



Audit of the Federal Bureau of Prisons' Perimeter
Security Strategy and Efforts Related to the
Contract Awarded to DeTekion Security Systems,
Incorporated, to Update the Lethal/Non-Lethal
Fence at Nine United States Penitentiaries



AUDIT DIVISION

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The full version of this report contains information that the Federal Bureau of Prisons considered to be law enforcement sensitive, and therefore could not be publicly released. To create this public version of the report, the Office of the Inspector General redacted (blacked out) portions of the full report. The Officer of the Inspector General also made a redaction to the full version of this report for privacy reasons. This redaction is contained only in Appendix 3, the contractor's comments, and is of an individual's name.



Executive Summary

Audit of the Federal Bureau of Prisons' Perimeter Security Strategy and Efforts Related to the Contract Awarded to DeTekion Security Systems, Incorporated, to Update the Lethal/Non Lethal Fence at Nine United States Penitentiaries

Objectives

The Department of Justice (DOJ) Office of the Inspector General (OIG) initiated an audit to assess the Federal Bureau of Prisons' (BOP) perimeter security strategy as it relates to its use of certain lethal/non-lethal fences at United States Penitentiaries (USP), also known as high security institutions, including its response to previous escape-related events and its contract to upgrade the fences. Specifically, our audit objectives were to: (1) evaluate BOP's perimeter security strategy incorporated at the nine USPs that have lethal/non-lethal fences installed by DeTekion Security Systems, Incorporated (DeTekion); (2) evaluate BOP and contractor efforts on the design of the lethal/non-lethal fences installed at the nine USPs during the initial and current contract actions; (3) evaluate BOP's price analysis of the fence upgrade contract; and (4) assess BOP's oversight of the fence upgrade contract.

Results in Brief

We found that the BOP did not take adequate action to ensure that perimeter security deficiencies identified and addressed at one USP did not also exist at other, similarly situated USPs. We also found that the BOP lacks national policies that address various elements of its perimeter security strategy. Further, we identified several deficiencies in the contracting process related to the \$3.2 million contract awarded by the BOP to DeTekion to update the lethal/non-lethal fences at nine USPs. For instance, we believe that the BOP did not perform an adequate price proposal analysis to determine whether the contract had a fair and reasonable price. As a result, we estimated that the BOP paid over \$900,000 in additional profit because the project took significantly less time to complete than estimated for the firm-fixed-price contract.

Recommendations

Our report contains 20 recommendations to assist the BOP in improving its perimeter security strategy practices and contract award and administration responsibilities. The BOP agreed with all our recommendations.

Audit Results

In April 2006, the BOP began installing lethal/non-lethal fences at USPs as part of its perimeter security posture. The purpose of this type of fence is to deliver an initial warning shock to a potential escapee, and upon a second touch of the lethal/non-lethal fence, deliver a lethal dose of electricity to the inmate.

In May 2017, an inmate escaped from USP Atwater by defeating multiple layers of perimeter security, including a lethal/non-lethal fence installed by DeTekion. According to the BOP, many factors contributed to the USP Atwater escape, including deficiencies with the lethal/non-lethal fence. As a result, in September 2017, the BOP awarded contract DJBP0700NASS3B20001 to DeTekion for \$3.2 million to upgrade the lethal/non-lethal fence at nine USPs. We reviewed the BOP's perimeter security efforts at the nine USPs with DeTekion lethal/non-lethal fences, as well as the BOP's award and administration of the lethal/non-lethal fence upgrade contract.

The BOP Should Take Steps to Ensure that Perimeter Security Deficiencies Identified at One USP Do Not Also Exist at Other USPs – In May 2014, 3 years prior to the USP Atwater escape, two inmates attempted to escape USP Lee. Following this escape attempt, the BOP awarded a contract to update the DeTekion perimeter fences at USP Lee. However, the BOP did not take steps at that time to make the same modifications to the DeTekion perimeter fences at the other eight USPs with the same fences. It was only after the USP Atwater escape that the BOP awarded a contract to DeTekion to modify the lethal/non-lethal fences at the other eight USPs. These modifications included the same modification previously performed at USP Lee.

The BOP Should Improve Internal Communication Regarding Potential Perimeter Security Vulnerabilities – Following the USP Atwater escape, BOP officials did not adequately communicate to other USPs the DeTekion lethal/non-lethal fence-related vulnerabilities that contributed to the escape. These USPs were operating under the assumption that their lethal/non-lethal fence was operating as intended and



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without any known vulnerabilities. Therefore, those USPs where the fences had not yet been updated were at a greater risk of a potential inmate escape because management of those facilities were not made aware of the vulnerabilities.

BOP's Policies and Guidelines Related to Perimeter Security Need Improvement

– Not all elements of the BOP's perimeter security strategy are addressed in established policies. In addition, some BOP guidance on perimeter security needs to be updated or clarified. For example, the DeTekion lethal/non-lethal fence has different operating modes. While decisions by BOP executive management have indicated the expectation that fences will deliver a warning shock upon initial touch, the BOP does not have a national policy governing the operating mode of the lethal/non-lethal fence.

The BOP Should Evaluate the Potential for Other BOP Facilities to have Similar Perimeter Security Vulnerabilities

– While the focus of the audit is on specific perimeter security features at certain USPs, we are concerned that there is potential for similar perimeter security vulnerabilities to exist at other BOP facilities. According to BOP officials, the BOP did not evaluate any similar perimeter security features at other BOP facilities following the USP Atwater escape other than those where the contracted work was performed.

The BOP Should Improve its Efforts to Obtain

Services at Fair and Reasonable Prices – According to the Federal Acquisition Regulation (FAR), Contracting Officers are to purchase supplies and services at fair and reasonable prices. We believe that the BOP Contracting Officer did not adequately determine whether the award price was fair and reasonable. Specifically, the Contracting Officer did not receive sufficient evidence to support that the higher wage rates included in DeTekion's proposal were necessary. Additionally, the Contracting Officer did not document analysis of the estimated duration to complete the required work, and used an unsupported Independent Government Cost Estimate. Had the BOP done a more thorough price analysis assessment, the contract award amount might not have been as high. In total, we

estimated that DeTekion's actual on-site labor, lodging, and per diem costs (including allocations for profit and overhead) for the first two deliverables were \$921,101 less than the amounts included in calculating the Firm-Fixed Price contract, which was due to the work taking significantly less time than DeTekion quoted in its proposal.

BOP Contracting Officers Should Seek Equitable Adjustments to Contracts in a Timely Manner

– The BOP decided to remove the contract's third deliverable from the contract. However, it did not comply with the FAR requirement to negotiate equitable adjustments in the shortest practicable time. It took the BOP approximately 15 months from the time the BOP decided to remove the third deliverable to modify the contract and de-obligate \$113,474.

The BOP Should Restrict Its Employees from

Completing a Contractor's Work – We found that the Contracting Officer's Representative (COR) assisted DeTekion with completing updates to the lethal/non-lethal fences, such as predrilling holes on intermediate posts and cutting off and repainting areas of the fence posts. We estimated that the COR's assistance equated to nearly \$2,600 in labor for which DeTekion was paid.

**AUDIT OF THE FEDERAL BUREAU OF PRISONS'
PERIMETER SECURITY STRATEGY AND EFFORTS RELATED TO
THE CONTRACT AWARDED TO DETEKION SECURITY SYSTEMS,
INCORPORATED, TO UPDATE THE LETHAL/NON-LETHAL FENCE
AT NINE UNITED STATES PENITENTIARIES**

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AUDIT OF THE FEDERAL BUREAU OF PRISONS' PERIMETER SECURITY STRATEGY AND EFFORTS RELATED TO THE CONTRACT AWARDED TO DETEKION SECURITY SYSTEMS, INCORPORATED, TO UPDATE THE LETHAL/NON-LETHAL FENCE AT NINE UNITED STATES PENITENTIARIES

INTRODUCTION

The Federal Bureau of Prisons' (BOP) mission is to protect society by confining offenders in prisons and community-based facilities that are safe, humane, cost efficient, appropriately secure, and that provide work and other self-improvement opportunities to assist offenders in becoming law-abiding citizens. To accomplish this mission, the BOP manages and regulates correctional institutions of varying security levels across the United States. United States Penitentiaries (USP), also known as high security institutions, have highly secured perimeters (featuring walls or reinforced fences), the highest staff-to-inmate ratio, and close control of inmate movement.

According to the BOP's Technical Design Guidelines, USPs have four perimeter fence lines. The inner most perimeter fence is a taut wire fence, consisting of barbed wires that are strung taut between two anchor posts and clamped to sensor posts. The taut wire fence is designed so that attempts to climb, spread, or cut the fence will trigger an alarm to the prison control room. The next perimeter fence consists of a chain link fence with a row of razor wire on top of the fence, known as a standard slow-down fence. Then, USPs have a lethal/non-lethal fence. The purpose of this type of fence is to deliver an initial warning shock to a potential escapee, and upon a second touch of the lethal/non-lethal fence, deliver a lethal dose of electricity to inmates who try to scale the perimeter fence line. The outermost fence at USPs is another slow-down fence with razor wire on top, as well as cascading rows of razor wire stacked next to the non-public side of the fence.

Significant Events Related to BOP's Use of Lethal/Non-Lethal Fences

In March 1998, BOP executive management met to explore the concept of using an electrified fence to maintain perimeter security in lieu of staffing perimeter guard towers. As part of that consideration, BOP executive management was presented with an information paper outlining an estimate of cost savings for using electrified fences rather than staffing perimeter guard towers. Further consideration of the concept was deferred to allow for review of current applications of such a fence in other correctional environments. In November 1999, a BOP Electric Fence Workgroup prepared another information paper for BOP executives that recommended design and feasibility studies.

In July 2003, BOP executive management was presented with additional information on the suggested use of electrified fencing at BOP institutions. Specifically, the proposal stated that using such fencing would provide greater security at its institutions while reducing per capita costs by no longer having to

staff the five perimeter guard towers.¹ In August 2003, BOP executive management approved the electrified fencing concept, as well as the reduction in perimeter guard tower positions, for further development.

In April 2006, the BOP awarded a \$12.7 million contract to a fencing contractor to install lethal/non-lethal fences at seven USPs: (1) USP Tucson (Tucson, Arizona), (2) USP Pollock (Pollock, Louisiana), (3) USP Terre Haute (Terre Haute, Indiana), (4) USP McCreary (Pine Knot, Kentucky), (5) USP Hazelton (Bruceston Mills, West Virginia), (6) USP Coleman I (Sumterville, Florida), and (7) USP Coleman II (Sumterville, Florida).²

In July 2008, BOP executive management further adapted its perimeter security posture and approved the removal of [REDACTED] perimeter patrol position at high security institutions with a lethal/non-lethal fence.³ Prior to this decision, BOP's staffing guidance authorized [REDACTED] perimeter patrol positions at USPs since July 2002.

In July 2009, the BOP awarded a contract with subsequent modifications totaling approximately \$20 million to DeTekion Security Systems, Incorporated (DeTekion), to install lethal/non-lethal fences at eight additional USPs: (1) USP Atwater (Atwater, California), (2) USP Victorville (Victorville, California), (3) USP Florence (Florence, Colorado), (4) USP Beaumont (Beaumont, Texas), (5) USP Big Sandy (Inez, Kentucky), (6) USP Lee (Pennington Gap, Virginia), (7) USP Allenwood (Allenwood, Pennsylvania), and (8) USP Canaan (Waymart, Pennsylvania). In September 2009, the BOP awarded a contract to a different contractor to build USP Yazoo. DeTekion was a sub-contractor on this contract and installed the lethal/non-lethal fence at USP Yazoo (Yazoo City, Mississippi).

According to the BOP, there have been two instances of escape-related events at BOP facilities with lethal/non-lethal fences. On May 30, 2014, two inmates attempted to escape USP Lee and were apprehended prior to reaching the DeTekion lethal/non-lethal fence. Following this attempted escape, updates were made to the taut wire and lethal/non-lethal fences at USP Lee. This contract called for DeTekion to install [REDACTED]

[REDACTED] as depicted in Figure 1.⁴

¹ At this time, USPs were designed with seven guard towers – five perimeter guard towers, a rear gate tower, and a center tower. The proposal stated that USPs could eliminate the five perimeter guard tower positions while continuing to staff the center and rear gate towers.

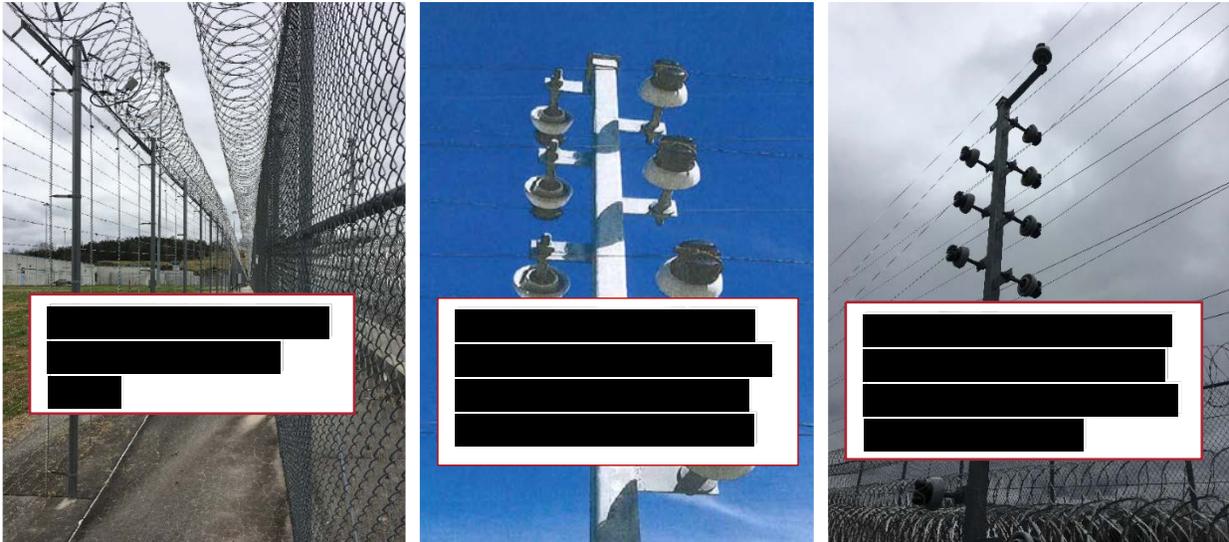
² This contract was not audited, and the fences installed by this contractor were not reviewed.

