



## SOCIAL SECURITY

### MEMORANDUM

Date: December 17, 2003

Refer To:

To: The Commissioner

From: Inspector General

Subject: Performance Audit of the Social Security Administration's Main Complex Guard Contract (A-15-03-23043)

The attached final report presents the results of our audit. Our objectives were to determine whether the Social Security Administration's (SSA) Office of Facilities Management properly monitored its guard contract for SSA's main complex and whether the contractor complied with the contract terms and applicable regulations.

Please provide within 60 days a corrective action plan that addresses each recommendation. If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.

A handwritten signature in blue ink, appearing to read "James G. Huse, Jr.", written in a cursive style.

James G. Huse, Jr.

Attachment

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**OFFICE OF  
THE INSPECTOR GENERAL**

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**SOCIAL SECURITY ADMINISTRATION**

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**PERFORMANCE AUDIT OF THE  
SOCIAL SECURITY ADMINISTRATION'S  
MAIN COMPLEX GUARD CONTRACT**

**December 2003**

**A-15-03-23043**

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**AUDIT REPORT**

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## **Mission**

**We improve SSA programs and operations and protect them against fraud, waste, and abuse by conducting independent and objective audits, evaluations, and investigations. We provide timely, useful, and reliable information and advice to Administration officials, the 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**

**By conducting independent and objective audits, investigations, and evaluations, we are agents of positive change striving for continuous improvement in the Social Security Administration's programs, operations, and management and in our own office.**

# *Executive Summary*

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## **OBJECTIVE**

The objectives of the audit were to determine whether the Social Security Administration's (SSA) Office of Facilities Management properly monitored its guard contract for SSA's main complex and whether the contractor complied with the contract terms and applicable regulations.

## **BACKGROUND**

The guard service contract is a critical component of SSA's overall physical security program. Recent media attention and world events have spurred public and congressional concerns that protection of the Federal infrastructure is a high priority. Accordingly, the Office of the Inspector General initiated a review of SSA's main complex security guard contract.

SSA awarded a contract to Holiday International Security, Incorporated (Holiday) to provide guard services at SSA's main complex in Woodlawn, Maryland. SSA's project officer is responsible for monitoring the performance of this contract.

## **RESULTS OF REVIEW**

We determined that there was noncompliance with the terms and conditions of the contract by both SSA and Holiday. Specifically, we found SSA had not performed required suitability redeterminations timely and Holiday did not provide sufficient training for the guards or provide the proper supervision of duty posts. SSA also granted waivers to guards to work at armed positions without a firearm. In addition, we could not substantiate that Holiday provided required relief breaks to the guards. Lastly, guards did not consistently check badges of individuals entering the building. Sufficient oversight by SSA management may have detected and corrected these deficiencies prior to our review.

## **CONCLUSION AND RECOMMENDATIONS**

Holiday is required to maintain a secure environment in which the general public and Government employees can conduct business with confidence. SSA is responsible for ensuring that Holiday provides services in accordance with the terms and conditions of the contract.

We have made six recommendations to SSA that, if implemented, will improve compliance with the terms and conditions of the contract. Our recommendations include that SSA improve its policies and procedures for suitability redeterminations, ensure the contractor provides guards the required training, and ensure the contractor

increases its supervisory inspections. We also recommend that SSA reevaluate giving waivers for unarmed guards to staff positions requiring firearms, more closely monitor implementation of break policies, and emphasize that guards should follow badge verification procedures.

## **AGENCY COMMENTS**

SSA agreed with our recommendations.

# Table of Contents

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	Page
<b>INTRODUCTION</b> .....	1
<b>RESULTS OF REVIEW</b> .....	3
Suitability Redeterminations Were Not Performed Timely.....	3
Training Was Inadequate .....	4
SSA Lacks Assurance Guards Were Properly Supervised .....	6
Guards Posted Without Firearms .....	6
Guard Breaks Undocumented.....	7
Guards Not Checking Badges.....	8
Other Matters .....	9
<b>CONCLUSIONS AND RECOMMENDATIONS</b> .....	12
<b>APPENDICES</b>	
<b>Appendix A – SSA Comments</b>	
<b>Appendix B – OIG Contacts and Staff Acknowledgements</b>	

# Acronyms

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ARC	American Red Cross
CPR	Cardiopulmonary Resuscitation
CGIM	Contract Guard Information Manual
FLETC	Federal Law Enforcement Training Center
FPS	Federal Protective Service
GAO	General Accounting Office
Holiday	Holiday International Security, Incorporated
OAG	Office of Acquisitions and Grants
OFM	Office of Facilities Management
OIG	Office of the Inspector General
OPSS	Office of Protective Security Services
PO	Project Officer
SSA	Social Security Administration
Form SSA-4072	Contract Guarding Duty Register

# Introduction

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## OBJECTIVE

The objectives of the audit were to determine whether the Social Security Administration's (SSA) Office of Facilities Management (OFM) properly monitored its guard contract for SSA's main complex and whether the contractor complied with the contract terms and applicable regulations.

