



UNITED STATES CAPITOL POLICE OFFICE OF INSPECTOR GENERAL

Audit of the United States Capitol Police Security Services Bureau Selected Contracts

Report Number OIG-2018-14

August 2018

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OFFICE OF INSPECTOR GENERAL

PREFACE

The Office of Inspector General (OIG) prepared this report pursuant to the Inspector General Act of 1978, as amended. It is one of a series of audits, reviews, and investigative and special reports OIG prepares periodically as part of its oversight responsibility with respect to the United States Capitol Police (USCP) to identify and prevent fraud, waste, abuse, and mismanagement.

This report is the result of an assessment of the strengths and weaknesses of the office or function under review. Our work was based on interviews with employees and officials of relevant agencies and institutions, direct observation, and a review of applicable documents.

We developed our recommendations based on the best knowledge available to OIG and discussed in draft with those responsible for implementation. It is my hope that the recommendations will result in more effective, efficient, and/or economical operations.

I express my appreciation to those contributing to the preparation of this report.



A handwritten signature in black ink, appearing to read "M. A. Bolton", is positioned above the printed name.

Michael A. Bolton
Acting Inspector General

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Abbreviations and Acronyms

Contracting Officer's Representative	COR
Employment Eligibility Verification	Form I-9
Federal Acquisition Regulation	FAR
General Services Administration	GSA
Office of Inspector General	OIG
	
Security Services Bureau	SSB
Standard Operating Procedure	SOP
United States Capitol Police	USCP or the Department

EXECUTIVE SUMMARY

In accordance with our Fiscal Year 2018 Annual Plan, the Office of Inspector General (OIG) conducted a Performance Audit of the United States Capitol Police (USCP or the Department) Security Services Bureau (SSB) selected contracts. OIG objectives were to determine if the Department (1) established adequate policies and procedures to monitor contractor activities, (2) established effective controls to prevent inefficient contractor practices, (3) and complied with applicable laws, regulations, and guidance pertaining to the management and administration of the selected contracts. Our scope included controls, processes, and operations through March 31, 2018.

SSB had seven contracts totaling \$21.2 million. Of the seven, we selected two contracts to ensure they met the stated objectives. The Department obligated \$2.7 million and \$11.1 million for the contracts, which covered June 30, 2017, through June 29, 2018, and September 1, 2016, through June 30, 2018, respectively.

Overall, SSB had adequate internal controls for the selected contracts and complied with policies and procedures. The Department had adequate internal controls and processes for monitoring contractor activities and preventing inefficient contractor practices. The SSB internal controls ensured consistent monitoring of contracts and proper authorization of payments. The Department complied with policies and procedures related to the contracting process.

This report does not contain any recommendations. OIG did not conduct an exit conference and no further response from the Department was necessary.

BACKGROUND

The Security Services Bureau (SSB) is responsible for the supervision and delivery of security surveys of congressional offices; potential locations for the storage of national security information; design, installation and maintenance of physical security systems; and technical security countermeasures inspections. SSB has two divisions: Physical Security and Technical Countermeasures. The Physical Security Division plans, installs, and maintains security systems throughout the Capitol Complex used to safeguard Members of Congress, staff, visitors, property, and national security information for the legislative branch of the Government.

[REDACTED]

SSB is also a key member in developing the Master Perimeter Security Plan for the Capitol Complex. [REDACTED]

[REDACTED], the plan was designed to meet

the highest security rating. [REDACTED]

SSB uses various contractors to assist in achieving its mission. As of March 31, 2018, SSB had seven contracts totaling \$21.2 million. The contracts provide services such as [REDACTED]

[REDACTED] According to SSB Officials, the Department uses the USCP Interim Guidance: [REDACTED], dated September 20, 2011 to ensure a competitive process for contracts.

OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with our Fiscal Year 2018 Annual Plan, the Office of Inspector General (OIG) conducted this audit to determine if the Department (1) established adequate policies and procedures to monitor contractor activities, (2) established effective controls to prevent inefficient contractor practices, (3) and complied with applicable laws, regulations, and guidance pertaining to the management and administration of the selected contracts.

