
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**THE SOCIAL SECURITY ADMINISTRATION'S
CONSULTING SERVICES CONTRACT FOR THE
TIME ALLOCATION SYSTEM**

August 2008

A- A-14-08-18020

AUDIT REPORT



Mission

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- Promote economy, effectiveness, and efficiency within the agency.**
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- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.**
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- Access to all information necessary for the reviews.**
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SOCIAL SECURITY

MEMORANDUM

Date: August 5, 2008

Refer To:

To: The Commissioner

From: Inspector General

Subject: The Social Security Administration's Consulting Services Contract for the Time Allocation System (A-14-08-18020)

OBJECTIVE

The objectives of our audit were to determine whether APA, Incorporated, doing business as DecisionPath Consulting (DecisionPath), adhered to the negotiated contract terms, and whether Social Security Administration (SSA) personnel properly monitored the contract. The contract supports development of SSA's Time Allocation System (TAS). We reviewed the Agency's administrative controls and oversight of DecisionPath's work in support of TAS. We did not complete an audit of the overall TAS project. As with our other contract administration audits, we will continue to monitor the status of the contract and, if warranted, we will conduct an additional review on the TAS project at a later date.

BACKGROUND

SSA provides services to the Nation through a network of community-based offices, central processing facilities, associated State agencies, telephone centers, and its web site. TAS is designed to automatically capture time employees spend on various Agency workloads. The time is captured from the many systems that SSA employees use. These transaction data are processed with SSA payroll data, and based on defined business rules, the resulting data are allocated to workload categories. The Agency developed, and continues to enhance, TAS to improve the way workload data are captured for such purposes as determining resource requirements and measuring productivity. (See Appendix B for further details.)

SSA entered into two blanket purchase agreements (BPA) with DecisionPath to perform contract work for TAS under General Services Administration (GSA) Schedule contract

number GS-35F-0300J.¹ DecisionPath was expected to provide all necessary program management, project management, data warehousing, systems engineering and integration, and business intelligence expertise required to assist SSA in developing and deploying TAS.

Based on the two BPAs, the total volume of purchases from DecisionPath for TAS and TAS-related work is anticipated to be \$29 million. SSA originally estimated the total TAS costs² to be approximately \$20 million. DecisionPath is one of three contractors engaged in implementing TAS.³ The total DecisionPath costs as of January 2008 were approximately \$18.46 million.

RESULTS OF REVIEW

Based on Federal regulations, DecisionPath generally adhered to the negotiated contract terms to develop TAS and maintained adequate timekeeping records to support the employee hours billed (see Appendix C for the results of our tests of invoices and SSA's systems access controls). We found that SSA had controls in place for the administration, oversight and accountability of the contract, including the following.

- Agency systems access by contractors expires after 1 year.
- Contractor personnel must certify annually that they understand SSA's security, confidentiality and ethics requirements.
- DecisionPath submitted monthly technical reports and held regular planning and status meetings with SSA staff.

We identified the following areas where contract management should be improved.

- DecisionPath employees no longer working on the contract could still have badges that authorized access to SSA facilities.
- Contract employees' working status with SSA was not accurately reflected in suitability records.
- The new project officer⁴ and an alternate should be named in contract documents.

¹ DecisionPath was founded in 1999. DecisionPath's goal is to help companies and Government agencies use business intelligence and data warehousing practices and technologies to improve profits and increase operational efficiency.

² Cost Benefit Analysis is for the SSA Unified Measurement System/Managerial Cost Accountability System TAS, April 4, 2006.

³ Other TAS contractors are Ab Initio and Lockheed Martin.

⁴ On March 7, 2008, SSA issued a notification of change stating the Agency was phasing out the use of the term "Project Officer" and replacing it with "Contracting Officer's Technical Representative."

Near the end of our review, we shared our findings and recommendations with SSA employees responsible for managing the contract. SSA's contracting, program, facilities management and suitability offices have taken steps to address most of the issues we identified.

DecisionPath Employees No Longer Working on the Contract Could Still Access SSA Facilities

The temporary badges assigned to DecisionPath employees improperly had a "not-to-exceed date" that extended beyond the end of the contract period, and it extended more than 1 year from the issuance of the badges. Also, records maintained in the badging office only reflected one DecisionPath badge as returned when at least 11 employees who were issued badges no longer worked on the contract. Therefore, contract employees who were no longer working on the contract could still have had access to SSA facilities.

SSA policy in place during our review⁵ stated that contractor badges should have a "not-to-exceed date" of 1 year or the end of the contract, whichever is sooner. However, SSA employees improperly issued badges to DecisionPath employees to coincide with the 5-year life-cycle of a Homeland Security Presidential Directive (HSPD) 12 credential,⁶ even though they were not issued HSPD-12 badges.

