

U.S. Department of Labor

Office of Inspector General—Office of Audit

**REPORT TO THE OFFICE OF THE
ASSISTANT SECRETARY FOR
ADMINISTRATION AND
MANAGEMENT**



DOL DID NOT EFFECTIVELY MANAGE MOBILE DEVICES AND RELATED TELECOMMUNICATION SERVICES

**DATE ISSUED: SEPTEMBER 26, 2018
REPORT NUMBER: 17-18-003-50-598**



BRIEFLY...

DOL DID NOT EFFECTIVELY MANAGE MOBILE DEVICES AND RELATED TELECOMMUNICATION SERVICES

September 26, 2018

WHY OIG CONDUCTED THE AUDIT

In FY 2016, DOL spent \$2.4 million on mobile devices and related telecommunication services. We were concerned about mobile devices and services because DOL had delegated authority to individual agencies to acquire and manage them. This decentralized approach increased the risks of noncompliance with DOL policies and inefficient use of government funds.

WHAT OIG DID

Given our concerns, we conducted an audit to answer the following question:

Has DOL effectively managed the acquisition, use, and disposal of mobile devices and related telecommunications services?

To answer this question, we reviewed inventories of mobile devices and services between October 2015 and March 2017. We also surveyed DOL component agencies; interviewed DOL officials; and tested agency compliance with policies for the use, acquisition, and disposal of mobile devices.

READ THE FULL REPORT

<http://www.oig.dol.gov/public/reports/oa/2018/17-18-003-50-598.pdf>

WHAT OIG FOUND

DOL had not effectively managed the acquisition, use, and disposal of mobile devices and related telecommunication services. We based this determination on the following:

DOL did not maintain accurate inventory records, or properly secure and dispose of mobile devices. Our testing of FY 2016 mobile device inventories found DOL component agencies reported having 5,267 mobile devices, but the DOL cumulative inventory showed just 4,506. We also found the Mobility Contract Inventory Report that DOL submitted to OMB was inaccurate and incomplete.

Our review of a statistical sample of 250 mobile devices found 51 devices were not secured with the required security software and agencies had not properly disposed of 14 of 15 devices that were no longer in use.

DOL did not acquire mobile devices and services efficiently. In FY 2016, 22 DOL component agencies had 61 separate contracts with 6 different mobile telecommunication carriers, totaling \$2.4 million. We identified 37 telecommunication service plans providing the same services to DOL that varied in price from \$19 to \$65 per line per month. Had DOL paid the lowest rate for all its lines, we estimate it could have saved \$728,237.

OMB Memorandum M-16-20 requires agencies to consolidate all mobile telecommunications contracts into one contract per carrier by September 2018. Based on actions DOL had completed as of July 2018, we are concerned that DOL may not meet the September 2018 deadline.

WHAT OIG RECOMMENDED

We recommended the Assistant Secretary for Administration and Management implement an inventory management system, ensure that mobile telecommunications contracts are consolidated to one contract per carrier, and ensure existing policies and procedures to secure and dispose of mobile devices are consistently followed.

TABLE OF CONTENTS

INSPECTOR GENERAL’S REPORT	1
RESULTS	2
DOL did not maintain accurate inventory records, or properly secure and dispose of mobile devices	2
DOL did not acquire mobile devices and services efficiently	7
OIG’S RECOMMENDATIONS	9
Summary of OASAM’s Response	10
EXHIBIT 1: MOBILE DEVICE INVENTORY COMPARISON	11
EXHIBIT 2: FY 2016 3 RD QUARTER MOBILITY CONTRACT INVENTORY REPORT PLAN COMPARISON	12
APPENDIX A: SCOPE, METHODOLOGY, & CRITERIA.....	13
APPENDIX B: AGENCY’S RESPONSE TO THE REPORT	16
APPENDIX C: ACKNOWLEDGEMENTS	21



INSPECTOR GENERAL'S REPORT

Bryan Slater
Assistant Secretary
for Administration and Management
U.S. Department of Labor
200 Constitution Ave, NW
Washington, DC 20210

This report presents the results of our audit of the Department of Labor's (DOL) management of mobile devices and services.

In Fiscal Year (FY) 2016, DOL spent \$2.4 million on mobile devices and related telecommunication services. We were concerned about mobile devices and services because DOL had delegated authority to individual agencies to acquire and manage them. This decentralized approach increased the risks of noncompliance with DOL policies and inefficient use of government funds.

Given our concerns, we conducted an audit to answer the following question:

Has DOL effectively managed the acquisition, use, and disposal of mobile devices and related telecommunications services?

Based on the results of our audit work, we determined DOL had not effectively managed the acquisition, use, and disposal of mobile devices and related telecommunication services.