³ The BOP's perimeter patrol involves vehicles that circle the perimeter of an institution giving staff the ability to detect escapees before they reach the perimeter fence and quickly respond to incidents.

⁴ [REDACTED]

Figure 1

**Updates to the Taut Wire Fence and Lethal/Non-Lethal Fence
Following the May 2014 Escape Attempt at USP Lee**



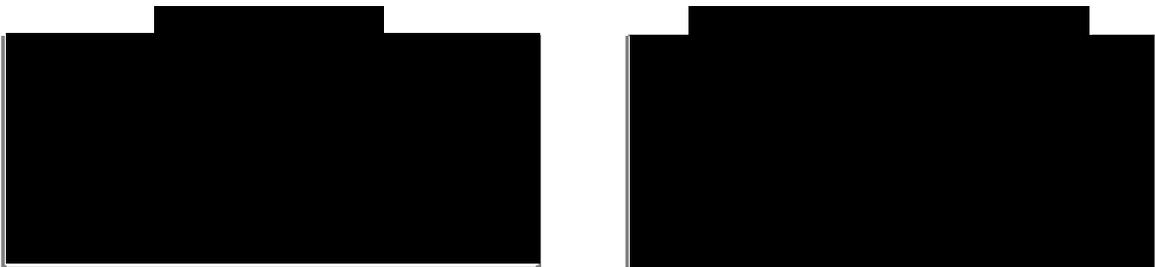
Source: DOJ OIG (left and right photos) and BOP After Action Review Report – Escape USP Atwater, California (center photo)

On May 12, 2017, an inmate escaped from USP Atwater, defeating each perimeter fence, including the DeTekion lethal/non-lethal fence. BOP conducted an After Action Review and, as part of that work, determined that modifications needed to be made to the lethal/non-lethal fence to prevent a similar type of escape.

On September 26, 2017, the BOP awarded contract DJBP0700NASS3B20001 to DeTekion for \$3.2 million to modify the existing DeTekion lethal/non-lethal fences at nine USPs. The contract's statement of work identified the need for three modifications to the lethal/non-lethal fences. The first deliverable, which was already installed at USP Lee, was to modify the lethal/non-lethal fence by changing [REDACTED]. The second deliverable was to modify [REDACTED], as shown in Figure 2, which [REDACTED].

Figure 2

Comparison of [REDACTED]

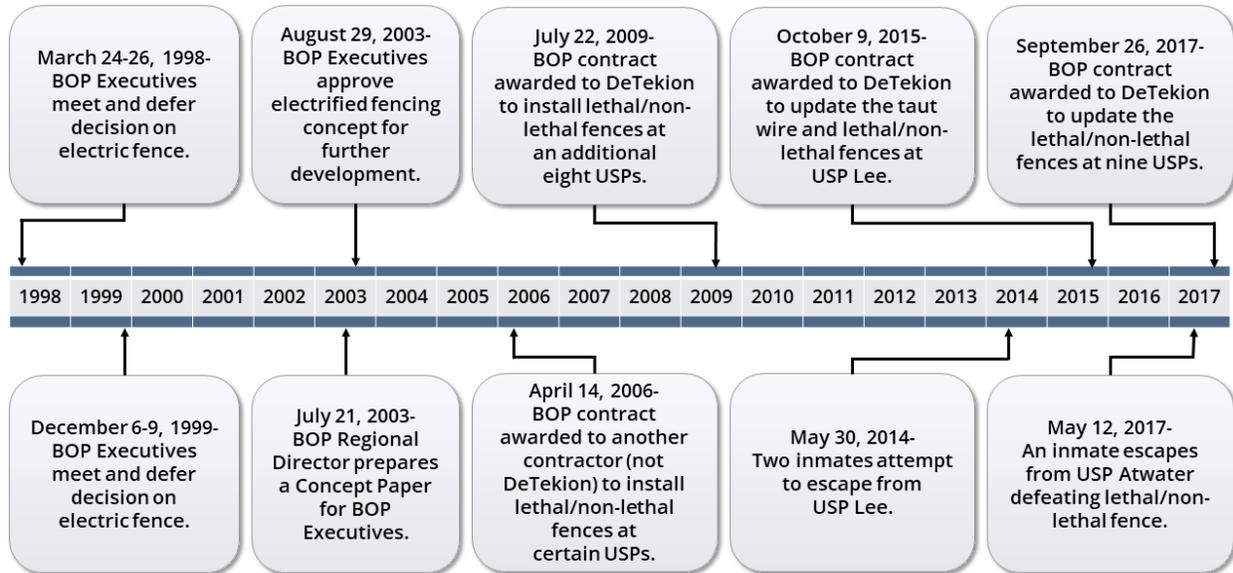


Source: DOJ OIG

The third deliverable was to install software

In Spring 2018, the BOP Director made the decision to rescind the third deliverable based on his concerns regarding USP staff safety. DeTekion completed the updates to the fences in April 2019. Figure 3 provides an illustrative timeline of the fence-related events noted above.

Figure 3
Timeline of Significant Events Related to the Use of Lethal/Non-Lethal Fences



Source: OIG depiction based upon review of BOP documentation.

OIG Audit Approach

Given the USP Atwater escape, the OIG initiated an audit to assess the BOP's perimeter security strategy as it relates to its use of DeTekion lethal/non-lethal fences, including its response to the escape event and its contract with DeTekion to upgrade the fences. Specifically, our audit objectives were to: (1) evaluate BOP's perimeter security strategy incorporated at the nine USPs that have lethal/non-lethal fences installed by DeTekion, (2) evaluate BOP and contractor efforts on the design of the lethal/non-lethal fences installed at the nine USPs during the initial and current contract actions, (3) evaluate BOP's price analysis of the fence upgrade contract, and (4) assess BOP's oversight of the fence upgrade contract with DeTekion.⁵

⁵ This report's evaluation of the BOP's perimeter security strategy does not include an assessment of the BOP's efforts to detect and deter unmanned aircraft systems from entering BOP prison grounds. The DOJ OIG issued a report in September 2020, on the Department's efforts to protect BOP facilities against threats posed by unmanned aircraft systems, <https://oig.justice.gov/reports/audit-department-justices-efforts-protect-federal-bureau-prisons-facilities-against-threats>.

In conducting our audit, we tested compliance with what we consider to be the most important conditions of the contract action. Unless otherwise stated in our report, the criteria we used to evaluate compliance are contained in internal BOP policies and procedures and the Federal Acquisition Regulation (FAR). We interviewed key BOP headquarters employees, including senior officials from the BOP's Administration Division, Correctional Programs Division, and Facilities Management Branch, as well as former and current Contracting Officers and Contracting Officer's Representatives (COR). Additionally, we conducted fieldwork at the following sample of facilities covered by the September 2017 contract with DeTekion: USP Yazoo (Yazoo City, Mississippi), USP Lee (Pennington Gap, Virginia), and USP Beaumont (Beaumont, Texas). At these locations, we interviewed BOP personnel, reviewed information, and observed the perimeter fences, including ongoing contract work if it was being performed at the same time as our fieldwork. We also reviewed relevant documentation, including contract award and oversight documents, BOP technical design guidelines, After Action Review reports, and other internal BOP policy documents. In addition, we conducted work at DeTekion's headquarters in Vestal, New York, including interviews with key individuals and a review of contractor documentation. Appendix 1 contains further details on our audit objectives, scope, and methodology.

AUDIT RESULTS

We identified weaknesses in the BOP's perimeter security efforts and strategy related to its use of lethal/non-lethal fences. Specifically, we found that the BOP lacked national policies addressing various elements of its perimeter security strategy, and it did not take adequate action to ensure that perimeter security deficiencies identified and addressed at one BOP institution did not also exist at other, similarly-situated institutions. Moreover, the BOP did not evaluate the potential for vulnerabilities with similar perimeter security features at other BOP facilities following the USP Atwater escape other than those where the contracted work was performed. In addition to the weaknesses in the BOP's perimeter security strategy, we identified several deficiencies in the contracting process related to the \$3.2 million contract to update the DeTekion lethal/non-lethal fences at nine USPs. For instance, the BOP did not have evidence that the Contracting Officer performed an adequate price proposal analysis to determine whether the contract had a fair and reasonable price. Also, we believe the BOP did not utilize the most cost advantageous contract type, and we estimated that the BOP paid over \$900,000 in additional profit on this Firm-Fixed-Price contract because the project took significantly less time to complete than proposed. Moreover, we found that the Contracting Officer failed to modify the contract and seek an equitable adjustment upon the decision not to incorporate the contract's third deliverable that the former COR inappropriately directed the contractor to not perform, and that the current COR performed actual work on the contract.

BOP Perimeter Security Strategy

It is critical that the BOP has a comprehensive and effective perimeter security strategy for its USPs to prevent inmate escapes that would endanger public safety. As detailed in the following sections of this report, we identified several weaknesses related to elements of the BOP's perimeter security efforts. For example, in 2015 the BOP updated the DeTekion lethal/non-lethal fence at one USP to address a vulnerability in the system but did not make the same update at the other eight USPs with the same fence until after the May 2017 USP Atwater escape. Further, following the USP Atwater escape, the BOP did not properly notify USPs about the vulnerabilities with the lethal/non-lethal fence, which heightened the risk of another potential escape. We also found that the BOP either lacks or has outdated national policies on several elements of its perimeter security strategy, such as the control of the lethal/non-lethal fence mode of operation, the use of perimeter patrol vehicles, and the review of perimeter security aspects and design. Moreover, we believe that the BOP should evaluate the potential for other BOP facilities to have similar perimeter security vulnerabilities.

The BOP Should Take Steps to Ensure that Perimeter Security Deficiencies Identified at One USP Do Not Also Exist at Other USPs

As mentioned, on May 30, 2014, there was an escape attempt at USP Lee. According to BOP documentation, two inmates defeated the DeTekion taut wire fence at USP Lee [REDACTED]

However, one of the inmates

got tangled in the barbed wire of the inner perimeter fence and was spotted by the perimeter patrol. The second inmate was lying on the ground between two of the perimeter fences, and the two inmates were apprehended prior to them reaching the DeTekion lethal/non-lethal fence.

According to USP Lee personnel, deficiencies in the USP Lee perimeter fences allowed the inmates to defeat the taut wire fence and potentially the lethal/non-lethal fence. The BOP's After Action Review report recommended that USP Lee make improvements to both the taut wire and lethal/non-lethal fences. As a result of the noted deficiencies and recommended actions, a contract was awarded to DeTekion to update the taut wire and lethal/non-lethal fences at USP Lee.

Specifically, the contract called for DeTekion to install [REDACTED] without setting off an alarm. The contract also called for DeTekion to modify the lethal/non-lethal fence by changing [REDACTED]

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While the BOP made changes to USP Lee's fences to address deficiencies identified by the 2014 escape attempt, the BOP did not make changes to the taut wire or lethal/non-lethal fences at the other USPs with the same fences, despite the fact that the BOP's perimeter security strategy includes the use of these fences to prevent escapes. BOP management officials told us that they were not sure why the updates at USP Lee were not incorporated at the other eight USPs with the same lethal/non-lethal fence but stated funding issues may have precluded such updates from being done. In a subsequent meeting, one of the BOP's technical experts on the lethal/non-lethal fence told us that he recommended the same updates be done at the other eight USPs, but that he was told the BOP did not have sufficient funding to complete the work.

On May 12, 2017, approximately 3 years after the USP Lee escape attempt, an inmate escaped from USP Atwater after defeating multiple security measures, including the four layers of perimeter fencing at the USP. Specifically, the inmate climbed the taut wire and inner perimeter fences, and then ascended the fence post of the lethal/non-lethal fence by using [REDACTED]

[REDACTED] According to the BOP's After Action Review report, several weaknesses were identified that contributed to the escape. During interviews, BOP officials told us human error was the primary contributing factor to the escape, and the report identifies several missteps on the part of BOP employees at the facility. However, the report also states that there were design issues related to the lethal/non-lethal fence and also describes how the inmate was able to [REDACTED]. In addition to the After Action Review report, the BOP also recorded a reenactment of the escape scenario.

⁶ The updates made to both fences at USP Lee were previously presented in Figure 1.

We reviewed the After Action Review report and the video reenactment and found that the fence deficiency identified at USP Atwater was similar to recommended lethal/non-lethal fence modification work that was performed at USP Lee following the attempted escape at that institution. Specifically, the modification work at USP Lee included installing [REDACTED]. [REDACTED] Similarly, the subsequent escape at USP Atwater involved the inmate using [REDACTED] the DeTekion lethal/non-lethal fence, which had not been modified in any way in the wake of the USP Lee escape attempt and resulting fence modifications.

