



REPORT ON THE AUDIT OF THE FEDERAL TRADE COMMISSION'S PIV BADGE PROGRAM

Office of Inspector General
Federal Trade Commission

OIG Report No. A-21-03
July 19, 2021





UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Office of Inspector General

July 19, 2021

MEMORANDUM

FROM: Andrew Katsaros
Inspector General

A handwritten signature in black ink, appearing to read "Andrew Katsaros".

TO: David B Robbins
Executive Director

SUBJECT: Audit of the Federal Trade Commission's PIV Badge Program

The Office of Inspector General (OIG) conducted a performance audit to determine whether the FTC's Personal Identity Verification (PIV) badge access system meets federal requirements and appropriately safeguards access to FTC assets.

The audit found that, overall, the FTC's PIV badge program meets federal requirements and appropriately safeguards access to FTC assets; however, the audit did reveal opportunities for improvements in several areas. We recommended that the FTC (1) develop and implement more detailed processes to ensure that PIV badges are terminated in USAccess in a timely manner; (2) develop a process for reconciling multiple sources of employee information to acquire accurate data for managing the PIV badge program; and (3) study, identify, and develop internal standard operating procedures for the PIV badge program.

The FTC's response to the draft report's findings and recommendations is included as Appendix E. The response reflects that the FTC concurred with the report's recommendations. In its response, the FTC submitted Standard Operating Procedures that closed Recommendation 1. The FTC also provided information on initial planned actions, with target dates for completion for the other two recommendations. Within 60 calendar days, please submit to us an action plan that addresses the additional recommendations in this report.

A public version of this report will be posted on the OIG's website pursuant to sections 4 and 8M of the Inspector General Act of 1978, as amended (5 U.S.C. App., §§ 4 and 8M).

The OIG greatly appreciates the cooperation and courtesies extended to us by the Office of the Chief Administrative Services Officer throughout the audit.

If you have any questions or concerns regarding this report, please contact me at (202) 326-3527 or by email at akatsaros@ftc.gov.



OFFICE OF INSPECTOR GENERAL

AUDIT OF THE FEDERAL TRADE COMMISSION'S PIV BADGE PROGRAM

July 19, 2021
OIG Report No. A-21-03

IN SUMMARY

Why We Performed This Audit

The Personal Identity Verification (PIV) badge authenticates an individual's identity and authorizes entry into an area or asset based on the permissions the FTC has approved.

The audit objective was to determine whether the FTC's PIV badge program meets federal requirements and effectively secures access to FTC assets.

Our audit scope covered the agency's Personal Identity Verification (PIV) badge program from October 1, 2019, through September 30, 2020.

The audit found that, overall, the FTC's PIV badge program meets federal requirements and appropriately safeguards access to FTC assets; however, the audit did reveal opportunities for improvements in several areas.

What We Found

Our audit found that the FTC would benefit from

- A. Developing and maintaining sufficient policies and processes to ensure the effectiveness of its PIV badge program, including activating, maintaining, and terminating PIV badges.
- B. Developing a process that reconciles information from multiple sources to assist in ensuring it has completed all necessary badge terminations.
- C. Documenting FTC-specific standard operating processes and procedures to evaluate program data and make improvements to the PIV badge program, as necessary.

What We Recommend

Recommendation 1

We recommend that the Executive Director, in coordination with the Chief Administrative Services Officer, develop and implement more detailed processes to ensure that PIV badges are terminated in USAccess in a timely manner.

Recommendation 2

We recommend that the Executive Director, in coordination with the Chief Administrative Services Officer, develop a process for reconciling multiple sources of employee information to acquire accurate data for managing the PIV badge program.

Recommendations 3

We recommend that the Executive Director, in coordination with the Chief Administrative Services Officer, study, identify, and develop internal standard operating procedures for the PIV badge program.

FTC management concurred with our report recommendations.

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AUDIT RESULTS SUMMARY

We conducted a performance audit to determine whether the FTC's Personal Identity Verification (PIV) badge access system meets federal requirements and appropriately safeguards access to FTC assets. By way of background, the PIV badge authenticates an individual's identity and authorizes entry into an area or asset based on the permissions the FTC has approved.