## BACKGROUND

OFM manages SSA-wide facilities management programs. OFM develops, implements, and evaluates SSA's environmental protection, safety, and protective services. The Office of Protective Security Services (OPSS), a component of OFM, directs SSA's physical and protective security programs. A division within OPSS, specifically, the Division of Security Program Services is also responsible for policy development, the establishment of security plans and oversight of security guard contracts.

The Office of Acquisitions and Grants (OAG) is responsible for SSA procurement and contracting functions. OAG's contract officer is responsible for the award and administration of SSA contracts. OAG appoints an Agency authorized representative as the Government project officer (PO). Thus, the PO is responsible for the technical administration of the contract.

On April 21, 2002, OAG awarded a 1-year fixed-price contract with four 1-year options to Holiday International Security, Incorporated (Holiday)<sup>1</sup> to provide armed and unarmed guard services at the SSA Main Complex in Woodlawn, Maryland. Holiday was to maintain a secure environment in which the general public and Government employees can conduct business with confidence.

Recent media attention and world events have prompted public and congressional concerns that protection of the Federal infrastructure is of high priority. Contractor guard service is a critical component of SSA's overall physical security program. Accordingly, the Office of the Inspector General (OIG) initiated this security guard contract review.

## SCOPE AND METHODOLOGY

To accomplish our audit objectives, we reviewed the Holiday contract to assess the contractor's ability to meet and comply with the contract requirements. We met with the PO and discussed the required contract deliverables. We also reviewed the records

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<sup>1</sup> Subsequent to our fieldwork, on August 11, 2003, we were informed by the Contracting Officer that Holiday was acquired by USProtect Corporation on June 6, 2003.

used for monitoring the contractor's performance and assessed whether the PO was performing duties as stated in the terms and conditions of the contract.

We interviewed 20 randomly selected guards. We conducted post observations and observed three different shift changes at the SSA complex. We also met with other Holiday staff and reviewed its contract records applicable to the SSA contract. Specifically, we:

- Reviewed the employee training manual and the training records of the guards;
- Reviewed Holiday's payroll records for the months of July, August and December 2002 and February 2003;
- Reviewed the Contract Guarding Duty Registers (Form SSA-4072) for the months of August and December 2002 and February 2003; and
- Reviewed Holiday's quality control program to ensure it conforms to the contract requirements.

Additionally, we accepted sworn statements made to OIG criminal investigators from guards who came forward.

We also reviewed the contractor's records stored at the SSA main complex. These records include the licenses required of the contractor and firearm permits required of the guards as well as the firearms' records. We verified that the weapons were maintained, stored, and inventoried according to the contract requirements. We also verified whether the qualifications of the guards matched those set forth by the Federal Law Enforcement Training Center (FLETC) Practical Pistol Course.

We conducted our audit in accordance with generally accepted government auditing standards. Our fieldwork was performed at SSA's Headquarters and at Holiday's Headquarters in Silver Spring, Maryland, from November 2002 through August 2003.

# Results of Review

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We determined that SSA needs to strengthen its oversight of the guard contract. We found SSA had not performed required suitability redeterminations timely and Holiday did not provide sufficient training for the guards or provide the proper supervision of duty posts. SSA also granted waivers to guards to work at armed positions without a firearm. In addition, we could not substantiate that Holiday provided required relief breaks to the guards. Lastly, guards did not consistently check badges of individuals entering the building. Sufficient oversight by SSA management should have allowed these conditions to be detected and corrected prior to our review.

## **SUITABILITY REDETERMINATIONS WERE NOT PERFORMED TIMELY**

Suitability refers to a person's character traits and past conduct and is separate from his/her ability to fulfill the job qualification requirements, such as experience, education, and skills. Background investigations and suitability reviews are used to prevent unsuitable employees and contractors from accessing SSA facilities and sensitive information.

