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TELECOMMUNICATIONS

Agencies Need Better Controls to Achieve Significant Savings on Mobile Devices and Services

Accessible Version

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Abbreviations

| | |
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| CDC | Centers for Disease Control and Prevention |
| CIO | chief information officer |
| Commerce | Department of Commerce |
| DHS | Department of Homeland Security |
| DOD | Department of Defense |
| EPA | Environmental Protection Agency |

| | |
|----------------|---|
| GSA | General Services Administration |
| HHS | Department of Health and Human Services |
| Interior | Department of the Interior |
| IRS | Internal Revenue Service |
| IT | information technology |
| Justice | Department of Justice |
| NASA | National Aeronautics and Space Administration |
| OMB | Office of Management and Budget |
| SSA | Social Security Administration |
| State | Department of State |
| TIGTA | Treasury Inspector General for Tax Administration |
| Transportation | Department of Transportation |
| Treasury | Department of the Treasury |
| USDA | United States Department of Agriculture |

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May 21, 2015

The Honorable John L. Mica
Chairman
Subcommittee on Transportation and Public Assets
Committee on Oversight and Government Reform
House of Representatives

The Honorable Gerald E. Connolly
Ranking Member
Subcommittee on Government Operations
Committee on Oversight and Government Reform
House of Representatives

In 2012, the Office of Management and Budget (OMB) reported that the federal government spent approximately \$1.2 billion annually for mobile devices and wireless services with an estimated inventory of about 1.5 million devices.¹ Given that the use of mobile technology in the federal government was expected to increase, OMB identified the potential for achieving efficiencies and reducing spending in this area.

At your request, we conducted a study of the federal government's management of mobile devices and services. Our specific objectives were to (1) determine the extent to which federal agencies have developed enterprise-wide inventories of mobile devices and wireless services, and established processes to maintain them; (2) determine the extent to which agencies established effective processes and procedures for monitoring and controlling spending on mobile devices and wireless services; and (3) describe agencies' mobile service rates.

To address our objectives, we selected the 15 agencies identified in the Chief Financial Officers Act of 1990 that reported spending at least \$10 million on telecommunications in fiscal year 2012 or fiscal year 2013.² For

¹OMB has not reported an updated estimate of the federal government's spending on mobile devices and services.

²These agencies are the Departments of Agriculture, Commerce, Defense, Health and Human Services, Homeland Security, the Interior, Justice, State, Transportation, the Treasury, and Veterans Affairs; the Environmental Protection Agency; the General Services Administration; the National Aeronautics and Space Administration; and the Social Security Administration.

our first objective, we evaluated each agency's mobile device and service inventories relative to an executive order on promoting efficient spending.³ For those agencies that had enterprise-level inventories, we determined the extent to which they had documented procedures to maintain the inventories. We also evaluated the extent to which agencies developed and maintained mobile service contract inventories, relative to OMB requirements.⁴

For our second objective, we evaluated the agencies' policies, procedures, processes, and guidance for monitoring and controlling mobile device and services spending, including procedures to determine if devices are unused, underused, or overused. We compared this documentation with the executive order and OMB internal control standards,⁵ which direct that agencies should include clearly define areas of authority and responsibility, as well as an audit trail. For agencies that said they delegated responsibility for mobile spending to components, we selected the two components at each agency with the highest reported number of devices for case study review, and evaluated their processes and procedures for assessing device usage.

For the third objective, we analyzed the agencies' most recent quarterly mobile service contract inventory reports, as of November 2014, to determine their lowest and highest monthly per-device cost and associated contract terms. To assess the reliability of the cost data in the contracts inventory reports, we identified obvious issues, such as missing or questionable values, and reviewed each agency's responses to questions about efforts to ensure the reports are accurate and complete. We determined the cost data we reported were sufficiently reliable for the purposes of our report.

We conducted this performance audit from December 2013 to May 2015, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform this audit to obtain sufficient, appropriate evidence to 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

³Executive Order 13589—*Promoting Efficient Spending* (Nov. 9, 2011).

⁴OMB, *Digital Government: Building a 21st Century Platform to Better Serve the American People* (Washington, D.C.: May 2012).

⁵OMB, Circular A-123, *Management's Responsibility for Internal Control*, Dec. 21, 2004.

conclusions based on our audit objectives. More details about our objectives, scope and methodology can be found in appendix I.

Background

According to OMB, as of May 2012 the federal government was spending approximately \$1.2 billion annually on mobile devices and services and had an inventory of about 1.5 million devices.⁶ Agencies use mobile devices to provide their employees and contractors flexibility to perform their work anywhere at any time. For example,

- the Department of the Interior (Interior) provides National Park Service summer employees, who do not have permanent administrative office space, mobile devices in order to access daily e-mail;
- the Department of State (State) provides diplomats, who are responsible for cultivating relationships in foreign countries and promoting U.S. foreign policy initiatives, mobile devices to access information, such as voice mail, e-mail, data files, and contact information; and
- the Environmental Protection Agency (EPA) provides mobile devices to employees who need to collaborate among geographically dispersed teams.

In 2012, OMB identified potential savings of about \$388 million in fiscal years 2013 through 2015 by consolidating or eliminating mobile device contracts.⁷

Agency and OMB Responsibilities

Agencies are required by law to manage IT in an efficient, effective, and economical manner and to comply with OMB policies and guidelines. Agency chief information officers (CIO) are to carry out the responsibilities of their agencies with respect to IT management.⁸ For example, they are responsible for implementing and enforcing applicable government-wide and agency IT management policies, principles, standards, and

⁶In 2012, OMB defined mobile device costs as those associated with end user hardware (laptops and handheld devices) and software (office automation suites, messaging and specialized applications). Since then, OMB revised its definition of mobile device costs as those associated with small wireless end user devices, such as handsets, tablets, and wireless modems such as air cards; software; labor; maintenance; and network services, such as cellular voice and data plans.

⁷OMB, *Analytical Perspectives, Budget of the United States Government, Fiscal Year 2014* (Washington, D.C.: 2013).

⁸40 U.S.C. § 11315.

guidelines, and for assuming responsibility and accountability for IT investments.⁹ Further, OMB is required to oversee agency implementation of IT management.¹⁰

In December 2014, legislation was enacted that enhances the authority of CIOs to manage IT spending.¹¹ Among other things, the law prohibits a covered agency,¹² other than the Department of Defense (DOD), from entering into a contract or other agreement for IT or IT services, unless the contract or agreement has been reviewed and approved by the agency's CIO. In the case of a non-major IT investment, the CIO of a covered agency other than DOD may delegate review and approval of the contract or agreement to an individual who reports directly to the CIO.

OMB Guidance and an Executive Order Direct Agencies to Better Manage Mobile Device Spending

In August 2011, OMB issued a memo to agency heads stating that agency CIOs must focus on eliminating duplication of commodity services, including mobile devices, and that they should pool their agency's purchasing power across the entire organization to drive down costs and improve commodity IT service.¹³

In November 2011, the President issued an executive order on promoting efficient spending, which required agencies to establish a plan for reducing the administrative costs associated with, among other things, federal employee IT devices, including mobile devices. Agencies were to assess current device inventories and usage, and establish controls to ensure that they are not paying for unused or underused devices or services.

⁹44 U.S.C. § 3506(h).

¹⁰44 U.S.C. § 3504.

¹¹Federal Information Technology Acquisition Reform provisions of the Carl Levin and Howard P. "Buck" McKeon National Defense Authorization Act for Fiscal Year 2015, Pub. L. No. 113-291, div. A, title VIII, subtitle D, 128 Stat. 3292, 3438-3450 (Dec. 19, 2014)..

¹²The covered agencies are the Departments of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Homeland Security, Housing and Urban Development, the Interior, Justice, Labor, State, Transportation, the Treasury, and Veterans Affairs; the Environmental Protection Agency; National Aeronautics and Space Administration; Agency for International Development; General Services Administration; National Science Foundation; Nuclear Regulatory Commission; Office of Personnel Management; Small Business Administration; and the Social Security Administration.

¹³Office of Management and Budget, *Chief Information Officer Authorities*, OMB Memorandum M-11-29 (Washington, D.C.: Aug. 8, 2011).

In May 2012, OMB issued *Digital Government: Building a 21st Century Platform to Better Serve the American People*, known as the Digital Government Strategy. According to the strategy, agencies traditionally purchased technology products and services in a fragmented manner at the bureau, regional, team, and even individual level, which prevented the federal government from effectively leveraging its buying power with vendors and service providers. For example, according to the strategy, three federal agencies in Atlanta paid three different monthly service plan rates for unlimited data on the same type of device—\$39, \$94, and \$120—a price variance of \$81. Thus, a key objective of the strategy was to help agencies move away from purchasing mobile technology at the component level (i.e., at the bureau, regional, team, or individual level) to an agency-wide (i.e., centralized) level, and eventually at the government-wide level.

By moving to an enterprise-wide model, OMB's goal was to reduce costs by leveraging economies of scale and streamlining purchasing and invoicing. According to the strategy, adopting a shared services approach and consolidating mobile device and wireless service contracts will reduce costs and improve the government's ability to track usage and analyze pricing.¹⁴

To achieve consolidation, OMB required agencies to develop, by November 2012, an enterprise-wide inventory of their wireless service contracts and to maintain it. The inventory is to include for each wireless contract, the date of award, option years available, carrier, number of talk minutes, data gigabytes, and text messages allowed per month; typical cost per month per device; and the quantity of devices, by operating system, supported by the contract. Agencies are to update their service contract inventory by the last day of February, May, August, and November each year.

¹⁴Adopting an enterprise-wide approach is consistent with the federal government's efforts to use strategic sourcing. Agencies can achieve significant cost savings by using strategic sourcing, which is a strategy that moves away from numerous individual procurement actions to a broader aggregated approach.

GAO and Inspectors General Have Reported the Need for Mobile Telecommunication Spending Controls

In 2006, we reported that agencies should establish and maintain an accurate inventory of current telecommunications assets and services,¹⁵ which include mobile devices and services. We determined that current inventories should be established and used to help determine areas for optimization and/or sharing of resources across the agency. Further, the inventory should represent all of the agency's components and include information that can be used to audit vendor bills against the inventory throughout the life of the services contract. In addition, we found agencies should have a documented inventory maintenance process that can be used to ensure that changes to the inventory are captured. We recommended that the General Services Administration (GSA) develop and distribute guidance to agencies on these and other telecommunication transition planning practices. In response to our recommendation, GSA issued guidance, but only for agencies' transition from contracts known as FTS2001 to contracts known as Networx.¹⁶ According to the guidance, agencies were to validate a GSA-developed baseline FTS2001 inventory, and GSA would use a Networx Inventory Management application to populate and maintain an inventory of installed Networx services.

In August 2011, the Department of Agriculture (USDA) Office of Inspector General issued a report on the management of wireless handheld devices.¹⁷ According to the report, several USDA components had not established an effective telecommunications management program to inventory communications devices and to perform cost-benefit analyses of telecommunications services and equipment. As a result, several components did not inventory their devices or take steps to realize rate savings.

¹⁵GAO, *Telecommunications: Full Adoption of Sound Transition Planning Practices by GSA and Selected Agencies Could Improve Planning Efforts*, [GAO-06-476](#) (Washington, D.C.: June 6, 2006). We identified establishing a telecommunications inventory as a key telecommunications transition planning practice and noted the importance of establishing and maintaining an inventory for purposes in addition to transition planning. We identified the transition planning practices through research of literature and interviews with those with experience in telecommunications transitions, including industry experts, telecommunications vendors, and other private sector companies.

¹⁶GSA's Networx program, which was established in 2007, is a collection of contract vehicles for agencies to acquire telecommunications services. The services offered through Networx include voice and data communications transport services, Internet protocol services, wireless and satellite services, information security, and management application services.

¹⁷U.S. Department of Agriculture, Office of Inspector General, *USDA's Management and Security Over Handheld Devices*, 50501-01-IT (Washington, D.C.: Aug. 15, 2011).

The following year, in April 2012, EPA's Office of Inspector General found that EPA's Office of Environmental Information, headed by the Assistant Administrator for Environmental Information and Chief Information Officer, did not have effective controls and policies for mobile devices.¹⁸ For example, EPA had not established procedures for monitoring and controlling mobile device and service usage. As a result, EPA may have been paying for devices that were not being used. The Office of Inspector General recommended that the Office of Environmental Information develop and implement procedures for, among other things, verifying and confirming the accuracy of device utilization.

The Treasury Inspector General for Tax Administration (TIGTA) reported, in January 2013 and September 2014, on weaknesses in the Internal Revenue Service's (IRS) mobile device usage monitoring and inventory controls.¹⁹ TIGTA reported that the IRS paid approximately \$1.1 million as a result of inadequate mobile device usage monitoring. According to the report, IRS lacked a process to identify zero usage and as a result, in fiscal year 2011, the agency paid \$48,000 in monthly fees for 113 unused devices. TIGTA also found that the IRS paid monthly service fees for almost 6,800 wireless devices that were not included in inventory records and for more than 700 employees who had multiple wireless devices that perform the same function. TIGTA reported that, due to weaknesses in controls, the IRS risks paying for services for devices that are not in use, are not authorized, or are duplicative. TIGTA recommended that IRS implement a process to reconcile wireless service provider billing statements with its inventory records to ensure that IRS can account for all devices for which it pays a monthly service fee.

The National Aeronautics and Space Administration's (NASA) Office of Inspector General issued a report in February 2014 on NASA's management of its smart phones, tablets, and other mobile devices.²⁰ The

¹⁸U.S. Environmental Protection Agency, Office of Inspector General, *Office of Environmental Information Should Strengthen Controls Over Mobile Devices*, 12-P-0427 (Washington, D.C.: Apr. 25, 2012).

¹⁹Treasury Inspector General for Tax Administration, *Inadequate Aircard and Blackberry® Smartphone Assignment and Monitoring Processes Result in Millions of Dollars in Unnecessary Access Fees*, 2013-10-010 (Washington, D.C.: Jan. 11, 2013), and *Wireless Telecommunication Device Inventory Control Weaknesses Resulted in Inaccurate Inventory Records and Unsupported Service Fees*, 2014-10-075 (Washington, D.C.: Sept. 19, 2014).

²⁰National Aeronautics and Space Administration, Office of Inspector General, *NASA's Management of its Smartphones, Tablets, and Other Mobile Devices*, IG-14-015 (Washington, D.C.: Feb. 27, 2014).

Office of Inspector General reported that the agency lacked a complete and accurate inventory of mobile devices, and as a result NASA was unable to ensure that it was not paying for unused devices. The Office of Inspector General recommended that the NASA CIO develop and maintain an accurate inventory of mobile devices.

In April 2014, the Department of Energy's Office of Inspector General issued a report on the department's management and use of mobile devices and services.²¹ According to the report, the department had not taken action to consolidate contracts and leverage demand to increase the efficiency of its acquisition of mobile devices and services. In addition, according to the report, the department had not implemented effective practices for monitoring mobile device inventories to ensure it was not paying for unused mobile devices. The Office of Inspector General recommended that the department develop and implement formal policies and procedures for ensuring that mobile computing device acquisitions include consolidation of mobile device contracts and agreements. In addition, the report recommended that the department develop and implement policies and procedures for ensuring that cost-effective utilization of mobile computing devices include evaluating activated devices for continuing needs.

Few Agencies Have Enterprise-Wide Inventories of Mobile Devices and Services; Utility of Inventory Reports Submitted to OMB Is Unclear

Though required to have inventories of mobile devices and services by the 2011 executive order on promoting efficient spending, the 15 agencies we reviewed had developed such inventories to varying extents. In particular, most of these agencies delegated this responsibility to their components, and the extent to which the components had these inventories varied. Further, in accordance with OMB's 2012 Digital Government Strategy, the 15 agencies collected information on their mobile device contracts and reported this to OMB; however, this information was not always complete, current, or accurate. In addition, OMB has not measured and reported agencies' progress in consolidating their mobile service contracts or realizing savings from such efforts. Without adequate inventories and progress reports, agencies and OMB will be hindered in improving the efficiency of the government's spending on mobile devices and services.

²¹U.S. Department of Energy, Office of Inspector General, *The Department of Energy's Management and Use of Mobile Computing Devices and Services*, DOE/IG-0908 (Washington, D.C.: Apr. 15, 2014).

Few Agencies Have an Inventory That Can Be Used to Assess Device Usage

The November 2011 executive order on promoting efficient spending required agencies to have an employee mobile device inventory that could be used to assess device usage. While the executive order does not specify what such an inventory should consist of, our prior work on telecommunication transition practices showed that sound inventories

- include information from all components of an agency,
- uniquely identify devices and associated service plan information, and
- are maintained based on documented procedures.²²

The extent to which the agencies we reviewed had an inventory of mobile devices that included associated service information varied. Of the 15 agencies we reviewed, 4 centrally managed inventories at the enterprise level, 10 delegated responsibility for managing mobile device inventories to their components,²³ and 1 did not have a centrally managed enterprise inventory or delegate responsibility for managing inventories to components.

