

Audit Report

Performance Review of the Social
Security Administration's Guard
Services Contract

A-15-18-50262 / April 2018

MEMORANDUM

Date: April 18, 2018 **Refer To:**
To: The Commissioner
From: Acting Inspector General
Subject: Performance Review of the Social Security Administration's Guard Services Contract
(A-15-18-50262)

The attached final report presents the results of the Office of Audit's review. The objectives were to determine whether the contractor complied with the contract terms and applicable regulations and whether Social Security Administration personnel were properly monitoring the contract.

If you wish to discuss the final report, please call me or have your staff contact Rona Lawson, Assistant Inspector General for Audit, 410-965-9700.



Gale Stallworth Stone

Attachment

cc:
General Counsel

Performance Review of the Social Security Administration's Guard Services Contract

A-15-18-50262



April 2018

Office of Audit Report Summary

Objectives

To determine whether the contractor was complying with the contract terms and applicable regulations and whether Social Security Administration (SSA) personnel were properly monitoring the contract.

Background

On February 12, 2014, SSA awarded a contract to MVM, Inc. to provide guard services at SSA's Main Complex, National Computer Center, and Security West buildings in Baltimore, Maryland. The contract period, which included 1 base year and 4 option years, began February 12, 2014 and will end February 11, 2019 for a total cost of approximately \$119 million.

SSA's Offices of Security and Emergency Preparedness (OSEP) and Acquisition and Grants are involved in managing and directing the Agency's physical security programs and procuring and monitoring the guard service contracts. The Office of Security Administration and Project Management, a component of OSEP, assigned a Contracting Officer's Representative to monitor the performance of this guard contract. These Offices were responsible for ensuring the contractor complied with the contract terms, and provided efficient and effective services.

Conclusions

We determined MVM, Inc. was compliant with the contract requirements regarding the qualifications of the contracted guard force and the performance of specified security duties. In addition, we noted the Contracting Officer's Representative consistently provided appropriate oversight in maintaining contractor compliance with the contract.

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ABBREVIATIONS

COR	Contracting Officer Representative
OIG	Office of the Inspector General
OSEP	Office of Security and Emergency Preparedness
SSA	Social Security Administration

Form

SSA-4072 *Contract Guard Duty Register*

OBJECTIVES

Our objectives were to determine whether the contractor complied with the contract terms and applicable regulations and whether Social Security Administration (SSA) personnel properly monitored the contract.

BACKGROUND

On February 12, 2014, SSA awarded contract, SS00-14-61024, to MVM, Inc. to provide guard services at SSA's Main Complex, National Computer Center, and Security West buildings in Baltimore, 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.

The contract period included 1 base year and 4 option years. It began February 12, 2014 and will end February 11, 2019 with a total cost of approximately \$119 million if all option periods are exercised. Through the end of Option Year 3, February 2018, the cumulative contract amount obligated was \$83,303,555.

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 of 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 site's interior and exterior, as defined by the post orders.

SSA components involved in managing and directing the Agency's physical security programs and procuring and monitoring the guard service contracts include the Offices of Security and Emergency Preparedness and Acquisition and Grants. The Office of Security and Emergency Preparedness (OSEP) directs SSA's security programs, develops and establishes security policies, and oversees guard contracts. It assigned a Contracting Officer's Representative (COR) to monitor the performance of this guard contract. The Office of Security Administration and Project Management, a component of OSEP, oversees guard service contracts. The Office of Acquisition and Grants is responsible for awarding and administering SSA contracts. These offices are responsible for ensuring the contractor complies with the contract terms and provides efficient and effective services. See Appendix A for our scope and methodology.

RESULTS OF REVIEW

We determined MVM, Inc. complied with the contract requirements regarding qualifications of the contracted guard force and performance of specified security duties. In addition, we noted the COR consistently provided appropriate oversight in maintaining contractor compliance.

Contractor Compliance

To ensure the contractor complied with all aspects of the contract, we observed guard posts and shift changes at all three sites, including the issuance and return of firearms and equipment. We also reviewed the *Contract Guard Duty Register* (Form SSA-4072) to verify that all posts were manned during the required hours, as specified in the contract. In addition, we reviewed the contractor's personnel files to ensure guards met training and suitability requirements.

We conducted post observations to confirm SSA received the proper guard services, as stated in the contract. There were 105 guard posts on SSA's campus: 64 at the Main Complex,¹ 16 at the National Computer Center, and 25 at the Security West building. We observed all guard posts twice² to ensure the guards were armed and in uniform, checked badges and credentials of anyone entering the building, and adhered to the general and specific duties for their post.

From the 210 post observations conducted, we noted 12 instances where guards were not performing their duties in accordance with the contract.

- In five instances, guards were texting on their telephones and were not attentive to their surroundings.
- One Mobile Post was unattended and left stationary for approximately 35 minutes.
- Two guards did not inspect badges at the Security West Tower Lobby guard post.
- One guard did not monitor the X-ray machine in the Security West Tower Lobby.
- Three roving patrol guards did not move through the parking lots.

We discussed these instances with the COR, who agreed to take actions to address them.

Form SSA-4072 shows the hours security officers worked for each duty post. According to contract documentation, contract employees must sign in on the Form SSA-4072 when they report to their post and sign out on the same Form when they leave their post. The contractor is required to submit the Forms SSA-4072 weekly for the COR to verify compliance with the contract's hour requirement for each post. We randomly selected 1 week from the second quarter of Calendar Year 2017 to determine whether the contractor had fully staffed all posts for

¹ SSA's Main Complex includes the Altmeyer, East Building, West Building, Operations (Robert M Ball), Annex, Daycare Center, and Supply Building.