Separated employees and contractors should return access badges to SSA management for destruction or revocation. SSA needs to ensure staffs who issue contractor badges follow current policy for expiration dates for contractors and that project officers ensure badges no longer needed by contract personnel are properly retrieved and destroyed.

Contract Employees' Working Status with SSA Was Not Accurately Reflected in Suitability Records

A number of DecisionPath employees who had either left DecisionPath or no longer worked on the contract were still being reported as active in SSA's suitability records. Additionally, the Agency's suitability records reflected only one DecisionPath employee as suitable to work under the current contract, SS00-06-40018, although they had been

⁵ Materiel Resources Manual (MRM) 04.51.08 Attachment C. *Mandatory Minimum Access Badge Procedures*, February 25, 2002.

⁶ HSPD-12 was issued on August 27, 2004. *Policy for a Common Identification Standard for Federal Employees and Contractors*. HSPD-12 directs the implementation of common identification standards for Federal employees and contractors to ensure secure and reliable forms of identification are issued by the Government to its employees and contractors, including contractor employees. Effective December 31, 2007, SSA updated its policy regarding contractor badges to address changes mandated by HSPD-12. The new policy states that current SSA access badges for both contractors and SSA employees will be valid until replaced by new "smart cards." Use of the new cards will be phased in for both physical and logical access to SSA facilities over the next 3 years. See MRM 04.51, *Personal Identity Verification and Credential Issuance Process*.

cleared for the same work on the BPA that was closed, SS00-04-40019. The lack of current suitability records diminishes the reliability of the Agency system that documents a contractor's authorization to work on an SSA contract award.

The suitability clause in the contract requires that personnel performing on the contract who either leave the company or are removed from the project notify the Agency's Protective Security Officer immediately. Suitability records should then reflect when contractor staff are no longer active on the contract. Additionally, the suitability records should reflect the contract number employees are cleared to work under.

The suitability records were not up-to-date because it is likely the suitability staff was not receiving information about the separated or retired contractor staff no longer working on the contract. SSA should ensure contractors notify the Protective Security Officer immediately when employees either leave the company or are removed from the project to ensure contractor staffs are correctly recorded in the suitability files. Also, the Agency should work to ensure its suitability documentation is current concerning which contracts an employee is cleared to work under.

The New Project Officer and an Alternate Should be Named in Contract Documents

In 2007, a new SSA project officer was assigned to the TAS contract. However, the former project officer, who had retired, was still named in the DecisionPath contract documents we reviewed. Additionally, no alternate had been named. As a result, SSA did not have someone officially designated in the contract documents as a project officer or a back-up to represent the contracting officer in his/her absence in the technical phases of the contract.

It is SSA practice to assign a project officer and an alternate on every contract.⁷ After we informed contract officials of this oversight, they named the new project officer and an alternate in the contract.

CONCLUSION AND RECOMMENDATIONS

DecisionPath generally adhered to the negotiated contract terms for the development of TAS, provided the Agency with technical progress reports and maintained adequate timekeeping records to support the employee hours billed. SSA had controls in place; however, there were areas where improvements could be made. These areas included (1) employees no longer working on the contract could still have had badges authorizing access to SSA facilities, (2) contract employees' working status with SSA was not accurately reflected in the suitability records, and (3) a new project officer and an alternate were not named in contract documents.

⁷ MRM Chapter 06, Instruction Number 05: Technical Support for Acquisitions – The Role of the Project Officer.

We therefore recommend that SSA:

1. Ensure staffs who issue contractor badges follow policy for expiration dates for contractors.
2. Ensure contractors return badges no longer needed by contract personnel to SSA management for disposal.
3. Ensure contract employees' working status is accurately recorded in the suitability files.
4. Ensure all current and future contracts reflect the current project officer and an alternate.

AGENCY COMMENTS

SSA agreed with all of our recommendations. SSA's comments are included in Appendix D.

A handwritten signature in black ink, appearing to read "Patrick P. O'Carroll, Jr.", with a stylized flourish at the end.

Patrick P. O'Carroll, Jr.

Appendices

APPENDIX A – Acronyms

APPENDIX B – Background

APPENDIX C – Scope, Methodology and Test Results

APPENDIX D – Agency Comments

APPENDIX E – OIG Contacts and Staff Acknowledgments

Acronyms

BPA	Blanket Purchase Agreement
DecisionPath	APA, Incorporated, doing business as DecisionPath Consulting
GSA	General Services Administration
HSPD	Homeland Security Presidential Directive
MRM	Materiel Resources Manual
OIG	Office of the Inspector General
SSA	Social Security Administration
SUMS/MCAS	Social Security Administration Unified Measurement and Managerial Cost Accountability Systems
TAS	Time Allocation System

Background

Time Allocation System

The July 31, 2003 Time Allocation System (TAS) Vision and Scope Statement serves as the foundation for the project and states the following.