Of the four agencies that centrally managed inventories, only GSA had a comprehensive inventory. Specifically, the inventory accounted for all its major components, and the number of devices in the inventory was consistent with the number of devices GSA reported to OMB. The other three agencies, EPA, NASA, and the Social Security Administration (SSA), had inventories that included all the agencies' major components, but they were not complete. Specifically:

- EPA's inventory included devices and associated services purchased through the agency's working capital fund; however, agency officials did not know to what extent devices were purchased outside the working capital fund. An official from the agency's Office of Environmental Information stated that the agency is in the process of developing a policy that requires use of the working capital fund system for mobile device procurement.
- NASA's inventory was developed through an end-user services contract and included contractor-provided devices; however, the inventory did not include about 1,500 agency-owned devices. Officials from NASA's office of the Chief Information Officer reported that the

²²GAO-06-476.

²³VA delegated responsibility for managing inventories to regional offices instead of components.

agency plans to have a complete inventory once it has implemented changes to its Configuration Management Database in 2016

- SSA's inventory included about 69 percent of the devices the agency reported to OMB. Specifically, its inventory of devices and services included 4,566 of the 6,647 devices reported to OMB in its November 2014 inventory of mobile service contracts. According to an agency audit liaison, the remaining devices were purchased at the local level through small purchase spending authority.

Of the 10 agencies that delegated responsibility to components, the extent to which the components had inventories of devices and associated service information also varied. For 4 agencies, we found that inventories existed at both components we reviewed; at 3 agencies, one of the two components had inventories; at 1 agency, one component had a partial inventory; and 2 agencies' components did not have an inventory. For example:

- The Department of Justice's (Justice) components—the Drug Enforcement Administration and Federal Bureau of Investigation—had inventories that uniquely identified devices and associated service plan information for each device.
- The Department of Commerce's (Commerce) component, the Census Bureau, had an inventory that uniquely identified devices and associated service plan information. However, officials from the department's other component that we reviewed, the National Oceanic and Atmospheric Administration, reported that it has a mobile device asset inventory, but not an inventory that includes associated service plan information.
- The Department of the Treasury's (Treasury) IRS had an inventory of 32,573 devices, but only 4,017 devices had associated service information (about 12 percent of the total devices). The other Treasury component we reviewed, the Office of the Comptroller of the Currency, had an inventory of devices by carrier, but the inventory did not include associated service terms and rates.
- Neither of USDA's or the Department of Homeland Security's (DHS) components we reviewed had an inventory of devices and associated service information.

The last agency we reviewed, the Department of State, did not have an inventory of mobile devices and associated services at the enterprise or component level.

In terms of inventory maintenance, none of the four agencies that centrally managed their inventories had a documented process for capturing changes to them.²⁴

For a summary of our analysis of agencies' inventories of mobile devices and associated services, see table 1. For details, see appendix II.

Table 1: Extent to Which Selected Agencies or Components Have Developed an Inventory of Mobile Devices and Associated Service Terms and Rates

| Agency | Components | Assessment |
|---|---|------------|
| Department of Agriculture | | |
| | Animal and Plant Health Inspection Service | ○ |
| | Natural Resources Conservation Service | ○ |
| Department of Commerce | | |
| | Census Bureau | ● |
| | National Oceanic and Atmospheric Administration | ○ |
| Department of Defense | | |
| | Department of the Army | ○ |
| | Department of the Navy | ● |
| Department of Health and Human Services | | |
| | Centers for Disease Control and Prevention | ● |
| | Food and Drug Administration | ● |
| Department of Homeland Security | | |
| | Federal Emergency Management Agency | ○ |
| | Immigration and Customs Enforcement | ○ |
| Department of the Interior | | |
| | Fish & Wildlife Service | ○ |
| | National Park Service | ● |

²⁴We did not evaluate whether components had inventory maintenance processes.

| Agency | Components | Assessment |
|---|---|------------|
| Department of Justice | | |
| | Drug Enforcement Administration | ● |
| | Federal Bureau of Investigation | ● |
| Department of State | | |
| Department of Transportation | | |
| | Federal Aviation Administration | ● |
| | Office of the Secretary | ● |
| Department of the Treasury | | |
| | Internal Revenue Service | ◐ |
| | Office of the Comptroller of the Currency | ○ |
| Department of Veterans Affairs | | |
| | Region 1 | ● |
| | Region 3 | ● |
| Environmental Protection Agency (Inventory managed at the enterprise level) | | |
| General Services Administration (Inventory managed at the enterprise level) | | |
| National Aeronautics and Space Administration (Inventory managed at the enterprise level) | | |
| Social Security Administration (Inventory managed at the enterprise level) | | |

- The agency or component had an inventory of devices and associated services.
- ◐ The agency or component had an inventory of devices and associated services; however, it did not include all the agency's or component's devices.
- The agency or component did not have an inventory of devices and associated services.

Source: GAO analysis of agency data. | GAO-15-431

Note: The Department of Veterans Affairs delegated responsibility for managing inventories to regional offices instead of components.

Note: Table contains complex information, data available upon request.

Selected Agencies Have Developed Inventories of Mobile Service Contracts; However, Most Were Missing Key Data or Were Not Current

In addition to the executive order directive that agencies have an inventory that can be used to assess device usage, OMB's May 2012 Digital Government Strategy and implementation guidance required agencies to have a mobile service contracts inventory. Specifically, agencies were to have developed, by November 2012, an inventory that included for each service contract the monthly cost per line; voice, text and data service limits per line; and the number of devices, by major mobile operating system, associated with the contract. According to OMB's implementation guidance, agency leads were to work with officials from across the agency to collect inventory data at the bureau and agency level, and begin reporting the data to OMB by November 2012. Agencies were permitted to let individual bureaus report separately or collect bureau information centrally before providing it to OMB. OMB also required agencies to maintain their inventories through updated reports provided quarterly, including by the end of May, August, and November 2014.

Of the 15 agencies we reviewed, all collected mobile device contract information and reported it to OMB. However, 8 agencies' reports were missing key data or were not current, as illustrated by the following examples:

- DHS's report was limited to headquarters devices.
- Commerce's report was missing key cost and service information in 46 percent of the inventory records.
- DOD's report had not been updated since it was first delivered to OMB in 2012.

In terms of maintaining the contract inventories, 10 of the 15 agencies reported inventory information to OMB in each of the last three quarters of 2014. Three reported in two of the three quarters, and 1 reported once in the three quarters. One agency did not deliver quarterly reports to OMB during the time period. Specifically:

- Justice provided May and November 2014 reports, but not an August report. A department audit liaison specialist reported that there was little change to its May report as of August.
- DHS provided reports to OMB in August and November 2014, but not in May 2014.

- The Department of Health and Human Services (HHS) provided reports to OMB in May and August 2014, but not in November 2014.
- State delivered a report to OMB in May 2014, but had not delivered further quarterly reports as of November 2014.
- DOD did not provide a report to OMB during this time period, and, as indicated earlier, had not done so since November 2012. A DOD CIO official stated that his office did not make a data call to components because the department had not received feedback from OMB on the usefulness of the report.

Table 2 summarizes our analysis of agencies' wireless service contract inventories. For details of this analysis, see appendix II.

Table 2: Extent to Which Selected Agencies Developed an Inventory of Mobile Service Contracts and Maintained It Quarterly

| Agency | Developed | Maintained |
|---|-----------|------------|
| Department of Agriculture | ● | ● |
| Department of Commerce | ◐ | ● |
| Department of Defense | ◐ | ○ |
| Department of Health and Human Services | ◐ | ◐ |
| Department of Homeland Security | ◐ | ◐ |
| Department of the Interior | ◐ | ● |
| Department of Justice | ● | ◐ |
| Department of State | ◐ | ◐ |
| Department of Transportation | ● | ● |
| Department of the Treasury | ● | ● |
| Department of Veterans Affairs | ● | ● |
| Environmental Protection Agency | ◐ | ● |
| General Services Administration | ● | ● |
| National Aeronautics and Space Administration | ◐ | ● |
| Social Security Administration | ● | ● |

● **Developed:** The agency had a November 2014 mobile services contract inventory report.

● **Maintained:** The agency had reports for May, August, and November 2014.

◐ **Developed:** The agency had an inventory of mobile service contracts; however, it was missing key data or was not current as of November 2014. **Maintained:** The agency had not updated its report for one or two quarters between May and November 2014.

○ **Maintained:** The agency had not updated its report in any of the quarters between May and November 2014.

Source: GAO analysis of agency data. | GAO-15-431

Note: Table contains complex information, data available upon request.

Agency officials described a number of reasons for the weaknesses identified in the two sets of inventories—devices and services, and wireless contracts. For example, with regard to the former, some agencies were either unaware of or did not fully understand the associated executive order and its requirements. On the latter, some agencies also misunderstood the corresponding OMB reporting guidance, and as a result omitted key data elements or entered invalid data, among other things.

In addition, several agency officials told us that the traditional decentralized approach to mobile device management was adequate or that their agencies were limited in their authority to control components' mobile device inventory management. However, as the Digital Government Strategy noted, the decentralized approach has prevented the federal government from effectively leveraging its buying power with vendors and service providers. Furthermore, as previously noted, agency CIOs are responsible for implementing and enforcing government-wide IT management policies at their respective agencies. The recent federal IT acquisition reform legislation²⁵ also addresses the responsibility of agency CIOs for ensuring the effective and efficient use of IT across their agencies. Several agencies discussed plans for transitioning to a more centralized approach by moving more mobile devices to agency-wide contracts, which could assist them in developing future inventories.

Without adequate inventories of their mobile devices and associated service information, agencies will be limited in their ability to track usage and make decisions to optimize cost savings at both the individual device level and across the enterprise. Further, without a current, valid, and complete inventory of mobile service contracts, agencies are less likely to be able to identify opportunities for consolidation and strategic sourcing, and thus are less likely to achieve cost savings.

²⁵Federal Information Technology Acquisition Reform provisions of the Carl Levin and Howard P. "Buck" McKeon National Defense Authorization Act for Fiscal Year 2015, Pub. L. No. 113-291, div. A, title VIII, subtitle D, 128 Stat. 3292, 3438-3450 (Dec. 19, 2014).

Measuring and Reporting Agencies' Progress in Reducing Spending on Mobile Devices and Services Would Facilitate OMB Consolidation Oversight Efforts and Help Agencies Better Manage Mobile Spending

According to leading government and industry practices, organizations should measure performance in order to evaluate the success or failure of their activities, programs, and initiatives. Performance measurement involves identifying performance goals and measures that are measurable and outcome-oriented, establishing targets for improving performance, and measuring progress against those targets.²⁶ According to OMB guidance, a target is a quantifiable or otherwise measurable characteristic that tells how well an organization must accomplish a performance measure. In addition, according to the guidance, a target should be ambitious, i.e., set at a level that promotes continued improvement, and may be adjusted as factors change.²⁷

As previously mentioned, OMB's 2012 Digital Government Strategy aims to reduce costs by consolidating mobile service contracts and streamlining purchasing and invoicing. In addition, OMB's budget documents reported potential savings of about \$2.5 billion in fiscal years 2013 through 2015 by consolidating or eliminating commodity IT, including potential savings of about \$388 million in mobile service contracts. As part of its effort to achieve consolidation and reduce mobile device and service costs, OMB reported that it collects agencies' mobile service contract information and provides feedback to agencies on how their rates compare to government-wide and other agencies' average rates and to estimated rates available through a government-wide blanket purchase agreement. However, OMB has not tracked mobile technology cost savings against established targets. An OMB Policy Analyst explained that OMB is tracking the amount realized of the \$2.5 billion estimated savings but was not specifically tracking savings attributed to mobile contracts.

Officials from OMB's Office of E-Government and IT told us that the office had not established targets because they felt agencies are more likely to reduce costs if they are provided information about how their rates

²⁶GAO, *Data Center Consolidation: Reporting Can Be Improved to Reflect Substantial Planned Savings*, [GAO-14-713](#) (Washington, D.C.: Sept. 25, 2014); *Aviation Weather: Agencies Need to Improve Performance Measurement and Fully Address Key Challenges*, [GAO-10-843](#) (Washington, D.C., Sept. 9, 2010); *NextGen Air Transportation System: FAA's Metrics Can Be Used to Report on Status of Individual Programs, but Not of Overall NextGen Implementation or Outcomes*; [GAO-10-629](#) (Washington, D.C.: July 27, 2010); OMB, *Guide to the Program Assessment Rating Tool* (Washington, D.C.: January 2008); and GSA, *Performance-Based Management: Eight Steps To Develop and Use Information Technology Performance Measures Effectively* (Washington, D.C.: 1996).

²⁷OMB, *Guide to the Program Assessment Rating Tool* (Washington, D.C.: January 2008).

compare government-wide, than if their progress in reducing costs is measured against targets. However, our work on leading performance management practices has shown that establishing such targets can provide agencies with clear and transparent goals to guide their efforts. Furthermore, OMB's oversight of the government-wide initiative to consolidate or eliminate commodity IT reinforces this point.²⁸

Additionally, by measuring and reporting achievement of the Digital Government Strategy goal to reduce mobile technology costs, OMB would be more likely to have important insight into the effectiveness of its consolidation efforts and the ability to take corrective actions as needed. Agencies would also be more likely to have information about what is working well and what needs to be improved, thus enhancing their ability to effectively manage their mobile spending.

Most Agencies Have Not Established Processes and Procedures to Effectively Monitor and Control Spending on Mobile Devices and Services

As previously discussed, the executive order on promoting efficient spending directed agencies to establish controls to ensure they are not paying for unused or underused mobile devices. In addition, federal internal control standards call for agencies to ensure government resources are efficiently and effectively used.²⁹ Internal control standards also state that the internal control environment should clearly define key areas of authority and responsibility, and that procedures should include an audit trail so someone not familiar with the procedures could understand the process. Thus, when managing mobile devices, agencies should

- establish procedures to assess their devices for zero, under and over usage;
- identify the personnel with authority and responsibility for performing these procedures; and
- document the specific steps to be taken in order to help ensure the process is repeatable.

The extent to which the 15 agencies we reviewed had established effective procedures to monitor and control spending varied. Of the 15

²⁸GAO, *Information Technology: Additional OMB and Agency Actions Needed to Ensure Portfolio Savings Are Realized and Effectively Tracked*, [GAO-15-296](#) (Washington, D.C.: April 16, 2015). According to OMB, commodity IT includes IT infrastructure (e.g., desktop systems, telecommunications); enterprise IT systems (e.g., e-mail); and business systems (e.g., finance, human resources).

²⁹OMB, Circular A-123, *Management's Responsibility for Internal Control*, Dec. 21, 2004.

agencies, 2 managed mobile device spending at the enterprise level and 13 delegated responsibility to components. Of the 2 that managed spending at the enterprise level, 1 had partially established procedures to assess device usage and the other had not established procedures. Specifically:

- GSA established procedures to assess devices for zero usage, but not for under or over usage. The procedures assign responsibility to Designated Agency Representatives to review monthly reports to identify unused devices, and to a Designated Agency Representative Administrator to work with the device holder's supervisor to address devices with zero usage and request that the service provider suspend or terminate zero usage devices. The procedures also include an audit trail of the process to assess devices for no use. However, the procedures do not include assessing devices for under or over usage.
- SSA described steps it took to assess device usage and provided examples of usage reports; however, it had not documented these procedures. An official from the agency's Office of Telecommunications and Systems Operations explained that the agency is planning to document steps to monitor spending, but did not provide a time frame for completion.

Of the 13 agencies that delegated responsibility to their components, 1 agency, DOD, had established procedures at the two components we reviewed. Three agencies had fully established procedures at one of their components that we reviewed; 4 agencies had partially established procedures at both components that we reviewed; 3 had partially established procedures at one of their components that we reviewed; and 2 did not have procedures at either one of their two components that we reviewed. For example:

- DOD's two components—the Departments of the Army and of the Navy—had established processes to assess devices for zero, under, and over usage. The procedures defined responsibility and included an audit trail.
- One of the two HHS components that we reviewed—the Centers for Disease Control and Prevention—established procedures to assess devices for zero, under, and over usage. They define authority and responsibility and include an audit trail. Specifically the component uses a wireless management services contract, which requires its

contractor to analyze device usage and rates, by device, to determine if the component should establish a more cost-effective service plan.