Our audit work included reviewing inventories of mobile devices and related telecommunications services between October 2015 and March 2017. We also surveyed DOL component agencies, interviewed DOL officials, and tested agency compliance with policies governing the use, acquisition, and disposal of mobile devices.

RESULTS

DOL had not effectively managed the acquisition, use, and disposal of mobile devices. Based on our audit work, we found:

- DOL did not maintain accurate inventory records, or properly secure and dispose of mobile devices.
- DOL did not acquire mobile devices and services efficiently.

We attributed these deficiencies to DOL's lack of oversight of decentralized processes; inconsistent, outdated, and incomplete policies; and lack of funding to acquire a property management system to manage accountable property, including mobile devices.

Consequently, DOL was unable to leverage its purchasing power to reduce costs; increased the risk of confidential data being compromised; and made itself more vulnerable to mobile devices being misused, lost, or stolen.

DOL DID NOT MAINTAIN ACCURATE INVENTORY RECORDS, OR PROPERLY SECURE AND DISPOSE OF MOBILE DEVICES

DOL DID NOT HAVE A PROPERTY MANAGEMENT SYSTEM AND ITS MOBILE DEVICE INVENTORY WAS INACCURATE AND INCOMPLETE

In our review of DOL's inventory processes, we performed a test of the FY 2016 mobile device inventory by comparing component-agency inventory reports to DOL's cumulative inventory report. We found DOL component agencies reported 5,267 mobile devices, while DOL only reported 4,506 mobile devices (see Exhibit 1). In addition, DOL inventory reports were incomplete because they did not include identifying information for the mobile devices or specify their physical locations. Without this information, DOL cannot properly manage its mobile device inventory.

DLMS 2-100, *DOL Property Management*, dated May 2005, states the Department should utilize an enterprise-wide property management system (EPMS) to record, track, and verify information pertaining to accountable property. DOL took its enterprise-wide property management system out of service in 2013. No replacement system had been implemented, and DOL still

lacked a system that accurately and effectively recorded, maintained, and managed its accountable property inventory, including mobile devices.

According to OASAM officials, DOL took the last enterprise-wide property management system, EPMS 2.0, out of service in 2013 after determining it was not accurately accounting for property. OASAM officials stated one of the problems was that EPMS 2.0 self-generated duplicate inventory entries by either not allowing removal of an item or by randomly reentering a removed item back into the system.

Since the discontinuation of EPMS 2.0, OASAM has been using an internally developed spreadsheet and Structured Query Language database to maintain inventory records. OASAM also conducts an annual inventory certified by DOL agencies' administrative officers.

Our testing identified inconsistencies between the information reported by the agencies and the information reported by DOL. As a result, OASAM was unable to determine with certainty the number of mobile devices that existed within DOL.

Although OASAM stated it provided each agency with a template to record and maintain inventory, we found there were discrepancies between the data presented on the agencies' inventory reports and DOL's inventory report. We found DOL's mobile device inventory only agreed with 3 component agencies' inventory reports. DOL reported 12 agencies had fewer mobile devices than they reported and 7 agencies had more mobile devices than they reported (see Exhibit 1).

DOL had no procedures in place to verify the accuracy of the information reported on the inventory reports provided by the agencies. OASAM officials stated DOL had a process in place to validate the accuracy of the report. However, our walkthrough with OASAM officials disclosed the validation process was only a scan for anomalies in the way in which the data were presented on the inventory reports. There was no reconciliation of data performed and no comparison of the information reported on DOL's report to the agencies' reports.

DOL's FY 2018 budget provided funds to procure a property management system and OASAM is currently working to execute those procurement actions. Until a new system is acquired, OASAM will struggle to manage its mobile device inventory properly.

DOL DID NOT ENSURE ALL MOBILE DEVICES WERE SECURE

From our statistical sample of 250 mobile devices, we found 51 had not been protected with appropriate security software, 63 assigned users had not completed FY 2016 mandatory annual information technology security training, and 120 assigned users had not signed the *Rules of Behavior*. These conditions increased the risk of compromising confidential data if a phone was lost or stolen.

The Office of the Chief Information Officer (OCIO) implemented *Interim Policies and Procedures for Mobile Devices* that established requirements for the security of mobile devices. According to these policies and procedures, devices must be protected by DOL's Mobile Device Management (MDM) system/MAAS360 before being issued to employees. MAAS360 is a mobile device management tool that allows DOL-related business to be conducted securely. MDM/MAAS360 provides DOL the ability to remotely delete data on a lost or stolen mobile device, and allows or restricts access to selected mobile applications. It also features and enforces strong password and device encryption.