We discussed with BOP officials the BOP's failure to make updates to all DeTekion fences following the USP Lee escape attempt. One official stated that the perimeter fences at USPs should be similar and any upgrades should be done at all USPs to ensure consistency. Another official echoed these thoughts by telling us this particular update to the lethal/non-lethal fence following the USP Lee escape attempt should have been done at all USPs with similar lethal/non-lethal fences.

The BOP is responsible for ensuring that its perimeter security apparatus prevents inmate escapes and protects the public from harm. Accordingly, we believe that when the BOP receives notice that a USP's perimeter security may be ineffective, such as following an escape attempt at an institution, the BOP should make a comprehensive assessment of whether any changes or modifications need to be made to the perimeter security at all USPs. Therefore, we recommend that the BOP establish and implement a policy to require officials to review all institution-specific design changes to perimeter security features to determine if the design change is necessary at other institutions.

The BOP Should Improve Internal Communication Regarding Potential Perimeter Security Vulnerabilities

In August 2018, we conducted fieldwork at USP Yazoo, which was scheduled to have the DeTekion fence upgrades performed in early 2019. USP Yazoo officials were aware that an escape had occurred at USP Atwater, but they had not seen the USP Atwater After Action Review report or the reenactment video. These officials were also unaware that a contract had been awarded to DeTekion to update USP Yazoo's lethal/non-lethal fence.

The fact that USP Yazoo officials were unaware of vulnerabilities with its lethal/non-lethal fence and the contract to make updates to its fence is concerning. For nearly a year, USP Yazoo was operating under the assumption that its lethal/non-lethal fence had no known vulnerabilities. This fact is even more concerning because USP Yazoo was built in 2015 – after the BOP's decision to use lethal/non-lethal fences rather than staff perimeter guard towers. As a result, USP Yazoo was built without any perimeter guard towers, except for the required rear gate and center towers, which limited the options available to mitigate any lethal/non-lethal fence vulnerabilities. For instance, USP Yazoo could not make a

decision to staff perimeter guard towers during fence updates because such towers did not exist.

BOP officials stated that the normal line of communication is for BOP Central Office in Washington, D.C., to communicate with the six BOP Regions, which, in turn, communicate with the USPs in their respective jurisdictions. According to the former Correctional Services Administrator, in June 2017 he held a conference call with the six Regional Correctional Service Administrators (RCSA). He told us that the purpose of the call was to discuss security-related matters following the USP Atwater escape. In particular, he said the discussion covered, among other topics, control tower staffing, false positive alarms related to the taut wire fence, and BOP's Two-Hour Watch Program.⁷ However, he did not indicate that the conversation included a discussion about the lethal/non-lethal fence vulnerabilities, and no documentation exists related to the topics covered during the meeting. One of the RCSAs we interviewed remembered this particular conference call, but told us that the lethal/non-lethal fence vulnerabilities were not discussed and that the call focused on the taut wire fence's audible alarm. This RCSA also told us that he was unaware of the lethal/non-lethal fence vulnerabilities and did not know a contract had been awarded to upgrade the DeTekion lethal/non-lethal fences. As a result, this RCSA would not have passed along the relevant information about the lethal/non-lethal fences to the USPs in the RCSA's region.

In September 2018, we alerted BOP headquarters officials of our concern that those USPs where the fences had not yet been updated were at a greater risk of a potential inmate escape due to not being aware of the vulnerabilities with the lethal/non-lethal fence. In response, the Acting Correctional Services Administrator held a video conference with the six RCSAs to discuss the escape at USP Atwater but stated that he did not discuss the specific vulnerabilities with the lethal/non-lethal fence. This official followed up that discussion with a memorandum dated September 20, 2018, which copied the Wardens of the USPs whose lethal/non-lethal fences had not yet been updated.⁸ While the memorandum emphasized the importance for USP staff to continue following established security procedures, it did not address the specific vulnerabilities in the lethal/non-lethal fence or factors that contributed to the escape. Similar to the June 2017 call with RCSAs discussed above, the BOP could not provide any minutes or notes from the video conference to confirm whether these details were discussed.

While we were conducting work at USP Lee in December 2018, USP officials told us that they recently had been informed of the vulnerabilities in the lethal/non-lethal fence and the subsequent contract award, which included additional upgrades that they had not yet received. These officials noted that this was the first time they had been made aware of these matters. As a result, USP Lee had been

⁷ The Two-Hour Watch Program is an accountability measure for inmates who have a lengthy history of escape or require additional supervision. During the course of the day, these inmates are responsible for reporting to a staff member every 2 hours during the prescribed reporting times.

⁸ At this particular time, the lethal/non-lethal fences had not been updated at four USPs: (1) USP Beaumont, (2) USP Big Sandy, (3) USP Lee, and (4) USP Yazoo.

operating under the assumption that its lethal/non-lethal fence was working as intended for over a year before knowing differently.

We also discussed the BOP's information sharing efforts with USP Beaumont officials who told us that its current administration (which did not arrive at USP Beaumont until February 2019) was unable to locate any information that would have been shared regarding the lethal/non-lethal fence vulnerabilities.

Given that a key part of the BOP's mission is to protect the public's safety by confining federal offenders in correctional facilities, we believe it is critical that the BOP ensure that its institutions are aware of matters potentially affecting the ability of the BOP to protect the public's safety.⁹ To help mitigate the risk of additional escapes, the BOP should have ensured that all appropriate stakeholders, including USPs with DeTekion lethal/non-lethal fences, were aware of the specific lethal/non-lethal fence vulnerabilities related to the USP Atwater escape. We recommend that BOP executive management establish a formalized policy for sharing pertinent, important information pertaining to perimeter security issues and vulnerabilities to the necessary personnel at all potentially affected institutions.

The BOP Should Thoroughly Analyze Perimeter Security Designs Prior to Implementation

According to the USP Atwater After Action Review report, the inmate who escaped alleged that he [REDACTED]. The report further states that apparently the inmate's [REDACTED] was not sufficient to trigger the fence into lethal mode. The report also notes that the inmate explained that he was [REDACTED] the lethal/non-lethal fence [REDACTED].

Although some BOP officials told us that their understanding was that the [REDACTED] on the lethal/non-lethal fence were [REDACTED], we could find no reference to this information in any of the design materials provided to us. In addition, a DeTekion employee who was performing the lethal/non-lethal fence upgrades pursuant to the audited contract told us that the [REDACTED] may have been expected to prevent an inmate from scaling over the lethal/non-lethal fence, [REDACTED] would not prevent all USP inmates from [REDACTED]. Moreover, in viewing the USP Atwater escape reenactment video, [REDACTED].

⁹ BOP's mission is to "protect society by confining offenders in the controlled environments of prisons and community-based facilities that are safe, humane, cost-efficient, and appropriately secure, and that provide work and other self-improvement opportunities to assist offenders in becoming law-abiding citizens."

[REDACTED]
[REDACTED], we believe that the BOP should have noted, during the original design of the fence, that there was a potential [REDACTED] and, in turn, should have ensured the fence would still operate as intended with that design. The USP Atwater escape revealed this design deficiency in the DeTekion lethal/non-lethal fences. When asked if the DeTekion lethal/non-lethal fence should be free of defects, a senior official from BOP's Administration Division told us that the BOP believed the product would be effective, but that obviously this conclusion was wrong. He added that because BOP accepted the "fence, design, and all," it was BOP's responsibility to fix it.

While we acknowledge that the inmate who escaped was [REDACTED] [REDACTED] may have resulted in the individual being able to defeat the security features of the fence, we believe that BOP officials need to consider the potential universe of its inmate population when planning elements of its security posture. This should account for the diverse characteristics of the BOP inmate population that could impact the intended operability of security features. Therefore, we recommend the BOP establish adequate controls that ensure its personnel perform a thorough analysis, including the use of subject matter experts, when making changes to or implementing new perimeter security features and designs.

BOP's Policies and Guidelines Related to Perimeter Security Need Improvement

The BOP's policies related to perimeter security matters are contained within several documents, including the Correctional Services Manual, Facilities Operations Manual, Correctional Services Staffing Guidelines, and Technical Design Guidelines (TDG). However, we found that not all elements of the BOP's perimeter security strategy are addressed in these policies and some guidance needs to be updated or clarified.

Lack of Policy on Appropriate Lethal/Non-Lethal Fence Operating Mode

The lethal/non-lethal fence can operate in various modes. The TDG for the lethal/non-lethal fence lists [REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

However, when we inspected a lethal/non-lethal control module at DeTekion, we found that the actual operating mode switch had [REDACTED]
[REDACTED]⁰ We confirmed with DeTekion that this switch is the same one used at all nine USPs with

10 [REDACTED]
[REDACTED]

DeTekion lethal/non-lethal fences. The following is a photograph of the switch taken at DeTekion.

Figure 4

Lethal/Non-Lethal Fence Operating Mode Settings



Source: DOJ OIG

While the TDG mentions various modes in which the fence is capable of operating, a DeTekion executive stated that the lethal/non-lethal fences at USPs are only programmed to operate in [REDACTED]. These programmed modes, however, are not consistent with the modes listed above in the TDG. [REDACTED] is not included in the TDG, leaving BOP staff to guess or assume its meaning and purpose. More importantly, the BOP does not provide guidance on the expected mode to which the lethal/non-lethal fence should be set. When talking to BOP officials, the lethal/non-lethal fence has always been described as delivering a shock the first time the fence is touched and then delivering a lethal electric shock the second time it is touched [REDACTED]. However, we found that there is no policy that clearly identifies the proper operating mode of the lethal/non-lethal fence.

Moreover, we found that some BOP officials were unaware that the fence had varying levels of functionality and that it could be set to operate in different modes. A senior BOP official was unaware that a USP could be operating the lethal/non-lethal fence [REDACTED]. For instance, this official within the BOP's Correctional Programs Division believed the ability for the fence to operate [REDACTED] would require a programmatic change to the fence design, not a simple switch. A DeTekion executive stated that changing the mode [REDACTED] could be done by anyone who has keys to access the mode switch or the control room. In addition, the COR told us that although he believed that USPs were expected to operate the fence [REDACTED], each USP could choose to operate the fence in a different mode and he would not know.

It is concerning that the BOP would have a security device capable of deadly force, yet not have a policy providing clear guidance for how it is to be deployed.

The importance of such a policy would be akin to a law enforcement agency's use of force policy that clearly details the circumstances in which such force can be used. In addition, the concern for safety of employees was cited by the former BOP Director as justification for the decision to rescind the software installation modification [REDACTED]

[REDACTED]. We, therefore, recommend that the BOP implement a policy clearly designating the required operating mode of the lethal/non-lethal fence, authorized instances when the mode should be changed, and who is authorized to change the mode. In addition, we recommend that the BOP enhance oversight of its perimeter security activities by periodically reviewing lethal/non-lethal fence system reports to ensure the fence is operating in accordance with the newly implemented policy.

Policy Deficiencies Related to Perimeter Patrol Vehicles

As part of its perimeter security efforts, the BOP utilizes perimeter patrol vehicles to patrol and monitor the outside perimeter of an institution. BOP staff in the perimeter patrol vehicles are responsible for, among other tasks, acknowledging and clearing fence alarms, conducting visual checks of the fences from outside the perimeter, and confronting individuals accessing USP grounds outside of the perimeter.

We found perimeter patrol guidance in the BOP's Correctional Services Manual and the BOP's Correctional Services Staffing Guidelines. The Correctional Services Manual establishes a minimum number of authorized perimeter patrol vehicles for low and medium security facilities; perimeter patrol vehicles at high security facilities, including USPs, are not addressed in this document. We would have expected this manual to provide guidance regarding perimeter patrol vehicles at all types of facilities, including USPs, and a senior official from the BOP's Correctional Programs Division was uncertain why the manual does not. The BOP's 2016 Correctional Services Staffing Guidelines address perimeter patrol vehicles at USPs and states that [REDACTED] at USPs with a lethal/non-lethal fence. In turn, this document authorized USPs without a lethal/non-lethal fence to use [REDACTED] to supplement fully staffed guard towers.

Neither the Correctional Services Manual nor the Correctional Services Staffing Guidelines provide guidance for circumstances that should necessitate using extra perimeter patrol vehicles, such as periods when the fence system is not fully operational or during emergency situations. We believe that because guidance is scattered amongst documents and is incomplete, USPs are at risk for not understanding the expectation related to this aspect of perimeter security. To ensure that all facilities fully understand the BOP's perimeter patrol expectations, we recommend that the BOP Correctional Services Manual include policy on the required number of perimeter patrol vehicles at all types of institutions. The BOP also needs to establish policy on circumstances necessitating changes to the required number of perimeter patrol vehicles.

Lack of Policy Regarding the Roving Alarm Notification System

Another perimeter security tool the BOP uses is the Roving Alarm Notification System (RANS). The RANS interfaces with the taut wire and lethal/non-lethal fences so that when a fence is alarmed, an audible alarm is transmitted to the RANS, including the system's hand-held radios. According to a senior BOP official, these hand-held radios should be in the possession of USP staff in [REDACTED]. This allows the [REDACTED] staff to respond to the alarmed area without requiring [REDACTED] personnel. While BOP policy and guidelines discuss setting up the RANS to operate with the control system and required testing of the RANS, we could not find any BOP policy discussing the expected assignment and usage of the RANS hand-held radios.