We audited the FTC PIV badge program for the period covering October 1, 2019, through September 30, 2020. For information on our objective, scope, and methodology, see Appendix A. See Appendix B for background information.

The audit found that, overall, the FTC's PIV badge program meets federal requirements and appropriately safeguards access to FTC assets; however, the audit did reveal opportunities for improvements in several areas. Specifically, the PIV badge program has not consistently terminated PIV badges promptly following employee and contractor separations; has not consistently maintained its PIV badge program data in an optimal manner; and does not have sufficient documented processes and procedures to ensure the effectiveness and security of the PIV badge program.

We recognize that the FTC had to undergo this audit during the COVID-19 pandemic, which brought on unforeseen challenges and required the FTC to shift resources in ways that it could not have planned for in advance.¹

This report contains three recommendations intended to improve the FTC's PIV badge program.

FTC management agreed with the three recommendations included in our audit report. Management has drafted a Standard Operating Procedure on the termination of badges in USAccess after employees and contractors leave the FTC. In addition, management has started the development of detailed standard operating processes and procedures (SOPs) on the oversight of onboarding and offboarding data—as well as the inventory of badging cardstock, badge activation, and badge maintenance. The FTC response to our report is included in its entirety in Appendix E.

¹ For example, the FTC had to figure out how to quickly issue PIV badges after the General Services Administration (GSA) limited the availability of its USAccess locations.

WHY WE PERFORMED THIS AUDIT

We decided to conduct this audit as part of our comprehensive look at the agency's security practices, which also included our Fiscal Year (FY) 2020 audit of the FTC Personnel Security and Suitability Program's processes. In addition, we were cognizant that, during the COVID-19 pandemic, the FTC would need effective PIV badge controls in place to successfully onboard and offboard employees and contractors remotely. Further, during our research, we learned that many federal agencies have difficulty maintaining accurate records on and timely de-activation of PIV badges, in part, because the process requires several agencies and components within agencies to work in concert.

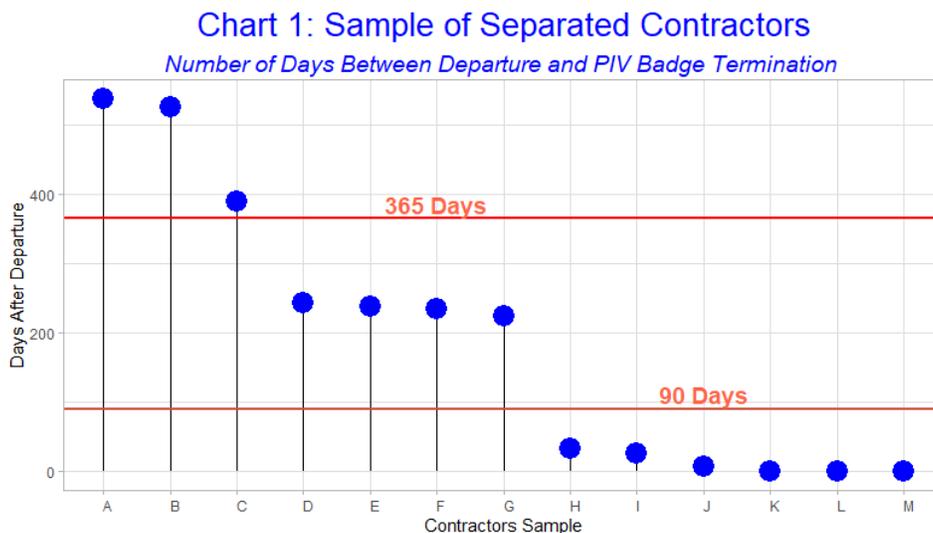
FINDINGS AND RECOMMENDATIONS

A. The FTC Has Not Consistently Terminated PIV Badges Promptly Following Employee and Contractor Separations

The Physical Security Office (PSO), which is housed in the FTC’s Office of the Chief Administrative Services Officer (OCASO), is responsible for controlling physical access to FTC facilities via the PIV badge program.² During the period under audit, we found that PSO was not terminating PIV badges within a reasonable amount of time following an FTC employee or contractor’s departure from the FTC. “Termination” refers to the process used to permanently invalidate PIV badges and the data needed for PIV authentication to prevent any future use of the PIV badge.³