To accomplish our objectives, we interviewed officials from SSB and reviewed documentation to gain an understanding of the evaluation process in the following areas:

- SSB role with respect to the Master Security Plan
- Contractor support of the Master Security Plan
- Major contractors
- Contract length and scope
- Contract bidding process
- Contract monitoring process
- Steps taken to ensure the security of sensitive information

To determine compliance, we reviewed the following guidance, consisting of USCP Directives, Standard Operating Procedures (SOPs), USCP Bulletins and policies, and industry standards:

- SOP [REDACTED] dated May 14, 2018
- Bulletin [REDACTED] dated February 8, 2018
- USCP [REDACTED], dated February 6, 2018
- Bulletin [REDACTED] dated April 6, 2017

- USCP [REDACTED], dated March 10, 2016
- USCP [REDACTED], dated January 8, 2015
- USCP [REDACTED], dated September 20, 2011

We performed testing to determine compliance with USCP Directives, SOPs, USCP Bulletins, and contractual obligations. Of SSB's seven contracts, we selected a judgmental sample of two contracts to test. One of the contracts was for services, and the second was a combination of services and supplies. The service contracts included the use of contractor employees. From the two sampled contracts, we selected samples of contractor employees to test for various attributes related to the onboarding and payment process. For Contract A,¹ we selected all of the 13 individual contractor employees, and for Contract B, we selected a random sample of 10.

OIG conducted this performance audit in Washington, D.C., from April through August 2018 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence that will provide a 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. This report contains no recommendations. OIG did not conduct an exit conference and no further response from the Department was necessary.

RESULTS

Overall, SSB established adequate policies and procedures for monitoring contractor activities and established effective controls that would prevent inefficient contractor practices. In addition, SSB complied with applicable laws, regulations, and guidance pertaining to the management and administration of the selected contracts.

Adequate Internal Control Procedures and Processes

The Department had adequate internal controls and processes to monitor contractor activities and to prevent inefficient contractor practices. The monitoring process SSB used included reviewing invoices to ensure that sufficient evidence was available to support the contractor's performance. Evidence consisted of contractor timesheets and receipts for materials. To determine whether SSB was monitoring each contract, we conducted testing over payments and verified that SSB maintained proper support, reviewed, and authorized invoices prior to payment. From the 2

¹ For security and privacy reasons, we did not include the names of individual contractors.

contracts, we selected a sample of 15 payments from Contract A and 15 payments from Contract B and then confirmed corresponding evidence for the associated payment. We found no exceptions.

Invoices for Contract A were predominantly related to services completed by contractors. The Department pays the contractors by the hour. For each selected invoice on Contract A, the hours in [REDACTED] supported the hours listed on the invoice. In addition, SSB reviewed and approved each invoice prior to payment. During our initial interview with SSB, officials stated that contractors on Contract A clock in and out using [REDACTED] time clocks. No instances in which a significant (more than 4 hours) difference existed. For those occasional instances in which hours did differ, the amounts were minimal and not considered exceptions. Time differences occurred as a result of rounding issues that accumulate over time. Contractors for Contract A used their own timekeeping system—a system that rounds time to the nearest tenth of an hour—whereas [REDACTED] tracks time to the minute. In addition, the contractors for Contract A keep time on a semi-monthly basis rather than the bi-weekly schedule used in [REDACTED].

Invoices for Contract B were related to both employee time worked and delivered materials. For materials, purchase orders and itemized receipts supporting the cost of that material were available. SSB reviewed and approved the invoices prior to payment. For the portion of the invoices related to time worked, timesheets supported hours reported. Although contractor employees for Contract B did not use [REDACTED], the Contracting Officer's Representative (COR) was able to review the employee time in the contractor's timekeeping system. SSB had appropriate support for the invoices tested as well as controls in place that ensured the invoices had sufficient support prior to payment. In addition, controls were in place that ensured the COR performed a review prior to payment. For both contracts, we verified that the contractors completed work within the timeframe specified in the original contract or within an applicable modification to the contract. We also tested other travel and indirect costs associated with our sample invoices. The Department provided the required supporting documents.