² We made one morning observation and one afternoon/evening observation for each post.

the contracted hours. We verified that the number of hours worked for each post agreed with the number of hours required by the contract. We noted no significant issues for the week reviewed.

MVM, Inc. provides all firearms and equipment for this contract. Firearms, radios, and other equipment are stored in secure areas at each site. We observed shift changes at all three sites and determined the guards followed procedures for safeguarding and providing firearms and equipment in accordance with the contract. We noted that firearms were stored in locked safes within the designated area. Access was restricted to supervisory guards and managers. We noted supervisors inspected firearms and equipment at the beginning and end of each shift and maintained an inventory of firearms and equipment. Although contractor personnel followed the protocol stated in the contract, we noted that they did not always secure spare ammunition in the safe of the designated area between shift changes. We believe this ammunition could become vulnerable in case of an event. We brought this issue to the attention of the COR, who agreed to discuss with contractor management.

The contract requires that the contractor retain qualified personnel and provide guard training, such as cardiopulmonary resuscitation, emergency first-aid procedures, and equipment operation. All contract security personnel assigned to an armed post must qualify annually in firearm proficiency as well as hold, and provide documentation of, a valid Maryland State Clearance Card and Gun Permit. All contract security personnel are required to carry a semi-automatic handgun and necessary ammunition. According to contract terms, all contract security personnel must pass the security guard certification examination and be certified in the use of Oleoresin Capsicum spray.

We selected 50 guard employee files for testing of training documentation and suitability statements. We found that all the selected guards had current handgun permits as well as cardiopulmonary resuscitation, first-aid, and Oleoresin Capsicum spray certifications. All guards had passed the firearms proficiency qualification and guard certification examination. Based on our review of the personnel and training files, we determined the contractor had met the terms of the contract in providing a qualified guard force.

SSA Monitoring

The COR is responsible for managing the technical aspects of the contract. This includes monitoring the contractor's technical performance, reviewing progress reports, and certifying invoices during the post-award phase.

The COR reviews the Form SSA-4072 weekly and routinely takes payment deductions if posts are open or guards are not properly dressed for duty. To validate the COR's oversight of guard performance, we reviewed the contractor's invoices and supporting documentation for the period February 24 through August 31, 2017. We noted the COR reviewed the invoices and provided additional documentation that reflected deductions based on her oversight of the contractor's performance. These deductions included penalties for open posts, uniform violations, and work hour violations. The payments were accurate and correctly documented.

The Contracting Officer and COR coordinate efforts to prepare the contractor's performance reviews. We reviewed the *Contractor Performance Assessment Reports* completed by the Contracting Officer and COR for the contract's base year plus the first 2 option years. We noted the contractor corrected issues identified in these reports, and a favorable rating was assessed. Based on our observation of the COR's interaction with contractor personnel and the narrative from the *Contractor Performance Assessment Reports*, we believe the COR maintained an appropriate level of oversight in monitoring all aspects of the contract.

Additionally, we discussed SSA's oversight of contractor training with the COR and found the methods and documentation sufficient to ensure the contracted guards remain adequately trained and certified, where appropriate. We determined the COR for this contract provided appropriate oversight of the contract.

CONCLUSIONS

We determined MVM, Inc. was compliant with the terms of the contract and applicable regulations. We observed no significant violations by the contractor. SSA provided monitoring over MVM, Inc. throughout the contract period and immediately addressed concerns regarding contractor performance when they arose.

AGENCY COMMENTS

For SSA's comments to our draft report, see Appendix B.



Rona Lawson
Assistant Inspector General for Audit

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objectives, we:

- Obtained and reviewed the contract between the Social Security Administration (SSA) and MVM, Inc.
- Interviewed the Contracting Officer Representative from the Office of Security and Emergency Preparedness and MVM, Inc. management.
- Observed all guard posts.
- Reviewed the *Contract Guard Duty Register* (Form SSA-4072) for the week April 16 through 22, 2017.
- Reviewed the *Contractor Performance Assessment Reports* for the base contract year and first 2 option years.
- Observed three shift changes, which included viewing the distribution and return of firearms and equipment and inspection of the firearm storage areas.
- Reviewed the contractor's invoices and supporting documentation for the period February 24 through August 31, 2017.
- Selected a sample of 50 contractor employee files for verification of training completion, valid certifications, firearm qualifications, and suitability clearance.

This audit did not involve the use of computerized data. We conducted our audit work at SSA Headquarters in Baltimore, Maryland, between February and December 2017. We conducted this performance 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 concluded that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix B – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: April 12, 2018 Refer To: S1J-3

To: Gale S. Stone
Acting Inspector General

From: Stephanie Hall /s/
Acting Deputy Chief of Staff

Subject: Office of the Inspector General Draft Report, “Performance Review of the Social Security Administration’s Guard Services Contract” (A-15-18-50262) -- INFORMATION

Thank you for the opportunity to review the draft report. We take seriously our responsibility to effectively, efficiently, and accurately administer our contracts, ensuring contractors comply with the contracts’ terms and conditions. We will continue to work with our contracting officer’s representatives to ensure we achieve consistent contract administration and oversight. We have no further comments.

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