The interim policy also required each employee to complete IT Security training, sign DOL's mobile device *Rules of Behavior*, and comply with any necessary mobile device training requirements before being issued a mobile device.

All agencies received the interim policy from DOL. However, due to DOL's decentralized management of mobile devices, each agency was responsible for ensuring their devices were secured with MDM/MAAS360. In addition, OASAM had no policies and procedures in place to ensure or verify if agencies had complied with the interim policies on securing mobile devices.

Not having the required security software on a mobile device increases its security risk. If an unprotected phone is lost or stolen, then sensitive DOL data cannot be remotely deleted from the device. Furthermore, users could have access to prohibited applications, and strong password and encryption standards could not be enforced.

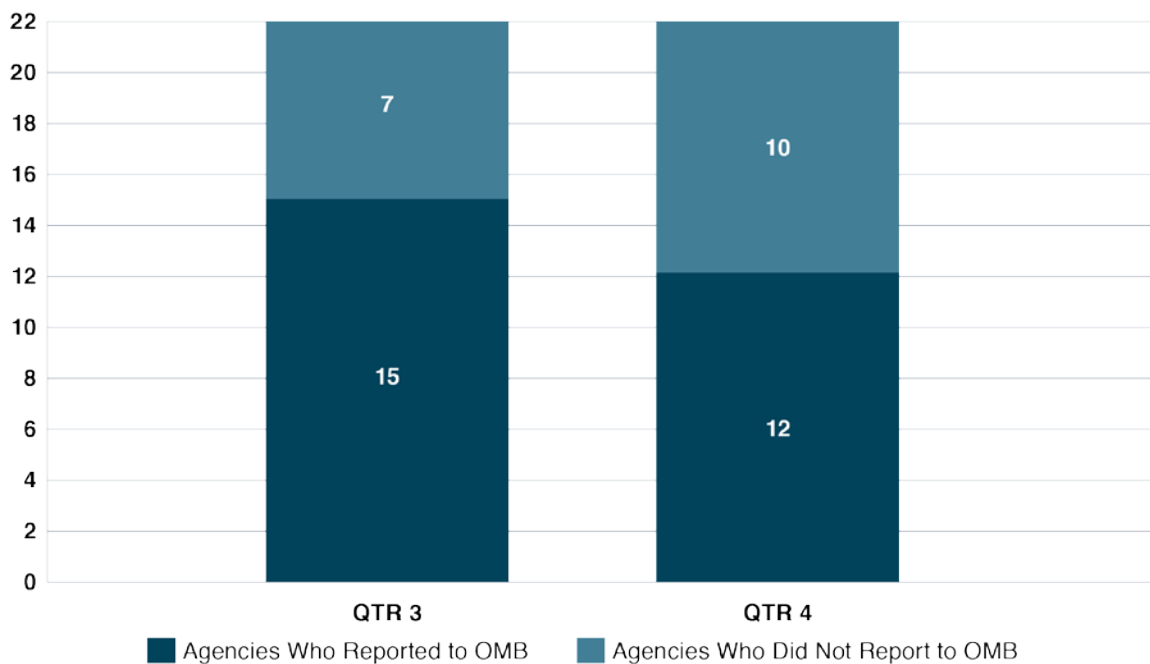
DOL DID NOT SUBMIT A COMPLETE QUARTERLY INVENTORY REPORT TO OMB

OMB M-16-20 required agencies to develop and maintain an enterprise-wide inventory of their wireless service contracts. The inventory was supposed to include purchased services (including quantity of minutes, data, and number of texts), total monthly costs, and actual utilization of the services for each wireless contract. Agencies were supposed to update their service contract inventory and submit the information to OMB quarterly.

OASAM was responsible for requesting required quarterly mobile devices and telecommunication services information from component agencies. Once OASAM received the information, the agency analyzed it, compiled the information into the DOL Mobility Contract Inventory Report, and submitted the report to OMB's Integrated Data Collection (IDC) system.

Based on our analysis, we determined the DOL Mobility Contract Inventory Report was inaccurate and incomplete. We determined that 7 of 22 component agencies did not submit a report to OASAM in quarter 3 of FY 2016, and 10 agencies did not submit a report in quarter 4.

Table 1: Number of DOL Agencies Reporting Mobile Device Usage to OMB in FY 2016



DOL delegated the responsibility of submitting information for the quarterly reports to the component agencies, but did not issue policies and procedures to ensure that all agencies complied with this requirement. Furthermore, OASAM did not verify it had received information from all DOL agencies. After the initial request to component agencies, OASAM made no further requests to component agencies that did not submit data. We requested the FY 2017 OMB quarterly reports submitted by DOL, but Department officials stated DOL did not maintain copies of their submission to OMB, and the individual who prepared the reports had left DOL employment. Department officials attempted to get copies of the report from OMB, but were unsuccessful.