The After Action Review report associated with the 2014 escape attempt at USP Lee recommended that the RANS hand-held radios be [REDACTED], as well as be issued to staff [REDACTED] indicating that the hand-held radios were not being used by [REDACTED] staff during the escape attempt. Further, the After Action Review report conducted after the 2017 escape at USP Atwater stated that a RANS hand-held radio had not been issued to [REDACTED] staff, and that the RANS hand-held radios had not been enabled to receive notification when the taut wire fence was alarmed. The report concluded that if [REDACTED] staff had an operational RANS hand-held radio, [REDACTED] staff would have responded to the specific area where the inmate alarmed the taut wire fence. In light of the USP Lee and USP Atwater escape-related events and the associated issues with RANS hand-held units, we are concerned that the BOP has not established a policy on the required assignment and use of these radios and recommend, therefore, that such a policy be implemented.

Lack of Policy on Routine Institutional Assessments

The BOP conducts institutional assessments to review and test critical areas of concern, including perimeter security, at USPs. The assessments are performed according to the BOP's Institutional Assessment Guidelines, which provide a structured template of the many functional areas and topics to be reviewed, such as emergency operations plans, breaching plans, and physical security vulnerabilities. Most of these topics include important perimeter security strategy matters, including perimeter access and barriers, aspects of perimeter patrol, standards for razor wire placement at slow-down fences, and radio communication. These assessments can be helpful to monitor and assess perimeter security aspects at USPs to ensure any areas for improvement are identified and acted upon to better secure facilities. However, we identified several weaknesses related to the assessments.

Prior to the May 2017 USP Atwater escape, these assessments were only conducted at the request of a Warden, with approval from the respective Regional Director and Assistant Director of the Correctional Programs Division. After the USP Atwater escape, the BOP initiated assessments of USPs with the goal of evaluating all USPs by October 2019.

We interviewed BOP's Chief of Emergency Preparedness, reviewed the content of the Institutional Assessment Guidelines, analyzed six assessment reports from USPs with DeTekion lethal/non-lethal fences, and compared the Institutional Assessment Guidelines to USP Victorville's assessment report.¹¹ We found:

- Certain perimeter security strategy aspects, such as the RANS, were not included in the Institutional Assessment Guidelines and were inconsistently covered in the assessment reports we reviewed.
- The reports varied widely in content and structure and some lacked certain perimeter security strategy aspects, such as usage of perimeter patrol vehicles.
- 35 line items within the Institutional Assessment Guidelines containing important perimeter security strategy aspects were not addressed in the USP Victorville report.

In addition, although the reports highlight suggestions and recommendations for improvement within the reviewed facility, we were not provided evidence or policy that BOP headquarters requires USPs to respond to and act upon recommendations. Moreover, although the BOP recently launched a specific initiative to perform assessments at all USPs, there is no policy on the performance of these assessments after the completion of this initiative.

Without routine oversight and accountability, vulnerabilities in the BOP's perimeter security strategy can go unmitigated. The importance of ensuring that perimeter security standards are maintained is to help keep employees, inmates, and the public safe by reducing the risk of injury and escape. To improve oversight of USPs and ensure proper attention is given to adequately securing facilities, we recommend that the BOP consider developing a national policy requiring assessments of USPs on a prescribed regular basis. We also recommend that the BOP improve its institutional assessment process to ensure the Institutional Assessment Guidelines are comprehensive of all necessary perimeter security aspects, the assessment reports are consistent in form and content, and the reviewed facilities are required to respond to any recommendations in the assessment reports.

Outdated Technical Design Guidelines

The BOP establishes Technical Design Guidelines (TDG) to document the minimum standards and specifications for the design and technical operation of various aspects of its institutions. The BOP has a TDG for the lethal/non-lethal fence and a TDG for the taut wire fence. A senior official from the BOP's Facilities Management Branch stated that all USPs should be operated according to the minimum standards included in the TDGs, and the BOP uses these TDGs for new construction and implementation.

¹¹ Of the six assessments that we received from the BOP that were conducted at USPs having a DeTekion lethal/non-lethal fence, the USP Victorville report was the most recently completed.

The current TDGs for both fences are dated September 2011. Many critical modifications and design changes to the perimeter fences deemed necessary to help prevent escapes have taken place since 2011, specifically the changes resulting from the attempted escape at USP Lee in 2014 and the escape from USP Atwater in 2017. These changes included [REDACTED]

[REDACTED] Because these changes have not been incorporated into the TDGs, we are concerned that the construction of any new USP or an existing USP having its taut wire fence or lethal/non-lethal fence updated may not be built to current standards that address escape vulnerabilities.¹² This could result in a higher likelihood of escape and additional costs when modifications have to be made in the future. In October 2019, BOP officials told us that the TDGs are being updated to incorporate updates that have been made to the taut wire and lethal/non-lethal fences. However, these officials were uncertain as to when the revised TDGs would be finalized.

Therefore, we recommend that the BOP evaluate the current taut wire and lethal/non-lethal fences at USPs and ensure the respective TDGs reflect BOP's current perimeter security strategy. In addition, the BOP should routinely review the TDGs to ensure that they reflect the BOP's minimum operational security expectations and reflect updates necessitated by enhancements or modifications.

The BOP Should Evaluate the Potential for Other BOP Facilities to have Similar Perimeter Security Vulnerabilities

[REDACTED] According to BOP and DeTekion officials, these fences operate differently. While the focus of this audit is on specific perimeter security features at certain USPs, we are concerned that there is potential for similar perimeter security vulnerabilities to exist at other BOP facilities. According to BOP officials, the BOP did not evaluate any similar perimeter security features at other BOP facilities following the USP Atwater escape other than those where the contracted work was performed. Therefore, we recommend that the BOP evaluate the potential for there to be other BOP facilities with similar perimeter security vulnerabilities that may need to be addressed.

Other Reportable Observations

As noted above, the contract with DeTekion was awarded in September 2017 with an initial agreed-upon timeline to complete the work by March 2019. In September 2018, we expressed to BOP officials concerns we had for the security of USPs with DeTekion lethal/non-lethal fences that had not yet been updated.¹³ We

¹² [REDACTED] According to a BOP official, there are plans to begin replacing the fences at these USPs with the DeTekion lethal/non-lethal fence.

¹³ At this time, the lethal/non-lethal fence at four of the nine USPs had not yet been updated.

questioned BOP officials about additional security measures that should be implemented to help mitigate the presumed perimeter security vulnerabilities at those locations. In short, BOP officials responded that no additional effort was necessary and the perimeter security of those facilities with unmodified lethal/non-lethal fences was adequate. For example, BOP officials at USPs Lee, Beaumont, and Yazoo indicated that it would have been unnecessary for them to deploy additional perimeter security measures. Officials at one institution told us that its existing security measures, which they stated were in compliance with BOP's Correctional Services Manual, were sufficient and no additional mitigating security measures were necessary for their small prison population. They added that implementing [REDACTED] which is the number BOP guidance indicated were necessary for USPs without lethal/non-lethal fences – would result in incurring overtime costs because of staffing shortages.

In addition, BOP officials generally attributed the USP Atwater escape to local BOP staff shortcomings, namely that employees there were not following the established processes and fully carrying out their responsibilities. Other officials indicated that the BOP has the necessary procedures in place to prevent inmate escapes. Further, we were told by a senior official within the Correctional Programs Division that if USP staff follow the established processes, the BOP's perimeter security measures are sufficient without needing a lethal/non-lethal fence, as it is a *supplemental* security measure, and that the BOP went years without a lethal/non-lethal fence and did not have any escapes. Moreover, BOP officials stated that the contracted-for updates to the DeTekion fences were not considered a necessity and that it would have been fine for the fences to remain as is without the updates.

We believe that it is significant that BOP officials allowed institutions to remain with known vulnerabilities in their perimeter fence systems for a significant period of time. The last facility was updated in April 2019, nearly 2 years after the completion of the After Action Review of the USP Atwater escape. While we acknowledge the BOP's position that human error contributed to the USP Atwater escape, it does not negate the fact that an important aspect of the BOP's perimeter security strategy for USPs included effective lethal/non-lethal fences. Moreover, the previous sections of this report highlight various weaknesses in the BOP's implementation of an effective perimeter security strategy, such as insufficient policies and inadequate response to and communication of escape-related incidents. Therefore, we believe the BOP could benefit from conducting a review of its overall perimeter security strategy and policies related to the use of lethal/non-lethal fences, including staffing and other requirements necessary to complement the use of these fences and for contingency purposes when vulnerabilities are identified.

BOP Contract Responsibilities

The BOP's reliance on its current perimeter security strategy and need to have a fully functioning and reliable lethal/non-lethal fence resulted in the BOP awarding a \$3.2 million contract to DeTekion to update lethal/non-lethal fences at nine USPs after the escape at USP Atwater. We examined certain BOP contracting

responsibilities for the \$3.2 million contract and determined that the BOP did not adhere to the Federal Acquisition Regulation (FAR) and was deficient in several areas related to the pre-award contract process as well as contract administration and oversight. Specifically, we found that the BOP did not conduct and document an adequate price proposal analysis in its fair and reasonable price determination memorandum, and we believe the BOP did not utilize the most cost advantageous contract type. In addition, the former Contracting Officer was unaware that BOP program officials had inappropriately de-scoped work on the contract and, as a result, did not complete a bilateral modification and equitable price adjustment in a timely manner. Finally, the initial Contracting Officer's Representative (COR) exceeded the established authority and violated the FAR by directing the contractor to modify the contract, and the current COR assisted in the completion of work that DeTekion was paid to complete.

The BOP Should Improve its Efforts to Obtain Services at Fair and Reasonable Prices

The contract BOP awarded to DeTekion was a Firm-Fixed-Price, sole-source contract. A Firm-Fixed Price contract provides for a price that is not subject to any adjustment on the basis of the contractor's cost experience in performing the contract.¹⁴ This contract type places upon the contractor maximum risk and full responsibility for all costs and resulting profit or loss. It also provides maximum incentive for the contractor to control costs and perform effectively, while imposing a minimum administrative burden upon the contracting agency. Although a Firm-Fixed-Price contract provides lower risk to the federal government, particularly in the area of potential unforeseen cost escalations, using this contract type makes it imperative that the federal government adequately review price proposals and perform thorough Independent Government Cost Estimates (IGCE) to help ensure the contract price proposed by the bidder is not unnecessarily inflated and that taxpayer dollars are not wasted.

The FAR states that Contracting Officers shall purchase supplies and services from responsible sources at fair and reasonable prices.¹⁵ The FAR further states that a Contracting Officer may use price analysis, cost analysis, and/or cost realism analysis to establish a fair and reasonable price.¹⁶ For this contract action, the BOP Contracting Officer prepared an Award Determination Memorandum that included a fair and reasonable price determination, and this document was included in the contract file. However, after reviewing the Award Determination Memorandum and the contract file, we determined that the BOP could not provide adequate documentation that the Contracting Officer had performed sufficient work to determine whether the award price was fair and reasonable. As summarized below, this conclusion is based upon our assessment of the Contracting Officer's work; we

¹⁴ FAR 16.202-1 – *Firm-Fixed-Price Contracts*

¹⁵ FAR 15.402(a) – *Pricing Policy*

¹⁶ FAR 15.402(a)(3) – *Pricing Policy*

were unable to interview this individual about the work because they had left the BOP before we completed our assessment. Specifically, we assessed that:

- The Contracting Officer did not receive or document sufficient evidence to support the conclusion that higher wage rates were necessary due to the workers requiring specialized training;
- The Contracting Officer did not adequately document a review of the contractor's estimate that the contracted work was expected to take 60 days at each location, which also affected the amount paid for labor and travel at each location;
- The Contracting Officer did not document a review of the proposed equipment costs; and
- The Contracting Officer used an unsupported IGCE to help support the fair and reasonable price determination.

Undocumented Price Proposal Analysis for Higher Wage Rates

DeTekion's price proposal identified costs separately for each of the nine USPs that was to receive the fence upgrades. According to the Award Determination Memorandum, the Contracting Officer reviewed the hourly labor rates included in DeTekion's price proposal for one location. The memorandum stated that the hourly rates for the electrical technicians, ironworkers, and electrical engineer at USP Allenwood were significantly higher than published rates on the Bureau of Labor Statistics' (BLS) website, and that the Contracting Officer requested DeTekion provide information regarding DeTekion's calculation of wages and why the premium wage rates were used. The memorandum does not discuss DeTekion's response to this request. Instead, the memorandum states that the higher wage rates for the ironworkers and technicians were necessitated by the need for specialized training. The BOP provided documentation wherein a DeTekion executive stated that the electrical engineer had very unique skills and was fully acquainted with DeTekion's lethal/non-lethal fence. However, there was no similar documentation supporting the specialized training required of the ironworkers and electrical technicians who would be doing the majority of the contracted work.¹⁷

When visiting a facility while DeTekion was present performing the work on the audited contract, we asked a DeTekion employee if specialized training was necessary to complete the contracted work. The employee stated that specialized training was not needed, and in fact, he said that he would be comfortable with us completing the work after him showing us what to do. Based upon there being no evidence that the workers handling the majority of the contracted work required specialized training along with the DeTekion employee's statements, we believe the Contracting Officer did not receive or document sufficient evidence to support the

¹⁷ The USP Allenwood price proposal shows \$108,800 in labor costs for ironworkers and electrical technicians, while the total proposed labor costs for the electrical engineer is only \$6,432. This significant difference shows that the majority of the contracted work would be done by the ironworkers and electrical technicians.

conclusion that higher wage rates were necessary due to the workers requiring specialized training.