The contract states that every contract employee must have an initial suitability determination and a subsequent suitability redetermination review every 2 years.<sup>2</sup> SSA's OPSS is responsible for conducting and completing the suitability reviews and the PO is responsible for ensuring that all contract employees have updated suitability determinations. Guards hired by Holiday who had prior suitability determinations while they worked for the prior contractor, did not require new initial suitability determinations. However, SSA was required to perform redeterminations 2 years from their last determination.

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### **Suitability Redeterminations Were Overdue**

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As part of our audit, we interviewed 20 guards. We also reviewed their personnel/training records maintained by the contractor. We found that 7 of the 20 guards had a suitability determination completed as required by the contract. We also found the remaining 13 guards had an initial suitability determination completed, but no redetermination was performed as required by the contract. The 13 guards were formerly employed by the prior security contractor and all had initial suitability determinations. However, no suitability redeterminations had been performed within 24 months of the prior suitability determinations as required by the contract. We found their suitability redeterminations were between 10 and 13 months overdue. We verified our finding through inspection of the OPSS Suitability Section's and the contractor's records. During our review of the Suitability Section's records, we learned that 4 of the 13 guards' suitability redeterminations were in process.

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<sup>2</sup> Contract Number 0600-02-60000 section D-6 (c) (4) "Timeframe for Suitability Determination."

SSA needs to develop policies and procedures that ensure suitability redeterminations are performed timely as required by the contract.

## TRAINING WAS INADEQUATE

The contract states:

“To be eligible to perform under this contract, each contract employee (including supervisory and replacement employees) shall meet the training requirement specified below<sup>3</sup>.... Prior to contract employees being assigned to this contract, the contractor shall develop and provide Basic Training instructions with the information contained in the CGIM [Contract Guard Information Manual] and as specified in Attachment E-2.”<sup>4</sup>

Attachment E-2 “*Description of Training to be Provided by the Contractor*” lists three specific training courses and related testing:

Subject	Hours	Description
Emergency Medical	8	All guards must be trained by American Red Cross (ARC) certified instructors in emergency first-aid procedures, Heimlich maneuver and receive an ARC “Multi Media Standard First Aid Certificate (Form 1730).” Emergency first-aid procedures include: immediate action to control bleeding; recognition of first-aid procedures for convulsion, epilepsy, stroke, heart attack, head [sic] prostration, and other disorders.
Cardiopulmonary Resuscitation (CPR)	8	Guards must be trained by ARC certified instructors in CPR and receive an “ABC” “Race for Life Certificate” (Form 1747). CPR procedures include basic procedures for life support and cardiac arrest relief. All guards must be CPR certified annually...
Occupational Safety and Health Administration Standard 29 CFR 1910.1030., Occupational Blood Borne Pathogens	3	Guards must have necessary skills to deal with the hazards of exposure to blood borne pathogens as follows: explanation of the blood borne pathogen standards; how blood diseases can be transmitted; employee hazard recognition; ways to prevent the exposure; required personnel protective equipment; Hepatitis B vaccine; and procedures to follow for emergencies.
Examination/ Examination Review	3	Written examinations will be given to determine knowledge and understanding of academic subject matter. ... Examination review will provide the contract guards an opportunity to compare graded answer sheets with the approved solutions.

<sup>3</sup> Contract Number 0600-02-60000 section C-6 (a) “*Training*” “*General.*”

<sup>4</sup> Contract Number 0600-02-60000 section C-6 (b) “*Contractor Provided Training.*”

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**SSA Lacks Assurance  
Guards Were  
Adequately Trained**

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We obtained sworn statements from two guards who stated that they had received less than 30 minutes training in CPR and first aid. Fourteen out of the 20 guards' training records lacked documentation that the guards had passed Occupational Safety and Health

Administration training. All 20 of the guards did not have documentation that they had taken or passed the written examinations.

The contract states "The contractor shall submit to the PO, within ten (10) days of the ending-preceding month, a detailed monthly training report."<sup>5</sup> The monthly training report must include test scores, names, type of training, subject matter, number of hours of instruction, etc. We asked the PO if they had any information that was not in the individual guard's employee/training records. The PO stated all the information should be in the records.

On March 25 and 26, 2003, we reviewed Holiday's training database. We found that Holiday only documented when the employees had taken a class. The database lacked the needed details to determine if training requirements were met.