If incomplete and inaccurate information is submitted to the IDC system, then the government will lack information needed to leverage its purchasing power and drive down costs when acquiring mobile devices and services.

DOL DID NOT PROPERLY DISPOSE OF MOBILE DEVICES

Of the 250 mobile devices in our sample, we identified 15 devices in 2 component agencies that were not in use, and 14 of those devices were not disposed of properly.

One component agency had 2 devices with a status of "Pending Surplus." However, the agency could only provide documentation that 1 of the 2 devices was disposed of properly.

Another component agency had 13 devices with a status of "Pending Transfer" or "Pending Surplus." When we requested the DL 1-55 (Transaction Form) for the 13 devices, the agency was unable to provide any documentation. In addition, agency officials stated there were approximately 1,500 additional mobile devices on its FY 2016 inventory report that were not in use. We found the Department of Homeland Security received 200 of those devices as transfers. DOL scheduled the remaining 1300 devices for disposal. However, as of June 2017, a year after scheduling the devices for disposal, they still had not been disposed of or sanitized.

According to DLMS 2-100, component agency Property Management Officers are responsible for maintaining transaction records associated with all disposal of property from their area of responsibility, including mobile devices. Property Management Officers are required to complete Form DL 1-55 or DL 1-55C to document changes to property, including the disposal of mobile devices.

Agency officials stated they disposed of mobile devices using DOL's disposal policies and procedures, yet it was determined they did not follow the policies and procedures required to ensure proper disposal of mobile devices. In addition, DOL policies did not state a timeframe in which property must be disposed; therefore, the agencies did not have definitive requirements to follow. By not properly disposing and sanitizing devices in a timely manner, DOL increased the risk of compromising the data on these devices.

DOL DID NOT ACQUIRE MOBILE DEVICES AND SERVICES EFFICIENTLY

OASAM delegated the responsibility to acquire mobile devices and related telecommunication services to component agencies. We found component agencies had multiple contracts with talk and data plans for essentially the same telecommunication services. As a result, DOL could not leverage its purchasing power to reduce costs, as evidenced by the 37 telecommunications service plans we identified that provided the same services to DOL, but varied in price from \$19 to \$65 per line per month.

We surveyed each DOL component agency regarding its acquisition, use, disposal, and data security of mobile devices and services. Based on the responses, we found 22 DOL agencies spent approximately \$2.4 million on 61 separate contracts with 6 different mobile telecommunication carriers in FY 2016. DOL officials stated that DOL used the Federal Strategic Sourcing Initiative (FSSI), a collaborative process created by the General Services Administration, to consolidate multiple mobile telecommunication contracts across an agency. However, we found only 3 of the 22 agencies used FSSI to acquire mobile devices and services.

In its FY 2016, 3rd Quarter Mobility Contract Inventory Report to OMB, we noted that DOL reported the following (see Exhibit 2):

- 37 telecommunication service plans that included 400 minutes of talk time, unlimited text, and unlimited data that varied in price from \$19 to \$65 per line per month;
- 19 telecommunication service plans that included 600 minutes of talk, unlimited text, and unlimited data that varied in price from \$45 to \$72 per line per month; and

- 4 telecommunication service plans for unlimited talk, text, and data that varied in price from \$34 to \$51 per line per month.

We performed an analysis to compare the difference between each plan's actual rate to the lowest rate paid for the plan using the FY 2016 3rd Quarter Mobility Contract Inventory Report. Based on our calculation, we estimated DOL spent \$2,479,312 per year on mobile contract lines. Had DOL paid the lowest contract price for all lines, the total cost would have been \$1,751,075, and the savings of \$728,237 could have been put to better use (see Exhibit 2).

DOL component agencies are required to adhere to DOL's Manual Series (DLMS) 2-700, Telecommunications, dated October 2007, which provides departmental policy regarding the acquisition and management of telecommunication devices and services. DLMS 2-700 states agency-specific telecommunications equipment and services shall be acquired from GSA Consolidated Contracts and/or Commercial sources based upon a documented best value analysis of alternative offers. The Manual also states agencies, in consultation with OASAM, shall acquire telecommunications equipment and services in a manner most cost effective for the government.

OMB Memorandum M-11-29, *Chief Information Officer Authorities*, issued August 8, 2011, states agencies shall pool their purchasing power to drive down costs and improve services. In addition, OMB M-16-20, *Improving the Acquisition and Management of Common Information Technology: Mobile Devices and Services*, issued August 4, 2016, requires agencies to develop a plan to consolidate all minute and data requirements to one contract per carrier by September 30, 2018.