Undocumented Price Proposal Analysis of Expected Completion Times and Inadequate Assessment of Proposed Labor and Travel Costs

According to the price proposal DeTekion submitted, the estimated project cost relied heavily on the amount of time it expected to take to complete the work. For example, not only were the labor costs based upon the expected hours on-site, but the lodging, per diem, and equipment costs were also dependent on the amount of time anticipated to be spent on-site. The BOP's Award Determination Memorandum states that the contracted work was expected to take 60 days at each location. However, neither the memorandum nor the contract file contained an assessment regarding this estimate. Given the overall contract price was primarily driven by the length of time to complete the updates at each site, we would expect the contract file to contain some type of analysis of the amount of time identified by the contractor as required to conduct the work.

During discussions with BOP and DeTekion personnel, we were told that the work at each USP was being completed faster than expected. For example, during a meeting with the COR in August 2018 (after four USPs had already received the fence updates), the COR stated that the work at each USP was taking approximately 2 weeks to complete. Additionally, a DeTekion employee conducting work at USP Lee stated that the physical installation of the fence updates would take 5 days.¹⁸ Finally, a DeTekion employee conducting work at USP Beaumont stated that the initial USPs took approximately 3 weeks, but at the time we spoke with this individual, DeTekion's work was taking approximately 2 weeks to complete.

DeTekion proposed that it would take a total of 13,924 hours of on-site labor to complete the first two contract deliverables. Based on information provided by DeTekion in its daily report logs, we calculated that it only took DeTekion 3,877 hours to complete all of the work related to the two deliverables at all nine locations. As a result, we estimated that DeTekion spent 10,047 fewer hours to complete the first two contract deliverables than proposed, which equated to \$628,057 more in estimated labor costs paid by the BOP that was not incurred by DeTekion.¹⁹

Further, because DeTekion's price proposal included travel costs that were based upon the estimated time on-site, the associated lodging and per diem costs were similarly inflated. We estimated that the shorter period of time to actually complete the work resulted in the BOP paying \$139,528 more than necessary in lodging and per diem costs.

¹⁸ The work at USP Lee only involved the second deliverable of the contract ([REDACTED]) because the first deliverable had already been done at USP Lee following the escape attempt in 2014.

¹⁹ As previously discussed, the third contract deliverable was never completed.

Because DeTekion applied a 10-percent overhead rate and 10-percent profit rate to its costs, we applied the same to these overages. In total, we estimated that DeTekion's actual cost for the first two deliverables was \$921,101, or 67 percent, less than the amounts included in calculating the Firm-Fixed Price contract, which was due to the work taking significantly less time than expected, as shown in Table 1.²⁰

Table 1
Estimated Impact on Certain Contract Cost Elements
Due to Work Taking Less Time than Proposed

Cost Description	Proposed Amount	Estimated Actual Amount	Estimated Difference
On-Site Labor Costs	\$874,169	\$246,112	\$628,057
Lodging and Per Diem Costs	272,432	132,904	139,528
Overhead Cost	114,660	37,902	76,758
Profit	114,660	37,902	76,758
Total	\$1,375,921	\$454,820	\$921,101

Source: OIG analysis of DeTekion's price proposal and daily report logs

Because this award was a Firm-Fixed-Price contract, any cost savings achieved by DeTekion throughout the performance of the contract would add to its profit margin. As noted above, DeTekion's price proposal included profit using a 10-percent multiplier for certain cost elements in the \$3.2 million proposal. However, because of the difference in the contractor's cost due to the work taking significantly less time than estimated, we calculated that the actual profit that DeTekion realized was over \$1 million, which equates to about a 35-percent profit rate.

Had the BOP done a more thorough assessment of the amount of time estimated for each site, the contract award amount may not have been as high and the contractor would have profited at a rate closer to that specified in the proposal. We recommend that the BOP seek a voluntary refund of the estimated \$921,101 in profit in excess of the amount in the award for labor, lodging, and per diem costs.

Inadequate Assessment of Proposed Equipment Costs

During our review of the price proposal, we noted that the first two deliverables included amounts, by location, for certain pieces of equipment, such as ladders, scissor lifts, band saws, and drills. According to the price proposal, the total proposed cost of ladders for all sites was approximately \$14,000, and the total proposed cost for scissor lifts at all sites was approximately \$40,000.²¹ These amounts seemed high given our expectation that the same ladders and scissor lifts would be used at each site. The Contracting Officer's Award Determination Memorandum does not discuss equipment costs, including any assessment of those

²⁰ Our computations are an estimate based upon the information available to us.

²¹ The price proposal listed four ladders and two scissor lifts for each site.

specific costs. Moreover, while the IGCE reflects a total of \$298,448 in estimated equipment costs, there is no documentation supporting this amount.²² Nonetheless, the Contracting Officer concluded that the total contract price was fair and reasonable.

According to the terms of the contract, DeTekion shall make available the records, materials, and other evidence for examination, audit, or reproduction, until 3 years after final payment under the contract. Therefore, we requested DeTekion provide documentation for its ladder and scissor lift costs to compare the actual costs of these items to the proposed costs. A DeTekion executive stated that the company does not separate costs for each job; and as a result, it would be difficult to produce supporting documentation for its actions, such as the purchase of individual equipment items, for this particular contract. DeTekion provided documentation for approximately \$5,000 in ladder and scaffolding costs. However, we could not determine if those expenses were solely used for the work at the nine USPs because the supporting documentation did not include sufficient detail to link the purchase to this contract. DeTekion was unable to provide any supporting documentation for scissor lift costs. A DeTekion executive told us that DeTekion personnel used a scissor lift while at USP Atwater, but that they did not use scissor lifts while at the remaining eight USPs.

We also noted that each equipment line item in the price proposal had an hourly rate, and the proposed equipment costs, in turn, were based upon the expected number of hours spent on-site. As previously noted, the work took significantly less time to complete than proposed. Therefore, the BOP ended up paying more than necessary in equipment costs based upon the equipment cost computation used. We discussed the price proposal's computation of equipment costs with the current Contracting Officer who told us that it is unusual to see proposed equipment costs computed at an hourly rate. Further, this official said that the former Contracting Officer should have asked about the equipment line items. We recommend that the BOP seek a voluntary refund of any excessive profit on equipment costs.

Unsupported Independent Government Cost Estimate

In the Award Determination Memorandum, the Contracting Officer stated that the IGCE and historical pricing data confirmed that DeTekion's submitted price proposal was fair and reasonable. While the contract file included the IGCE, which was prepared in a spreadsheet, there was no documentation to support the amounts reflected in the IGCE. In a subsequent interview with the COR, this individual stated that any detailed numbers that went into the IGCE were calculated on a separate notebook but the information was not retained. A senior official from the BOP's National Acquisitions Branch stated that the BOP does not have any procedures for completing IGCEs, including retaining support for the estimates. However, this official told us that if an IGCE is prepared in a spreadsheet, then there should be documentation to support the numbers in that spreadsheet. We

²² The next section of the report discusses the unsupported IGCE.

also did not find any historical pricing information in the contract file that would have contributed to the IGCE or supported the fair and reasonable price determination.

Deficiencies in Fundamental Contracting Activities

Because this contract was a sole-source, Firm-Fixed-Price award, the BOP Contracting Officer's work to assess the bidder's price proposal takes on greater significance because: (1) there was no competition, which could have induced the bidder to keep costs and prices low; and (2) the BOP's only opportunity to contain costs was during the pre-award phase because the amount BOP would pay the contractor would be definitively set once the contract was signed. In the above sections, we present evidence that the BOP failed to conduct an adequate price analysis, as well as sufficiently document its IGCE. As a result, we concluded that the Contracting Officer did not determine a fair and reasonable price prior to awarding the contract – resulting in the BOP spending significantly more than it would have if a thorough analysis had been conducted.

The results of our review of the contract and the related work also raise concerns with the way the BOP chose to structure the contract given certain award-specific factors, such as the significance the amount of time on-site played in the overall contract price. We believe that the BOP could have opted to use a cost line item in the Firm-Fixed-Price award that would have allowed certain costs – such as lodging and per diem – to be cost reimbursable given the significant factor time on-site played in the overall contract price. With this additional cost reimbursable line item, the BOP would have only paid the actual lodging and per diem costs incurred when the work at each institution took much less time than anticipated. Had the BOP used this option on this award, the BOP would have saved approximately \$167,434.²³ A senior official within the BOP's National Acquisitions Branch agreed that the BOP should have had a separate cost line item for the reimbursement of actual lodging and per diem costs incurred, which would have been more cost advantageous for the BOP.

A Contracting Officer's responsibilities include safeguarding the financial interests of the United States in its contractual relationships. In March 2019, the OIG issued an audit report examining a BOP contract awarded to DeTekion; this previous report highlights similar contract-related deficiencies found during the current audit.²⁴ During the previous OIG audit, we concluded that the BOP did not adequately safeguard the financial interests of the government and may not have received the best value for the installed fence. Specifically, the report discusses a cost element in DeTekion's price proposal that we believe was inappropriate. Upon notifying this BOP Contracting Officer of this cost element and our concern, the BOP

²³ This amount includes the \$139,528 plus 10-percent overhead and 10-percent profit incorporated by DeTekion.

²⁴ DOJ OIG's *Audit of the Federal Bureau of Prisons' Perimeter Security Upgrade Contract for Administrative U.S. Penitentiary Thomson Awarded to DeTekion Security Services, Incorporated*, Audit Report 19-19 (March 2019), www.usdoj.gov/oig/reports/2019/a1919.pdf, (accessed October 4, 2019).

Contracting Officer told us the costs should not have been allowed to be included in the contract award amount, or at least the inclusion of the costs should have been questioned. This previous OIG audit also found that the BOP Contracting Officer relied upon a technically deficient IGCE.

In light of the deficiencies found in the previous and current audits, we believe that the BOP needs to improve its pre-award contracting processes to safeguard the financial interests of the United States. Therefore, we recommend that the BOP establish procedures for ensuring that Contracting Officers conduct appropriately comprehensive price proposal analyses, including properly documenting evaluation of cost line items and expected time to complete the project as well as utilizing more cost advantageous contracting methods that are best suited for the circumstances at-hand. We also recommend that the BOP reiterate to its Contracting Officers the FAR requirement to safeguard the financial interests of the United States in its contractual relationships and ensure its Contracting Officers are aware of the newly established procedures related to price proposal analyses. Lastly, we recommend that the BOP develop procedures on the expectations for completing IGCEs and documenting the work done to support them, and ensure those preparing IGCEs are aware of these expectations.

BOP Contracting Officers Should Seek Equitable Adjustments to Contracts in a Timely Manner

A Contracting Officer's Representative (COR) assists in the technical monitoring or administration of a contract.²⁵ The FAR states that a COR does not have the authority to make any commitments or changes that affect price, quality, quantity, delivery, or other terms and conditions of the contract nor in any way direct the contractor or its subcontractors to operate in conflict with the contract terms and conditions.²⁶ These restrictions on the COR's scope of authority were also enumerated in the initial COR's Appointment Letter for this particular contract.

According to a BOP official, during the contract period of performance, the former BOP Director decided not to implement the third contract deliverable, citing safety concerns for the correctional officers as justification for the decision. The third deliverable of the contract was to modify [REDACTED]

[REDACTED] In turn, a senior official from the BOP's Facilities Management Branch directed the initial COR to tell DeTekion not to perform work associated with that portion of the contract. As a result, in May 2018 the initial COR directed DeTekion not to complete the third deliverable.

In June 2018, prior to our knowledge that a decision had been made to abandon the third deliverable of the contract, we spoke to the former BOP Contracting Officer who was responsible for contract award and administration. During this discussion, we asked about modifications to the contract, but the former

²⁵ FAR 1.604 – *Contracting Officer's Representative (COR)*

²⁶ FAR 1.602-2(d)(5) – *Responsibilities*

BOP Contracting Officer did not mention the contract being modified to remove the third deliverable. In October 2018, after having talked to other BOP personnel who informed us of the change in direction for the third deliverable, we spoke with the current BOP Contracting Officer who acknowledged having just recently become aware that the third deliverable was no longer being completed. This official further said that a bilateral modification to the contract should be completed because the change involves a significant piece of the contract not being performed. Approximately 6 months later, in April 2019, we followed up with the current BOP Contracting Officer about the contract modification. The BOP Contracting Officer told us that a modification had still not been completed nor had an equitable adjustment been negotiated with DeTekion because the COR had not sent a revised statement of work.

The FAR states that Contracting Officers shall negotiate in the shortest practicable time all equitable adjustments resulting from change orders.²⁷ Although we discussed the change in the scope of work with BOP contracting officials in October 2018, we are concerned that the BOP had not officially modified the contract nor sought an equitable adjustment 6 months later. A senior official from the BOP's Administration Division told us that the modification should have been made shortly after the decision was made not to incorporate the third deliverable, which should have been no later than May 2018. On July 24, 2019, after our continued inquiries about the status of the contract modification, the BOP modified the contract by removing the third deliverable and de-obligating \$113,474.²⁸

It took the BOP approximately 15 months from the time the BOP decided not to install the third deliverable to modify the contract and negotiate an equitable adjustment. Therefore, we do not believe the BOP complied with the FAR's requirement to negotiate equitable adjustments in the shortest practicable time. Moreover, the COR should not have directly approached the contractor to make changes to the contract because in doing so this individual was operating outside of the scope of authority for the COR position. We recommend that the BOP reiterates to its Contracting Officers the importance of modifying contracts at the point in time when a change in the scope of work occurs to reduce the risk that a contractor will be overpaid and taxpayer funds will be wasted. We also recommend that the BOP reinforces to its CORs and other oversight officials the FAR guidance that only Contracting Officers have the authority to modify the contract's terms and conditions.