- One of DHS's two components that we reviewed—Immigration and Customs Enforcement—also established procedures to assess devices for zero, under, and over usage through use of a wireless management services contract. The contract requires the contractor to analyze device usage and rates, by device, to determine if the component should establish a more cost-effective service plan. DHS's other component we reviewed, the Federal Emergency Management Agency, had established procedures to assess devices for zero usage, but not for under or over usage. The procedures do not define authority and responsibility for assessing devices. The procedures include an audit trail to assess zero usage, but not for under or over usage.
- One component we reviewed at the Department of Transportation (Transportation)—the Office of the Secretary—has procedures that include identifying wireless devices with zero usage; however, the procedures do not include assessing devices for under or over usage. The procedures also define responsibility for identifying and assessing devices. However, they do not include an audit trail for performing the assessment. The other reviewed component, the Federal Aviation Administration, established a policy which requires its National Wireless Program to optimize call plans. The procedures assign responsibility for optimizing the call plans to a National Wireless Program Office; however, the component agency had not established procedures for doing so.
- One component at Interior—the National Park Service—had a policy which requires park and office cell phone coordinators to monitor the cost efficiency of service plans against usage; however, it does not include an audit trail of the process to be followed for monitoring. The other component—the Fish and Wildlife Service—had not established a process or procedures to assess device usage.

Table 3 summarizes the extent to which each of the federal agencies or their components that we reviewed established processes and procedures to effectively assess mobile device usage. For details of our analysis of the processes and procedures, see appendix III.

Table 3: Extent to Which Selected Agencies or Their Components Established Processes and Procedures to Assess Device Usage

| Agency | Components | Procedures assess devices for zero, under, and over usage | Authority and responsibility for performing the procedures are defined | Steps to apply procedures are documented | Overall assessment |
|---|---|---|--|--|--------------------|
| Department of Agriculture | | | | | |
| | Animal and Plant Health Inspection Service | ● | ● | ● | ● |
| | Natural Resources Conservation Service | ○ | ○ | n/a | ○ |
| Department of Commerce | | | | | |
| | Census Bureau | ◐ | ● | ◐ | ◐ |
| | National Oceanic and Atmospheric Administration | ○ | ● | n/a | ◐ |
| Department of Defense | | | | | |
| | Department of the Army | ● | ● | ● | ● |
| | Department of the Navy | ● | ● | ● | ● |
| Department of Health and Human Services | | | | | |
| | Centers for Disease Control and Prevention | ● | ● | ● | ● |
| | Food and Drug Administration | ○ | ○ | n/a | ○ |
| Department of Homeland Security | | | | | |
| | Federal Emergency Management Agency | ◐ | ○ | ◐ | ◐ |
| | Immigration and Customs Enforcement | ● | ● | ● | ● |
| Department of the Interior | | | | | |
| | Fish & Wildlife Service | ○ | ○ | n/a | ○ |
| | National Park Service | ◐ | ● | ○ | ◐ |
| Department of Justice | | | | | |
| | Drug Enforcement Administration | ○ | ○ | n/a | ○ |
| | Federal Bureau of Investigation | ◐ | ● | ◐ | ◐ |
| Department of State | | | | | |
| | African Affairs Bureau | ○ | ○ | n/a | ○ |
| | Diplomatic Security Bureau | ○ | ○ | n/a | ○ |

| Agency | Components | Procedures assess devices for zero, under, and over usage | Authority and responsibility for performing the procedures are defined | Steps to apply procedures are documented | Overall assessment |
|--|---|---|--|--|--------------------|
| Department of Transportation | | | | | |
| | Federal Aviation Administration | ● | ● | ○ | ● |
| | Office of the Secretary | ● | ● | ○ | ● |
| Department of the Treasury | | | | | |
| | Internal Revenue Service | ● | ● | ● | ● |
| | Office of the Comptroller of the Currency | ○ | ○ | n/a | ○ |
| Department of Veterans Affairs ^a | | | | | |
| | Region 1 | ● | ● | ● | ● |
| | Region 3 | ● | ● | ● | ● |
| Environmental Protection Agency | | | | | |
| | Office of Administration and Resources Management | ● | ● | ○ | ● |
| | Office of Research and Development | ● | ● | ● | ● |
| General Services Administration (Spending managed at the enterprise level) | | | | | |
| | | ● | ● | ● | ● |
| National Aeronautics and Space Administration | | | | | |
| | Goddard Space Flight Center | ○ | ○ | n/a | ○ |
| | Johnson Space Center | ○ | ○ | n/a | ○ |
| Social Security Administration (Spending managed at the enterprise level) | | | | | |
| | | ○ | ○ | n/a | ○ |

● Fully satisfied criteria ● Met some but not all of the criteria ○ Did not satisfy criteria

Source: GAO analysis of agency documentation | GAO-15-431

Note: "n/a" means not applicable because there is no procedure to assess.

^aThe Department of Veterans Affairs delegated responsibility for managing inventories to regional offices instead of components.

Note: Table contains complex information, data available upon request.

Officials from the agencies described a number of reasons for the lack of documented procedures for monitoring and controlling mobile spending. For example, officials from a few agencies stated that their focus was on

carrying out many of these activities and that documenting the process was less of a priority. However, without documented procedures, these agencies lack assurance that the process can be followed consistently and implemented by others.

Also, officials from other agencies stated it was not necessary to monitor device usage because they had service contracts with pooled minutes or unlimited data. However, while contracts with unlimited or shared usage can help limit the risk of incurring charges from overuse, they can increase the risk that agencies are paying for unused service on infrequently used devices. Thus, reliance on plans providing unlimited or shared usage is not an effective substitute for adequate oversight of device-level usage.

Furthermore, as with agencies' inventories, a key reason agencies did not have adequate procedures for assessing device usage is that they took a decentralized approach to managing mobile device spending. As with the inventory requirements, agency officials told us they generally believed that the traditional, decentralized approach to managing mobile spending was adequate. Additionally, officials from four department-level CIO offices told us they did not have authority to control how components manage mobile device spending. However, as previously stated, agency CIOs are responsible for implementing and enforcing government-wide IT management policies.

Also, as previously mentioned, the recent federal IT acquisition reform legislation³⁰ addresses the responsibility of agency CIOs for ensuring the effective and efficient use of IT across their agencies. Specifically, the law prohibits the agencies we reviewed, other than DOD, from entering into a contract for IT or IT services that has not been approved by the agency's CIO, or in the case of a non-major IT investment, a delegate who reports directly to the CIO. This law should provide agency CIOs with the necessary authority to control mobile device spending at components.

Without established processes and procedures to assess mobile device usage for zero, under, and over usage, agencies are not able to ensure that they are sufficiently controlling spending, and thus not wasting federal resources. In addition, without a documented process that defines the steps to be taken to review usage, agencies are unlikely to be

³⁰Federal Information Technology Acquisition Reform provisions of the Carl Levin and Howard P. "Buck" McKeon National Defense Authorization Act for Fiscal Year 2015, Pub. L. No. 113-291, div. A, title VIII, subtitle D, 128 Stat. 3292, 3438-3450 (Dec. 19, 2014).

consistently reviewing device usage to optimize costs. As a result, they may be paying for unused mobile devices or using inefficient service plans.

Agencies Reported a Range of Monthly Costs for Mobile Device Services

According to mobile service contract reports submitted to OMB, agencies pay a range of monthly costs per line for various service combinations, with most including unlimited data and text messages and varying limits on the number of voice minutes allowed.³¹ For example, USDA reported the lowest monthly cost: \$21 for 200 voice minutes, unlimited data, and 200 text messages; and HHS reported the highest: \$121.57 for unlimited voice, data, and text. Also, according to the reports, three agencies (Justice, SSA, and DHS) pay different rates for unlimited voice, data and text: \$69.00, \$80.56, and \$121.57, respectively. Table 4 shows the lowest and highest monthly costs and associated contract terms that the agencies we reviewed reported for contracts with at least 50 mobile devices with voice and data services.

Table 4: Range of Monthly Mobile Device Contract Costs and Associated Contract Terms Reported by Selected Agencies

| Agency | Lowest monthly cost | Service rate terms under contract | Highest monthly cost | Service rate terms under contract | Limitations of agency-reported data |
|---------------------------|---------------------|---|----------------------|---|-------------------------------------|
| Department of Agriculture | \$21.00 | 200 voice minutes; unlimited data; and 200 text messages. | \$72.11 | 1,000 voice minutes; unlimited data and text. | — |

³¹ As discussed earlier in this report, OMB requires agencies to submit quarterly reports on their mobile service contract costs and services, which are to include, by service contract, the number of voice minutes, number of gigabytes of data, and number of texts per line per month, as well as the typical contract cost per line per month and the number of devices on the contract.

| Agency | Lowest monthly cost | Service rate terms under contract | Highest monthly cost | Service rate terms under contract | Limitations of agency-reported data |
|---|---------------------|---|----------------------|---|--|
| Department of Commerce | — | — | — | — | Commerce's report was missing cost and service information in 17 of 37 (or 46 percent) inventory records. |
| Department of Defense | — | — | — | — | DOD's latest report was dated November 2012 and was missing key cost and service information in 201 of 788 (or 26 percent) inventory records. |
| Department of Health and Human Services | \$37.83 | 126 voice minutes; unlimited data and text. | \$121.57 | Unlimited voice, data, and text. | Data are from HHS's August 2014 report, because the department did not have a November 2014 report. |
| Department of Homeland Security | — | — | — | — | DHS's report was limited to headquarters devices. In addition, DHS reported actual usage instead of contract terms. |
| Department of the Interior | \$26.39 | 400 voice minutes; unlimited data; and no text. | \$66.00 | 400 voice minutes; unlimited data and text. | The total number of devices included in Interior's November 2014 report was a small percentage (23 percent) of the number of devices Interior reported to GAO. |
| Department of Justice | \$31.12 | 100 voice minutes; unlimited data; and 400 text messages. | \$69.00 | Unlimited voice, data and text. | — |
| Department of State | \$48.07 | 400 voice minutes; unlimited data and text. | \$59.58 | 300 voice minutes; unlimited data and text. | Data are from State's May 2014 report, because the department did not have a November 2014 report. Also, State's report was limited to contracts generally for domestic use. |
| Department of Transportation | \$29.38 | 300 voice minutes; 5 gigabytes of data; and unlimited text. | \$66.00 | 322 voice minutes; unlimited data and text. | — |
| Department of the Treasury | \$40.00 | 300 voice minutes; unlimited data and text. | \$49.99 | 400 voice minutes; unlimited data and text. | — |
| Department of Veterans Affairs | \$22.58 | 125 voice minutes; unlimited data and text. | \$54.06 | 800 voice minutes; unlimited data and text. | — |
| Environmental Protection Agency | \$81.83 | 400 voice minutes; unlimited data and text. | \$82.38 | 300 voice minutes; unlimited data and text. | EPA's report included devices and services purchased through the agency's working capital fund; however, agency officials did not know the extent to which the report accounts for all the agency's devices and services because use of the fund is not mandatory. EPA stated that its monthly costs include internal costs such as staff and overhead, in addition to service contract costs. |

| Agency | Lowest monthly cost | Service rate terms under contract | Highest monthly cost | Service rate terms under contract | Limitations of agency-reported data |
|---|---------------------|---|----------------------|---|---|
| General Services Administration | \$47.99 | 300 voice minutes; unlimited data and text. | \$57.99 | 300 voice minutes; unlimited data and text. | — |
| National Aeronautics and Space Administration | \$63.89 | 500 voice minutes; unlimited data and text. | \$100.97 | 500 voice minutes; unlimited data and text. | NASA's report included device data storage limits instead of monthly data service per line in 8 of 24 (33 percent) inventory records. We determined the contracts described here included unlimited data, based on our review of NASA's end-user services contract. |
| Social Security Administration | \$39.99 | 400 voice minutes; unlimited data; and no text. | \$80.56 | Unlimited voice, data, and text. | — |

Source: GAO based on agency-reported data. | GAO-15-431

Note: Unless otherwise noted, data are from November 2014 reports submitted to OMB. Data are based on agencies' reported lowest and highest monthly costs and associated contract terms for at least 50 mobile devices with voice and data services.

The data reported by the agencies have additional limitations. Specifically, the reports to OMB do not include information about services other than voice, data, and text that may be provided through the contract, such as international calling and tethering.³² OMB previously required agencies to include information about whether international and tethering services were included in the contract; however, its guidance for the November 2014 report did not require this information. Thus, differences in costs may reflect additional services that agencies are not required to report. GSA officials, for example, told us that the difference between the services provided for their lowest monthly cost (\$47.99) and their highest monthly cost (\$57.99), which otherwise had the same contract terms for voice, data, and text services, was that the higher-cost contract included international service.

The variance in rates paid for the same services shows the potential to reduce costs. Specifically, the variance of about \$53 between the lowest and highest rates the agencies we reviewed paid for unlimited voice, data, and text shows the potential opportunity to consolidate contracts and leverage economies of scale to reduce costs. As previously discussed, by measuring and reporting achievement of its goal to reduce mobile technology costs, OMB would be better able to monitor progress

³²Tethering is connecting a computer or tablet to a cellular phone by a cable or wireless connection to obtain cellular connectivity.

in consolidating mobile service contracts, and have important insight and ability to take corrective actions as needed.

Conclusions

For the most part, agencies continue to rely primarily on a decentralized approach to managing their mobile telecommunications devices such as cell phones, though such an approach limits agencies' ability to optimize spending. This is reflected in mobile device inventories, which are often maintained at the component level, that provide insufficient information on devices and services to assess usage. Further, while agencies generally collected and reported information on mobile device contracts, the information was not always valid, complete, or current, which limits the ability to identify opportunities for consolidation and cost savings. Establishing complete and accurate inventories of mobile devices and services and of mobile contracts would better position agencies to meet OMB's goal of reducing costs by moving toward a less-fragmented approach to acquiring this technology. Further, by measuring and reporting progress agencies are making in meeting this goal, OMB could enhance its ability to oversee these efforts and improve agencies' management of their spending on mobile devices and services.

Similar to device inventories, agencies have delegated responsibility for monitoring and controlling mobile device spending to components, and many lack documented procedures for identifying unused, underused, and overused, devices. With the federal government's annual spending on mobile devices already more than \$1 billion and expected to continue rising, more consistent collection of device-level information and clearly documented review procedures would better enable agencies to ensure that they are not paying for unnecessary devices and services. The wide range of rates agencies reported paying reinforces the need for effective ongoing oversight of mobile service spending.

Recommendations for Executive Action

To help ensure their ability to effectively manage spending on mobile devices and services, we are making recommendations to each of the departments and agencies we reviewed. Appendix IV contains these recommendations.

In addition, to better enable OMB to oversee agency efforts to consolidate mobile telecommunications contracts, we recommend that the Director measure and report progress in achieving its goal of cost savings through consolidation, as described in the 2012 Digital Government Strategy.

Agency Comments and Our Evaluation

We provided a draft of this report for comment to the 15 agencies we reviewed and OMB. Of the 15 agencies we reviewed, 13 generally agreed with our recommendations, 1 agency, DOD, partially agreed, and 1 (Treasury) stated that it did not have any comments. In addition, OMB generally agreed with our recommendation. Four agencies also provided technical comments, which we incorporated, as appropriate. The comments we received are summarized below:

- In written comments, USDA agreed with our report and described steps it was taking to implement our recommendations. USDA's comments are reprinted in appendix V.
- In written comments, Commerce agreed with our recommendations. In addition, Commerce stated that it expects to develop a department-wide inventory of mobile devices and service contracts and to document processes to assess device usage by the second quarter of fiscal year 2016. Commerce's letter is reprinted in appendix VI. The department also provided technical comments which we incorporated as appropriate.
- In written comments, DOD partially concurred with both recommendations. Regarding the first recommendation, that it establish a department-wide inventory of mobile devices and services, the Department agreed on the merits of such an inventory, but stated that maintaining an inventory comes at considerable expense and effort. We continue to believe that a comprehensive inventory is critical to managing mobile device costs. However, the inventory need not be generated centrally at the headquarters level; the department can compile a comprehensive inventory using components' complete inventories. Regarding the second recommendation, to develop an inventory of mobile device contracts, DOD agreed that such an approach has merits, especially in a time of restricted government spending. The comments also describe several efforts the department has undertaken to enhance mobile device management. However, we believe any approach to managing mobile device contracts will be hampered by the lack of complete information on the contracts that are already in place. The department's comments are reprinted in appendix VII.
- In written comments, HHS concurred with our recommendations and described steps it was taking to implement them. HHS's comments are reprinted in appendix VIII.
- In written comments, DHS concurred with our recommendations and described steps it planned to take to implement them. DHS's

comments are reprinted in appendix IX. The department also provided technical comments, which we incorporated as appropriate.