[REDACTED] states, "it is the policy of the USCP to conduct background checks on contractor employees whose duties involve regular, unescorted access to USCP space, property, data, or sensitive materials. A contract clause requiring contractor background checks must be included in each USCP contract." Also according to USCP SOP [REDACTED], dated February 6, 2018, contractors will be screened according to the procedures list in SOP [REDACTED], dated May 14, 2018. That SOP identifies building access card requirements for applicants, which includes contractors. The contractor should complete the applicant portion of form [REDACTED]. Once the contractor completes Form [REDACTED] and the authorized requestor approves, the Badge and Fingerprinting Office completes the criminal background check prior to onboarding. We verified that all parties, without exception, completed the required forms before beginning work.

Contract A required proof of eligibility to work in the United States, while Contract B did not. We requested that SSB provide a U.S. Citizenship and Immigration Services Employment Eligibility Verification (Form I-9) as proof of enrollment with e-Verify supporting the contractor eligibility to work in the United States. Of the 13 contractor employees for Contract A, officials provided 6 Form I-9s. Of the 10 sampled contractor employees for Contract B, none of the employees had Form I-9 documents maintained by SSB. SSB did not provide evidence of e-Verify enrollment. On the [REDACTED], the Authorized Requestor signs and states they "have verified that the applicant is authorized to legally work within the United States." We confirmed that the Authorized Requestor completed the appropriate section for each of the 13 contractor employees for Contract A and each of the 10 sampled contractors for Contract B. The Federal Acquisition Regulation (FAR) e-Verify clause 52.222-54 states that the contractor must "verify employees assigned to the contract. For each employee assigned to the contract, initiate verification within 90 calendar days after date of enrollment or within 30 calendar days of the employee's assignment to the contract." Because the burden for confirming each individual contract employee's eligibility to work in the United States is the contractor's, we did not consider that an exception. The Department should, however, require consistent language in contracts related to proof of eligibility to work in the United States and determine what documentation the COR should maintain relevant to this requirement.

As the [REDACTED] requires, "it is the policy of the USCP to enter into contracts that represent the best value to the USCP to the maximum extent practicable." The Department issued the request for proposal for Technical Security Specialists (Contract A) on August 2, 2016. Contractor A submitted a proposal on August 31, 2016, which the Department subsequently awarded. The Department sent the request for quotation for this requirement directly to seven contractors that SSB previously identified as having the capabilities to perform the requirements of the statement of work. The Department sought competition among any General Services Administration (GSA) firms identified as capable of meeting USCP requirements. The Department received only one quote in response to the request for quotation. SSB officials stated that limited contractors exist with the technical competence to fulfill the contractual obligations. SSB officials also stated that it was unlikely that another firm would have had the available personnel to work on the contract.

The Department issued the request for proposal for Comprehensive Security Services (Contract B) on April 6, 2017. The contract was limited to five companies identified as having the capabilities to meet SSB requirements. However, only one contractor submitted a proposal. The Department subsequently awarded the contract on June 30, 2017.

Conclusions

The Department established adequate policies and procedures for monitoring contractor activities. In each instance reviewed, the Department reviewed and approved all of the invoices prior to disbursing Department funds. The Department established effective controls to prevent inefficient contractor practices. The Department had controls in place that would ensure required

forms were properly completed. The Department did not have FAR contract clause 52.222-54 in Contract B, which would have required that the contractor establish proof of eligibility to work in the United States. Additionally, the Department did not consistently have evidence that the contractor complied with the requirement to establish eligibility for each employee assigned to the contract. We believe that consistently using appropriate contractual language as it relates to authorization to work in the United States and obtaining proof of the requirement would reduce ambiguity related to contractor onboarding.

Compliance with Applicable Laws, Regulations, and Guidance

The Department complied with policies and procedures related to the contracting process. To develop our understanding of the contractual requirements for both Contract A and Contract B, we compared the request for proposal to the original contract. Once we ensured the original contract aligned with the intended purpose of the proposal, we reviewed resumes and compared them against the position descriptions in the contract. We also compared the resumes to the original contract to verify that each employee met the requirements of the contract. For Contract A, we reevaluated contractor requirements to ensure that each individual contractor met the requirements for their position listed in the original contract. We confirmed that all of the 13 contractor employees had the required skills and experience as required in the contract. For Contract B, we compared the resumes to the position descriptions in the contract for the 10 sampled individual contractor employees. Because Contract B did not require resumes for each of the positions, we could only verify resumes for the contractors who filled certain positions with required skills or experience.