The BOP Should Restrict Contracting Officer's Representatives from Completing a Contractor's Work

We were on-site at USP Lee and USP Beaumont when DeTekion was performing the contracted work. At each site, we observed that USP staff were

²⁷ FAR 43.204(b) – *Definitization*

²⁸ The amount de-obligated represents the amount for eight facilities because DeTekion installed the third deliverable at USP Atwater prior to the BOP deciding it did not want to implement this deliverable. According to BOP officials, DeTekion later reversed the work related to the third deliverable at USP Atwater.

monitoring DeTekion personnel as they completed their work and that the COR was also at one of the sites overseeing the work being done. While we did not visit the other seven USPs, we determined that the BOP had a plan in place to ensure adequate oversight of the contractor's work.

We are concerned with the COR's involvement with the contractor's on-site work. It is commonly understood that a COR tasked with oversight should not be helping the contractor complete work that the government is paying a contractor to perform. Nevertheless, the COR tasked with oversight on this contract assisted DeTekion with completing updates to the lethal/non-lethal fences. During one of our initial interviews with the COR, he told us that he would pitch in and help DeTekion complete work on the lethal/non-lethal fence, including [REDACTED]. In a subsequent meeting with the COR's supervisor, this individual stated that the COR explained that he was not doing actual work on the fence but was moving tools and providing water for DeTekion employees so that he would not appear lazy. However, we corroborated the COR's initial statements to us about doing actual work on the fence through a review of DeTekion's daily report logs, which document the daily work completed while at each USP. According to these report logs, the COR worked on the lethal/non-lethal fence at USP Allenwood and USP Victorville, and this work included predrilling holes on intermediate posts, [REDACTED], and cutting off and repainting areas of the fence posts where [REDACTED].

Senior officials from the BOP's Administration Division, National Acquisition Branch, and Office of General Counsel acknowledged that it was wrong for the COR to perform work that the contractor is being paid to do. Moreover, it is conceivable that the COR could have been injured while performing this work outside the scope of this employee's regular duties and could have faced complications in seeking to recover compensation for such injury.²⁹ Therefore, we recommend that the BOP ensure that its personnel fully understand that they are not to perform any work that has been awarded to a contractor to complete.

In total, using DeTekion's daily report logs and the proposed labor rates for these particular sites, we estimated that the COR worked a total of 42.5 hours at the two USPs that translated to \$2,594 in labor costs from which DeTekion benefited. We believe that the BOP should determine whether DeTekion should provide a refund for the estimated \$2,594 in work that was completed by the COR.

²⁹ The Federal Employees' Compensation Act (FECA), 5 U.S.C. § 8101 *et seq.*, provides compensation benefits for federal employees who suffer disability or death due to personal injury sustained while in the performance of duty. However, FECA, which is the sole remedy against the United States for such work-related injuries or death, requires that the injured party was in the performance of duty when the injury occurred. An employee who was engaged in activity that removed him or her from the scope of employment at the time of injury may have difficulty satisfying the criteria for entitlement to benefits.

CONCLUSION AND RECOMMENDATIONS

We identified weaknesses in the BOP's perimeter security strategy and efforts related to its use of lethal/non-lethal fences and its contracting responsibilities. Specifically, we found that the BOP did not take adequate action to ensure that perimeter security deficiencies identified and addressed at one BOP institution did not also exist at other, similarly-situated institutions. Although the BOP updated the lethal/non-lethal fence at USP Lee following an attempted escape in 2014, the BOP did not make the same update to the other eight USPs with a similar lethal/non-lethal fence. In response to the 2017 USP Atwater escape and identified vulnerabilities with the lethal/non-lethal fence, the BOP awarded a contract to make updates to similar lethal/non-lethal fences – one of those being the same update that was done at USP Lee following the attempted escape 3 years prior.

We also found that following the USP Atwater escape, BOP officials did not adequately communicate the lethal/non-lethal fence deficiencies to other USPs with the same fence, and this insufficient communication heightened the risk of another potential escape. We also found that the BOP either lacks or has outdated national policies on several elements of its perimeter security strategy, such as the control of the lethal/non-lethal fence mode of operation, the use of perimeter patrol vehicles, and the review of perimeter security aspects and design. Moreover, we believe that the BOP should evaluate its other facilities to ensure similar vulnerabilities with certain perimeter security aspects do not also exist and need to be addressed.

Regarding the BOP's contract award and administration of the \$3.2 million contract to update the DeTekion lethal/non-lethal fences at nine USPs, we found that the BOP failed to conduct an adequate price proposal analysis, as well as sufficiently document its IGCE. As a result, we concluded that the Contracting Officer did not determine a fair and reasonable price prior to awarding the contract – resulting in the BOP spending over \$900,000 more than it may have if a thorough analysis had been conducted. In addition, we determined that the Contracting Officer did not comply with the FAR by failing to modify the contract and seek an equitable adjustment in a timely manner. The initial COR also acted outside of the scope of authority and violated the FAR by directing the contractor not to complete a portion of the contract. Finally, we found that the current COR assisted DeTekion with the work that the BOP is paying DeTekion to complete.

We recommend that the BOP:

1. Establish and implement a policy to require officials to review all institution-specific design changes to perimeter security features to determine if the design change is necessary at other institutions.
2. Establish a formalized policy for sharing important information pertaining to perimeter security issues and vulnerabilities to the necessary personnel at all potentially affected institutions.

3. Establish adequate controls that ensure its personnel, including subject matter experts, perform a thorough analysis of its perimeter security when making changes to or implementing new features and designs.
4. Implement a policy clearly designating the required operating mode of the lethal/non-lethal fence, authorized instances when the operating mode should be changed, and who is authorized to change the operating mode.
5. Enhance its oversight of perimeter security activities by periodically reviewing lethal/non-lethal fence reports to ensure the fence is operating in accordance with the newly implemented policy referenced in recommendation number 4.
6. Ensure that its Correctional Services Manual includes policy on the required number of perimeter patrol vehicles at all types of institutions and implement a policy on the circumstances necessitating changes to the required number of perimeter patrol vehicles.
7. Establish a policy on the required assignment and use of RANS hand-held radios.
8. Consider developing a national policy requiring institutional assessments of USPs on a prescribed, regular basis.
9. Improve the institutional assessment process by ensuring the Institutional Assessment Guidelines are comprehensive and include all necessary perimeter security aspects, ensuring the assessment reports are consistent in form and content, and requiring reviewed facilities to respond to any recommendations in the assessment reports.
10. Evaluate the current taut wire and lethal/non-lethal fences at USPs and ensure the respective Technical Design Guidelines reflect the BOP's current perimeter security strategy.
11. Routinely review the Technical Design Guidelines to ensure they reflect the BOP's minimum operational security expectations and reflect updates necessitated by enhancements or modifications.
12. Evaluate the potential for there to be other BOP facilities with similar perimeter security vulnerabilities that may need to be addressed.
13. Seek a voluntary refund of the estimated \$921,101 in profit in excess of the amount in the award for labor, lodging, and per diem costs, as well as any excessive profit on equipment costs.
14. Establish procedures to ensure Contracting Officers conduct appropriately comprehensive price proposal analyses, including properly documenting its evaluation of cost line items and expected time to complete a project, as well as what contract type is best suited for the circumstances at-hand.

15. Reiterate to Contracting Officers the FAR requirement to safeguard the financial interests of the United States in its contractual relationships and ensure its Contracting Officers are aware of the newly established policy related to price proposal analyses referenced in recommendation number 14.
16. Develop procedures on the expectations for completing adequate IGCEs, including that contract files contain sufficient documentation supporting IGCEs, and ensure those preparing IGCEs are aware of the expectations.
17. Reiterate to its Contracting Officers the importance of modifying contracts at the point in time when a change in the scope of work occurs to reduce the risk that a contractor will be overpaid and taxpayer funds will be wasted.
18. Reiterate to its CORs and other oversight officials the FAR guidance that only Contracting Officers have the authority to modify the contract's terms and conditions.
19. Ensure that BOP personnel fully understand that they are not to perform any work that has been awarded to a contractor to complete.
20. Determine whether DeTekion should repay the estimated \$2,594 in work that was completed by the COR.

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

The objectives of this audit were to: (1) evaluate the Federal Bureau of Prisons' (BOP) perimeter security strategy incorporated at the nine USPs that have lethal/non-lethal fences installed by DeTekion Security Systems, Incorporated (DeTekion); (2) evaluate BOP and contractor efforts on the design of the lethal/non-lethal fences installed at the nine U.S. Penitentiaries (USP) during the initial and current contract actions; (3) evaluate BOP's price analysis of the fence upgrade contract; and (4) assess BOP's oversight of the fence upgrade contract with DeTekion.

Scope and Methodology

The scope of our audit focused on the perimeter security efforts of the nine USPs that have a DeTekion lethal/non-lethal fence, as well as the contract awarded in September 2017 to DeTekion to upgrade the lethal/non-lethal fences at the nine USPs. To accomplish our objectives, we interviewed key BOP headquarters employees, including senior officials from the BOP's Administration Division, Correctional Programs Division, and Facilities Management Branch, as well as former and current Contracting Officers and Contracting Officer's Representatives. We also reviewed relevant BOP policy and guidance related to perimeter security, including the Correctional Services Manual, Facilities Operations Manual, Correctional Staffing Guidelines, Technical Design Guidelines, and other perimeter security-related documentation such as After Action Review reports. In addition, we reviewed BOP's contract documentation, including the award document, Award Determination Memorandum, and Independent Government Cost Estimate, as well as relied upon applicable requirements in the Federal Acquisition Regulation (FAR). Further, we conducted fieldwork at a judgmental sample of three USPs – USP Yazoo (Yazoo City, Mississippi), USP Lee (Pennington Gap, Virginia), and USP Beaumont (Beaumont, Texas). At these locations, we interviewed BOP and DeTekion personnel and observed work being done on the lethal/non-lethal fence.³⁰ Finally, we conducted work at DeTekion's headquarters in Vestal, New York, including interviews with key employees and a review of contractor documentation.

We assessed BOP's perimeter security strategy and determined if BOP officials properly awarded, administered and conducted contract oversight in accordance with federal regulations and internal policies.

Statement on Compliance with Generally Accepted Government Auditing Standards

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a

³⁰ We conducted fieldwork prior to DeTekion being on-site to complete updates to the lethal/non-lethal fence at USP Yazoo. Therefore, while on-site we interviewed USP Yazoo personnel and observed the original lethal/non-lethal fence.

reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Internal Controls

In this audit we performed testing, as appropriate, of internal controls significant within the context of our audit objectives. A deficiency in internal control design exists when a necessary control is missing or is not properly designed so that even if the control operates as designed, the control objective would not be met. A deficiency in implementation exists when a control is properly designed but not implemented correctly in the internal control system. A deficiency in operating effectiveness exists when a properly designed control does not operate as designed or the person performing the control does not have the necessary competence or authority to perform the control effectively.³¹

As noted in the Audit Results section of this report, we identified deficiencies in the BOP's internal controls that are significant within the context of the audit objectives and based upon the audit work performed that we believe adversely affect the BOP's ability to ensure that an appropriate perimeter security strategy is implemented and that its award and administration of contracts is adequate to properly safeguard the financial interests of the United States. Specifically, we found that the BOP did not take adequate action to address perimeter security deficiencies upon identification of the deficiencies, did not adequately communicate certain lethal/non-lethal fence deficiencies to other USPs with the same fence, and either lacks or has outdated national policy on several elements of its perimeter security strategy.

As it relates to its contracting activities, we found that the BOP failed to conduct an adequate price proposal analysis, sufficiently document the Independent Government Cost Estimate, and seek an equitable adjustment in a timely manner. As a result, we concluded that the BOP may not have properly safeguarded the financial interests of the United States. In particular, we estimated that the systemic deficiencies in BOP's price proposal analysis resulted in the BOP spending over \$900,000 more than it would have if a thorough analysis had been conducted.

Compliance with Laws and Regulations

In this audit we also tested, as appropriate given our audit objectives and scope, selected transactions, records, procedures, and practices, to obtain reasonable assurance that BOP's management complied with federal laws and regulations for which noncompliance, in our judgment, could have a material effect on the results of our audit. Our audit included examining, on a test basis, BOP's

³¹ Our evaluation of the BOP's internal controls was not made for the purpose of providing assurance on its internal control structure as a whole. BOP management is responsible for the establishment and maintenance of internal controls. Because we are not expressing an opinion on the BOP's internal control structure as a whole, this statement is intended solely for the information and use of the BOP. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

compliance with the following laws and regulations that could have a material effect on BOP's operations:

- FAR Subpart 1.602 – *Responsibilities*
- FAR Subpart 1.604 – *Contracting Officer Representative*
- FAR Subpart 15.402 – *Pricing Policy*
- FAR 16.202-1 – *Firm-fixed-price contracts*
- FAR 43.204(b) – *Definitization*

This testing included interviewing BOP personnel, assessing internal control procedures, and examining BOP and DeTekion contract-related documentation.

As noted in the Audit Results section of this report, we found that the BOP did not comply with the FAR. Specifically, we found that the BOP did not conduct and document an adequate price proposal analysis to determine a fair and reasonable price, did not complete an equitable price adjustment in a timely manner, and inappropriately directed the contractor not to complete a portion of the contract.

THE FEDERAL BUREAU OF PRISONS' RESPONSE
TO THE DRAFT AUDIT REPORT



U.S. Department of Justice

Federal Bureau of Prisons

Office of the Director

Washington, D.C. 20534

August 26, 2020

MEMORANDUM FOR JASON R. MALMSTROM
ASSISTANT INSPECTOR GENERAL
FOR AUDIT

FROM:


Gene Beasley
Deputy Director

SUBJECT:

Response to the Office of Inspector General's (OIG) Formal Draft Report: Audit of the BOP's Perimeter Security Strategy and Efforts Related to the Contract Awarded to DeTekion Security Systems, Incorporated, to Update the Lethal/Non-Lethal Fence at Nine U.S. Penitentiaries

The Bureau of Prisons (BOP) appreciates the opportunity to provide a response to the Office of the Inspector General's above-referenced report. Therefore, please find BOP's responses to the recommendations below:

Recommendations:

Recommendation 1: Establish and implement a policy to require officials to review all institution-specific design changes to perimeter security features to determine if the design change is necessary at other institutions.