During FY 2020, 102 full-time equivalent employees (FTE) and 173 contractors departed the FTC. Of these, we originally sampled 25 departing FTE and 15 contractors. We compared these FTE and contractors’ departure dates to the date when PSO terminated the PIV badge, which requires PSO to enter the termination in GSA’s USAccess system. We excluded five (two contractors and three FTE) from the combined sample of 40 because there were legitimate reasons they did not have an FTC issued PIV badge.

Of the remaining 35, there were 17 instances where PSO had not terminated the PIV badge for more than three months after the effective departure date and five instances (three contractors and two FTE) in which PSO did not terminate the PIV badge within a year after the effective departure date.⁴



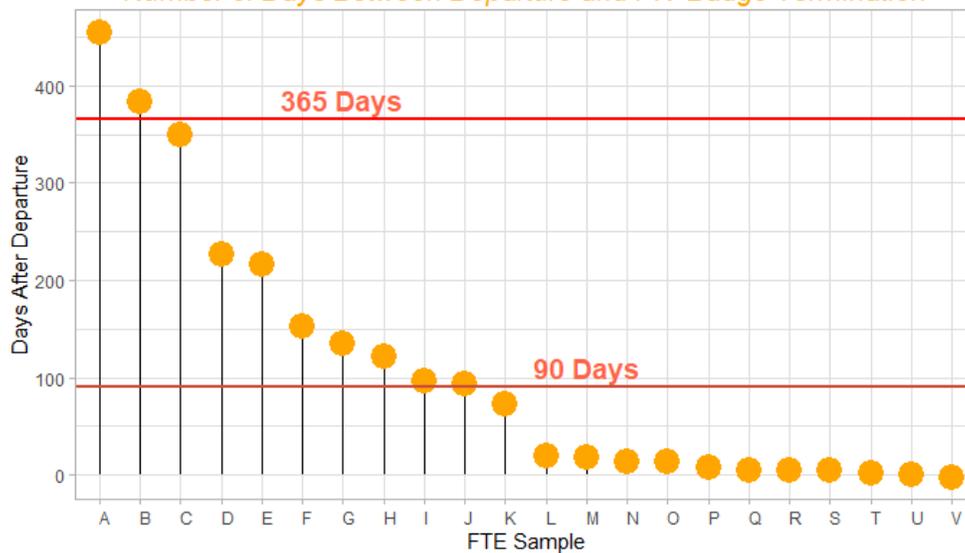
² The Office of the Chief Information Officer is responsible for logical access to the FTC’s network.

³ *Personal Identity Verification (PIV) of Federal Employees and Contractors*, National Institute of Standards and Technology (NIST), Federal Information Processing Standards Publication (FIPS) 201, (August 2013).

⁴ See Appendix C: Results of Separations Testing for additional details.

Chart 2: Sample of Separated FTE

Number of Days Between Departure and PIV Badge Termination



Several factors may have contributed to why PIV badges were not terminated timely. First, the FTC lacks sufficiently articulated policies and procedures related to the destruction and termination of PIV badges (see Section C below). Another contributing factor could be that CORs and administrative officers are not promptly notifying PSO of the need for termination in USAccess. Although we have no particular data on this point and could not observe the physical destruction of badges due to the restriction of the COVID-19 pandemic, detailed written processes and better communication with administrative officers and CORs could help the FTC address this potential problem.

The untimely termination of PIV badges upon an FTE or contractor's departure could leave the FTC vulnerable to unauthorized access to online FTC resources by former employees and contractors, even if only for a brief period of time.⁵ Data on timely badge terminations is also valuable for management in its considerations of improvements to the program.

Notably, FTC leadership is aware of the problem and its potential impact and is working on a solution. We offer the FTC an additional recommendation to assist in that solution.