- In e-mail comments, Interior’s audit liaison stated that the department was in general agreement with the report’s recommendations. The liaison stated that the department is planning an agency-wide strategic sourcing initiative, which includes developing an inventory of devices and services as they are transitioned to a new enterprise contract. In addition, the department plans to publish enterprise-wide processes and procedures for monitoring devices and services procured through the new enterprise contract in calendar year 2015.
- In e-mail comments, an official from Justice’s Audit Liaison Group stated that the department concurs with the recommendations. The department also issued a policy requiring its components to take steps consistent with our recommendations.
- In written comments, State agreed with our recommendations. In addition, the department clarified its plans for centralized management of mobile device and service inventories, which we have incorporated into our report. The department also cited several policies and procedures as having provisions that address the executive order on promoting efficient spending. However, none of them included procedures for assessing device usage. State’s comments are reprinted in appendix X.
- In written comments, Transportation agreed with our recommendations, based on a preliminary review, and said it would provide a detailed response within 60 days of the report’s issuance. The department’s letter is reprinted in appendix XI.
- In an e-mail response, a Treasury liaison stated that the department had no comments on the report. The e-mail, however, provided technical comments from the two department components we reviewed, IRS and the Office of the Comptroller of the Currency, which we have incorporated as appropriate.
- In written comments, the Department of Veterans Affairs generally agreed with our conclusions and concurred with our recommendation. The department’s comments are reprinted in appendix XII.
- In written comments, EPA neither agreed nor disagreed with our recommendations, but described steps it was taking to implement them that were consistent with our recommendations. The agency

also stated that the monthly service cost information we reported was incorrect because it includes costs associated with its working capital fund such as staff and overhead. The agency also stated that the costs were inconsistent with the data we reported from other agencies. However, as we stated in our report, the monthly cost data were derived by analyzing agency reports to OMB. Even though it was not required, EPA included the described internal overhead costs to OMB. Thus, we believe that we consistently analyzed and reported the costs agencies reported to OMB. Our report discusses the possibility that differences among agency costs could be partly attributable to differences in how costs were reported. In addition, we added information to table 4 to clarify EPA's position. EPA's written comments are reprinted in appendix XIII.

- In written comments, GSA agreed with our findings and recommendations. Its letter is reprinted in appendix XIV.
- In written comments, NASA concurred with our recommendations and identified steps the agency plans to take to address them. NASA's comments are reprinted in appendix XV.
- In written comments, SSA agreed with our recommendations and outlined steps it is taking to implement them. SSA's written comments are reprinted in appendix XVI.

On behalf of OMB, a performance analyst in the E-Government and IT office provided e-mail comments stating that OMB generally agreed with our recommendation. Regarding establishing targets to guide agencies' efforts in reducing mobile costs, OMB commented that because the market rate per line per month may improve, its current approach of comparing current prices paid with current price estimates is more flexible than setting a target price per line. While we agree that providing this information to agencies may be useful, targets need not be specific prices. Rather, they could be, for example, a range relative to average prices. Moreover, we agree that if goals are achieved, it is appropriate to revise them to continue striving for additional improvements, as laid out in OMB's performance measurement guidance.

We are sending copies of this report to the appropriate congressional committees; the Secretaries of Agriculture, Commerce, Defense, Health and Human Services, Homeland Security, the Interior, State, Transportation, the Treasury, and Veterans Affairs; the Attorney General;

the Administrator of the Environmental Protection Agency, the Acting Administrator of General Services; the Administrator of the National Aeronautics and Space Administration; the Commissioner of the Social Security Administration; the Director of the Office of Management and Budget; and other interested parties. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff members have any questions about this report, please contact me at (202) 512-4456 or chac@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made contributions to this report are listed in appendix XVII.



Carol R. Cha
Director
Information Technology Acquisition Management Issues

Appendix I: Objectives, Scope, and Methodology

Our objectives were to (1) determine the extent to which federal agencies have developed enterprise-wide inventories of mobile devices and wireless services, and established processes to maintain them; (2) determine the extent to which agencies have established effective processes and procedures for monitoring and controlling spending on mobile devices and wireless services; and (3) describe agencies' mobile service rates.

To address our objectives, we selected 15 agencies from the 24 agencies identified in the Chief Financial Officer Act of 1990 that reported spending at least \$10 million on telecommunications in fiscal year 2012 or fiscal year 2013. The agencies were the Departments of Agriculture, Commerce, Defense, Health and Human Services, Homeland Security, the Interior, Justice, State, Transportation, the Treasury, and Veterans Affairs; the General Services Administration; the National Aeronautics and Space Administration; and the Social Security Administration, which reported spending over \$10 million on telecommunications in fiscal year 2012, through USASpending.gov. We also selected the Environmental Protection Agency, which reported to us that it spent over \$10 million on telecommunications in fiscal year 2013.

To address the first objective, we reviewed agencies' detailed device and service inventories and enterprise-wide mobile service contract inventories. For each agency that reported that components were responsible for maintaining device inventories, we selected two components with the highest number of devices for each agency, based on agency reports.¹ In the cases where we reviewed component inventories, our assessment of agencies' inventories cannot be generalized to the entire agency.

We evaluated agencies' mobile device and service inventories relative to (1) the President's November 2011 executive order on promoting efficient spending to review inventories for zero and under use, and (2) a prior GAO report on sound telecommunications transition planning practices,

¹We could not determine the number of devices by component at the Department of State, based on the information provided by the department. Therefore, we selected two components based on our judgment of where mobile devices were more likely to be needed and used, based on their missions.

which are relevant beyond a transition.² Specifically, we determined if the agencies had an inventory that included uniquely identified devices and associated service limits and rates that can be used to assess device usage. Thus, for our assessment, we only considered agencies' inventories which included both mobile devices and associated service limits and rates.

For those agencies that had centrally managed inventories, we verified that the inventory accounts for all the agency's major components, by comparing component data in the inventories with agency organization descriptions or charts. We identified obvious issues with the inventories, such as missing devices, by comparing the number of devices in the inventory with the number of devices reported to Office of Management and Budget (OMB). In addition, we reviewed relevant agency information and responses to questions about efforts to ensure the inventories were complete. We assessed the inventories we found to be missing devices as partial.

For those agencies whose components managed inventories, we did not verify the completeness of the components' inventories. However, if we found obvious issues with a component's inventory, such as missing devices and associated service information, we assessed the inventory as partial.

Regarding inventory maintenance processes, for those agencies with centrally managed enterprise-level mobile device and services inventories, we determined whether agencies had documented processes relative to our prior report on telecommunications best practices, which shows that agencies should have documented inventory maintenance processes. We did not evaluate whether components had inventory maintenance processes.

We evaluated agencies' mobile contract inventories against OMB's Digital Government Strategy requirements and guidance. Specifically, we assessed the agencies' latest inventories as of November 2014 relative to

²GAO, *Telecommunications: Full Adoption of Sound Transition Planning Practices by GSA and Selected Agencies Could Improve Planning Efforts*, [GAO-06-476](#) (Washington, D.C.: June 6, 2006). We identified establishing a telecommunications inventory as a key telecommunications transition planning practice and noted the importance of establishing and maintaining an inventory for purposes in addition to transition planning. We identified the transition planning practices through research of literature and interviews with those with experience in telecommunications transitions, including industry experts, telecommunications vendors, and other private sector companies.

OMB's guidance, which requires agencies to develop enterprise-wide reports on their mobile service contract costs and services. The reports are to include, for each service contract, the numbers of voice minutes, gigabytes of data, and text messages per line per month, the typical contract cost per line per month, and the number of devices on the contract. Regarding maintenance of these reports, we evaluated the extent to which agencies provided quarterly reports to OMB for the last 3 quarters in 2014 (i.e., May, August, and November 2014), in accordance with OMB requirements to deliver quarterly reports.

In addition, we compared OMB's oversight of agencies' progress toward meeting the Digital Government Strategy's goal of purchasing mobile technology at the agency (and ultimately government-wide) level with leading management practices.³ These practices include identifying performance goals and measures, identifying targets for improving performance, and measuring and reporting on progress against those targets.

For the second objective, we reviewed agencies' documented processes and procedures for monitoring and controlling spending on mobile devices and services. For each agency that reported managing mobile device spending at the component level, we reviewed the two components with the highest number of mobile devices, based on agency reports. Specifically, we assessed the extent to which the procedures included assessing devices for zero, under, and over usage, in accordance with a November 2011 executive order directing agencies to establish controls to ensure they are not paying for unused or underutilized mobile devices and services, and OMB federal internal control standards, which say that agencies should establish control activities (i.e., procedures) to help ensure the efficient and effective use of

³GAO, *Data Center Consolidation: Reporting Can Be Improved to Reflect Substantial Planned Savings*, [GAO-14-713](#) (Washington, D.C.: Sept. 25, 2014); *Aviation Weather: Agencies Need to Improve Performance Measurement and Fully Address Key Challenges*, [GAO-10-843](#) (Washington, D.C., Sept. 9, 2010); *NextGen Air Transportation System: FAA's Metrics Can Be Used to Report on Status of Individual Programs, but Not of Overall NextGen Implementation or Outcomes*; [GAO-10-629](#) (Washington, D.C.: July 27, 2010); OMB, *Guide to the Program Assessment Rating Tool* (Washington, D.C.: January 2008); and GSA, *Performance-Based Management: Eight Steps To Develop and Use Information Technology Performance Measures Effectively* (Washington, D.C.: 1996).

government resources.⁴ We also assessed the procedures to determine if authority and responsibility for the procedures were defined and an audit trail is included so that someone not familiar with the procedures can understand them, in accordance with OMB internal control standards. In the cases where we reviewed component procedures, our assessment of procedures cannot be generalized to the entire agency.

For the third objective, we analyzed each agency's latest mobile service contract report submitted to OMB as of November 2014. Specifically, we identified the contract records that included both voice and data services for at least 50 devices. Of these records, we identified the service contract with the lowest monthly cost per device and the contract terms associated with the cost (i.e., the number of voice minutes, gigabytes of data and text messages allowed per month per device). Similarly, of the contracts that included both voice and data services for at least 50 devices, we identified the service contract with the highest monthly cost per device and the contract terms associated with the cost. If there were two or more contracts with identical lowest monthly cost and contract terms for at least 50 mobile devices, then we identified the contract with more favorable contract terms (e.g., higher number of voice minutes). Similarly, if there were two or more records with identical highest monthly cost and contract terms, then we identified the record with less favorable contract terms (e.g., lower number of voice minutes).

To assess the reliability of the cost data in the contracts inventory reports, we identified obvious issues, such as missing or questionable values, and reviewed each agency's responses to questions about efforts to ensure the reports are accurate and complete. For the purposes of our report, we determined the cost data we reported were sufficiently reliable.

For all three objectives, we discussed the agencies' oversight of mobile telecommunications with officials from each agency and OMB.

We conducted this performance audit from December 2013 to May 2015, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain

⁴OMB, Circular A-123, *Management's Responsibility for Internal Control*, Dec. 21, 2004; GAO, *Standards for Internal Control In the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: November 1999); GAO, *Internal Control Management and Evaluation Tool*, [GAO-01-1008G](#) (Washington, D.C.: Aug. 2001); See also GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014), which is effective beginning with fiscal year 2016, and may be adopted earlier at the discretion of agencies.

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

Appendix II: Detailed Analysis of Agency Mobile Device and Services and Mobile Service Contracts Inventories

Included in this appendix are details of our assessment of the extent to which the 15 agencies we reviewed (1) had an inventory of mobile devices and associated service terms and rates, and (2) developed and maintained a mobile service contracts inventory.

Mobile Device and Services Inventory: We determined whether the 15 agencies had inventories that uniquely identify mobile devices and associated service information (i.e., service terms and rates) that can be used to assess device usage to determine if a device should be canceled or moved to a more cost-effective rate plan, in accordance with Executive Order 13589 on Promoting Efficient Spending, and prior GAO work on telecommunications inventories. In the cases where agencies delegated responsibility for managing mobile device inventories to components, we reviewed two components' inventories for each agency.

Table 5 summarizes our analysis of each agency's mobile device and services inventory.

**Appendix II: Detailed Analysis of Agency
Mobile Device and Services and Mobile Service
Contracts Inventories**

Table 5: Extent to Which Selected Agencies or Components Have Developed an Inventory of Mobile Devices and Associated Service Terms and Rates

| Agency | Components | Assessment |
|---|---|-------------------|
| Department of Agriculture | | |
| | Animal and Plant Health Inspection Service | ○ |
| | Natural Resources Conservation Service | ○ |
| Department of Commerce | | |
| | Census Bureau | ● |
| | National Oceanic and Atmospheric Administration | ○ |
| Department of Defense | | |
| | Department of the Army | ○ |
| | Department of the Navy | ● |
| Department of Health and Human Services | | |
| | Centers for Disease Control and Prevention | ● |
| | Food and Drug Administration | ● |
| Department of Homeland Security | | |
| | Federal Emergency Management Agency | ○ |
| | Immigration and Customs Enforcement | ○ |
| Department of the Interior | | |
| | Fish & Wildlife Service | ○ |
| | National Park Service | ● |
| Department of Justice | | |
| | Drug Enforcement Administration | ● |
| | Federal Bureau of Investigation | ● |
| Department of State | | |
| | | ○ |
| Department of Transportation | | |
| | Federal Aviation Administration | ● |
| | Office of the Secretary | ● |
| Department of the Treasury | | |

**Appendix II: Detailed Analysis of Agency
Mobile Device and Services and Mobile Service
Contracts Inventories**

| Agency | Components | Assessment |
|---|---|-------------------|
| | Internal Revenue Service | ◐ |
| | Office of the Comptroller of the Currency | ○ |
| Department of Veterans Affairs | | |
| | Region 1 | ● |
| | Region 3 | ● |
| Environmental Protection Agency (Inventory managed at the enterprise level) | | |
| General Services Administration (Inventory managed at the enterprise level) | | |
| National Aeronautics and Space Administration (Inventory managed at the enterprise level) | | |
| Social Security Administration (Inventory managed at the enterprise level) | | |

- The agency or component had an inventory of devices and associated services.
- ◐ The agency or component had an inventory of devices and associated services; however, it did not include all the agency's or component's devices.
- The agency or component did not have an inventory of devices and associated services.

Source: GAO analysis of agency data. | GAO-15-431

Note: The Department of Veterans Affairs delegated responsibility for managing inventories to regional offices instead of components.

Note: Table contains complex information, data available upon request.

Mobile Service Contracts Inventory: To determine the extent to which the 15 agencies had developed an inventory of mobile service contracts, we compared each agency's most recent inventory as of November 2014, with the Office of Management and Budget's (OMB) May 2012 Digital Government Strategy requirements and subsequent implementation guidance. Specifically, we determined whether each agency had an inventory that included mobile service contract information, including the number of voice minutes, gigabytes of data, and text messages allowed per line per month, the typical cost per line per month, and the number of devices on the service plan. To determine the extent to which agencies maintained their contract inventories, we determined whether each agency had May, August, and November 2014 inventory reports.

Table 6 summarizes our analysis of each selected agency's mobile service contracts inventory. Following the table are details about each assessment.

Table 6: Summary of the Extent to Which Selected Agencies Have Developed an Inventory of Mobile Service Contracts and Maintained It Quarterly

| Agency | Developed | Maintained |
|---|-----------|------------|
| Department of Agriculture | ● | ● |
| Department of Commerce | ◐ | ● |
| Department of Defense | ◐ | ○ |
| Department of Health and Human Services | ◐ | ◐ |
| Department of Homeland Security | ◐ | ◐ |
| Department of the Interior | ◐ | ● |
| Department of Justice | ● | ◐ |
| Department of State | ◐ | ◐ |
| Department of Transportation | ● | ● |
| Department of the Treasury | ● | ● |
| Department of Veterans Affairs | ● | ● |
| Environmental Protection Agency | ◐ | ● |
| General Services Administration | ● | ● |
| National Aeronautics and Space Administration | ◐ | ● |
| Social Security Administration | ● | ● |

● **Developed:** The agency developed a mobile services contract inventory as of November 2014. **Maintained:** The agency had reports for May, August, and November 2014.

◐ **Developed:** The agency had an inventory of mobile service contracts; however, it was missing key data or was not current as of November 2014. **Maintained:** The agency had not updated its report one or two quarters between May and November 2014.

○ **Maintained:** The agency had not updated its report in any of the quarters between May and November 2014.

Source: GAO analysis of agency data. | GAO-15-431

Note: Table contains complex information, data available upon request.

Department of Agriculture

The Department of Agriculture delegated responsibility for managing mobile device inventories to its components. The two components we reviewed—the Animal and Plant Health Inspection Service and the Natural Resources Conservation Service—had inventories of mobile devices, but they did not include associated service terms and rates.