Initial Response: The BOP agrees with this recommendation. The BOP will establish and implement a policy to require officials to review all institution-specific design changes to perimeter security features to determine if the design change is necessary at other institutions.

Recommendation 2: Establish a formalized policy for sharing important information pertaining to perimeter security issues and vulnerabilities to the necessary personnel at all potentially affected institutions.

Initial Response: The BOP agrees with this recommendation. The BOP will establish a formalized policy for sharing important information pertaining to perimeter security issues and vulnerabilities to the necessary personnel at all potentially affected institutions.

Recommendation 3: Establish adequate controls that ensure its personnel, including subject matter experts, perform a thorough analysis of its perimeter security when making changes to or implementing new features and designs.

Initial Response: The BOP agrees with this recommendation. The BOP will establish adequate controls that ensure its personnel, including subject matter experts, perform a thorough analysis of its perimeter security when making changes to or implementing new features and designs.

Recommendation 4: Implement a policy clearly designating the required operating mode of the lethal/non-lethal fence, authorized instances when the operating mode should be changed, and who is authorized to change the operating mode.

Initial Response: The BOP agrees with this recommendation. The BOP will implement a policy clearly designating the required operating mode of the lethal/non-lethal fence, authorized instances when the operating mode should be changed, and who is authorized to change the operating mode.

Recommendation 5: Enhance its oversight of perimeter security activities by periodically reviewing lethal/non-lethal fence reports to ensure the fence is operating in accordance with the newly implemented policy referenced in recommendation number 4.

Initial Response: The BOP agrees with this recommendation. The BOP will enhance its oversight of perimeter security activities by periodically reviewing lethal/non-lethal fence reports to ensure the fence is operating in accordance with the newly implemented policy referenced in recommendation number 4.

Recommendation 6: Ensure that its Correctional Services Manual includes policy on the required number of perimeter patrol vehicles at all types of institutions and implement a policy on the circumstances necessitating changes to the required number of perimeter patrol vehicles.

Initial Response: The BOP agrees with this recommendation. The BOP will ensure that the Correctional Services Manual includes policy on the required number of perimeter patrol vehicles at all types of

institutions and implement a policy on the circumstances necessitating changes to the required number of perimeter patrol vehicles.

Recommendation 7: Establish a policy on the required assignment and use of RANS hand-held radios.

Initial Response: The BOP agrees with this recommendation. The BOP will establish a policy on the required assignment and use of RANS hand-held radios.

Recommendation 8: Consider developing a national policy requiring institutional assessments of USPs on a prescribed, regular basis.

Initial Response: The BOP agrees with this recommendation. The BOP will consider developing a national policy requiring institutional assessments of USPs on a prescribed, regular basis.

Recommendation 9: Improve the institutional assessment process by ensuring the Institutional Assessment Guidelines are comprehensive and include all necessary perimeter security aspects, ensuring the assessment reports are consistent in form and content, and requiring reviewed facilities to respond to any recommendations in the assessment reports.

Initial Response: The BOP agrees with this recommendation. The BOP will improve the institutional assessment process by ensuring the Institutional Assessment Guidelines are comprehensive and include all necessary perimeter security aspects, ensuring the assessment reports are consistent in form and content, and requiring reviewed facilities to respond to any recommendations in the assessment reports.

Recommendation 10: Evaluate the current taut wire and lethal/non-lethal fences at USPs and ensure the respective Technical Design Guidelines reflect the BOP's current perimeter security strategy.

Initial Response: The BOP agrees with this recommendation. The BOP will evaluate the current taut wire and lethal/non-lethal fences at USPs and ensure the respective Technical Design Guidelines reflect the BOP's current perimeter security strategy.

Recommendation 11: Routinely review the Technical Design Guidelines to ensure they reflect the BOP's minimum operational security expectations and reflect updates necessitated by enhancements or modifications.

Initial Response: The BOP agrees with this recommendation. The BOP will routinely review the Technical Design Guidelines to ensure they reflect the BOP's minimum operational security expectations and reflect updates necessitated by enhancements or modifications.

Recommendation 12: Evaluate the potential for there to be other BOP facilities with similar perimeter security vulnerabilities that may need to be addressed.

Initial Response: The BOP agrees with this recommendation. The BOP will evaluate the potential for there to be other BOP facilities with similar perimeter security vulnerabilities that may need to be addressed.

Recommendation 13: Seek a voluntary refund of the estimated \$921,101 in profit in excess of the amount in the award for labor, lodging, and per diem costs, as well as any excessive profit on equipment costs.

Initial Response: The BOP agrees with this recommendation. The BOP will seek a voluntary refund of the estimated \$921,101 in profit in excess of the amount in the award for labor, lodging, and per diem costs, as well as any excessive profit on equipment costs.

Recommendation 14: Establish procedures to ensure Contracting Officers conduct appropriately comprehensive price proposal analyses, including properly documenting its evaluation of cost line items and expected time to complete a project, as well as what contract type is best suited for the circumstances at-hand.

Initial Response: The BOP agrees with this recommendation. The BOP will establish procedures to ensure Contracting Officers conduct appropriately comprehensive price proposal analyses, including properly documenting its evaluation of cost line items and expected time to complete a project, as well as what contract type is best suited for the circumstances at-hand.

Recommendation 15: Reiterate to Contracting Officers the FAR requirement to safeguard the financial interests of the United States in its contractual relationships and ensure its Contracting Officers are aware of the newly established policy related to price proposal analyses referenced in recommendation number 14.

Initial Response: The BOP agrees with this recommendation. The BOP will reiterate to Contracting Officers the FAR requirement to safeguard the financial interests of the United States in its

contractual relationships and ensure its Contracting Officers are aware of the newly established policy related to price proposal analyses referenced in recommendation number 14.

Recommendation 16: Develop procedures on the expectations for completing adequate IGCEs, including that contract files contain sufficient documentation supporting IGCEs, and ensure those preparing IGCEs are aware of the expectations.

Initial Response: The BOP agrees with this recommendation. The BOP will develop procedures on the expectations for completing adequate IGCEs, including that contract files contain sufficient documentation supporting IGCEs, and ensure those preparing IGCEs are aware of the expectations.

Recommendation 17: Reiterate to its Contracting Officers the importance of modifying contracts at the point in time when a change in the scope of work occurs to reduce the risk that a contractor will be overpaid and taxpayer funds will be wasted.

Initial Response: The BOP agrees with this recommendation. The BOP will reiterate to Contracting Officers the importance of modifying contracts at the point in time when a change in the scope of work occurs to reduce the risk that a contractor will be overpaid and taxpayer funds will be wasted.

Recommendation 18: Reiterate to its CORs and other oversight officials the FAR guidance that only Contracting Officers have the authority to modify the contract's terms and conditions.

Initial Response: The BOP agrees with this recommendation. The BOP will reiterate to CORs and other oversight officials the FAR guidance that only Contracting Officers have the authority to modify the contract's terms and conditions.

Recommendation 19: Ensure that BOP personnel fully understand that they are not to perform any work that has been awarded to a contractor to complete.

Initial Response: The BOP agrees with this recommendation. The BOP will ensure that BOP personnel fully understand that they are not to perform any work that has been awarded to a contractor to complete.

Recommendation 20: Determine whether DeTekion should repay the \$2,594 in work that was completed by the COR.

Initial Response: The BOP agrees with this recommendation. The BOP will determine whether DeTekion should repay the \$2,594 in work that was completed by the COR.

DETEKION SECURITY SYSTEMS, INCORPORATED'S
COMMENTS ON THE DRAFT AUDIT REPORT

DeTekion Security Systems, Inc.



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September 14, 2020

U.S. Department of Justice
500 West Madison Street
Suite 1121
Chicago, IL 60661-312

Attn: [REDACTED]

Re: Draft Report on the Audit of the BOP Contract Awarded to DeTekion to Update the Non-Lethal /Lethal Fence System at Nine USPs

Gentlemen,

I am writing to you concerning the Draft Report on the Audit for the BOP Contract Awarded to DeTekion to Update the Non-Lethal /Lethal Fence System at Nine USPs. In regards to that Draft Report, please note the following.

1. DeTekion Security Systems, Inc. was provided the Draft Report at approximately noon on September 4, 2020 and originally you requested a response by the close of business, September 9th. September 7th was Labor Day so DeTekion Security Systems was only being provided slightly over 2 days to review the Draft Report, review our records on this project, and respond to the Draft Report. The last correspondence with the OIG over 1 year ago so to only provide 2 days to respond to the Draft Report was absurd. By our initial response to the Draft Report DeTekion Security Systems requested more days to review the Draft Report more thoroughly and to respond to the issues raised. After our initial response was received by the OIG, DeTekion was provided until September 16th to make our final response, a time still too short to properly review all the necessary paperwork.
2. The Draft Report states that while the Electro Guard 5000 operates in various modes, there is no policy that clearly identifies the proper operating mode of the Lethal / non Lethal fence". Please note that during the initial installation of the Lethal / Non Lethal fences this issue was thoroughly discussed. It was determined during the initial installation that the Default Mode for all USP facilities would be [REDACTED]. In this mode, the system operates in the [REDACTED]. Upon activation of an alarm, the fence automatically turns to the [REDACTED]. If there is no issue on the fence the control room officer returns to the Default mode of [REDACTED] by simply touching an icon. This sequences was implemented at all USP facilities and the training of the staff at all the USPs was based on this implemented design.
3. The Draft Report states that there are other modes of operation beyond the Default Mode of [REDACTED] as discussed above. Again during the initial installation of the Lethal Non Lethal Fences it was determined that the Electro Guard 5000 could be operated in [REDACTED]. Since it was decided that the Default Mode was [REDACTED] these other modes

can only be accessed by a person with the proper password. This was again discussed during training on the Electro Guard 5000 system.

4. The Draft Report state that “higher wages were necessary due to the workers requiring specialized training”. This is not the case. The wage rates in the price proposal were based on the Davis Bacon Wage Rates for the locale of the USP facility. The wage rates did include the burden of employer taxes such as SS and medicare and employer expenses such as workers compensation. The burdened wage rates were not higher than the published rates on the BLS website. For example, an ironworker at USP Allenwood had a published wage of \$30.02 /hr plus \$28.88/hr fringe for a total of \$58.90/hr. Burdening this cost for employer taxes and other costs at a rate of 28% results in a wage rate of \$75.39/hr, the amount included in the price proposal.

5. The wage rates actually paid to the workers at many facilities were higher than the wage rates in the price proposal. The employees utilized on this project were from New York as we were able to train them the work to be performed. The wage rates in New York are similar to USP Allenwood, a burdened rate of \$75.39 for an ironworker. These New York wages were the wages paid. This resulted in the workers being paid a higher wage than in the price proposal. For example, the wage rates for an ironworker for USP Lee in the price proposal were \$55.35/hr significantly lower than the burdened wage paid to the workers. The wage rates paid to the workers at many facilities were higher than the wages in the price proposal.

6. The travel unit costs paid were higher than the amount shown in the price proposal. The hotel rates shown in the price proposal were based on the GSA rates for the locale of the USP. For example, a hotel at USP Lee was shown at \$95.00 night including all taxes. The actual cost of the hotels were higher than GSA rates. DeTekion Security Systems was not able to obtain the hotels at the GSA published rates and, therefore, the unit hotel cost were higher than in the price proposal.

7. The equipment costs included in the price proposal were reasonable. The unit costs for the various prices of equipment were based on rental costs and the rental costs were previously provided to OIG. The statement that the same scissor lift would be used at each site is not practical. Please remember that the sites were scattered across the entire country from California to Pennsylvania. It would not be realistic to price the cost of such equipment by any other method than by rental at each site.

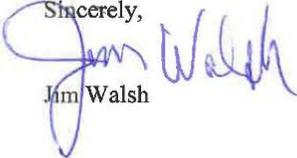
8. The Draft Report states that DeTekion Security Systems proposed it would take a total of 13,924 total hours of an site labor to complete the first two contract deliverables and OIG calculated it only took 3877 hours to complete the work. While DeTekion Security Systems has not had sufficient time to verify these times DeTekion Security Systems disputes their accuracy. For the USP Atwater site DeTekion Security Systems had a total of 1824 hours in our price proposal to complete the first two deliverables. These hours include travel, mobilization and demobilization but exclude project management. Our calculation of the actual hours for the first two deliverables, including travel mobilization and demobilization results in a total of 1454 hours. Based on one site utilizing 1454 hours, we believe your calculation of 3877 hours for 9 sites is significantly off.

9. The Draft Report states that there was no assessment regarding the estimated time to complete the task for the first two contract deliverables. DeTekion Security Systems, Inc.’s price proposal provided sufficient detail as to the time required to complete the task for the first two contract deliverables since the quantity of each deliverable was detailed and the total time required to complete the deliverables was detailed. DeTekion Security Systems, Inc.’s estimated the unit time by a trial at a USP site prior to submitting the price proposal. Please note that hundreds of items were required to be installed by the

first contract deliverable and thousands of items were required to be installed by the second contract deliverable. If these items simply took a couple more minutes to install, the actual time for the installation at USP Atwater would have exceeded the time expected in the price proposal.

