

Report Summary

Social Security Administration Office of the Inspector General

December 2010



Objective

To determine whether (1) Nortel Government Solutions, Inc., adhered to the negotiated contract terms; (2) Social Security Administration (SSA) personnel properly administered and managed the contract; and (3) SSA implemented appropriate security measures in its Enterprise-Voice over Internet Protocol (VoIP) system to ensure protection from external threats.

Background

VoIP is the delivery of voice communications over certain networks, such as the Internet. SSA awarded a contract to Nortel Government Solutions, Inc. to install, integrate, and manage the VoIP Solution to replace an aging telephone system. The contract period of performance is 1 base year and 9 option years and is valued up to \$300 million. As of June 30, 2009, approximately 200 VoIP installations had been completed.

To view the full report, visit
http://www.ssa.gov/oig/ADO_BEPDF/A-14-09-19045.pdf

The Social Security Administration's Voice over Internet Protocol Contract (A-14-09-19045)

Our Findings

Nortel adhered to the negotiated contract terms except for instances in which: Nortel did not install equipment and software paid for by SSA and Nortel installed equipment and software that was not ordered.

SSA provided administrative oversight and accountability on the VoIP contract except for instances in which SSA: did not properly account for contract equipment and software in a property inventory management system; and administrative errors resulted in invoice overpayments.

The Agency documented and implemented appropriate security measures for the VoIP equipment at the service delivery point sites to ensure protection from external threats.

Our Recommendations

The Agency should:

1. Identify, execute contract modifications, and seek recovery for equipment paid for that was not installed.
2. Make performance of reconciliation between ordered and installed quantities a contract acceptance condition prior to future invoice payment.
3. Appropriately account for equipment and software acquired.
4. Seek recovery of invoice overpayments of approximately \$60,000 that resulted from administrative errors.
5. Work with the contractor to address customer service issues.
6. Continue to implement cost beneficial security controls as needed.

The Agency has taken action to recover more than \$1 million in equipment and software costs that the contractor did not install.