According to the contract, Holiday was to provide training necessary to qualify in firearms proficiency in accordance with the firearms requirements contained in the FLETC Practical Pistol Course.<sup>6</sup> The FLETC Practical Pistol Course requires all guards to fire their weapons at distances of 3, 7, 15 and 25 yards and to fire standing and kneeling barricade, both left and right sides. The FLETC course also requires that each participant completes the course by firing 60 rounds and receiving a minimum passing score of 210.<sup>7</sup>

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**SSA Lacks Assurance  
Guards Met Firearm  
Requirements**

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We reviewed the contractor's training records for the 20 randomly selected guards. We found guards were permitted to stand posts without SSA having documented evidence that the guards met the minimum firearms training requirements. Specifically, the PO did not have

evidence that 10 out of the 20 interviewed guards had passed the FLETC Practical Pistol Course.

We also obtained voluntary sworn statements from three additional guards. Two guards stated that they fired 16 and 18 rounds, respectively. The other guard fired the full 60 rounds. All three guards stated they only fired at a single distance.

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<sup>5</sup> Contract Number 0600-02-60000 section C-6 (e) "Monthly Training Report."

<sup>6</sup> Contract Number 0600-02-60000 section C-6 (c) "Armed Security Guard Training Requirements."

<sup>7</sup> Contract Number 0600-02-60000 section C-6 (c) "Armed Security Guard Training Requirements" and Attachment E-3 "Federal Law Enforcement Training Center Practical Pistol Course."

Our review of the contractor's training records for the 20 interviewed guards found that most were missing at least half of the required records of training. SSA needs to increase its monitoring and documentation of the training of the contract guards to ensure they meet contract requirements.

## **SSA LACKS ASSURANCE GUARDS WERE PROPERLY SUPERVISED**

Post orders described the duties to be performed at each post.<sup>8</sup> The Form SSA-4072 was the post sign-in sheet. Supervisors' post orders required them to sign the Form SSA-4072 whenever they conduct an inspection of a post. Post orders require that a supervisor conduct a post inspection at least once per tour of duty for each post.

### **Supervisors Were Not Following the Post Orders**

We reviewed 540 tours of duty as documented by the Forms SSA-4072 for the week of February 23 through March 1, 2003. We found there were 403 tours of duty during which the Forms SSA-4072 had not been signed by a supervisor. We could not verify whether supervisors were showing up at the post as required based on the Form SSA-4072. OPSS officials informed us that they required supervisors to sign the Form SSA-4072 when performing a post inspection.

Subsequent to our interviews with the 20 guards, we received anonymous phone calls from individuals representing themselves as guards. They alleged that there had been shifts when no supervisor had visited their post.

According to the contract specifications, the Forms SSA-4072 were to be submitted to the PO on a weekly basis for review. Thorough oversight by the PO may have detected this issue prior to our review.

## **GUARDS POSTED WITHOUT FIREARMS**

The objective of the contract is to acquire armed/unarmed security guard services to protect people and property at the SSA Main Complex in Woodlawn, Maryland. Post orders identify guard posts as armed or unarmed. Armed guards must be licensed by the State of Maryland to carry a firearm.

### **Unarmed Guards Staffed Posts Requiring Firearms**

We observed guards not following post orders at the garage entrances. Specifically, the post orders identify the garage entrances as armed guard positions. OIG personnel observed instances where guards posted at the garage entrances were not armed despite the requirement that the garage entrance post was an armed post.

<sup>8</sup> Contract Number 0600-02-60000 section C-8 "Government Provided Material and Guidance, Instructions and Regulations."

OPSS officials informed us that in instances where a guard has applied for a firearms license through the State of Maryland but had not yet received the license, OPSS would issue a waiver and permit an unarmed guard to occupy an armed position without a firearm. The waivers were only granted where three guards were in the same location and the other two guards were armed. However, OIG personnel observed several instances where two of the three guards at a building entrance were not armed.

We believe that SSA should reevaluate its practice of granting waivers for unarmed guards to occupy positions that require a firearm.

## **GUARD BREAKS UNDOCUMENTED**

Posts are required to be staffed at all times. Guards are not allowed to leave their posts for a relief break unless they are relieved by replacement personnel. Relief breaks of short duration (usually 20 minutes or less) are a common practice in industry and promote the efficiency and well being of the employee. Holiday's Chief Operating Officer stated its policy was to provide all guards who work over 4 hours with a 15 minute break and guards who work over 8 hours with a 30 minute break.