The department has developed an inventory of mobile service contracts. In addition, it had inventory reports for May, August, and November 2014.

Department of Commerce

The Department of Commerce delegated responsibility for managing mobile device inventories to its components. One component that we reviewed, the Census Bureau, had an inventory of devices and associated service plans and rates. The other component we reviewed, the National Oceanic and Atmospheric Administration, reported that it does not have an inventory of devices that includes service information.

The department has developed an inventory of mobile service contracts. However, its November 2014 inventory was not complete. Specifically, it was missing cost and service information in 17 of 37 records (46 percent). The department had inventory reports for May, August, and November 2014.

Department of Defense

The Department of Defense delegated responsibility for managing mobile device inventories to its components. One component we reviewed, the Department of the Navy, had an inventory of mobile devices and associated services. However, the other component, the Department of the Army, reported that it did not.

The department developed an inventory of mobile service contracts in 2012; however, the report was missing key cost and service information in 201 of 788 (26 percent) inventory records. The department did not have inventory reports for May, August, or November 2014.

Department of Health and
Human Services

The Department of Health and Human Services delegated responsibility for managing mobile device inventories to its components. Both components we reviewed, the Food and Drug Administration and the Centers for Disease Control and Prevention, had an inventory of devices and associated service information.

The department developed an inventory of mobile service contracts. The department had inventory reports for May and August 2014. However, it did not have a November 2014 report.

Department of Homeland
Security

The Department of Homeland Security delegated responsibility for managing mobile device inventories to its components. However, as of January 2015, both components we reviewed, the Federal Emergency Management Agency and Immigration and Customs Enforcement, did not have inventories of devices and associated service information.

The department developed an inventory of mobile service contracts; however, it did not include all components' service contracts. Specifically, it included only the department's headquarters' service contracts. The

department had inventory reports for August and November 2014, but not for May 2014.

Department of the Interior

The Department of the Interior delegated responsibility for managing mobile device inventories to its components. One component that we reviewed, the National Park Service, had an inventory of devices and associated service information. The other component, the Fish and Wildlife Service, did not have an inventory of devices and associated service information.

The department developed an inventory of service contracts; however, the total number of devices included in the November 2014 report was only 23 percent of the number of devices the department reported to us. The department had inventory reports for May, August, and November 2014.

Department of Justice

The Department of Justice delegated responsibility for managing mobile device inventories to its components. The two components we reviewed—the Drug Enforcement Administration and the Federal Bureau of Investigation—had inventories of mobile devices and associated service information.

The department developed an inventory of mobile service contracts. It had inventory reports for May and November 2014; however, it did not have an August 2014 report.

Department of State

Department of State officials stated that the majority of the department's mobile devices are based overseas and that posts and bureaus are responsible for managing mobile device and service inventories. The department had an inventory of mobile devices at overseas posts; however, the inventory did not include associated service information. Regarding domestic users' mobile devices and services, the officials stated that responsibility for centralized management of devices and services purchased through the department's wireless blanket purchase agreements had transitioned to the Bureau of Information Resource Management, and that the department plans to develop an inventory of these devices.

The Department of State developed an inventory of mobile service contracts; however, agency officials stated that the report includes only devices purchased through the department's blanket purchase agreements, which are generally only for domestic users. The department had an inventory report for May 2014. It also had inventory reports for

October and December 2014; however, these reports did not include monthly cost information. It did not have reports for August or November 2014.

Department of Transportation

The Department of Transportation delegated responsibility for managing mobile device inventories to its components. Both components we reviewed, the Federal Aviation Administration and the Office of the Secretary, had inventories of devices and associated service limits and rates.

The department developed and maintained an inventory of mobile service contracts. It had inventory reports for May, August, and November 2014.

Department of the Treasury

The Department of the Treasury delegated responsibility for managing mobile device inventories to components. One of the components we reviewed, the Internal Revenue Service, had an inventory of 32,573 devices, but only 4,017 devices had associated service information (about 12 percent of the total devices). The other component we reviewed, the Office of the Comptroller of the Currency, did not have an inventory of devices and associated service terms and rates.

The department developed and maintained an inventory of mobile service contracts. It had inventory reports for May, August, and November 2014.

Department of Veterans Affairs

Department of Veterans Affairs regional offices manage the department's mobile devices and services. The two regional offices we reviewed had an inventory of mobile devices and associated services.

The department developed and maintained an inventory of mobile service contracts. It had inventory reports for May, August, and November 2014.

Environmental Protection
Agency

The Environmental Protection Agency has an enterprise-level inventory of some but not all mobile devices and associated service plan information. Specifically, the inventory includes devices and services purchased through the agency's working capital fund; however, agency officials did not know to what extent the inventory accounts for all the agency's devices because use of the fund is not mandatory for acquiring mobile devices and services.

The agency has developed an inventory of mobile service contracts; however, it includes only the service contracts procured through its working capital fund. Agency officials did not know to what extent devices

and services are procured outside the working capital fund. The agency had inventory reports for May, August, and November 2014.

General Services
Administration

The General Services Administration had an enterprise-wide inventory of mobile devices and associated service plan information.

The agency also developed an inventory of mobile service contracts. It had inventory reports for May, August, and November 2014.

National Aeronautic and Space
Administration

The National Aeronautics and Space Administration had an inventory of mobile devices and associated service information which included most, but not all, of the devices used by the agency. The inventory was developed through a contract that provides the agency's components wireless services, and contractor-owned devices. However, the agency does not have an inventory of agency-owned devices and services. Officials from the agency's Office of the Chief Information Officer reported that the agency plans to develop and maintain a complete inventory once it has implemented changes to its Configuration Management Database in 2016.

The agency developed an inventory of mobile service contracts; however, the November 2014 report included invalid information in a third of its inventory records. Specifically, it reported device data storage limits instead of monthly data service limits per device in 8 of 24 inventory records (33 percent). The agency had inventory reports for May, August, and November 2014.

Social Security Administration

The Social Security Administration has an enterprise-level inventory of mobile devices and associated service information, which included about 69 percent of the devices the agency reported. Agency officials explained that the remaining devices were purchased at the local level. The local office with the largest number of devices did not have an inventory of devices that included associated service information.

The agency has developed an inventory of mobile devices and service contracts. It had inventory reports for May, August, and November 2014.

Appendix III: Detailed Analysis of Agency Processes and Procedures for Assessing Mobile Device Usage

Included in this appendix are details of our assessment of the extent to which the 15 agencies or their components that we reviewed established controls to assess mobile device usage to determine if a device is underused, overused, or unused. Of the 15 agencies, 13 delegated responsibility to their components while 2 reported managing mobile device spending at the enterprise level. The two agencies that reported managing at the enterprise level are the General Services Administration and the Social Security Administration.

The following elements of their processes and procedures were assessed:

- Procedures include assessing device usage to determine whether devices are underused, overused, or unused, in accordance with Executive Order 13589 – Promoting Efficient Spending, the Office of Management and Budget’s (OMB) December 2004 Circular A-123, and GAO’s *Standards for Internal Control in the Federal Government*.
- Authority and responsibility are defined, in accordance with OMB’s December 2004 Circular A-123, *Management’s Responsibility for Internal Control*.
- The steps to be followed are documented so that someone not connected with the procedures can understand the process, in accordance with OMB’s December 2004 Circular A-123, *Management’s Responsibility for Internal Control*.

Table 7 includes assessments of the elements for each agency that reported managing spending at the enterprise level and for two components of each agency that delegated responsibility to their components. Following the table are summaries of our analysis.

Appendix III: Detailed Analysis of Agency Processes and Procedures for Assessing Mobile Device Usage

Table 7: Analysis of the Extent to Which Selected Federal Agencies or Their Components Established Processes and Procedures to Assess Device Usage

| Agency | Components | Procedures assess device usage | Authority and responsibility are defined | Steps to apply procedures are documented | Overall assessment |
|--|---|--------------------------------|--|--|--------------------|
| Department of Agriculture | | | | | |
| | Animal and Plant Health Inspection Service | ● | ● | ● | ● |
| | Natural Resources Conservation Service | ○ | ○ | n/a | ○ |
| Department of Commerce | | | | | |
| | Census Bureau | ◐ | ● | ◐ | ◐ |
| | National Oceanic and Atmospheric Administration | ○ | ● | n/a | ◐ |
| Department of Defense | | | | | |
| | Department of the Army | ● | ● | ● | ● |
| | Department of the Navy | ● | ● | ● | ● |
| Department of Health and Human Services | | | | | |
| | Centers for Disease Control and Prevention | ● | ● | ● | ● |
| | Food and Drug Administration | ○ | ○ | n/a | ○ |
| Department of Homeland Security | | | | | |
| | Federal Emergency Management Agency | ◐ | ○ | ◐ | ◐ |
| | Immigration and Customs Enforcement | ● | ● | ● | ● |
| Department of the Interior | | | | | |
| | Fish & Wildlife Service | ○ | ○ | n/a | ○ |
| | National Park Service | ◐ | ● | ○ | ◐ |
| Department of Justice | | | | | |
| | Drug Enforcement Administration | ○ | ○ | n/a | ○ |
| | Federal Bureau of Investigation | ◐ | ● | ◐ | ◐ |
| Department of State | | | | | |
| | African Affairs Bureau | ○ | ○ | n/a | ○ |
| | Diplomatic Security Bureau | ○ | ○ | n/a | ○ |

Appendix III: Detailed Analysis of Agency Processes and Procedures for Assessing Mobile Device Usage

| Agency | Components | Procedures assess device usage | Authority and responsibility are defined | Steps to apply procedures are documented | Overall assessment |
|--|---|--------------------------------|--|--|--------------------|
| Department of Transportation | | | | | |
| | Federal Aviation Administration | ● | ● | ○ | ● |
| | Office of the Secretary | ● | ● | ○ | ● |
| Department of the Treasury | | | | | |
| | Internal Revenue Service | ● | ● | ● | ● |
| | Office of the Comptroller of the Currency | ○ | ○ | n/a | ○ |
| Department of Veterans Affairs ^a | | | | | |
| | VHA Region 1 | ● | ● | ● | ● |
| | VHA Region 3 | ● | ● | ● | ● |
| Environmental Protection Agency | | | | | |
| | Office of Administration and Resources Management | ● | ● | ○ | ● |
| | Office of Research and Development | ● | ● | ● | ● |
| General Services Administration (Spending managed at the enterprise level) | | | | | |
| | | ● | ● | ● | ● |
| National Aeronautics and Space Administration | | | | | |
| | Goddard Space Flight Center | ○ | ○ | n/a | ○ |
| | Johnson Space Center | ○ | ○ | n/a | ○ |
| Social Security Administration (Spending managed at the enterprise level) | | | | | |
| | | ○ | ○ | n/a | ○ |

● Fully satisfied criteria ● Met some but not all of the criteria ○ Did not satisfy criteria

Source: GAO analysis of agency data. | GAO-15-431

Note: "n/a" means not applicable because there were no procedures to assess.

^aThe Department of Veterans Affairs delegated responsibility for managing inventories to regional offices instead of components.

Note: Table contains complex information, data available upon request.

Department of Agriculture

The Department of Agriculture's November 2010 policy on managing wireless technologies states that department components are to develop standard operating procedures and analyze wireless usage reports.

Of the two components we reviewed, the Animal and Plant Health Inspection Service established standard operating procedures, which assign responsibility to a Designated Agency Representative team lead to conduct monthly cellular service usage analysis to improve rates and to identify devices with no usage and process them for suspension or disconnection. The procedures include the steps to be followed to perform the analysis, including comparing used minutes to pooled minutes to determine if service lines can be changed from a 400-minute plan to a zero-minute plan to save costs.

The other component we reviewed, the Natural Resources Conservation Service, has not established processes and procedures. This component uses USDA's International Technology Services for mobile device management, which has procedures for ordering and cancelling devices and services, but not for assessing usage.

Department of Commerce

The Department of Commerce's Office of the Chief Information Officer reported that each bureau (i.e., component) is responsible for managing acquisition associated with mobile devices.

Of the two components we reviewed, the Census Bureau established a process that defines responsibilities and includes steps to be followed. Managers are responsible for assessing a quarterly report, prepared by the bureau's Information Technology Director, of cellular usage by device for their respective staffs. Managers are to confirm to the bureau's Information Technology Directorate that a device with zero usage is still required and that lines with minutes exceeding the number of included peak plan minutes per month should remain active using the current rate plan. However, the procedures do not include assessing device usage for underuse.

The other component we reviewed, the National Oceanic and Atmospheric Administration, has not documented procedures to assess mobile device usage. Its 1999 Telephone Use Policy assigns responsibility for cost-effective management of the agency's telecommunications services and systems, including cellular telephones and wireless services, to managers and supervisors. It also has a January 2014 policy on the use of mobile devices and the acquisition of mobile applications. However, the agency has not established procedures to assess usage to determine if a device is not used or the extent to which usage is under or over the service plan limits.

Department of Defense

Department of Defense officials reported that components manage mobile device spending.

Of the two components we reviewed, the Department of the Army, in February 2013, issued an order which states that the Army's Network Enterprise Technology Command is responsible for reporting unused devices to the Army Chief Information Officer and that the Army Chief Information Officer is to disseminate the information to Army components, which are responsible for disconnecting them. Army components are also to assess devices for low and high usage and migrate them to new plans, as appropriate, and monitor monthly bills for accuracy. The order includes parameters for determining what is low, no, and high usage. For example, it states that devices with less than 20 percent monthly utilization are to be migrated to a flat rate service plan or be disconnected. Conversely, it states that devices with more than 80 percent monthly utilization are to be migrated to a higher-level service plan to eliminate or reduce overage charges.

For the second component we reviewed, the Department of the Navy, the Office of the Chief Information Officer issued a policy in August 2014 for achieving mobile cost efficiency, which requires Navy components to monitor devices for zero, over, and under usage and includes parameters for determining what is zero, over, and under usage. For example, the policy states that a Navy component with a pooled-minute plan or a device with an assigned minute plan that is charged for exceeding its limits by 25 percent or more for 3 consecutive months is required to change to a plan or pool with more minutes. Conversely, the policy states that an activity with a pooled-minute plan or a device with an assigned-minute plan that is charged for 75 percent or less of the contracted minutes for 3 consecutive invoices is required to change to another plan with fewer minutes.

Department of Health and
Human Services

The Department of Health and Human Services Office of the Chief Information Officer reported that responsibility for mobile device spending is at the component level.

One of the two components we reviewed, the Centers for Disease Control and Prevention (CDC), established a contract for wireless management services, which includes rate plan optimization, billing reconciliation, and auditing. The contract requires the contractor to review each line of service every month and perform a rate plan analysis, validate the charges, and check every itemized charge for accuracy. In addition, the contract requires the contractor to prepare a quarterly re-optimization

recommendation report, review it with the CDC Contracting Officer's Representative for re-optimization approval, and re-optimize with carriers based on CDC approval. The agency also issued guidance that includes agency responsibilities for mobile device cost savings, which states that the agency Management Officer is responsible for conducting quarterly reviews of the use and need for mobile devices and recommending to supervisors any changes based on usage reports.

The other component we reviewed, the Food and Drug Administration, has not established procedures for assessing device usage. It has developed procedures for downloading usage information and overage charges from carriers. However, the procedures do not include assessing the usage information to determine if a device is not used or the extent to which usage is under or over the carrier's plan. In addition, authority and responsibility for assessing device usage have not been defined.

Department of Homeland Security

Department of Homeland Security officials reported that components have responsibility for managing mobile device spending.

One of the two components we reviewed, the Federal Emergency Management Agency, established procedures to analyze device usage and suspend lines of service that had not been used in the previous 30 days. The procedures include steps to be followed; however, they do not define who has authority and responsibility for performing them. Furthermore, the procedures do not include comparing device usage with wireless service plan limits to assess whether devices are underused or overused.

The second component we reviewed, Immigration and Customs Enforcement, established procedures for assessing device usage. Specifically, according to the component's documentation, it established a task order under the Department of Homeland Security's department-wide blanket purchase agreement for wireless expense management services.¹ Expense management services provided by the contract include, among other things, analyzing usage and determining where individual account and rate plan changes should be made to lower costs.

Department of the Interior

¹DHS established, in April 2013, a department-wide blanket purchase agreement for wireless expense management services, which the department requires components to use for purchasing mobile devices and wireless services, unless a waiver is approved.

Officials from the Department of the Interior's Office of the Chief Information Officer stated that its components are responsible for monitoring and controlling mobile device spending.

One of the two components we reviewed, the Fish and Wildlife Service established a January 2014 Information Resources Management, Telecommunications, and Network Management policy. However, the policy does not include assessing mobile device usage to determine if a device is not used or the extent to which usage is under or over the service plan limits.