As part of our review, we requested DOL provide us a copy of its plan to consolidate all minute and data requirements to one contract per carrier by September 30, 2018, as required by OMB M-16-20. DOL officials informed us that while DOL did not have a written consolidation plan, it has taken steps to consolidate contracts to one per carrier by the date mandated by OMB.

We met with an agency official to perform a walkthrough of the steps taken to consolidate contracts. In addition, we followed up in July 2018. Based on our walkthrough and follow up, we found DOL could not identify the number of contracts the agency had, the number of contracts converted to new contracts, nor could it identify the number of contracts needing conversion. DOL's inability to provide this information raised concerns it may not meet OMB's September 30, 2018, deadline to consolidate minute and data requirements.

OIG'S RECOMMENDATIONS

We recommend the Assistant Secretary for Administration and Management:

1. Develop and implement a written plan to consolidate all of DOL's minute and data requirements to one contract per carrier using a government-wide acquisition strategy.
2. Use a consolidated approach to keep track of total spending on mobile telecommunication services.
3. Confirm all component agencies submit quarterly mobile data and verify the data before submission to OMB.
4. Develop and implement an inventory management system for mobile devices.
5. Ensure component agencies secure their mobile devices using appropriate security software.
6. Ensure component agencies have employees sign rules of behavior before issuing them mobile devices.
7. Ensure mobile device users complete their required annual security training in a timely manner.
8. Ensure mobile devices are disposed of properly and timely.
9. Maintain documentation related to the disposal and/or transfer of all mobile devices.

SUMMARY OF OASAM'S RESPONSE

The Assistant Secretary for Administration and Management agreed with the OIG's recommendations and believes that management has policies and practices in place that will resolve and enable the OIG to close the recommendations promptly.

OASAM's response to our draft report is included in its entirety in Appendix B.

We appreciate the cooperation and courtesies DOL Agency Officials extended us during this audit. OIG personnel who made major contributions to this report are listed in Appendix C.



Elliot P. Lewis
Assistant Inspector General for Audit

EXHIBIT 1: MOBILE DEVICE INVENTORY COMPARISON

DOL Component Agency	Devices Reported by DOL	Devices Reported by Component Agency	Difference
Adjudicatory Boards	27	29	(2)
Bureau of Labor Statistics	586	684	(98)
Bureau of International Labor Affairs	44	44	0
Employee Benefits Security Administration	172	118	54
Employee and Training Administration	47	403	(356)
Mines Safety and Health Administration	426	475	(49)
Office of Administrative Law Judges	96	65	31
Office of the Assistant Secretary for Administration and Management	304	304	0
Office of Assistant Secretary for Policy	15	18	(3)
Office of the Chief Financial Officer	Not Listed	28	(28)
Office of Congressional and Intergovernmental Affairs	35	35	0
Office of Disability Employment Policy	7	17	(10)
Office of Federal Contract Compliance Programs	11	36	(25)
Office of Labor-Management and Standards	86	13	73
Office of Public Affairs	72	150	(78)
Office of the Secretary	172	100	72
Occupational Safety and Health Administration	547	948	(401)
Office of Workers' Compensation Programs	143	122	21
Office of the Solicitor	40	84	(44)
Veterans' Employment and Training Service	53	76	(23)
Wage and Hour Division	1,594	1,505	89
Women's Bureau	29	13	16
Total	4,506	5,267	(761)

EXHIBIT 2: FY 2016 3RD QUARTER MOBILITY CONTRACT INVENTORY REPORT PLAN COMPARISON

Talk Plan Minutes	Data Plan	Text Plan	Price Variance	Number of Plans in Q3 FY16	Estimated Total Amount Spent on Mobile Contract Lines per year	Estimated Total Amount Spent on Mobile Contract Lines per year (using lowest contract price)	Difference Between Estimated Amount Spent & Estimated Amount Using Lowest Contract Price
100	1 GB	unlimited	\$17.49	1	\$24,136	\$24,136	\$0
300	unlimited	unlimited	\$38.00	1	\$2,736	\$2,736	\$0
300	5 GB	unlimited	\$73.23	1	\$3,515	\$3,515	\$0
400	unlimited	unlimited	\$18.75 – \$64.99	37	\$1,087,296	\$420,075	\$667,221
400	unlimited	unlimited	\$45.99	2	\$17,660	\$17,660	\$0
500	unlimited	unlimited	\$58.00	1	\$2,784	\$2,784	\$0
600	unlimited	unlimited	\$45.00 – \$72.10	19	\$250,919	\$248,400	\$2,519
700	unlimited	unlimited	\$70.60	1	\$13,555	\$13,555	\$0
900	unlimited	unlimited	\$43.99 – \$54.99	2	\$741,804	\$739,032	\$2,772
2400	unlimited	unlimited	\$49.67	1	\$3,576	\$3,576	\$0
Unlimited	unlimited	unlimited	\$33.64 – \$51	4	\$169,967	\$114,241	\$55,725
Unlimited	5 GB	unlimited	\$55.00	1	\$160,380	\$160,380	\$0
Unlimited	2 GB	unlimited	\$81.98	1	\$984	\$984	\$0
				72	\$2,479,312	\$1,751,075	\$728,237