Recommendation No. 1

We recommend that the Executive Director, in coordination with the Chief Administrative Services Officer, develop and implement more detailed processes to ensure that PIV badges are terminated in USAccess in a timely manner.

⁵ The audit of the FTC PIV badge program occurred during the Covid-19 pandemic. During audit fieldwork, the FTC closely monitored and controlled access to its facilities, limiting the threat of unauthorized physical access.

B. PSO Has Not Consistently Maintained Its PIV Badge Program Data in an Optimal Manner

We observed that PSO has not maintained its PIV badge program data in an optimal manner. In November, we asked PSO to provide us with a list of FTE and contractors who had active PIV badges on October 1, 2019, and September 30, 2020, which should have totaled approximately 1,500 individuals on each date. OCASO's Space and Facilities Management Office, which provided data on FTC's contracted staff, stated that it was unable to produce an accurate report of FTC staff as of any particular day. It also stated that a request for "full data sheets" on every FTC employee would exhaust its system, CADapult,⁶ and result in a "system failure."

On March 5, 2021, PSO provided us with an updated dataset of PIV badges that were active on October 1, 2019, stating that it believed that this updated data was more accurate. We compared the data to the FTC Human Capital Management Office's (HCMO's) data of active FTE on October 1, 2019, and found that PSO's data still did not include 60 FTE employed as of October 1, 2019. Finally, upon subsequent examination in June 2021, PSO was able to identify in its records 60 of the 60 badge holders employed by the FTC as of October 1, 2019.⁷

These data collection efforts—played out over six months—highlight PSO's challenges in producing accurate information for managers and other decision-makers. This inability to be responsive to a request for information on the status of FTE and contractors' arrival and departure dates and PIV badge statuses could affect reporting to stakeholders and other interested parties requiring similar information, as well as decisions the FTC makes on its own resources. It occurred because PSO does not have an effective process for reconciling information from multiple sources (e.g., CADapult, USAccess, and HCMO information). Such a process could quickly and accurately identify PIV badge holders on particular dates and assist PSO in ensuring that it has completed all necessary badge terminations. To ensure greater reliability and improve program efficiency, OCASO would benefit from such a process that, at a minimum, captures FTE and contractors' PIV badge status and arrival and departure dates.

Recommendation 2

We recommend that the Executive Director, in coordination with the Chief Administrative Services Officer, develop a process for reconciling multiple sources of employee information to acquire accurate data for managing the PIV badge program.

⁶ CADapult is a software package that OCASO uses to manage all leased space and track staff office locations.

⁷ We recognize that, during the Covid-19 pandemic, limited availability of GSA locations nationwide, and onboarding FTEs' hesitation to attend the in-person appointments required to obtain a PIV badge, impacted the FTC's ability to issue badges to onboarding FTEs and required alternate solutions for network access.

C. PSO Does Not Have Sufficient Documented Processes and Procedures to Ensure the Effectiveness and Security of the PIV Badge Program

We found that PSO has not developed and maintained sufficient policies and processes to ensure the effectiveness of its PIV badge program. In particular, PSO lacks clearly laid out policies and processes for 1) inventorying PIV badges and 2) activating, maintaining, and terminating PIV badges.

Without such policies and procedures, the FTC's PIV badge program cannot meet GAO's *Standards for Internal Control in the Federal Government* (2014) (GAO Standards), which instructs management to develop and maintain sufficiently detailed policies to allow management to effectively monitor the control activity.

PSO maintains that it relies on GSA's USAccess guidance, which provides an overall framework for how an agency should manage its PIV badge program. However, GSA's guidance, while helpful, does not provide the detailed, agency specific procedures and processes necessary to effectively monitor the PIV badge program, as required by GAO Standards.

FTC Administration Manual Chapter 4: Section 800—Physical Security (Section 800), which provides the only FTC specific procedures related to PIV badge termination and destruction, provides the following directions:

1. Washington, DC, based contractors and FTE departing the FTC must return PIV badges directly to PSO for destruction and termination in USAccess; and
2. FTE or contractors separating from FTC regional offices must return their PIV badges to their respective administrative officers or Contracting Officer Representatives (CORs), who must destroy the PIV badges and notify PSO. Then, PSO must terminate the PIV badges in USAccess.

