Acronyms

[APPENDIX B](#) – Scope and Methodology

[APPENDIX C](#) – Agency Comments

[APPENDIX D](#) – OIG Contacts and Staff Acknowledgments

Appendix A

Acronyms

ACC	Altmeyer Control Center
COTR	Contracting Officer Technical Representative
CPR	Cardiopulmonary Resuscitation
Form SSA-3089	<i>Firearms and Equipment Control Register</i>
Form SSA-4072	<i>Contract Guard Duty Register</i>
NCC	National Computer Center
OAG	Office of Acquisition and Grants
OC	Oleoresin Capsicum
OIG	Office of the Inspector General
OPSS	Office of Protective Security Services
Paragon	Paragon Systems, Incorporated
SSA	Social Security Administration
USProtect	USProtect Corporation

Scope and Methodology

To accomplish our objectives, we:

- Obtained and reviewed the contract between the Social Security Administration (SSA) and Paragon Systems, Incorporated (Paragon).
- Interviewed SSA and Paragon management.
- Observed all non-supervisory armed guard posts to determine whether guards were complying with post orders.
- Reviewed the *Contract Guard Duty Register* (Form SSA-4072) for 4 weeks to determine whether post hour requirements were met as stated in the contract.
- Compared sign-in and sign-out entries on the Form SSA-4072 and the *Firearms and Equipment Register* (Form SSA-3089) for one randomly selected day to determine whether posts were left unattended.
- Reviewed telephone logs for number and duration of calls for a randomly selected period.
- Observed three shift changes, which included viewing the distribution and return of firearms and equipment and inspection of the firearm storage areas to determine compliance with the contract terms.
- Reviewed Paragon employee training manual and Monthly Training Report.
- Selected a sample of 50 contractor employee files for verification of training completion, valid certifications, firearm qualifications and employee certification of no arrests related to domestic violence.
- Reviewed a randomly selected sample of 20 guards working barrier posts and posts with screening equipment to determine whether each guard had received the training required for these posts.
- Selected a sample of 50 contractor employees and obtained background checks through the Federal Bureau of Investigations' National Crime Information Center to verify there were no current arrests.

This audit did not involve the use of computerized data. Our audit fieldwork was performed at SSA's Headquarters from January through November 2010. We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix C

Agency Comments



SOCIAL SECURITY

MEMORANDUM

Date: February 16, 2011 Refer To: S1J-3

To: Patrick P. O'Carroll, Jr.
Inspector General

From: Dean S. Landis/s/
Deputy Chief of Staff

Subject: Office of the Inspector General Draft Report, "The Social Security Administration's Guard Service Contract for Headquarters, the National Computer Center, and Security West"
(A-15-10-11089)--INFORMATION

Thank you for the opportunity to review the subject report. Attached is our response to the report.

Please let me know if we can be of further assistance. Please direct staff inquiries to Chris Molander, Senior Advisor, Audit Management and Liaison Staff, at (410) 965-7401.

Attachment:
SSA Response

COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, “THE SOCIAL SECURITY ADMINISTRATION’S GUARD SERVICE CONTRACT FOR HEADQUARTERS, THE NATIONAL COMPUTER CENTER, AND SECURITY WEST” (A-15-10-11089)

Thank you for the opportunity to review the subject report. We offer the following comments.

Recommendation 1

Require that the contractor enforce strict adherence to post orders.

Response:

We agree. We will reinforce with the contractor that it has an obligation to adhere to all sections of post orders.

Recommendation 2

Modify the contract to control the number of roving posts left open while relief breaks are provided.

Response:

We disagree. Section B-9-m of the contract prohibits the contractor from using roving patrols for relief breaks, as costs to cover relief and breaks were included in the offer price. Therefore, no modification of the contract is required. Our Office of Protective and Security Services (OPSS) will ensure the contractor complies with the requirements in Section B-9-m of the contract.

Recommendation 3

Modify the contract to require that the contractor provide supervisor post inspections at least two times per shift for each post.

Response:

We disagree. We need to modify the post orders, not the contract. We will add language in post orders requiring supervisory inspections at each post at least twice during each 8-hour period.

Recommendation 4

Formalize a “Guardmount” procedure prior to each shift.

Response:

We agree. We will institute this modification and evaluate its effectiveness to determine if it is cost beneficial or if the procedure inhibits the contractor’s ability to meet the agency’s needs.

Recommendation 5

Ensure the contractor complies with proper procedures for signing-in and signing-out on Forms 4072 and 3089 or develop another method for tracking the contract post-hour requirements.