APPENDIX A: SCOPE, METHODOLOGY, & CRITERIA

SCOPE

This report reflects audit work completed at DOL's Headquarters in Washington, DC. Our work covered DOL's inventory of mobile devices and related telecommunication services between October 2015 and March 2017.

METHODOLOGY

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

To accomplish our objective, we reviewed applicable laws, regulations, policies, processes, and controls; surveyed DOL component agencies; interviewed DOL officials; and selected a statistical sample of mobile devices for compliance with policies for the use, acquisition, and disposal.

SAMPLING PLAN

We used a two-stage statistical cluster sampling approach with a 95 percent confidence level and a ± 5 percent sampling precision. We identified DOL's 22 component agencies and their associated 4,506 mobile devices reported by DOL. The agencies were assigned to 3 clusters (7 agencies assigned to each cluster) based on the statistical tool, "Rant Stats."¹ We used the sampling technique "proportional to size" to select 250 mobile devices from 3 DOL component agencies for testing (see Table 2 on the following page).

¹ The 22 component agencies reviewed were based on a listing of DOL agencies provided by OASAM, which was reconciled to DOL's organizational chart. We excluded OIG from our review of DOL agencies. In addition, of the 22 component agencies provided in our sample universe, 21 agencies were reported in DOL's inventory. Therefore, we have 3 clusters in which 7 agencies are assigned to each cluster.

Table 2: Sample Devices Allocated to Each Selected Agency

Agency	Universe	Sample
Office of Administration and Management	304	38
Office of Labor Management Services	86	11
Wage and Hour Division	1,594	201
Total	1,984	250

RELIABILITY ASSESSMENT

We obtained a list of all mobile devices from the Department and compared the listing to mobile devices reported by DOL component agencies. We identified significant differences between the number of mobile devices reported by DOL and the number reported by DOL component agencies (see Exhibit 1). In addition, DOL inventory reports are incomplete and do not have pertinent data to identify the mobile device, determine its physical location, or its existence. As we reported above, DOL lacks a system to accurately and effectively record, maintain, and manage its accountable property inventory, including mobile devices. As such, we were not able to determine the reliability of DOL's mobile device universe; however, since this was the only data available, we determined that the data was sufficiently reliable for the purposes of this report.

INTERNAL CONTROL

In planning and performing our audit, we considered internal controls relevant to our audit objective. We obtained an understanding of those controls and assessed control risk as necessary to achieve our objective. The objective of our audit was not to provide assurance of the internal controls. Therefore, we did not express an opinion on DOL's mobile device program's internal controls. Our consideration of internal controls for administering the accountability of the program would not necessarily disclose all matters that might be significant deficiencies. Because of the inherent limitations on internal controls, or misstatements, noncompliance may occur and not be detected.

CRITERIA

- DLMS 2 Chapter 100 – Property Management
- DLMS 2 Chapter 700 – Telecommunications
- DOL Computer Security Handbook Version 5.0 Volume 10
- DOL Interim Mobile Device Policy
- NIST Special Publication 800-88: Guidelines for Media Sanitization
- OMB M-11-29 Memorandum Chief Information Officer Authorities
- OMB M-16-20 Memorandum Category Management Policy 16-3:
Improving the Acquisition and Management of Common Information
Technology: Mobile Devices and Services

APPENDIX B: AGENCY'S RESPONSE TO THE REPORT

U.S. Department of Labor

Office of the Assistant Secretary
for Administration and Management
Washington, D.C. 20210



SEP 21 2018

Mr. Elliot P. Lewis
Assistant Inspector General for Audit
U.S. Department of Labor
200 Constitution Ave. NW
Washington, DC 20210

Dear Mr. Lewis:

Thank you for the opportunity to review and comment on draft report 17-18-003-50-598, *DOL Did Not Effectively Manage Mobile Devices and Related Telecommunication Services*. We appreciate the Office of Inspector General's efforts and insights. The draft report contains nine recommendations, all of which management agrees with, and which we believe management has policies and practices in place that will resolve and enable the OIG to close the recommendations promptly. Below is our detailed response to each recommendation.