Although Section 800 does indeed outline a process to destroy and terminate PIV badges, it does not articulate specifics, such as the timeframe for destruction and termination or procedures to verify that necessary destructions and terminations occurred. Instead, PSO takes an informal approach as to the timeframe within which PIV badges must be terminated and destroyed, often resulting in long delays between departure dates and termination, as shown in Section A above.

Likewise, GSA's guidance does not have, and PSO has not developed, specific procedures for inventorying PIV badges. When we requested PSO's most recent PIV badge inventory data, PSO produced an incomplete and hard-to-follow dataset. PSO could not demonstrate a documented process regarding how it conducted the inventory, arrived at the results, or how often it conducts inventories.

Without sufficiently documented internal procedures to instruct key processes, the FTC invites program inefficiency. An absence of formal procedures may result in greater dependency on experienced personnel rather than a well-designed system capable of meeting program requirements. If PSO personnel leave the agency without sufficiently documenting their processes, the loss of knowledge about processes could have undesirable consequences for the FTC.

With FTC-specific SOPs in place, PSO will be able to ensure that it is consistently terminating badges in a timely manner or accurately inventorying badges in a way that allows for comparisons from one inventory to the next. In addition, articulated processes will provide FTC managers with an ability to evaluate PSO data and make improvements to the PIV badge program, as necessary. The development of documented SOPs could also save the staff time, promote consistency across the program, and guard against the loss of knowledge when veteran staff leave the program.

Recommendations No. 3

We recommend that the Executive Director, in coordination with the Chief Administrative Services Officer, study, identify, and develop internal standard operating procedures for the PIV badge program.

SUMMARY OF AGENCY RESPONSE AND OIG COMMENTS

FTC management agreed with the three recommendations included in our audit report. Management has drafted an SOP on the termination of badges in USAccess after employees and contractors leave the FTC. In addition, management has started the development of detailed SOPs on the oversight of onboarding and offboarding data as well as the inventory of badging cardstock, badge activation, and badge maintenance. The FTC response to our report is included in its entirety in Appendix E.

APPENDIX A: OBJECTIVE, SCOPE, AND METHODOLOGY

We conducted a performance audit to assess whether the FTC’s PIV badge program meets federal requirements and effectively secures access to FTC assets.

As background for our audit, we reviewed federal laws and agency guidance, policies, and procedures related to FTC Physical Security. We also reviewed prior reports on this topic issued by GAO and other inspectors general. In addition, we interviewed FTC officials about the PIV badge lifecycle—including the process for issuing, retrieving, and terminating PIV badges—and controls over the program.

In planning and performing the audit, we identified the internal controls significant to our audit objective. Specifically, we gained an understanding of the following: annual inventory over the PIV badge material, the process for tracking lost or missing badges, and physical access privileges.

To ensure that we had a complete and accurate set of data from PSO, we compared and reconciled PSO’s data against records from the FTC HCMO, payroll records from the Financial Management Office (FMO), and staff Check-in Check-out/Move (CICOM) records from OCASO Space and Facilities Management.⁸

We took a non-statistical sample from PSO’s list of FTE and contractors that separated from the FTC during FY 2020 and compared the effective date of departure against the date of PIV badge termination within USAccess. We used HCMO’s separation records and effective date of separation for the FTE sample. CICOM records were used to develop the sample of contractor separations.

Table 1: Sample of FTC Staff Separations

Staff	Population of Separations	Sample Size	% of Population Sampled
Full-Time Employees	102	25	25%
Contractors	173	15	9%
Total	275	40	15%

We performed the audit work remotely from November 2020 through May 2021. We conducted this performance audit in accordance with generally accepted government auditing standards, which 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 that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

⁸ CICOM is the mandatory process established to (1) designate a workspace location for new employees; (2) identify the resources (e.g., space, information technology [IT] equipment, key access, employee ID badge) that staff need to perform their jobs; (3) request space moves for staff, and (4) input changes in an employee’s name, network user ID, organizational assignment, appointment or pay status, and/or phone number.