Based on Items 4, 5, 6, 7, 8, and 9 above DeTekion Security Systems disputes the statement in the Draft Report that DeTekion Security Systems overcharged the BOP on this contract an amount exceeding \$900,000. With sufficient time, estimated to take 30-45 days, DeTekion Security Systems could provide more documentation to dispute this figure. DeTekion Security Systems also requests additional time simply to review all of the Draft Report. I would be happy to discuss the above items at a mutually convenient time. Please feel free to contact me on this matter.

Sincerely,



Jim Walsh

**OFFICE OF THE INSPECTOR GENERAL
ANALYSIS AND SUMMARY OF ACTIONS
NECESSARY TO CLOSE THE REPORT**

The OIG provided a draft of this audit report to the Federal Bureau of Prisons (BOP). The BOP's response is incorporated in Appendix 2 of this final report. In response to our audit report, the BOP agreed with our recommendations and discussed the actions it will implement in response to our findings. As a result, the status of the audit report is resolved.

Consistent with our usual practice, we also provided a draft of this audit report to the contractor, DeTekion Security Systems, Incorporated (DeTekion). DeTekion provided comments, which are incorporated in Appendix 3 of this final report. None of our recommendations were directed to DeTekion, and DeTekion did not directly address any of the recommendations. Moreover, DeTekion did not identify any technical inaccuracies in the draft report. However, in its comments DeTekion took issue with the length of time that we provided for its review of the draft report. We believe the amount of time provided to DeTekion for its review was adequate in view of the audit's scope, which focused on the BOP's use of lethal/non-lethal fences for its perimeter security strategy and BOP's contract-related activities, not on contractor performance. DeTekion's comments also included statements related to the operating modes of the lethal/non-lethal fence, as well as the labor, travel, and equipment costs incurred as part of the contract. We address DeTekion's comments related to these matters within our analyses of Recommendation 4 and Recommendation 13.

The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendations for the BOP:

- 1. Establish and implement a policy to require officials to review all institution-specific design changes to perimeter security features to determine if the design change is necessary at other institutions.**

Resolved. The BOP agreed with our recommendation.

This recommendation can be closed when we receive evidence that the BOP has established and implemented a policy to require officials to review all institution-specific design changes to perimeter security features to determine if the design change is necessary at other institutions.

- 2. Establish a formalized policy for sharing important information pertaining to perimeter security issues and vulnerabilities to the necessary personnel at all potentially affected institutions.**

Resolved. The BOP agreed with our recommendation.

This recommendation can be closed when we receive evidence that the BOP has established a formalized policy for sharing information pertaining to perimeter security issues and vulnerabilities to the necessary personnel at all potentially affected institutions.

- 3. Establish adequate controls that ensure its personnel, including subject matter experts, perform a thorough analysis of its perimeter security when making changes to or implementing new features and designs.**

Resolved. The BOP agreed with our recommendation.

This recommendation can be closed when we receive evidence that the BOP has established adequate controls that ensure its personnel, including subject matter experts, perform a thorough analysis of its perimeter security when making changes to or implementing new features and designs.

- 4. Implement a policy clearly designating the required operating mode of the lethal/non-lethal fence, authorized instances when the operating mode should be changed, and who is authorized to change the operating mode.**

Resolved. The BOP agreed with our recommendation; therefore, the status of this recommendation is resolved.

In its comments, DeTekion acknowledged that the lethal/non-lethal fences can operate in various modes. DeTekion's comments also indicate that there were discussions about the various operating modes during the initial installation. This implies that, at that time, the BOP made certain determinations about the use of certain operating modes. We do not dispute this information. Rather, our report notes that the programmed operating modes of the lethal/non-lethal fences are not consistent with the operating modes listed in the BOP's Technical Design Guidelines. Moreover, we found that the BOP has not provided guidance on the expected operating mode to which the lethal/non-lethal fence should be set, and that some BOP officials were unaware that the fence had varying levels of functionality and could be set to operate in different modes.

This recommendation can be closed when we receive evidence that the BOP has implemented a policy clearly designating the required operating mode of the lethal/non-lethal fence, authorized instances when the operating mode should be changed, and who is authorized to change the operating mode.

- 5. Enhance its oversight of perimeter security activities by periodically reviewing lethal/non-lethal fence reports to ensure the fence is operating in accordance with the newly implemented policy referenced in recommendation number 4.**

Resolved. The BOP agreed with our recommendation.

This recommendation can be closed when we receive evidence that the BOP has enhanced its oversight of perimeter security activities by periodically reviewing lethal/non-lethal fence reports to ensure the fence is operating in accordance with the newly implemented policy referenced in recommendation number 4.

- 6. Ensure that its Correctional Services Manual includes policy on the required number of perimeter patrol vehicles at all types of institutions and implement a policy on the circumstances necessitating changes to the required number of perimeter patrol vehicles.**

Resolved. The BOP agreed with our recommendation.

This recommendation can be closed when we receive evidence that the Correctional Services Manual includes policy on the required number of perimeter patrol vehicles at all types of institutions, and that the BOP has implemented a policy on the circumstances necessitating changes to the required number of perimeter patrol vehicles.

- 7. Establish a policy on the required assignment and use of Roving Alarm Notification System (RANS) hand-held radios.**

Resolved. The BOP agreed with our recommendation.

This recommendation can be closed when we receive evidence that the BOP has established a policy on the required assignment and use of RANS hand-held radios.

- 8. Consider developing a national policy requiring institutional assessments of U.S. Penitentiaries (USP) on a prescribed, regular basis.**

Resolved. The BOP agreed with our recommendation.

This recommendation can be closed when we receive evidence that the BOP considered developing a national policy requiring institutional assessments of USPs on a prescribed, regular basis. If the BOP develops a national policy, please provide that policy once finalized. If the BOP does not develop a national policy, please provide the rationale for coming to that decision.

- 9. Improve the institutional assessment process by ensuring the Institutional Assessment Guidelines are comprehensive and include all necessary perimeter security aspects, ensuring the assessment reports are consistent in form and content, and requiring reviewed facilities to respond to any recommendations in the assessment reports.**

Resolved. The BOP agreed with our recommendation.

This recommendation can be closed when we receive evidence that the BOP has improved the institutional assessment process by ensuring the Institutional Assessment Guidelines are comprehensive and include all necessary perimeter security aspects, ensuring the reports are consistent in form and content, and requiring reviewed facilities to respond to any recommendations in the assessment reports.

- 10. Evaluate the current taut wire and lethal/non-lethal fences at USPs and ensure the respective Technical Design Guidelines reflect the BOP's current perimeter security strategy.**

Resolved. The BOP agreed with our recommendation.

This recommendation can be closed when we receive evidence that the BOP has evaluated the current taut wire and lethal/non-lethal fences at USPs and ensured the respective Technical Design Guidelines reflect the BOP's current perimeter security strategy.

- 11. Routinely review the Technical Design Guidelines to ensure they reflect the BOP's minimum operational security expectations and reflect updates necessitated by enhancements or modifications.**

Resolved. The BOP agreed with our recommendation.

This recommendation can be closed when we receive evidence that the BOP is routinely reviewing the Technical Design Guidelines to ensure they reflect the BOP's minimum operational security expectations and reflect updates necessitated by enhancements or modifications.

- 12. Evaluate the potential for there to be other BOP facilities with similar perimeter security vulnerabilities that may need to be addressed.**

Resolved. The BOP agreed with our recommendation.

This recommendation can be closed when we receive evidence that the BOP has evaluated the potential for there to be other BOP facilities with similar security vulnerabilities that may need to be addressed.

- 13. Seek a voluntary refund of the estimated \$921,101 in profit in excess of the amount in the award for labor, lodging, and per diem costs, as well as any excessive profit on equipment costs.**

Resolved. The BOP agreed with our recommendation; therefore, the status of this recommendation is resolved.

In its comments, DeTekion "disputes the statement in the Draft Report that [it] overcharged the BOP on this contract..." However, the OIG did not conclude that DeTekion overcharged the BOP. As noted in our report, the award was a Firm-Fixed-Price contract, and we did not find any evidence that DeTekion charged the BOP more than the total award amount. Rather, we

identified weaknesses in the BOP's pre-award contracting actions, including not having done an appropriately comprehensive price proposal analysis. As a result of these weaknesses and as stated in our report, we believe the BOP spent over \$900,000 more than it may have if a thorough analysis had been conducted prior to the execution of the contract.

Regarding the specific concerns DeTekion raised about our methodology for calculating the time taken to perform contract work as well as related to certain labor, travel, and equipment costs, we disagree with each point raised in Appendix 3 and believe that our calculation is a conservative estimate of potential profit in excess of the price proposal. For example, although DeTekion's comments state that the equipment costs included in the price proposal were reasonable and that equipment rental costs were provided to the OIG, we were unable to substantiate the costs provided because DeTekion did not maintain detailed job costing data. DeTekion was unable to provide a complete and verifiable record of its equipment costs related to the contract during our audit. Therefore, we could not calculate any potential excess profit in this area, thus contributing to the conservative nature of our estimate.

Moreover, as noted in our report, DeTekion's price proposal relied heavily on the amount of time DeTekion expected to take to complete the work. As a result, numerous cost categories such as lodging, per diem, and equipment as well as each labor category and the associated wages to be paid were tied directly to the time estimates. Because the work DeTekion performed under the contract took much less time to complete than DeTekion projected, we concluded that the time and cost savings in each of these categories would be significantly impacted.

With respect to DeTekion's contention in its comments to the draft report that with sufficient additional time it could provide documentation to dispute the OIG's finding of an estimated \$921,101 in profit in excess of the amount in the award for labor, lodging, and per diem costs, as well as any excessive profit on equipment costs, the OIG notes that during the audit we discussed our initial analysis with DeTekion, and DeTekion did not disagree with our methodology for analyzing and comparing on-site time or mention paying more for wages. Moreover, as noted previously, DeTekion was unable to provide detailed documentation to support all of its equipment costs because, as DeTekion stated, it did not maintain job costing data. Nevertheless, if DeTekion has evidence to support that its total costs were higher and that it did not receive significantly more profit than anticipated in its price proposal, DeTekion can provide this information to the BOP in response to any requests by the BOP for a voluntary refund of excess profit.

This recommendation can be closed when we receive evidence that the BOP has made a good faith effort to seek a voluntary refund of the estimated \$921,101 in profit in excess of the amount in the award for labor, lodging, and per diem costs, as well as any excessive profit on equipment costs.

- 14. Establish procedures to ensure Contracting Officers conduct appropriately comprehensive price proposal analyses, including properly documenting its evaluation of cost line items and expected time to complete a project, as well as what contract type is best suited for the circumstances at-hand.**

Resolved. The BOP agreed with our recommendation.

This recommendation can be closed when we receive evidence that the BOP has established procedures to ensure its Contracting Officers conduct appropriately comprehensive price proposal analyses, including properly documenting its evaluation of cost line items and expected time to complete a project, as well as what contract type is best suited for the circumstances at-hand.

- 15. Reiterate to Contracting Officers the Federal Acquisition Regulation (FAR) requirement to safeguard the financial interests of the United States in its contractual relationships and ensure its Contracting Officers are aware of the newly established policy related to price proposal analyses refenced in recommendation number 14.**

Resolved. The BOP agreed with our recommendation.

This recommendation can be closed when we receive evidence that the BOP has reiterated to its Contracting Officers the FAR requirement to safeguard the financial interests of the United States in its contractual relationships and also ensure the Contracting Officers are aware of newly established policies related to recommendation number 14.

- 16. Develop procedures on the expectations for completing adequate Independent Government Cost Estimates (IGCE), including that contract files contain sufficient documentation supporting IGCEs, and ensure those preparing IGCEs are aware of the expectations.**

Resolved. The BOP agreed with our recommendation.

This recommendation can be closed when we receive evidence that the BOP has developed procedures on the expectations for completing adequate IGCEs, including that contract files contain sufficient documentation to support the IGCEs, and ensure those preparing IGCEs are aware of the expectations.

- 17. Reiterate to its Contracting Officers the importance of modifying contracts at the point in time when a change in the scope of work occurs to reduce the risk that a contractor will be overpaid and taxpayer funds will be wasted.**

Resolved. The BOP agreed with our recommendation.

This recommendation can be closed when we receive evidence that the BOP has reiterated to its Contracting Officers the importance of modifying contracts at the point in time when a change in the scope of work occurs to reduce the risk that contractors are overpaid and taxpayer funds will be wasted.

18. Reiterate to its Contracting Officer's Representatives (COR) and other oversight officials the FAR guidance that only Contracting Officers have the authority to modify the contract's terms and conditions.

Resolved. The BOP agreed with our recommendation.

This recommendation can be closed when we receive evidence that the BOP has reiterated to its CORs and other oversight officials the FAR guidance that only Contracting Officers have the authority to modify the contract's terms and conditions.

19. Ensure that BOP personnel fully understand that they are not to perform any work that has been awarded to a contractor to complete.

Resolved. The BOP agreed with our recommendation.

This recommendation can be closed when we receive evidence that BOP has reiterated to BOP personnel the importance of not performing any work that has been awarded to a contractor to complete.

20. Determine whether DeTekion should repay the \$2,594 in work that was completed by the COR.

Resolved. The BOP agreed with our recommendation.

This recommendation can be closed when we receive evidence that the BOP has determined whether DeTekion should repay the \$2,594 in work that was completed by the COR. If the BOP determines the \$2,594 should be recovered, the BOP should provide evidence that those funds have been returned. If the BOP determined the money should not be recovered, then the BOP should provide the rationale for coming to that decision.