This system will provide comprehensive management and financial information essential to the sound management of the Agency and its programs and workloads. Time allocation systems are necessary to measure or apportion the work time (e.g., work hours) worked by SSA employees among the various activities they perform, programs they support, and organizations in which they work. This information is used for such purposes as: cost allocation and analysis; budget formulation, justification and execution; staffing allocation methodologies; and productivity measurement systems.¹

Business objectives and success criteria cited in the 2003 TAS Vision Statement are to

- provide time allocation measures that are valid for on-going workloads and tasks at the local office level, module and branch levels at a 95-percent confidence level;
- develop and implement an integrated system that will allocate work time usage information among organizations and workload activities consistently in all components; and
- automate the collection of data to the extent possible and support any remaining reporting by automated collection systems.

The TAS project supports the Social Security Administration Unified Measurement and Managerial Cost Accountability Systems (SUMS/MCAS). The SUMS/MCAS vision is to capture, count and measure all work consistently, regardless of where the work is performed. This includes direct workloads as well as indirect support and measurable staff work. MCAS is expected to satisfy Government-wide cost accountability regulations, provide full costs for SSA programs and support strategic decision-making. Before SUMS/MCAS, there were many sources of management information that were not easily reconciled. With SUMS/MCAS, there will be one uniform, consistent source of information.

¹ TAS *Vision and Scope Statement*, July 31, 2003 Version.

Scope, Methodology and Test Results

We conducted our audit between August 2007 and May 2008 in Baltimore and Gaithersburg, Maryland. We reviewed the Agency's administrative controls and oversight of DecisionPath's work in support of the Time Allocation System (TAS). As with other contract administration audits we conduct, we will continue to monitor the status of the contract and, if warranted, we will conduct an additional review of the TAS project at a later date.

The principal entities audited were the Social Security Administration's (SSA) Offices of Acquisition and Grants (the contracting office) and Earnings, Enumeration and Administrative Systems (the program office). We also reviewed records and interviewed staff in the Agency's Offices of Budget, Finance and Management, and Operations.

We conducted our audit in accordance with generally accepted government auditing standards. We planned and performed 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. To meet our objectives, we

- reviewed applicable Federal laws and regulations and applicable SSA policies and procedures;
- reviewed the General Services Administration (GSA) Schedule Contract Number GS-35F-0300J and the two SSA Blanket Purchase Agreements (BPA) against the GSA contract, SS00-06-40018 and SS00-04-40019;
- interviewed Agency and APA, Incorporated, doing business as DecisionPath Consulting (DecisionPath), staffs;
- visited DecisionPath Consulting headquarters in Gaithersburg, Maryland;
- tested a sample of invoices;
- reviewed the contractor's monthly status reports;
- reviewed the Agency systems access request forms and systems security records;
- reviewed Agency contractor suitability records;
- reviewed SSA-owned laptops assigned to DecisionPath employees; and
- reviewed records from the SSA badging office.

Further, except for the issues noted in the findings, we determined the Agency's data related to invoices and contractor badging and suitability records pertaining to DecisionPath staff were sufficiently reliable given the audit objective and intended use of the data and should not lead to incorrect or unintentional conclusions.

Testing Methodology and Results

Sample 1 – Test of Invoices

For the two BPAs with DecisionPath for the development of TAS, we selected for review the highest dollar invoice from each purchase call. To perform our review, we obtained employee timesheets from DecisionPath for the periods indicated on the invoices. We found that DecisionPath had adequate timekeeping records to support all the hours billed.

For BPA SS00-04-40019, there were seven purchase calls, and for BPA SS00-06-40018, there were three purchase calls. For BPA SS00-04-40019, there were invoices submitted and paid totaling \$10.9 million associated with the seven purchase calls. We tested \$1.5 million of the \$10.9 million as shown in Table 1.

Table 1: Invoices Selected Under Blanket Purchase Agreement SS00-04-40019

Call Number	Invoice Number	Invoice Amount	Was Invoice Adequately Supported?
Call 0001	2023-5	\$317,082.18	Yes
Call 0002	2024-4	\$62,207.00	Yes
Call 0003	2025-6	\$103,384.00	Yes
Call 0004	2026-4	\$157,284.85	Yes
Call 0005	2027-5	\$312,498.12	Yes
Call 0006	2028-9	\$499,646.67	Yes
Call 0007	2031-2	\$41,376.30	Yes
Total		\$1,493,479.12	

Under the second BPA SS00-06-40018, there were invoices submitted and paid through July 23, 2007 totaling \$3.9 million, associated with the three purchase calls. We tested \$0.8 million of the \$3.9 million as shown in Table 2 on page C-3.