We used the following criteria in the performance of our audit:

- [Homeland Security Presidential Directive 12: Policy for a Common Identification Standard for Federal Employees and Contractors \(HSPD 12\) \(August 27, 2004\);](#)
- [OMB Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control \(July 15, 2016\);](#)
- [Government Accountability Office \(GAO\) Standards for Internal Control in the Federal Government \(September 2014\) \(the Green Book\);](#)
- [Personal Identity Verification \(PIV\) of Federal Employees and Contractors, National Institute of Standards and Technology \(NIST\), Federal Information Processing Standards \(FIPS\) 201-2 \(Aug. 2013\);](#)
- FTC Administration Manual, Chapter 4: Section 800—*Physical Security*.

APPENDIX B: BACKGROUND

Federal Requirements for PIV Badges

On August 27, 2004, President George W. Bush issued HSPD 12 to establish “a mandatory, Government-wide standard for secure and reliable forms of identification issued by the Federal Government to its employees and contractors (including contractor employees).” To further implement HSPD 12, OMB Memorandum M-11-11, *Continued Implementation of HSPD 12* (February 3, 2011), mandated that federal agencies use Federal Personal Identity Verification (PIV) smartcard credentials “as the common means of authentication for access to that agency’s facilities, networks, and information systems.” OMB Memorandum M-11-11 also reiterated HSPD 12’s requirement that, prior to issuing a PIV badge to an FTE or contractor, federal agencies must successfully complete a “standardized background investigation” on the FTE or contractor and verify the FTE or contractor’s identity.

Federal agencies’ PIV credentialing systems must also comply with NIST requirements.⁹

USAccess

GSA’s Managed Service Office (MSO) is responsible for managing government-wide acquisition of information technology to support HSPD-12 requirements. As part of that responsibility, MSO established the USAccess program as an efficient way for federal agencies to issue common HSPD-12 approved credentials to their employees and contractors.

Within the USAccess system, the role administrator in PSO assigns designated personnel separate and distinct privileges to sponsor, enroll, adjudicate, and activate PIV credentials. *See* Table 2 below.

⁹ *Interfaces for Personal Identity Verification*, NIST, SP 800-73-4 (May 2015); *Guidelines for the Authorization of Personal Identity Verification Card Issuers (PCI) and Derived PIV Credential Issuers (DPCI)*, NIST, SP 800-79-2 (July 2015); *Personal Identity Verification (PIV) of Federal Employees and Contractors*, NIST, FIPS 201-2 (Aug. 2013).

Table 2: USAccess Roles¹⁰

Role	Description of Role	FTC Office Responsible for Role
Activator	The Activator is responsible for processing USAccess PIV credential activations and verifying that an applicant is the person to whom a USAccess credential is to be issued. The Activator also guides the applicant through the activation process.	OCASO Physical Security Office (PSO)
Adjudicator	The Adjudicator is authorized to record or update the status of adjudication results for an applicant in the USAccess system. A positive adjudication result will initiate the PIV credential issuance process.	HCMO Personnel Security Office (PERSEC)
Registrar	The Registrar ensures that employees and contractors are properly identity proofed and issued policy compliant credentials, which the Federal Government can use for authentication.	PSO
Role Administrator	The Role Administrator is responsible for managing the agency's sponsor, adjudicator, registrar, security officer, and activator roles.	PSO
Security Officer	The Security Officer is responsible for <ul style="list-style-type: none"> • reviewing identity documents flagged by the USAccess Registrar as requiring more validation and investigating any potential identity impersonation events; • suspending and terminating credentials for security related threats; and • collecting and destroying credentials at termination of employment. 	PSO
Sponsor	The Sponsor is responsible for <ul style="list-style-type: none"> • creating PIV records in the USAccess system and • ensuring that federal employees and contractors are issued policy compliant credentials that the federal government can use for authentication. 	PSO

¹⁰ GSA USAccess Program, www.fedidcard.gov/existing-customer-agencies.