The other component we reviewed, the National Park Service, has a July 2004 Cell Phone Usage and Management policy that assigns responsibility to park and office cell phone coordinators for monitoring the cost efficiency of service plans against usage. However, the component has not established the steps to be followed for monitoring.

Department of Justice

The Department of Justice's Office of the Chief Information Officer reported that its components are responsible for managing mobile device spending.

For one of the components that we reviewed, the Drug Enforcement Administration, officials described steps the component takes to monitor device usage; however, it has not established procedures for assessing device usage to determine if a device is not used or the extent to which usage is under or over the applicable rate plan.

The other component that we reviewed, the Federal Bureau of Investigation, established a process for monitoring its foreign mobile device usage, and a process for assessing its domestic devices for zero usage. Specifically, May 2013 guidance assigned responsibility to division heads to monitor its foreign mobile phone usage to reduce costs. The guidance requires division heads to monitor monthly usage reports and defines parameters for high and low voice and data usage. For domestic usage, the bureau established a process to monitor the devices on one of its carriers for zero usage. However, it has not documented a process to assess domestic device usage for under or over usage, or to review usage at other carriers.

Department of State

A Department of State August 2013 policy requires each bureau (i.e., component) to develop processes and procedures for controlling mobile device spending. However, neither of the two components we reviewed,

the Bureau of African Affairs or the Bureau of Diplomatic Security, developed a process or procedures to assess device usage.

Department of Transportation

Officials from the Department of Transportation Office of the Chief Information Officer stated that the department's components manage mobile device spending.

One of the components we reviewed, the Federal Aviation Administration, partially established procedures. It established a September 2009 policy on cellular and satellite device acquisition and management. According to the policy, the National Wireless Program is responsible for optimizing call plans and managing and paying invoices, among other things. However, the agency has not established steps for optimizing call plans, such as to assess whether devices are underused, overused, or unused to determine if a more cost-effective service contract should be established.

For the other component we reviewed, the Office of the Secretary, the department's Office of the Chief Information Officer manages the majority of the devices. The Office of the Chief Information Officer has established procedures that assign responsibility to a billing analyst for identifying wireless devices with no usage. However, the procedures do not include steps for performing this analysis. Furthermore, the procedures do not include assessing device usage to determine whether devices are underused or overused.

Department of the Treasury

The Department of the Treasury Chief Information Officer stated that the department's components manage spending on mobile devices.

One of the two components we reviewed, the Internal Revenue Service, developed, in December 2014, a Wireless Device Asset Management Plan, which includes assessing device usage for zero usage; however, it does not include assessing devices for under or over usage. Furthermore, it does not clearly assign responsibility for assessing device usage. The plan states that the Wireless Device Program, which is composed of several organizations, is responsible for reviewing the monthly usage report, but does not state which program organization is responsible for conducting the reviews.

For the other component we reviewed, the Office of the Comptroller of the Currency, the component's Chief Information Officer, reported that the component reviews device usage on a quarterly basis to identify and deactivate devices that are no longer required by employees. However,

the Chief Information Officer stated that the component does not have documented procedures.

Department of Veterans Affairs

According to a management analyst from the Department of Veterans Affairs Office of Information and Technology, regional offices are responsible for managing mobile device spending.

One of the regional offices we reviewed, the Region 1 office, established a process that requires facility Chief Information Officers to designate local managers who are to be responsible for monitoring usage and service plans and working with telecommunications business office staff to determine the best plans at the lowest cost. The local managers are also to monitor devices for no usage and suspend or cancel devices that are not used for 90 days. The process, however, does not include the steps to take to assess device usage for under or over usage.

The other regional office we reviewed, the Region 3 office, established a Mobile Wireless Device Issuance, Use, and Management Policy. The policy states that Region 3 facility Chief Information Officers are responsible for completing a monthly review of wireless service invoices for no use. It also includes no-use and low-use parameters for determining if a device's service should be canceled. However, the policy does not include assessing device usage for under or over usage to determine if a more cost-effective service plan should be established.

Environmental Protection
Agency

The Environmental Protection Agency's December 2013 Mobile Computing Management Procedures require program offices and regions to develop standard operating procedures to, among other things, monitor mobile device data and cell usage and to review zero usage of mobile devices and business justification to determine whether a device should be terminated.

One of the two components we reviewed, the Office of Administration and Resources Management, in January 2014, developed a Mobile Device Management Plan, which requires office directors to assess mobile device usage semi-annually to identify underused or unused devices; however, the plan lacks the steps to take to do so, such as parameters to determine zero use or underuse. The plan also does not include identifying overused devices.

The second component we reviewed, the Office of Research and Development, established a process in December 2014 that requires the office's components' Deputy Directors for Management to review mobile

device usage quarterly. Specifically, they are to review voice and data usage to ensure it is within expected norms, and identify and cancel mobile devices with low utilization. To support the process the Office of Science Information Management is to provide the managers quarterly guidance on interpreting utilization reports, which are prepared by the Office of Environmental Information. The guidance for the first quarter of fiscal year 2015 includes the steps to conduct the review and identifies parameters for what is considered no and very low use. However, the steps do not include assessing devices for overuse.

General Services
Administration

The General Services Administration established, in December 2014, Mobile Device Program Review Procedures. According to the procedures, Designated Agency Representatives are to review monthly reports to identify unused devices. The Designated Agency Representative Administrator is to work with the device holder's supervisor to address devices with zero usage and request that the service provider suspend or terminate zero usage devices. The procedures, however, do not include assessing device usage for under or over usage.

National Aeronautics and
Space Administration

The National Aeronautics and Space Administration's Office of the Chief Information Officer reported that cost control is performed at each of the agency's components. Neither of the two components we reviewed had documented procedures to assess device usage.

Social Security Administration

An official from the Social Security Administration's Office of Telecommunications and Systems Operations described steps the agency was taking to monitor mobile device usage and provided an example of a device usage report. However, the agency has yet to document procedures for assessing device usage. The official explained that the agency is in the process of transitioning its mobile devices and services to a government-wide mobile services acquisition vehicle and planned to establish processes for monitoring and controlling spending as part of its transition activities.

Appendix IV: Recommendations to Departments and Agencies

Department of Agriculture

To help the department effectively manage spending on mobile devices and services, we recommend that the Secretary of Agriculture ensure the following:

- An inventory of mobile devices and services is established department-wide (i.e., all components' devices and associated services are accounted for).
- Procedures to monitor and control spending are established department-wide. Specifically, ensure that
 - procedures include assessing devices for zero, under, and over usage;
 - personnel with authority and responsibility for performing the procedures are identified; and
 - the specific steps to be taken to perform the process are documented.

Department of Commerce

To help the department effectively manage spending on mobile devices and services, we recommend that the Secretary of Commerce ensure the following:

- An inventory of mobile devices and services is established department-wide (i.e., all components' devices and associated services are accounted for).
- A reliable department-wide inventory of mobile service contracts is developed and maintained.
- Procedures to monitor and control spending are established department-wide. Specifically, ensure that
 - procedures include assessing devices for zero, under, and over usage;
 - personnel with authority and responsibility for performing the procedures are identified; and
 - the specific steps to be taken to perform the process are documented.

Department of Defense

To help the department effectively manage spending on mobile devices and services, we recommend that the Secretary of Defense ensure the following:

Department of Health and
Human Services

- An inventory of mobile devices and services is established department-wide (i.e., all components' devices and associated services are accounted for).
- A reliable department-wide inventory of mobile service contracts is developed and maintained.

To help the department effectively manage spending on mobile devices and services, we recommend that the Secretary of Health and Human Services ensure the following:

- A current department-wide inventory of mobile service contracts is developed and maintained.
- Procedures to monitor and control spending are established department-wide. Specifically, ensure that
 - procedures include assessing devices for zero, under, and over usage;
 - personnel with authority and responsibility for performing the procedures are identified; and
 - the specific steps to be taken to perform the process are documented.

Department of Homeland
Security

To help the department effectively manage spending on mobile devices and services, we recommend that the Secretary of Homeland Security ensure the following:

- An inventory of mobile devices and services is established department-wide (i.e., all components' devices and associated services are accounted for).
- A reliable department-wide inventory of mobile service contracts is developed and maintained.
- Procedures to monitor and control spending are established department-wide. Specifically, ensure that
 - procedures include assessing devices for zero, under, and over usage;
 - personnel with authority and responsibility for performing the procedures are identified; and
 - the specific steps to be taken to perform the process are documented.

Department of the Interior

To help the department effectively manage spending on mobile devices and services, we recommend that the Secretary of the Interior ensure the following:

- An inventory of mobile devices and services is established department-wide (i.e., all components' devices and associated services are accounted for).
- A reliable department-wide inventory of mobile service contracts is developed and maintained.
- Procedures to monitor and control spending are established department-wide. Specifically, ensure that
 - procedures include assessing devices for zero, under, and over usage;
 - personnel with authority and responsibility for performing the procedures are identified; and
 - the specific steps to be taken to perform the process are documented.

Department of Justice

To help the department effectively manage spending on mobile devices and services, we recommend that the Attorney General ensure the following:

- A department-wide inventory of mobile service contracts is maintained.
- Procedures to monitor and control spending are established department-wide. Specifically, ensure that
 - procedures include assessing devices for zero, under, and over usage;
 - personnel with authority and responsibility for performing the procedures are identified; and
 - the specific steps to be taken to perform the process are documented.

Department of State

To help the department effectively manage spending on mobile devices and services, we recommend that the Secretary of State ensure the following:

- An inventory of mobile devices and services is established department-wide (i.e., all components' devices and associated services are accounted for).

- A reliable department-wide inventory of mobile service contracts is maintained.
 - Procedures to monitor and control spending are established department-wide. Specifically, ensure that
 - procedures include assessing devices for zero, under, and over usage;
 - personnel with authority and responsibility for performing the procedures are identified; and
 - the specific steps to be taken to perform the process are documented.
- Department of Transportation
- To help the department effectively manage spending on mobile devices and services, we recommend that the Secretary of Transportation ensure the following:
- Procedures to monitor and control spending are established department-wide. Specifically, ensure that
 - procedures include assessing devices for zero, under, and over usage;
 - personnel with authority and responsibility for performing the procedures are identified; and
 - the specific steps to be taken to perform the process are documented.
- Department of the Treasury
- To help the department effectively manage spending on mobile devices and services, we recommend that the Secretary of the Treasury ensure the following:
- An inventory of mobile devices and services is established department-wide (i.e., all components' devices and associated services are accounted for).
 - Procedures to monitor and control spending are established department-wide. Specifically, ensure that
 - procedures include assessing devices for zero, under, and over usage;
 - personnel with authority and responsibility for performing the procedures are identified; and
 - the specific steps to be taken to perform the process are documented.

| | |
|---------------------------------|--|
| Department of Veterans Affairs | <p>To help the department effectively manage spending on mobile devices and services, we recommend that the Secretary of Veterans Affairs ensure the following:</p> <ul style="list-style-type: none">• Procedures to monitor and control spending are established department-wide. Specifically, ensure that<ul style="list-style-type: none">• procedures include assessing devices for zero, under, and over usage;• personnel with authority and responsibility for performing the procedures are identified; and• the specific steps to be taken to perform the process are documented. |
| Environmental Protection Agency | <p>To help the agency effectively manage spending on mobile devices and services, we recommend that the Administrator of the Environmental Protection Agency ensure the following:</p> <ul style="list-style-type: none">• A complete inventory of mobile devices and associated services is established.• A reliable inventory of mobile service contracts is maintained.• Procedures to monitor and control spending are established agency-wide. Specifically, ensure that<ul style="list-style-type: none">• procedures include assessing devices for zero, under, and over usage;• personnel with authority and responsibility for performing the procedures are identified; and• the specific steps to be taken to perform the process are documented. |
| General Services Administration | <p>To help the agency effectively manage spending on mobile devices and services, we recommend that the Acting Administrator of General Services ensure the following:</p> <ul style="list-style-type: none">• Procedures to monitor and control spending are established. Specifically, ensure that<ul style="list-style-type: none">• procedures include assessing devices for zero, under, and over usage;• personnel with authority and responsibility for performing the procedures are identified; and |

- the specific steps to be taken to perform the process are documented.

National Aeronautics and
Space Administration

To help the agency effectively manage spending on mobile devices and services, we recommend that the Administrator of the National Aeronautics and Space Administration ensure the following:

- A complete inventory of mobile devices and associated services is established.
- A reliable inventory of mobile service contracts is developed and maintained.
- Procedures to monitor and control spending are established agency-wide. Specifically, ensure that
 - procedures include assessing devices for zero, under, and over usage;
 - personnel with authority and responsibility for performing the procedures are identified; and
 - the specific steps to be taken to perform the process are documented.

Social Security Administration

To help the agency effectively manage spending on mobile devices and services, we recommend that the Commissioner of the Social Security Administration ensure the following:

- A complete inventory of mobile devices and associated services is established.
- Procedures to monitor and control spending are established agency-wide. Specifically, ensure that
 - procedures include assessing devices for zero, under, and over usage;
 - personnel with authority and responsibility for performing the procedures are identified; and
 - the specific steps to be taken to perform the process are documented.

Appendix V: Comments from the Department of Agriculture



United States
Department of
Agriculture

Office of the
Assistant Secretary
for Administration

1400 Independence
Avenue SW

Washington, DC
20250-0103

May 1, 2015

Ms. Carol R. Cha
Director, Information Technology Management
Acquisition Management Issues
U.S. Government Accountability Office (GAO)
441 G Street, NW.
Washington, DC 20548

Dear Ms. Cha:

United States Department of Agriculture (USDA) has reviewed the draft report, *Telecommunications: Agencies Need Better Controls to Achieve Significant Savings on Mobile Devices and Services (GAO-15-431)*, audit number 311400. USDA agrees with the findings in GAO's audit.

USDA concurs with the attached draft report (GAO-15-431) to maintain a comprehensive inventory of mobile devices and services. USDA has conducted market research on cellular industry standards and best practices, and is currently developing an acquisition strategy to acquire an effective enterprise inventory management system/service. In the interim, USDA will continue to use the compensating controls that were established to manage the inventory of mobile devices and services at the enterprise level.

USDA agrees with the finding that Department-wide procedures need to be established to monitor and control spending. USDA has begun updating its Telecommunications Mission Area Control Officer (TMACO) Departmental Regulation (DR) and Departmental Manual (DM). The DR and DM will include:

- Procedures for assessing devices that are rarely or never used;
- Employee responsibilities for performing account monitoring and management actions; and
- Steps for managing accounts and achieve cost efficiency.

Sincerely,

A handwritten signature in blue ink that reads "Gregory L. Parham".

Dr. Gregory L. Parham
Assistant Secretary
for Administration

Attachment

An Equal Opportunity Employer

Appendix VI: Comments from the Department of Commerce



THE DEPUTY SECRETARY OF COMMERCE
Washington, D.C. 20230

April 16, 2015

Ms. Carol R. Cha
Director, Information Technology Acquisition
Management Issues
U.S. Government Accountability Office
441 G Street NW
Washington, DC 20548

Dear Ms. Cha:

Thank you for the opportunity to review and comment on the Government Accountability Office's draft report entitled *Telecommunications: Agencies Need Better Controls to Achieve Significant Savings on Mobile Devices and Services* (GAO-15-431, May 2015). On behalf of the Department of Commerce, I have enclosed our comments on the draft report.

As part of its effort to institute a shared services environment and broaden its approach to strategic sourcing, the Department of Commerce expects to have developed a Department-wide inventory of mobile devices and mobile service contracts by the second quarter of Fiscal Year 2016, and at that time, the processes to monitor and control spending will have been established Department-wide. Specifically, the processes required to manage the inventory and assess devices for zero, under, and over usage will have been developed and documented, and personnel with authority and responsibility for performing and managing these processes will have been identified and documented.

If you have any questions, please contact Steve Cooper, Chief Information Officer, at 202-482-4797.

Sincerely,

A handwritten signature in blue ink, appearing to read "B. Andrews", is written over a horizontal line.

Bruce Andrews

Enclosure

**Department of Commerce's (DOC) Comments on
Government Accountability Office (GAO) Draft Report entitled *Telecommunications:
Agencies Need Better Controls to Achieve Significant Savings on Mobile Devices and Services*
(GAO-15-431, May 2015)**

The Office of the CIO has reviewed the draft report and we offer the following comments for GAO's consideration.

General Comments

The report on Government agencies' management of mobile devices and mobile service contracts does a fair and thorough job in assessing the development and management of mobile device and service contract inventories. The report's discussion of the degree to which the 15 agencies studied manage their mobile device and service contract inventories is generally well-informed, thorough, and balanced.