Table 2: Invoices Selected Under Blanket Purchase Agreement SS00-06-40018

Call Number	Invoice Number	Invoice Amount	Was Invoice Adequately Supported?
Call 0001	2033-2	\$482,688.04	Yes
Call 0002	2035-3	\$48,708.30	Yes
Call 0003	2033-003-1	\$230,822.92	Yes
Total		\$762,219.26	

The invoice periods ranged from May 2004 through July 2007.

Sample 2 – Test of Systems Access Controls

We reviewed the Agency's security controls over all 33 DecisionPath staff who were granted access to SSA's systems from the beginning of the contract through August 3, 2007.

Specifically, we determined whether:

1. Approved Application for Access to SSA Systems (SSA -120) forms were on file.
2. Approved High Assurance (Virtual Private Network) Access Forms were on file, as appropriate.
3. Signed Contractor Personnel Security Certification(s) were on file.
4. Evidence of suitability determinations for contract employees were in SSA's records.

We found that the required SSA security forms were prepared and signed for the DecisionPath staff who were granted access to SSA systems. Additionally, we found the Agency's Suitability Office had determined the DecisionPath employees suitable who (1) had access to programmatic and sensitive information and (2) worked on-site at SSA.

Finally, we looked at security systems records to determine the level of access actually granted to DecisionPath employees. We found that the DecisionPath staff was granted the approved levels necessary to perform tasks under the TAS contract.

Agency Comments



SOCIAL SECURITY

MEMORANDUM

Date: July 25, 2008 **Refer To:** S1J-3

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

From: David V. Foster /s/
Executive Counselor to the Commissioner

Subject: Office of the Inspector General (OIG) Draft Report, "The Social Security Administration's Consulting Services Contract for the Time Allocation System" (A-14-08-18020)--
INFORMATION

We appreciate OIG's efforts in conducting this review. Attached is our response to the recommendations.

Please let me know if we can be of further assistance. Your staff may direct staff inquiries to Ms. Candace Skurnik, Director, Audit Management and Liaison Staff, at (410) 965-4636.

Attachment

COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL’S (OIG) DRAFT REPORT, “THE SOCIAL SECURITY ADMINISTRATION’S CONSULTING SERVICES CONTRACT FOR THE TIME ALLOCATION SYSTEM” (A-14-08-18020)

Thank you for the opportunity to review and provide comments on this draft report.

Recommendation 1

Ensure staffs who issue contractor badges follow policy for expiration dates for contractors.

Comment

We agree. We will ensure staff that issue contractor badges follow policy regarding the expiration dates.

Recommendation 2

Ensure contractors return badges no longer needed by contract personnel to management for disposal.

Comment

We agree. We will ensure contractor badges are returned for disposal once the badge is no longer needed by the contractor. When contractor personnel performing under this contract leave the company, are removed from the project, or are arrested and charged with a crime during the term of this contract, the contractor shall notify our Protective Security Officer immediately. The notification must include the name of the contractor personnel and their Social Security number. If the contractor personnel was arrested and charged with a crime, the notification must also include the type of charge(s), the court date, and, if available, the disposition of the charges(s).

Recommendation 3

Ensure contract employees’ working status is accurately recorded in the suitability files.

Comment

We agree. We conduct background investigations on contractor employees and maintain a database that contains data on these individuals. We will remind the contractor to notify the Protective Security Officer immediately when an employee either leaves the company or is removed from the project. When a contractor employee is removed from the contract for reasons other than suitability or a contract expires and is not extended, we will properly adjust and annotate the suitability database to reflect the actual status of the individual.

Recommendation 4

Ensure all current and future contracts reflect the current project officer and an alternate.

Comment

We agree. We recently transitioned from the term "project officer" to the term "Contracting Officer's Technical Representative (COTR)." Consider updating the report to include the current terminology.

We will modify the contract in question to reflect the current COTR and alternate COTR. We will ensure that all future contracts are modified as soon as a new COTR or an alternate COTR has been designated. We will send a reminder to Contracting Officers via our acquisition update email notification system.

[In addition to the information listed above, SSA also provided technical comments which have been addressed, where appropriate, in this report.]

OIG Contacts and Staff Acknowledgments

OIG Contacts

Kitt Winter, Director, Information Technology Audit Division, (410) 965-9702

Mary Ellen Moyer, Acting Audit Manager, (410) 966-1026

Acknowledgments

In addition to those named above:

Deborah Kinsey, Auditor in Charge

Harold Hunter, Senior Auditor

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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.

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