SSA's contract requires Holiday to provide replacement personnel to cover the guards' relief breaks. The contract also states that "... failure by the contractor to furnish required relief breaks to the guard force shall be considered to be a material breach of contract and may result in termination for default."<sup>9</sup>

### **Relief Breaks Unsubstantiated**

To determine if relief breaks were given to the guards, in accordance with Holiday's policy, we reviewed 30 randomly selected Forms SSA-4072—10 each from the months of August and December 2002 and February 2003. All guards are required to sign in and out on the Form SSA-4072 when entering or leaving a post. Based on our review of the Forms SSA-4072, there was insufficient evidence to substantiate that Holiday provided relief breaks to all of the guards in accordance with the policy described to us by Holiday's Chief Operating Officer. We stratified the results of our analysis to determine the frequency and length of time guards were at their posts without a break.

<sup>9</sup> Contract Number 0600-02-60000 section C-5 "Relief and Lunch Breaks."

<b>Analysis of Continuous Hours Served Without Any Break</b>	
<b>Strata</b>	<b>Occurrences</b>
4.0 or less hours	203
More than 4.0 but less than or equal to 6.0 hours	56
More than 6.0 but less than or equal to 8.0 hours	116
More than 8.0 but less than or equal to 10.0 hours	46
More than 10 hours	9

OPSS officials informed us that supervisors were not to occupy a post while a guard was on break. There are separate guards whose duties included giving breaks and these guards are required to sign in when they relieved the stationed guard.

Holiday was required to provide the Forms SSA-4072 to the PO each week. The Form SSA-4072 indicates the hours worked by security officers and supervisors. These documents were used by the PO to verify compliance with the work hour requirements of the contract. A more thorough review of this documentation by SSA personnel may have detected and corrected this deficiency prior to our review.

In our opinion, SSA should monitor Holiday’s implementation of its break policy more closely.

## **GUARDS NOT CHECKING BADGES**

Each post had a set of instructions that defined the basic work that needed to be performed at the post. These instructions were called post orders. For building entrance posts, guards are to check the badges of SSA employees entering the building by looking at the picture on the badge. They are also to send briefcases or purses through the metal detection scanners. Contractor employees are required to print and sign their name on one side of the color-coded temporary pass, which include “R” (for rolodex). The guards are required to verify the identification of individuals on the Rolodex before issuing a temporary paper badge. Procedures also state that the badges must be returned upon exiting the building. Without this control, unauthorized individuals could gain access to SSA by posing as individuals on the Rolodex.

### **Guards Were Not Checking Identification**

Based on our observations of several posts, we noticed that many of the guards were not rigorously checking employees’ badges. Many SSA employees were able to walk into SSA with their badges backwards or hidden

from view without guards stopping them. Additionally, we noticed that some guards were not watching or paying attention to the items that were being scanned.

A different SSA on-site contractor informed us that guards were not checking personal identification before rolodex badges were given to contract employees. That contractor stated that a contractor employee was able to enter the building with the same color “R”

badge in use that day even though it was stamped with an older date. In addition, the badge was not signed and the guard did not ask for identification from the employee. Noncompliance with post orders is a violation of the contract terms.

OPSS officials informed us that there is a certain [unspecified] error rate expected with guard badge inspections. However, OPSS assured us that they conduct tests of the guards' performance in this and other areas. OPSS also reminded us that employees accessing the building are responsible for assuring their badges are in plain view. SSA should provide further emphasis to Holiday that guards should follow badge verification procedures.

## **OTHER MATTERS**

During our audit, other important issues arose which concerned us. Accordingly, we are presenting these as other matters with respect to our report. Nevertheless, we request SSA's management response on the issues presented in this section.

## **BADGING SYSTEM NEEDS MODERNIZATION TO DETER REAL AND POTENTIAL THREATS**

Recently, a complainant sent an allegation to the General Accounting Office (GAO) questioning the competency of procedure and the security guards assigned to process visitors through metal detectors at the SSA Altmeyer Building main entrance. The allegation was forwarded by GAO to our Office of Investigations, Allegation Management Division. That office referred the allegation to the Office of Audit for follow-up.