Response:

We agree. We currently conduct reviews of all Forms 4072 (Guard Duty Register) before certifying monthly invoices. We also conduct intermittent reviews of Forms 3089 (Firearms and Equipment Control Register) for tracking and auditing purposes. As recognized in your conclusion, we will continue our strong oversight of this contract to ensure we remain aware of contractor issues.

We consider this recommendation closed for tracking purposes.

Page 10, “Other Matter”

In 2010, we added a clause into new solicitations for SSA guard contracts limiting the number of work hours for contract employees. The language states:

“No contract employee shall provide more than ten (10) hours of combined service in any twenty-four (24) hour period on any SSA contract, unless the work periods are separated by an eight (8) hour non-duty period. In emergency situations (i.e., extreme weather conditions when the facility is closed to employees) the employee may work in excess of the ten (10) hours with prior approval from the COTR.”

We will add this language into existing SSA guard contracts.

Appendix D

OIG Contacts and Staff Acknowledgments

OIG Contacts

Victoria Vetter, Director, Financial Audit Division

Acknowledgments

In addition to those named above:

Judi Kammer, Senior Auditor

Kali Biagioli, Auditor

For additional copies of this report, please visit our Website at
www.socialsecurity.gov/oig or contact the Office of the Inspector General's Public Affairs Staff Assistant at (410) 965-4518. Refer to Common Identification Number A-15-10-11089.

DISTRIBUTION SCHEDULE

Commissioner of Social Security
Chairman and Ranking Member, Committee on Ways and Means
Chief of Staff, Committee on Ways and Means
Chairman and Ranking Minority Member, Subcommittee on Social Security
Majority and Minority Staff Director, Subcommittee on Social Security
Chairman and Ranking Minority Member, Committee on the Budget, House of Representatives
Chairman and Ranking Minority Member, Committee on Oversight and Government Reform
Chairman and Ranking Minority Member, Committee on Appropriations, House of Representatives
Chairman and Ranking Minority, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, House of Representatives
Chairman and Ranking Minority Member, Committee on Appropriations, U.S. Senate
Chairman and Ranking Minority Member, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, U.S. Senate
Chairman and Ranking Minority Member, Committee on Finance
Chairman and Ranking Minority Member, Subcommittee on Social Security Pensions and Family Policy
Chairman and Ranking Minority Member, Senate Special Committee on Aging
Social Security Advisory Board

Overview of the Office of the Inspector General

The Office of the Inspector General (OIG) is comprised of an Office of Audit (OA), Office of Investigations (OI), Office of the Counsel to the Inspector General (OCIG), Office of External Relations (OER), and Office of Technology and Resource Management (OTRM). To ensure compliance with policies and procedures, internal controls, and professional standards, the OIG also has a comprehensive Professional Responsibility and Quality Assurance program.

Office of Audit

OA conducts financial and performance audits of the Social Security Administration's (SSA) programs and operations and makes recommendations to ensure program objectives are achieved effectively and efficiently. Financial audits assess whether SSA's financial statements fairly present SSA's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs and operations. OA also conducts short-term management reviews and program evaluations on issues of concern to SSA, Congress, and the general public.

Office of Investigations

OI conducts investigations related to fraud, waste, abuse, and mismanagement in SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, third parties, or SSA employees performing their official duties. This office serves as liaison to the Department of Justice on all matters relating to the investigation of SSA programs and personnel. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Office of the Counsel to the Inspector General

OCIG provides independent legal advice and counsel to the IG on various matters, including statutes, regulations, legislation, and policy directives. OCIG also advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. Also, OCIG administers the Civil Monetary Penalty program.

Office of External Relations

OER manages OIG's external and public affairs programs, and serves as the principal advisor on news releases and in providing information to the various news reporting services. OER develops OIG's media and public information policies, directs OIG's external and public affairs programs, and serves as the primary contact for those seeking information about OIG. OER prepares OIG publications, speeches, and presentations to internal and external organizations, and responds to Congressional correspondence.

Office of Technology and Resource Management

OTRM supports OIG by providing information management and systems security. OTRM also coordinates OIG's budget, procurement, telecommunications, facilities, and human resources. In addition, OTRM is the focal point for OIG's strategic planning function, and the development and monitoring of performance measures. In addition, OTRM receives and assigns for action allegations of criminal and administrative violations of Social Security laws, identifies fugitives receiving benefit payments from SSA, and provides technological assistance to investigations.