1. Develop and implement a written plan to consolidate all of DOL's minute and data requirements to one contract per carrier using a government-wide acquisition strategy.

Management Response: Management concurs with this recommendation. The Office of the Assistant Secretary for Administration and Management (OASAM) awarded enterprise-wide ordering agreements (EOA) for wireless services and equipment. The EOAs are mandatory use vehicles for all DOL wireless requirements. EOAs were initially awarded to AT&T and Verizon in June 2017, and a third EOA was awarded to T-Mobile in October of 2017. The EOAs were awarded against General Services Administration's Federal Strategic Sourcing Initiative, Best-in-Class procurement vehicles for wireless services and equipment. In accordance with Federal Acquisition Regulation (FAR) 7.105 and 10.001, market research and acquisition planning was conducted and documented. The Acquisition Plan for the EOAs illustrates DOL's plan to consolidate all of DOL's minute and data requirements to one contract per carrier, and will be made available to the Audit team.

When OASAM announced the EOA awards in July of 2017, OASAM briefed DOL Administrative Officers, issued a Contracting Officer's Notice, and posted a procurement guide on LaborNet, to assist DOL personnel in utilizing the EOAs and to inform them that the EOAs were mandatory for all wireless requirements. Contracting Officer Notice 2017-25, issued on July 17, 2017 further explained that option periods on existing awards for wireless services shall not be exercised and requirements shall instead be transitioned to an EOA. This policy was discussed at DOL's Procurement Council meetings. In addition, OASAM hosted a kiosk in the Frances Perkins Building lobby, and OASAM staff were on hand to answer questions about utilizing the EOAs. Subsequently, Contracting Officer Notice 2018-27 was issued on May 18, 2018 to remind all agencies that transitioning to an EOA was mandatory. Agencies who had not yet transitioned were required to contact OASAM's Office of Procurement Policy (OPP), and to develop and

execute a plan to transition to an EOA by September 30, 2018. OASAM granted one waiver to the Occupational Safety and Health Administration Region 10 in Alaska because the three EOA vendors could not offer acceptable coverage in that geographic location.

As a part of OASAM's validation and verification process for wireless purchases, OASAM ran reports in the Citibank government purchase card system, DOL's contract writing system (Acquisition Management System (AMS)), and the Federal Procurement Data System, Next Generation (FPDS-NG). These reports were reviewed and analyzed by OPP personnel to ensure the data acquired from the reports were for wireless purchases and to ensure that all current orders and Citibank buys were made through the EOAs. Through these efforts, OASAM identified 15 Citibank purchases and 3 orders for wireless services not placed against an EOA. OASAM is working with the responsible DOL offices to ensure that these 18 requirements are instead purchased through an EOA by September 30, 2018. Going forward, OASAM will continue to run reports on a monthly basis to ensure that all DOL offices continue to acquire wireless services through the EOAs.

Management believes that implementing these processes and demonstrating consistent and uniform adherence will resolve and enable the OIG to close this recommendation.

2. Use a consolidated approach to keep track of how much is spent on mobile telecommunication services.

Management Response: Management concurs with this recommendation. OASAM tracks all orders placed against the EOAs in AMS as well as purchases made through Citibank. In addition, OASAM also runs quarterly reports in FPDS-NG of purchases made for telecommunications. Terms and conditions in the EOAs require the vendor to submit a quarterly report of all orders and purchases made under the vendor's EOA. Lastly, OASAM also requires all contracting activities to submit a quarterly report of all orders placed against EOAs. OPP utilizes the three reporting methods to triangulate and verify the accuracy of data.

Management believes that implementing these processes and demonstrating consistent and uniform adherence will resolve and enable the OIG to close this recommendation.

3. Confirm all component agencies submit quarterly mobile data and verify the data before submission to OMB.

Management Response: Management concurs with this recommendation. OASAM has re-established its protocol for agencies submitting quarterly mobile data, to include identifying a single point of contact for each agency, in order to eliminate missing data. Going forward, OASAM will randomly sample data submitted by the agency and will compare the data submitted to data contained in the vendors' portals. Where data is found to be deficient, OASAM will conduct 100% verification of that agency's data by comparing data submitted against data contained in the vendors' portals.

Management believes that implementing these processes and demonstrating consistent and uniform adherence will resolve and enable the OIG to close this recommendation.

4. Develop and implement an inventory management system for mobile devices.

Management Response: Management concurs with this recommendation. OASAM's Business Operations Center (BOC) will leverage the DOL Enterprise ServiceNow Asset Management module to inventory and manage mobile devices. This module will replace any legacy database and enterprise-wide property management system and will be the property accountability system DOL-wide.