The complainant was visiting the SSA Altmeyer Building to attend a class. During the time (approximately 1 hour and 15 minutes) the complainant was waiting for associates to arrive to sign her/him into the building, the complainant alleged at least 75 or more people went through the metal detector in the lobby area. Many of these people (50-60 percent) caused the metal detector to sound. The complainant also observed a security guard posted beside the detector. The complainant alleged the only time anyone was inspected by the subject guard, after the detector alarm sounded, was if they stood, held their arms out, and waited for the guard to inspect them with a hand-held device. The complainant alleged this is an abuse of Federal dollars, not to mention providing a false sense of "security" for the building.

Our observations during this audit indicated that, though the complainant's observations may have been correct, her/his conclusions may not be totally accurate. Security post procedures do not require persons displaying SSA employee badges be screened through the metal detectors at building entrances. Our observations showed that although employees are not required to walk through the metal detectors, many employees did walk through them as it was often the shortest route.

Guards do not stop employees for secondary screenings with a hand-held device, even though the detector has sounded an alert. We believe the complainant was observing persons displaying employee badges entering the metal detector from a rear view. Further, the complainant may not have been able to see the badges from his/her vantage point in the Altmeyer visitor lobby. Therefore, we believe the complainant may have been observing normal procedure.

However, the complainant's observation does bring up a significant concern. We observed that SSA security guards allow people with employee badges to pass through building entrances without screening. Further, persons with employee badges passing through and alerting the metal detector were not submitted to any additional security steps, such as a search or electronic hand wand. <sup>10</sup> The current security procedure relies on the employee badge displayed as the sole document for allowing unscreened entry into the SSA main complex premises.

The employee badges used at SSA Headquarters appear to be easy to counterfeit and or exchange with other persons. This condition, coupled with numerous observations and allegations of persons entering the premises with badges not displayed, raises concern about the adequacy of the guard post security procedure in effect at the SSA Headquarters main complex.

We believe the current security procedure is antiquated and inadequate to reasonably prevent unauthorized persons from entering the premises, including those intent on performing acts of terrorism, sabotage or other criminal acts. We understand that security procedures are a cost versus benefit or risk management decision and are also one of efficiency of entry. The security environment has changed since September 11, 2001, and, as a result, revised security entrance procedures are needed. We believe that SSA should give serious consideration to revising its security entrance process at the SSA Headquarters main complex.

## **NOTIFICATION TO OIG CONCERNING INCIDENTS OCCURRING ON SSA PREMISES**

There have been instances where security guards were investigated and or arrested for alleged criminal acts or other complaints occurring on SSA's main complex. For example, during our audit, SSA filed a theft complaint with the General Services Administration Federal Protective Service (FPS). FPS investigated SSA's complaint and subsequently arrested guard personnel. SSA did not notify OIG of the complaint or the arrest.

While FPS has concurrent jurisdiction on matters involving thefts occurring on Government property, the OIG takes criminal activity very seriously and is authorized to investigate all crimes concerning SSA. The Inspector General Act of 1978, as amended, (5 U.S.C. App 3), established the Office of Inspectors General to combat and

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<sup>10</sup> Hand wand refers to the use of a hand-held metal detector.

investigate matters of fraud, waste, and abuse in their respective agencies. This includes thefts occurring on Government property.

Incidents such as these should not go unreported to the OIG. OPSS should contact the Special Agent-in-Charge of the Philadelphia Field Division at (215) 521-0317 to report incidents occurring within the Central Office and the Baltimore areas.

# Conclusions and Recommendations

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We determined that SSA needs to strengthen its monitoring of the main complex guard service contract and to require Holiday to adhere to the contract terms and conditions.

## RECOMMENDATIONS

We recommend SSA:

1. Develop policies and procedures that ensure suitability redeterminations are performed in a timely manner;
2. Ensure guards without required training do not staff guard positions and increase its review and documentation of the training of contract guards;
3. Increase its monitoring of supervisors' post inspections;
4. Reevaluate its policy of granting waivers that allow unarmed guards to staff posts requiring armed guards;
5. Strengthen how it monitors Holiday's implementation of its break policies; and
6. Provide further emphasis to Holiday that guards should follow badge verification procedures.

## AGENCY COMMENTS

SSA agreed with our recommendations. Specifically, SSA informed us that they modified the automated suitability tracking system to inform management when suitability redeterminations are required. SSA also informed us that management has increased supervision of the guard contract.