Comments on Recommendations

The GAO made one recommendation to the DOC in the report.

Recommendation 1:

"To help the Department effectively manage spending on mobile devices and services, we recommend that the Secretary of Commerce ensure the following:

- An inventory of mobile devices and services is established Department-wide (i.e., all components' devices and associated services are accounted for).
- A reliable Department-wide inventory of mobile services contracts is developed and maintained.
- Procedures to monitor and control spending are established Department-wide.

Specifically, ensure that:

- Procedures include assessing devices for zero, under, and over usage;
- Personnel with authority and responsibility for performing the procedures are identified; and
- The specific steps to be taken to perform the process are documented."

Commerce Response: The DOC agrees with this recommendation. As part of its effort to institute a shared services environment and broaden its approach to strategic sourcing, the DOC has recently established Blanket Purchasing Agreements (BPAs) with three major providers of wireless services and devices in a competitive environment. This Department-wide effort is managed by the Strategic Sourcing Program Office (SSPO) in the DOC's Office of Acquisition Management (OAM). We expect that corporate reporting of cost, usage, and inventory data will be available by the first quarter of Fiscal Year 2016. The availability of this data, reported on an enterprise basis, will allow us to correct the previously experienced deficiencies in completeness and management of our inventory of wireless devices and services. We expect to have developed a Department-wide inventory of mobile devices and mobile service contracts by the second quarter of Fiscal Year 2016, and that at that time the processes to monitor and control spending will have been established Department-wide. Specifically, the processes required to manage the inventory and assess devices for zero, under, and over usage will have been developed and documented, and

personnel with authority and responsibility for performing and managing these processes will have been identified and documented through the Office of Management and Budget's Integrated Data Collection process.

Appendix VII: Comments from the Department of Defense



CHIEF INFORMATION OFFICER

DEPARTMENT OF DEFENSE
6000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-6000

MAY 13 2015

Ms. Carol Cha, Director
Information Technology Acquisition Management Issues
U.S. Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548

Ms. Cha,

This is the Department of Defense (DoD) response to the Government Accountability Office (GAO) Draft Report, GAO-15-431, "TELECOMMUNICATIONS: Agencies Need Better Controls to Achieve Significant Savings on Mobile Devices and Services," dated April 6, 2015 (GAO Code 311400).

The attached sheet includes our comments to the two recommendations you offered in the draft report, GAO-15-431. We appreciate the time and attention to detail you expended at the request of Congressman Mica and Congressman Connolly. This era of fiscal austerity calls for such measures to be taken to ensure diligent stewardship over funds provided by our taxpayers.

We appreciate your recommendations as objectives to aim for as we continue to modernize our unclassified and classified mobile IT capabilities.

Sincerely,

A handwritten signature in black ink that reads "David L. De Vries".

David L. De Vries
Principal Deputy
Department of Defense Chief Information Officer

Attachments:
DoD Response to "Summary of Recommendations"

GAO DRAFT REPORT DATED APRIL 6, 2015
GAO-15-431 (GAO CODE 311400)

“TELECOMMUNICATIONS: AGENCIES NEED BETTER CONTROLS TO ACHIEVE
SIGNIFICANT SAVINGS ON MOBILE DEVICES AND SERVICES”

DEPARTMENT OF DEFENSE COMMENTS
TO THE GAO RECOMMENDATION

RECOMMENDATION 1: The GAO recommends that the Secretary of Defense ensure an inventory of mobile devices and services is established department-wide.

DoD RESPONSE: Partially concur. We fully agree on the merits of a single, Department-wide inventory of mobile devices and services; however, we have learned from past attempts at *maintaining* such an inventory that it comes at considerable expense and effort. We cannot certify that any residual cost savings attributed to employing a centralized cost management model will exceed the increase in data maintenance expenses.

Among the first steps to achieving cost-efficient inventory maintenance is to streamline and deconflict data collection requirements and reporting guidance. The Department is currently collecting wireless service contract data in accordance with OMB IT management initiatives and has been enforcing the use of enterprise-level agreements to drive down costs while standardizing the capability.

Currently, we accept “best effort” inventory updates from DoD components and use this information to respond as accurately as possible to federal reporting requirements, audits and media inquiries. As noted in your report, we also use component- and Department-wide policies to ensure that local officials perform critical IT cost management measures. We believe that this decentralized cost management approach will continue to achieve reasonable cost savings and efficiency gains until a Department-wide data collection and analysis method or capability is attained.

RECOMMENDATION 2: The GAO recommends that the Secretary of Defense ensure a reliable department-wide inventory of mobile service contracts is developed and maintained.

DoD RESPONSE: Partially concur. For similar reasons stated in response to Recommendation #1, we agree on the merits of a single inventory of mobile service contracts. In this era of restricted government spending, we are in perpetual pursuit of cost savings and efficiency gains and heed your call for enterprise-wide planning, management and reporting. We have several initiatives currently underway to enhance our visibility and management of DoD mobile IT investments and fully expect our reporting capabilities to improve in the near future. One such effort is the data mining of mobile IT investments in the Federal Procurement Data System (FPDS) and correlating back to actual usage.

The majority of the Department uses the joint Army-Air Force blanket purchase agreement or the Department of Navy wireless service contract to attain competitive device and service plan rates. DoD is also working with the General Services Administration (GSA) to utilize their strategic sourcing vehicle to achieve reduced recurring costs for mobility services. DoD is implementing enterprise-level mobile device management technologies which will provide greatly improved control over contracts and inventory control of wireless usage.

Appendix VIII: Comments from the Department of Health and Human Services



DEPARTMENT OF HEALTH & HUMAN SERVICES

OFFICE OF THE SECRETARY

Assistant Secretary for Legislation
Washington, DC 20201

MAY 04 2015

Carol R. Cha
Director, Information Technology Acquisition
Management Issues
U.S. Government Accountability Office
441 G Street NW
Washington, DC 20548

Dear Ms. Cha:

Attached are comments on the U.S. Government Accountability Office's (GAO) report entitled, "*Telecommunications: Agencies Need Better Controls to Achieve Significant Savings on Mobile Devices and Services*" (GAO-15-431).

The Department appreciates the opportunity to review this report prior to publication.

Sincerely,

A handwritten signature in black ink that reads "Jim R. Esquea".

Jim R. Esquea
Assistant Secretary for Legislation

Attachment

**GENERAL COMMENTS OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES
(HHS) ON THE GOVERNMENT ACCOUNTABILITY OFFICE'S (GAO) DRAFT REPORT
ENTITLED: TELECOMMUNICATIONS: AGENCIES NEED BETTER CONTROLS TO
ACHIEVE SIGNIFICANT SAVINGS ON MOBILE DEVICES AND SERVICES (GAO-
15-431)**

The U.S. Department of Health and Human Services (HHS) appreciates the opportunity from the Government Accountability Office (GAO) to review and comment on this draft report.

GAO Recommendation

GAO recommends that the Secretary of HHS ensure the following:

- A current department-wide inventory of mobile services contracts is developed and maintained.
- Procedures to monitor and control spending are established department-wide. Specifically, ensure that
 - Procedures include assessing for zero, under and over usage;
 - Personnel with authority and responsibility for performing the procedures are identified; and
 - The specific steps to be taken to perform the process are documented.

HHS Response

HHS concurs with GAO's recommendation. HHS is developing an enterprise solution for mobile devices based off of the Centers for Disease Control management system. Operating and Staff Divisions are requested to transition to the enterprise solution after their current contracts expired.

Appendix IX: Comments from the Department of Homeland Security



U.S. Department of Homeland Security
Washington, DC 20528

**Homeland
Security**

May 6, 2015

Carol Cha
Director, Information Technology Acquisition Management Issues
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Re: Draft Report GAO-15-431, "TELECOMMUNICATIONS: Agencies Need Better Controls to Achieve Significant Savings on Mobile Devices and Services"

Dear Ms. Cha:

Thank you for the opportunity to review and comment on this draft report. The U.S. Department of Homeland Security (DHS) appreciates the U.S. Government Accountability Office's (GAO's) work in planning and conducting its review and issuing this report.

The Department is pleased to note GAO's recognition of the progress that U.S. Immigration and Customs Enforcement and the Federal Emergency Management Agency have made in establishing procedures to assess device usage, in addition to the Department's enterprise-level effort to develop an inventory of mobile service contracts.

The draft report contained three recommendations for DHS with which the Department concurs. Specifically, GAO recommended that the Secretary of Homeland Security ensure:

Recommendation 1: An inventory of mobile devices and services is established department-wide (i.e., all components' devices and associated services are accounted for).

Response: Concur. Current DHS personal property policies specify that sensitive assets, including mobile devices, are inventoried and accounted for in the personal property system of record (DHS Manual 119-03-001-01, §2.4.5). DHS Headquarters and Component personal property management programs are required to maintain processes and controls to ensure all personal property assets are properly handled (e.g. received, identified, recorded) and accounted for throughout their lifecycle, including the removal of sensitive information prior to recycling or disposal (Management Directive 119-03).

Current inventory data is limited to elements sufficient to ensure positive identification and accountability for individual assets. This data is compiled quarterly into a departmental inventory.

The Department recognizes the constraints of this inventory in accounting for all its mobile devices and associated services. Consequently, as an interim solution, the DHS Office of the Chief Information Officer (OCIO), Office of the Chief Readiness Support Officer (OCRSO) and the Office of the Chief Procurement Officer (OCPO) will collaborate to produce a department-wide inventory that captures the Department's mobile devices and associated services. Specifically, OCPO will work with the Heads of Contracting Activities (HCAs) to produce an initial list of all of the Department's contracts for mobile devices and associated services. Information from that list will be used to generate the department-wide inventory that will capture the mobile devices and associated services. Note, the Department acknowledges that this initial list will not be 100 percent accurate due to the constraints related to purchases made under Purchase Cards.

As a long term solution, OCIO, OCRSO and OCPO will form a working group. The working group will analyze information from the initial inventory, coupled with a review of the Department's policies and procedures, to determine how mobile devices should be procured in the future. The goal of this analysis and review will be to find the best solution for the Department in procuring its mobile devices, and to find an efficient and effective manner in which to maintain an inventory of those devices and associated services.

Estimated Completion Date (ECD) for the initial inventory list: October 30, 2015.
ECD for the working group results: April 30, 2016.

Recommendation 2: A reliable department-wide inventory of mobile service contracts is developed and maintained.

Response: Concur. The initial inventory described in the Department's response to Recommendation 1, as well as future inventories, will include contracts information.
ECD: October 30, 2015.

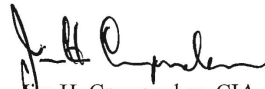
Recommendation 3: Procedures to monitor and control spending are established department-wide. Specifically, ensure that:

- procedures include assessing devices for zero, under and over usage;
- personnel with authority and responsibility for performing the procedures are identified; and
- the specific steps to be taken to perform the process are documented.

Response: Concur. The working group will review current policies and procedures to monitor and control spending for mobile devices and services, and will develop additional policies as needed to address any gaps. ECD: April 30, 2016.

Again, thank you for the opportunity to review and comment on this draft report. Technical comments were provided under separate cover. Please feel free to contact me if you have any questions. We look forward to working with you in the future.

Sincerely,



Jim H. Crumpacker, CIA, CFE
Director
Departmental GAO-OIG Liaison Office

Appendix X: Comments from the Department of State



United States Department of State

Comptroller

Washington, DC 20520

APR 20 2015

Dr. Loren Yager
Managing Director
International Affairs and Trade
Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548-0001

Dear Dr. Yager:

We appreciate the opportunity to review your draft report, "TELECOMMUNICATIONS: Agencies Need Better Controls to Achieve Significant Savings on Mobile Devices and Services" GAO Job Code 311400.

The enclosed Department of State comments are provided for incorporation with this letter as an appendix to the final report.

If you have any questions concerning this response, please contact Colleen Hinton, IT Policy Analyst, Office of Governance, Resource and Performance Management, Bureau of Information Resource Management at (202) 634-0320.

Sincerely,

A handwritten signature in black ink, appearing to read "Ch H Flaggs".

Christopher H. Flaggs

Enclosure:
As stated.

cc: GAO – Carol R. Cha
IRM– Steven C. Taylor
State/OIG – Norman Brown

Department of State Response to Draft Report

TELECOMMUNICATIONS: Agencies Need Better Controls to Achieve Significant Savings on Mobile Devices and Services
(GAO-15-431, Code 311400)

The Department of State appreciates the opportunity to comment on the GAO draft report, *“Telecommunications: Agencies Need Better Controls to Achieve Significant Savings on Mobile Devices and Services.”*

GAO recommends that the Department of State ensure the following:

- An inventory of mobile devices and services is established department-wide (i.e., all components’ devices and associated services are accounted for).
- A reliable department-wide inventory of mobile contracts is maintained.
- Procedures to monitor and control spending are established department-wide. Specifically, ensure that
 - Procedures include assessing devices for zero, under, and over usage;
 - Personnel with authority and responsibility for performing the procedures are identified;
 - The specific steps to be taken to perform the process are documented.

Department of State response:

The Department of State agrees with GAO’s recommendations. However, the majority of State’s mobile devices are based overseas in nearly every country in the world. For reasons of compatibility with local wireless service providers and cost, most mobile devices and wireless service contracts are procured locally and the costs and terms of service vary significantly from country to country. Therefore, the management of mobile device and service inventories is the responsibility of individual posts and bureaus, and the benefits of maintaining an enterprise-wide inventory of disparate and frequently-changing international wireless contracts are relatively low.

The draft GAO report notes in Appendix II that “responsibility for centralized management of mobile service plans and device inventories had transitioned to the Bureau of Information Resource Management.” We would like to clarify that this only includes devices purchased through the Department of State’s wireless blanket purchase agreements (BPAs), which are generally only for domestic users, although overseas posts sometimes use these BPAs when it is cost-advantageous to

-2-

do so and their local wireless service is technically compatible with US-procured devices.

We are also including the requested wireless service inventory reports for October and December 2014, which were inadvertently omitted from the prior submission.

In 2007, the Department established mandatory procedures for mobile devices including processes, inventory management, encryption, and other policies specific to mobile services, quoting OMB circular 06-16. This guidance was distributed to all diplomatic and consular posts. Specific procedures and guidance were enacted to include the use, administration, control, security, and fiscal responsibility for mobile devices. Additionally, State developed policies for the use of the Integrated Logistics Management System (ILMS), the Department's asset management system, which are regularly updated.

Related FAM and FAH regulations on management controls include: 3 FAM 4139.2, 3 FAM 4377, 4 FAM 046, 5 FAH-2 H-621. These are available for public viewing via the Internet.

The above FAM/FAH policies include provisions that cover the Executive Order guidance, as well as 6 FAH-5 H-314.5, the Department's overseas ICASS policy for *Voice and Mobile Communications Charges and Services*.

Appendix XI: Comments from the Department of Transportation



U.S. Department
of Transportation

Office of the Secretary
of Transportation

Assistant Secretary
for Administration

1200 New Jersey Avenue, SE
Washington, DC 20590

APR 29 2015

Carol R. Cha
Director, Information Technology Acquisition Management Issues
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

The Department's (DOT) Office of the Chief Information Officer (OCIO) is committed to the proper acquisition, deployment and safeguard, and inventory control of all DOT systems and devices. As reflected in GAO's report, the Department maintains an inventory and service contracts of its mobile devices. Through this documentation, the OCIO is able to determine various usage patterns to help optimization efforts and reduce cost.

- The Department's efforts in this area have achieved real cost savings.
- Internally, DOT continues efforts to further consolidate and find cost savings or avoid costs all together while supporting the need for the workforce to utilize the latest technology to optimize their jobs.

Upon preliminary review, we agree with the recommendations provided in this report. The Department will provide a detailed response to the recommendations within 60 days of the GAO report issuance.

We appreciate this opportunity to offer additional perspective on the GAO report. Please contact Patrick D. Nemons, Deputy Director of Audit Relations, with any questions or if you would like to obtain additional details about these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith Washington".

Keith Washington
Acting Assistant Secretary for Administration

Appendix XII: Comments from the Department of Veterans Affairs



DEPARTMENT OF VETERANS AFFAIRS
WASHINGTON DC 20420

April 21, 2015


Ms. Carol R. Cha
Director, Information Technology
Management Issues
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Ms. Cha:

The Department of Veterans Affairs (VA) has reviewed the Government Accountability Office's (GAO) draft report, ***“TELECOMMUNICATIONS: Agencies Need Better Controls to Achieve Significant Savings on Mobile Devices and Services”*** (GAO-15-431). VA generally agrees with GAO's conclusions and concurs with GAO's recommendation to the Department.

The enclosure specifically addresses GAO's recommendation and provides an action plan. VA appreciates the opportunity to comment on your draft report.