To ensure that the Department and contractor employees complied with the contract, we verified that the maximum amount was not exceeded through March 2018. The contract maximum was set at \$8,066,800 over 5 years for Contract A, while Contract B had a maximum of \$9,600,000 annually. For both contracts, the Department did not exceed the obligated amounts set in the original contract and subsequent modifications, and rates listed in the contract were equal to or less than the rates listed with GSA. For both contracts, the agreed-upon rates were less than the rates listed with GSA.

Both contracts required that employees complete a non-disclosure agreement prior to working on the contract. For Contract A, we tested 13 non-disclosure agreements; there were no exceptions. For Contract B, the Department had a non-disclosure agreement on file for our sample of 10 contractors—for which there were no exceptions.

To ensure compliance with Department Bulletin [REDACTED], dated February 8, 2018 and Department Bulletin [REDACTED], dated April 6, 2017, we tested whether each contractor employee completed the required security awareness training for the year in which they worked on the contract. All of the contractor employees for Contract A completed the

required security awareness training as the Department required and all 10 of the sampled contractor employees from Contract B completed their training.


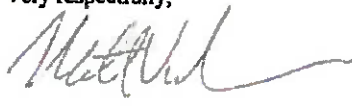
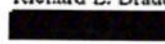
We also verified that the COR on each contract had completed the required training. As the *Federal Acquisition Regulation* Section 1.602-2 dated May 31, 2018, requires, a COR "shall be certified and maintain certification in accordance with the current Office of Management and Budget memorandum on the Federal Acquisition Certification for Contracting Officer Representatives guidance . . . shall be qualified by training and experience commensurate with the responsibilities to be delegated in accordance with agency procedures." Both CORs completed their initial training as well as the required refresher training.

Conclusions

The Department complied with applicable laws, regulations, and guidance pertaining to the management and administration of the selected contracts. This report contains no recommendations. The OIG did not conduct an exit conference and no further response from the Department was necessary.

APPENDICES

DEPARTMENT COMMENTS

	<p>UNITED STATES CAPITOL POLICE OFFICE OF THE CHIEF 110 D STREET, NE WASHINGTON, DC 20510-7216</p>	<p>Form: 202-224-0808</p>
<p>August 10, 2018</p>		
		<p>COP 180567</p>
<p>MEMORANDUM</p>		
TO:	Mr. Michael A. Bolton Acting Inspector General	
FROM:	Matthew R. Verderosa Chief of Police	
SUBJECT:	Response to Office of Inspector General draft report <i>Audit of the United States Capitol Police Security Services Bureau Selected Contracts</i> (Report No. OIG-2018-14)	
<p>The purpose of this memorandum is to provide the United States Capitol Police response to the Office of Inspector General's (OIG) draft report <i>Audit of the United States Capitol Police Security Services Bureau Selected Contracts</i> (Report No. OIG-2018-14).</p>		
<p>The Department would like to thank the Office of Inspector General for conducting this audit on selected contracts within the Security Services Bureau (SSB). I am pleased that the findings of this audit confirm that the internal controls SSB has in place comply with the policies and procedures to ensure consistent monitoring of contracts and proper authorization of payments.</p>		
<p>Thank you for the opportunity to respond to the OIG's draft report. Your continued support of the women and men of the United States Capitol Police is appreciated.</p>		
<p>Very respectfully,</p> 		
<p>Matthew R. Verderosa Chief of Police</p>		
cc:	Steven A. Sund, Assistant Chief of Police Richard L. Braddock, Chief Administrative Officer  USCP Audit Liaison	
<p><small>Nationally Accredited by the Commission on Accreditation for Law Enforcement Agencies, Inc.</small></p>		

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Attn: Office of Inspector General
499 South Capitol St. SW, Suite 345
Washington, DC 20003***



Or visit us:

***499 South Capitol Street, SW, Suite 345
Washington, DC 20003***



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