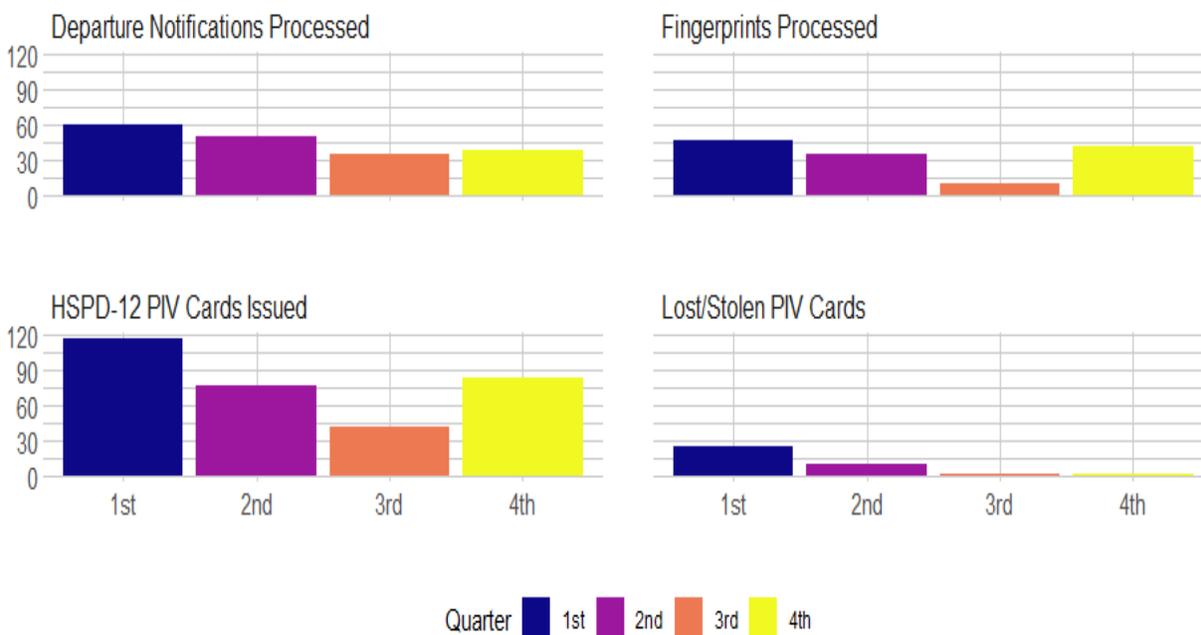
The FTC Personal Identity Verification (PIV) Badge Program

The FTC OCASO PSO administers the FTC’s PIV badge program, which includes issuing, terminating, and inventorying PIV badges. PSO’s Chief Security Officer is also responsible for ensuring that the FTC’s PIV badge program complies with NIST’s requirements—and consults and coordinates with the Chief Privacy Officer as necessary regarding federal privacy laws.¹¹

PSO must work closely with the FTC HCMO PERSEC in administering the PIV badge program. For example, PSO may not issue a PIV badge to a new employee or contractor until after PERSEC successfully completes a background investigation and verifies an employee or contractor’s identity.

A snapshot of the FTC during 2020 shows that the FTC had approximately 1,500 staff, 275 of whom separated from the FTC during FY 2020. These employees and contractors were stationed across the two Washington, DC, offices and the eight regional offices. During this time, PSO issued 317 PIV badges and processed 181 departure notifications, 132 fingerprints, and 38 lost PIV badges. *See* Diagram 1: Physical Security Office FY 2020 Activity.¹²

Diagram 1: Physical Security Office FY 2020 Activity (Unaudited)



Source: FTC Physical Security Office

¹¹ FTC Admin. Manual Ch. 4 § 800, *Physical Security*.

¹² The figures included in Diagram 1: Physical Security Office FY 2020 Activity were unaudited and are included for presentation purposes.