Sincerely,


Jose D. Riojas
Chief of Staff

Enclosure

Department of Veterans Affairs (VA) Response to
Government Accountability Office (GAO) Draft Report
***“TELECOMMUNICATIONS: Agencies Need Better Controls to Achieve Significant
Savings on Mobile Devices and Services”***
(GAO-15-431)

GAO Recommendation: To help the department effectively manage spending on mobile devices and services, GAO recommends that the Secretary of Veterans Affairs ensure the following:

Recommendation 1: Procedures to monitor and control spending are established department-wide. Specifically, ensure that

- procedures include assessing devices for zero, under and over usage;
- personnel with authority and responsibility for performing the procedures are identified; and
- the specific steps to be taken to perform the process are documented.

VA Comment: Concur. The Department of Veterans Affairs (VA) Office of Information and Technology's (OI&T) Office of Service, Delivery, and Engineering (SDE) manually monitors mobile device utilization through quarterly data calls. OI&T notes that VA has mobile device usage plans with pooled minutes. Thus, VA may not realize direct savings through cuts to minute usage. However, improved monitoring of usage will allow VA to compare standard assigned minutes against current usage, in order to inform future planning. In addition, it will help achieve savings from costs associated with managing underutilized devices. OI&T is currently centralizing the tracking and reporting of mobile device utilization. When accomplished, this will fulfill the GAO recommendation by consolidating authority for managing usage and expenditures. Individual regions will continue to be responsible for managing inventories. If funding becomes available in fiscal year (FY) 2016 or FY 2017, OI&T will research and procure an automated solution to enhance data visibility of mobile device utilization. Target Completion Date: December 31, 2015.

Appendix XIII: Comments from the Environmental Protection Agency



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

APR 22 2015

OFFICE OF
ENVIRONMENTAL INFORMATION

MEMORANDUM

SUBJECT: EPA's Response to GAO 15-431 Draft Report on *Telecommunications: Agencies Need Better Controls to Achieve Significant Savings on Mobile Devices and Services*

FROM: Renee P. Wynn
Principal Deputy Assistant Administrator

TO: Carol R. Cha, Director
GAO Information Technology Acquisition Management Issues

The Office of Environmental Information (OEI) and the Office of Administration and Resources Management (OARM) reviewed the GAO 15-431 Draft Report on *Telecommunications: Agencies Need Better Controls to Achieve Significant Savings on Mobile Devices and Services*. The purpose of this memorandum is provide the Environmental Protection Agency's (EPA's) response to the report.

GAO Recommendation:

In the Draft Report, GAO recommends that:

"To help the agency effectively manage spending on mobile devices and services, we recommend that the Administrator of the Environmental Protection Agency ensure the following:

- A complete inventory of mobile devices and associated services is established.
- A reliable inventory of mobile service contracts is maintained.
- Procedures to monitor and control spending are established agency-wide. Specifically, ensure that
 - procedures include assessing devices for zero, under and over usage;
 - personnel with authority and responsibility for performing the procedures are identified; and
 - the specific steps to be taken to perform the process are documented."

EPA Response:

Concurrent with this GAO audit engagement, EPA recently consolidated ~95 percent of all Agency mobile device contracts into one Agency-wide agreement with four major Cellular carriers (AT&T, Sprint, T-Mobile and Verizon). Less than 5 percent of EPA's mobile device contracts (~400 lines of service) are currently maintained outside of the Agency-wide agreement. These contracts that are administered locally will be transitioned to the Agency-wide agreement no later than October 2015.

EPA's Agency-wide agreement was established in accordance with its ongoing strategic sourcing program and is administered through the Working Capital Fund (WCF). The new agreement, along with newly established related policies regarding "no-use" lines and reporting requirements for carriers that require detailed assessments of no-/under-/over-usage, will enable EPA to effectively manage the acquisition, inventory management and use of this equipment. The result of these more stringent tracking and management processes has been decreased costs and identification of additional opportunities to further streamline the Agency's mobile device program.

Also critical to successful implementation of this mobile device strategic sourcing initiative is EPA's forthcoming Agency-wide mandate to fully utilize the WCF to centralize the purchase and management of mobile devices and related cellular services. In short, the EPA has already independently begun to implement audit recommendations in the Draft Report.

The above explanation is in response to GAO's general recommendation to EPA. However, EPA did note and takes exception to other characterizations of EPA's mobile devices and services cited in the report

GAO Finding: Table 4: Range of Monthly Mobile Device Contract Costs (Page 24)

"Table 4 shows the lowest and highest monthly costs and associated contract terms that the agencies we [GAO] reviewed reported for contracts with at least 50 mobile devices with voice and data services."

EPA Response:

The incorrect cost is cited for EPA's monthly mobile device contract costs. To be consistent with the rest of the data in the table, EPA's lowest monthly cost is \$41.99 for a 200-minute pooled voice, unlimited data/text plan (Agency standard), as indicated in the EPA's August 2014 and November 2014 reports. EPA's highest monthly cost is \$48.07 for a 400-minute pooled voice, unlimited data/text plan. The costs referenced in the GAO report include the EPA's unique internal WCF costs (staff, overhead, etc.), and are neither a reflection of the cost of the Agency's mobile device contracts, nor consistent with the rest of the data in the table.

GAO Finding: Lack of Centralized Mobile Device Equipment Inventory (Page 39)

GAO found that:

“The Environmental Protection Agency has an enterprise-level inventory of some but not all mobile devices and associated service plan information. Specifically, the inventory includes devices and services purchased through the agency’s working capital fund; however, agency officials did not know to what extent the inventory accounts for all the agency’s devices because use of the fund is not mandatory for acquiring mobile devices and services.

The agency has developed an inventory of mobile service contracts; however, it includes only the service contracts procured through its working capital fund. Agency officials did not know to what extent devices and services are procured outside the working capital fund. The Agency had inventory reports for May, August, and November 2014.”

EPA Response:

Per EPA’s 4832 Personal Property Policy and Procedures Manual, all Agency mobile devices are considered sensitive property items which must be tracked throughout the life cycle of the device, whether administered external to or through the WCF, and must be registered into the centralized EPA Property Management system.

GAO Finding: Processes and Procedures to Assess Device Usage (Page 49-50)

GAO found that:

“The Environmental Protection Agency’s December 2013 Mobile computing Management Procedures require program offices and regions to develop standard operating procedures to, among other things, monitor mobile device data and cell usage and to review zero usage of mobile devices and business justification to determine whether a device should be terminated.

One of the two components we [GAO] reviewed, the Office of Administration and Resources Management, in January 2014, developed a Mobile Device Management Plan, which requires office directors to assess mobile device usage semi-annually to identify underused or unused devices; determine zero use or underuse. The plan does not include identifying overused devices.

EPA Response:

The GAO report states that the EPA Office of Administration and Resources Management omitted processes to address overused devices in its Mobile Device Management Plan (January 2014). Overused devices have been addressed by moving all Agency devices to pooled voice and data plans. In addition to pooling Agency minute utilization, EPA has right-sized and optimized all service plans to match that of true/actual agency use thereby eliminating overage charges. To that effect, the Agency has not been assessed overage charges since CY 2009. EPA has included a requirement for vendors to provide no-, under-, and over-utilization reports, which

**Appendix XIII: Comments from the
Environmental Protection Agency**

include utilization attributes through the contracts under the WCF. In addition, users under the WCF have access to utilization reports to monitor local usage.

cc: Bob Trent, OCFO
Patricia Randolph Williams, OEI
Iesha Alexander, OEI
David Updike, OEI
Brandon McDowell, OARM
Lisa Maass, OARM
Heather Cursio, ORD

Appendix XIV: Comments from the General Services Administration



The Administrator

April 30, 2015

The Honorable Gene L. Dodaro
Comptroller General of the United States
U.S. Government Accountability Office
Washington, DC 20548

Dear Mr. Dodaro:

The U.S. General Services Administration (GSA) appreciates the opportunity to review and comment on the draft report entitled, *Telecommunications: Agencies Need Better Controls to Achieve Significant Savings on Mobile Devices and Services*, (GAO-15-431). The U.S. Government Accountability Office (GAO) recommends that the GSA Administrator ensure the following procedures are established to monitor and control spending:

- Specifically, ensure that:
 - procedures include assessing devices for zero, under and over usage;
 - personnel with authority and responsibility for performing the procedures are identified; and
 - the specific steps to be taken to perform the process are documented.

We agree with the findings and recommendations, and will take appropriate action. GSA commits to monitoring and providing quarterly reports to the Office of Management and Budget on the number of mobile device contracts, number of devices in our inventory, and the cost associated, with those devices.

To ensure better accountability for our mobile device usage, specific actions are being taken in response to each of the recommendations. We are confident that these actions will satisfactorily remedy the concerns raised by GAO. If you have any questions, please contact me at the number below, or Ms. Lisa A. Austin, Associate Administrator, Office of Congressional and Intergovernmental Affairs, at (202) 501-0563.

Sincerely,


Denise Turner Roth
Acting Administrator

cc: Ms. Carol R. Cha, Director, Physical Infrastructure, GAO

U.S. General Services Administration
1800 F Street NW
Washington, DC 20405
(202) 501-0800
www.gsa.gov

Appendix XV: Comments from the National Aeronautics and Space Administration

National Aeronautics and Space Administration
Headquarters
Washington, DC 20546-0001



APR 20 2015

Reply to Attn of: Office of the Chief Information Officer

Ms. Carol R. Cha
Director
Information Technology Management Issues
United States Government Accountability Office
Washington, DC 20548

Dear Ms. Cha:

The National Aeronautics and Space Administration (NASA) appreciates the opportunity to review and comment on the Government Accountability Office (GAO) draft report entitled, "Telecommunications: Agencies Need Better Controls to Achieve Significant Savings on Mobile Devices and Services" (GAO-15-431).

In the draft report, GAO addresses three recommendations to the NASA Administrator intended to help the agency effectively manage spending on mobile devices and services.

Specifically GAO recommends the Administrator ensure the following:

Recommendation 1: A complete inventory of mobile devices and associated services is established.

Management's Response: Concur. NASA has initiated a project to develop and deploy an Agency-wide Mobile Device Management (MDM) solution. The enrollment of all NASA mobile devices into this system will be mandatory and is scheduled to begin in the third quarter of Fiscal Year 2015. When enrollment is completed, NASA will have a single comprehensive inventory of all mobile devices.

Additionally, NASA is in the final stages of issuing guidance which mandates the use of a single, existing, Agency-wide vendor to provide all mobile devices and associated services. Today, approximately 85 percent of all NASA mobile devices are managed through this existing contract. The vendor provides a monthly deliverable documenting the carrier, device type, data/voice allocations, data/voice usage, and other pertinent information. Once the guidance is issued and the remaining approximately 15 percent of devices are brought under the existing contract, NASA will have a monthly deliverable depicting the services of all mobile devices.

Estimated Completion Date: NASA anticipates having the above actions completed by June 15, 2016.

Recommendation 2: A reliable inventory of mobile service contracts is developed and maintained.

Management's Response: Concur. NASA is consolidating all mobile services to a single, existing, Agency-wide vendor which provides mobile device services. This contract provides NASA a monthly deliverable documenting the carrier, device type, data/voice allocations, data/voice usage, and other information. Today, approximately 85 percent of all NASA mobile device services are provided by this single vendor. NASA is finalizing guidance requiring the remaining approximately 15 percent of mobile devices to be migrated through attrition.

Estimated Completion Date: NASA anticipates having the above actions completed by June 15, 2016.

Recommendation 3: Procedures to monitor and control spending are established agency-wide. Specifically, ensure that:

- procedures include assessing devices for zero, under and over usage;
- personnel with authority and responsibility for performing the procedures are identified; and
- the specific steps to be taken to perform the process are documented.

Management's Response: Concur. As part of our Agency-wide MDM solution, NASA will develop and issue guidance applicable to all NASA Centers which will: 1) Require monthly review of the vendor-provided documentation on mobile device service utilization to look for devices which are either not, under, or over utilized; 2) Identify this as a responsibility of the existing NASA civil servant assigned to each NASA Center as the Subject Matter Expert; and 3) Document the process to be used to include specific steps and resultant recommended actions to correct any deviations.

Estimated Completion Date: NASA anticipates having the above actions completed by August 17, 2016.

Again, thank you for the opportunity to comment on this draft report. If you have any questions or require additional information, please contact Ruth McWilliams at (202) 358-5125.



Larry N. Sweet
Chief Information Officer

Appendix XVI: Comments from the Social Security Administration



SOCIAL SECURITY

Office of the Commissioner

April 29, 2015

Ms. Carol R. Cha
Director, Information Technology Acquisition Management Issues
United States Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Ms. Cha:

Thank you for the opportunity to review the draft report, "TELECOMMUNICATIONS: Agencies Need Better Controls to Achieve Significant Savings on Mobile Devices and Services" (GAO-15-431). We have enclosed our response to the audit report contents.

If you have any questions, please contact me at (410) 965-4991. Your staff may contact Gary S. Hatcher, our Senior Advisor for Records Management and Audit Liaison Staff, at (410) 965-0680.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank Cristaudo".

Frank Cristaudo
Executive Counselor to the Commissioner

SOCIAL SECURITY ADMINISTRATION BALTIMORE, MD 21235-0001

COMMENTS ON THE GOVERNMENT ACCOUNTABILITY OFFICE (GAO) DRAFT REPORT, "TELECOMMUNICATIONS: AGENCIES NEED BETTER CONTROLS TO ACHIEVE SIGNIFICANT SAVINGS ON MOBILE DEVICES AND SERVICES" (GAO-15-431)

General Comment

We appreciate GAO's acknowledgement of the steps we are taking to centralize management of wireless services, mobile devices, and technologies across the enterprise. We recognize that our provisioning and management of wireless services and mobile devices is partly centralized, and our efforts to migrate to a framework that is centrally managed across the entire enterprise remains incomplete. We agree with GAO's recommendations and have outlined below the steps we are taking to implement them.

Recommendation

To help the agency effectively manage spending on mobile devices and services, we recommend that the Social Security Administration ensure: (1) a complete inventory of mobile devices and associated services is established; and (2) procedures to monitor and control spending are established agency-wide. Specifically, ensure that (a) procedures include assessing devices for zero, under and over usage; (b) personnel with authority and responsibility for performing the procedures are identified; and (c) the specific steps to be taken to perform the process are documented.

Response

GAO notes in the report that we have established a centrally managed inventory of wireless service plans and mobile devices. However, the inventory is not complete in that it does not include the service plans and mobile devices that we have locally acquired through Small Purchase Authority. We will resolve this deficiency efficiently and cost-effectively through the development and deployment of an integrated and automated wireless service provisioning and management system.

We agree that established and documented policies, processes, procedures, internal management controls, and audit capabilities are fundamental requirements for effective management of wireless services and mobile technology at the enterprise level. We recently established a contract vehicle to move forward with the development and deployment of the system through which we will centralize provisioning, management, monitoring, oversight, and control of wireless services and mobile technology assets. Through this effort, we will also achieve the goals and objectives of Executive Order 13589 - Promoting Efficient Spending and the Office of Management and Budget's Federal Digital Government Strategy.

Our first step toward establishing an automated and integrated wireless/mobile service for the enterprise will be to define, document, and map these fundamental requirements in order that we may build them into the automated system. This approach will ensure consistent application throughout the enterprise and throughout the life cycle of service plans and mobile devices.

The design and integration of the systems will enable us to:

- 1) centrally manage the acquisition and provisioning of wireless service plans and mobile devices across the enterprise, according to the standardized and automated policies, procedures, and other requirements as noted above;
- 2) centrally and securely manage mobile devices across the enterprise;
- 3) establish centralized management of mobile device Information Technology Asset Management through the life cycle of devices deployed across the enterprise;
- 4) monitor and track ongoing usage and billing; and,
- 5) optimize resource utilization, costs, and spending.

These automated capabilities will permit our Chief Information Officer to review and ensure the effective and cost-efficient use of wireless service and mobile device resources across the enterprise.

With the establishment of centrally managed wireless service contracts and the deployment of an integrated and automated wireless service provisioning and management system, we will continue to move forward with the consolidation of our wireless service and mobile device contracts and leverage economies of scale to optimize our wireless technology spending. We project that our automated system will be operational, in the summer of fiscal year 2016.

Appendix XVII: GAO Contact and Staff Acknowledgments

GAO Contact

Carol R. Cha at (202) 512-4456 or chac@gao.gov

Staff Acknowledgments

In addition to the contact named above, James R. Sweetman (Assistant Director), Virginia Chanley, Denis Danilin, Cheryl Dottermusch, Claudia Fletcher, Franklin Jackson, Lee McCracken, and Umesh Thakkar made key contributions to this report.

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