Management believes that deployment of the DOL Enterprise ServiceNow Asset Management module in FY 2019 will resolve and enable the OIG to close this recommendation.

5. Ensure component agencies secure their mobile devices using appropriate security software.

Management Response: Management concurs with this recommendation. Mobile devices purchased using the mandatory EOAs are automatically registered in Apple's Device Enrollment Program, which ensures the mobile devices are in compliance and enrolled in the Department's mobile device management (MDM) solution, MaaS360, right out of the box. Eighty five percent (85%) of the mobile devices deployed across the Department are currently enrolled in the MaaS360, and therefore are being monitored to ensure they are secured. The OCIO has identified the owning DOL agencies of the remaining 15% of the non-MDM managed devices. We will ensure these devices and all future mobile devices are enrolled and managed in MaaS360. OCIO anticipates the enrollment of the non-MDM managed devices into MaaS360 by Q2 FY 2019.

Management believes that implementing these processes and demonstrating consistent and uniform adherence will resolve and enable the OIG to close this recommendation.

6. Ensure component agencies have employees sign rules of behavior before issuing them mobile devices.

Management Response: Management concurs with this recommendation. The Department's mobile device policy requires each employee to sign DOL's Mobile Device Rules of Behavior before being issued a mobile device. In May 2018, OCIO began requiring as part of its quarterly FIMSA reporting process, DOL agency confirmation of signed Rules of Behavior for each employee assigned a GFE mobile phone. In July 2018, the Enterprise Service Desk implemented a process that requests a signed copy of the DOL Mobile Device Management Rules of Behavior prior to the enrollment of a mobile device. Each service request ticket created based on the mobile device request has the Rules of Behavior attached and maintained with the ticket.

Management believes that implementing these processes and demonstrating consistent and uniform adherence will resolve and enable the OIG to close this recommendation.

7. Ensure mobile device users complete their required annual security training in a timely manner.

Management Response: Management concurs with this recommendation. In FY 2017, DOL achieved 100 percent annual security training compliance, which means all employees that have a government-furnished mobile device have completed the required annual security training. Going forward, the OCIO will implement a process to verify completion of the annual Computer Security Training before the issuance of a mobile device. Further, at the beginning of each fiscal year the OCIO will verify mobile device holders have completed the annual security training.

Management believes that implementing these processes and demonstrating consistent and uniform adherence will resolve and enable the OIG to close this recommendation.

8. Ensure mobile devices are disposed of properly and timely.

Management Response: Management concurs with this recommendation. Department of Labor Manual Series 2, Chapter 100, "DOL Property Management" outlines Departmental policy and guidance on the entire lifecycle for personal property management from acquisition through retirement and disposal. The OASAM BOC Property Team conducts quarterly inventory training and provides technical assistance throughout the year with agency Property Management Officers (PMOs), Accountable Property Officers (APO) and Regional Administrative Services Officers (RASOs). Training was conducted most recently in April 2018. Additional follow-on training is scheduled for May, June and July of 2019 during the annual inventory period. The BOC will issue a memorandum to all Agency Administrative Officers and Property Management Officers reiterating the Department's disposal guidance and procedures.

Management believes that implementing these processes will resolve and enable the OIG to close this recommendation.

9. Maintain documentation related to the disposal and/or transfer of all mobile devices.

Management Response: Management concurs with this recommendation. DLMS 2 – Administration Chapter 100 – DOL Property Management outlines Departmental policy guidance on the property management lifecycle from acquisition through retirement. Each Agency, as the asset holder, has the responsibility to properly dispose of all sensitive and non-sensitive items. All mobile devices are sensitive items and require the Agency to complete the DL1-55 form for all disposals. The Agency is required to retain these forms for 3 years. The implementation of the COTS EAM Software system will require a DOL agency to upload their DL1-55 for each item disposed/transferred or recycled for documentation and tracking purposes.

Management believes that implementing these processes and demonstrating consistent and uniform adherence will resolve and enable the OIG to close this recommendation.

Should you have any questions regarding the Department's response, please have your staff contact Gundeep Ahluwalia, Chief Information Officer, at (202) 693-4200, or Carl V. Campbell, Chief Procurement Officer, at (202) 693-4570.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bryan Slater", is written over the word "Sincerely,".

Bryan Slater
Assistant Secretary for
Administration and Management

APPENDIX C: ACKNOWLEDGEMENTS

Key contributors to the report were:

Tracy Katz, Audit Director
Jaimie Richardson, Audit Manager
Tia Salmon, Auditor
Kevin Thomas, Auditor

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Office of Inspector General
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