# *Appendices*

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## Agency Comments



## SOCIAL SECURITY

MEMORANDUM

32296-24-985

Date: December 4, 2003

Refer To: S1J-3

To: James G. Huse, Jr  
Inspector General

From: Larry W. Dye /s/  
Chief of Staff

Subject Office of the Inspector General (OIG) Draft Report, "Performance Audit of the Social Security Administration's Main Complex Guard Contract" (A-15-03-23043)--  
INFORMATION

We appreciate the OIG's efforts in conducting this review. Our comments on the report content and recommendations are attached.

Please let us know if we can be of further assistance. Staff questions can be referred to Trudy Williams at extension 50380.

Attachment:  
SSA Response

COMMENTS OF THE SOCIAL SECURITY ADMINISTRATION (SSA) ON  
THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT,  
“PERFORMANCE AUDIT OF THE SOCIAL SECURITY  
ADMINISTRATION’S MAIN COMPLEX GUARD CONTRACT”  
(A-15-03-23043)

Thank you for the opportunity to review and comment on the subject draft report.

OIG’s objective for this audit was to determine whether SSA’s Office of Facilities Management (OFM) properly monitored its guard contract for SSA’s main complex and whether the contractor complied with the contract terms and applicable regulations. OIG conducted the audit from November 2002 through August 2003.

The Office of Acquisitions and Grants (OAG) has responsibility for SSA procurement and contracting functions. OAG’s contracting officer is responsible for awarding and administering guard service contracts. On April 21, 2002, OAG awarded a 1-year fixed-price contract with four 1-year options to Holiday International, Incorporated (Holiday) to provide guard services at SSA’s main complex in Woodlawn, Maryland. The then management of OFM was responsible for monitoring the contract through the project officer (PO) with Holiday. Toward the end of the audit period, a new company, USProtect, acquired Holiday in June 2003. OFM’s new management team is responsible for monitoring the continuation of the contract with USProtect.

SSA’s Office of Protective Security Services utilizes contract guard services to protect SSA’s Main Complex facilities. Currently, SSA contracts with USProtect to provide contract guard services. The Main Complex guard contingency consists of approximately 210 guard personnel that provide onsite security services. This service covers a wide variety of tasks to safeguard SSA personnel and property, including: access control, emergency response, operation of electronic screening devices, reporting incidents, control center operations, loading dock operations, package inspection, traffic control, mobile patrols, while maintaining a safe and orderly working environment.

SSA’s Main Complex facility is accessed daily by approximately 10,000 persons. All persons accessing facilities are required to display a valid access badge and have all containers and packages electronically or visually inspected in order to comply with the General Services Administration and SSA rules and regulations.

SSA’s project officer (PO) provides daily administrative oversight for the new USProtect guard service contract. The PO coordinates activities with the responsible USProtect manager of the guard contract to ensure that required service is in accordance with contractual requirements. SSA’s PO also coordinates activities with the respective OAG contracting officer to develop standard operating procedures, special orders and contract modifications. They also coordinate access for special events, monitor guard post operations, observe and document guard performance, act as a liaison and point of contact for building occupants on security operations

including handling emergency response, and coordinate with Federal Protective Service and/or local law enforcement personnel.

Our response to the specific recommendations is provided below:

#### Recommendation 1

SSA should develop policies and procedures that ensure suitability redeterminations are performed in a timely manner.

#### SSA Comment

We agree. We modified the automated suitability tracking system to produce periodic reports to inform management when suitability redeterminations for guards are required. Once alerted, we will perform redeterminations timely to meet the required 2 year redetermination period.

#### Recommendation 2

SSA should ensure guards without required training do not staff guard positions and increase its review and documentation of the training of contract guards.

#### SSA Comment

We agree. On September 17, 2003, SSA's PO and alternate POs met with USProtect management to address guard training and guard post staffing. The SSA PO required USProtect management to provide documentation that all guards have successfully completed the contractually required training (e.g., bollard operation, screening devices and control center operations, cardiopulmonary resuscitation, first aid, fire arms, etc).

Further, On October 7, 2003, OFM management, OAG representatives, and SSA's PO met with USProtect's guard management to reiterate the requirement for adequate training, training documentation requirements, and staffing for guard posts. USProtect's management has improved the required training and training documentation, and SSA's PO has increased the monitoring of guard performance. Those guards found in need of refresher training are being referred to USProtect management for additional training. USProtect guard management is required to forward documentation of the completed refresher training to the SSA PO.