APPENDIX C: RESULTS OF SEPARATIONS TESTING¹³

Sample Number	FTE/Contractor Sample	Days Between Date of Departure and Date of PIV Termination
1	Contractor – A	538
2	Contractor – B	525
3	FTE – A	455
4	Contractor – C	389
5	FTE – B	384
6	FTE – C	349
7	Contractor – D	243
8	Contractor – E	237
9	Contractor – F	234
10	FTE – D	227
11	Contractor – G	224
12	FTE – E	216
13	FTE – F	152
14	FTE – G	135
15	FTE – H	121
16	FTE – I	97
17	FTE – J	93
18	FTE – K	73
19	Contractor – H	33
20	Contractor – I	26
21	FTE – L	20
22	FTE – M	18
23	FTE – N	13
24	FTE – O	13
25	Contractor – J	7
26	FTE – P	7
27	FTE – Q	5
28	FTE – R	4
29	FTE – S	4
30	FTE – T	2
31	Contractor – K	-
32	Contractor – L	-
33	FTE – U	-
34	Contractor - M	(1)
35	FTE - V	(2)

¹³ We took a sample of 40 staff members who separated from the FTC in FY 2020 and compared each date of separation to the date of PIV termination in USAccess. The results of 35 separated staff are included in the chart above. Five (two contractors and three FTE) of the sampled staff members did not have FTC-issued PIV badges—and are not included in the results, due to legitimate reasons that they did not receive an FTC-issued PIV badge.

APPENDIX D: ACRONYMS AND ABBREVIATIONS

ACRONYMS AND ABBREVIATIONS	
AO	Administrative Officer
CICOM	Check-In/Check-Out/Moves
COR	Contracting Officer's Representative
GAO	Government Accountability Office
GSA	General Services Administration
FAR	Federal Acquisition Regulations
FMO	FTC Financial Management Office
FTC	Federal Trade Commission
FTE	Full Time Employee
FY	Fiscal Year
HCMO	FTC Human Capital Management Office
OCASO	FTC Office of the Chief Administrative Services Officer
OMB	Office of Management and Budget
PERSEC	FTC Personnel Security Office
PIV	Personal Identification Verification
PSO	FTC Physical Security Office
SOP	Standard Operating Procedure

APPENDIX E: FTC MANAGEMENT RESPONSE



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

June 24, 2021

MEMORANDUM

FROM: Valerie Green
Chief Administrative Services Officer

VALERIE GREEN
Digitally signed by VALERIE GREEN
Date: 2021.06.24 15:42:06 -0400'

THRU: David Robbins
Executive Director

DAVID ROBBINS
Digitally signed by DAVID ROBBINS
Date: 2021.06.24 17:00:12 -0400'

TO: Andrew Katsaros
Inspector General

SUBJECT: Management's Response to Draft Report on Audit of the FTC's PIV Badge Program (A-21-03)

The Federal Trade Commission (FTC) understands the critical mission of the Office of the Inspector General (OIG) and appreciates the OIG's work to identify potential risks to the FTC.

The draft OIG Report (A-21-03) discussed potential control risks the OIG identified during a review of the FTC's Personal Identity Verification (PIV) Badge program. The draft Report recommends that the Executive Director, in coordination with the Chief Administrative Services Officer:

1. Develop and implement more detailed processes to ensure that PIV badges are terminated in USAccess in a timely manner.
2. Develop a process for reconciling multiple sources of employee information to acquire accurate data for managing the PIV Badge program.
3. Study, identify, and develop internal standard operating procedures (SOP) for the PIV Badge Program.

The FTC agrees with these recommendations and is committed to ensuring appropriate management controls are in place and operating as intended.

OIG Recommendation 1: OCASO has drafted a more detailed SOP to ensure prompt termination of badges in USAccess after employees and contractors leave the FTC, to include appropriate oversight and validation steps. This SOP will be finalized by July 31, 2021.

OIG Recommendation 2: OCASO has begun developing a SOP to ensure that information is compiled from all appropriate sources to show accurate reports containing the type of credential, credential status, and related dates associated with the onboarding and offboarding of FTC employees and contractors. This SOP will be completed by September 30, 2021.

OIG Recommendation 3: OCASO has begun developing additional SOPs covering the inventory of badging cardstock, badge activation, and badge maintenance. This series of SOPs will be finalized by September 30, 2021.