SSA has also increased the supervision of the guard contract by increasing periodic monitoring of actual guard training courses, firing qualifications and guard post operations. Furthermore, SSA will closely scrutinize contractor-prepared monthly training reports to ensure details have been adequately captured in line with contract requirements and to compare contractor prepared documentation with government initiated field observations.

### Recommendation 3

SSA should increase its monitoring of supervisors' post inspections.

#### SSA Comment

We agree. On September 17, 2003, SSA's PO and alternate POs sent a reminder to USProtect that all supervisors must perform daily post inspections for all posts and document this activity on the SSA-4072, Contract Guard Duty Register. The SSA PO has increased routine reviews of the forms SSA-4072 for compliance.

SSA's POs frequently observe various post operations to ensure that guards and supervisors are following guard post procedures. We will continue to closely scrutinize the contractor-prepared forms SSA-4072 on a weekly basis with regard to post inspections performed during tours of duty. Upon completion of weekly reviews, SSA's PO will discuss any perceived abnormalities and issues with OAG and the contractor.

### Recommendation 4

SSA should reevaluate its policy of granting waivers that allow unarmed guards to staff posts requiring armed guards.

#### SSA Comment

We agree. We have taken immediate action to notify the guard contractor that the practice of granting waivers for unarmed guards to staff posts will not be permitted. However, to minimize negative impacts, we permitted the contractor a 90-day period commencing December 15, 2003, to staff armed guard posts with unarmed guards. After the 90-day period, February 15, 2004, no waivers will be granted.

### Recommendation 5

SSA should strengthen how it monitors Holiday's implementation of its break policies.

#### SSA Comment

We agree. On October 7, 2003, OFM and OAG management discussed break policies with USProtect and reiterated that appropriate breaks should be given to guards and documented on the appropriate form. To ensure that this practice continues, OFM will implement further review of the SSA-4072s by an alternate PO to ensure that breaks are provided and documented.

## Recommendation 6

SSA should provide further emphasis to Holiday that guards should follow badge verification procedures.

### SSA Comment

We agree that the guards were lax in their execution of the security entrance procedures in instances identified by OIG observations. OFM management reiterated the importance of reinforcing these procedures with the guards of USProtect. The PO monitors the security entrance procedures and reports any instances of noncompliance. Finally, SSA will issue a Security Bulletin by January 2004 to all headquarters employees reminding them of their responsibility to display their badges properly.

## **OIG Contacts and Staff Acknowledgments**

### ***OIG Contacts***

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The Office of Audit (OA) conducts comprehensive financial and performance audits of the Social Security Administration's (SSA) programs and makes recommendations to ensure that program objectives are achieved effectively and efficiently. Financial audits, required by the Chief Financial Officers' Act of 1990, assess whether SSA's financial statements fairly present the Agency's financial position, results of operations and cash flow. Performance audits review the economy, efficiency and effectiveness of SSA's programs. OA also conducts short-term management and program evaluations focused on issues of concern to SSA, Congress and the general public. Evaluations often focus on identifying and recommending ways to prevent and minimize program fraud and inefficiency, rather than detecting problems after they occur.

## **Office of Executive Operations**

The Office of Executive Operations (OEO) supports the Office of the Inspector General (OIG) by providing information resource management; systems security; and the coordination of budget, procurement, telecommunications, facilities and equipment, and human resources. In addition, this office is the focal point for the OIG's strategic planning function and the development and implementation of performance measures required by the *Government Performance and Results Act*. OEO is also responsible for performing internal reviews to ensure that OIG offices nationwide hold themselves to the same rigorous standards that we expect from SSA, as well as conducting investigations of OIG employees, when necessary. Finally, OEO administers OIG's public affairs, media, and interagency activities, coordinates responses to Congressional requests for information, and also communicates OIG's planned and current activities and their results to the Commissioner and Congress.

## **Office of Investigations**

The Office of Investigations (OI) conducts and coordinates investigative activity related to fraud, waste, abuse, and mismanagement of SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, physicians, interpreters, representative payees, third parties, and by SSA employees in the performance of their duties. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

## **Counsel to the Inspector General**

The Counsel to the Inspector General provides legal advice and counsel to the Inspector General on various matters, including: 1) statutes, regulations, legislation, and policy directives governing the administration of SSA's programs; 2) investigative procedures and techniques; and 3) legal implications and conclusions to be drawn from audit and investigative material produced by the OIG. The Counsel's office also administers the civil monetary penalty program.