



Treasury Inspector General for Tax Administration Office of Audit

INADEQUATE AIRCARD AND BLACKBERRY® SMARTPHONE ASSIGNMENT AND MONITORING PROCESSES RESULT IN MILLIONS OF DOLLARS IN UNNECESSARY ACCESS FEES

Issued on January 11, 2013

Highlights

Highlights of Report Number: 2013-10-010 to the Internal Revenue Service Chief Technology Officer.

IMPACT ON TAXPAYERS

In Fiscal Year 2011, the IRS had approximately 35,000 active aircards and more than 4,400 BlackBerry® smartphones assigned to employees, providing them with mobile Internet and e-mail access. TIGTA found that cost savings can be achieved if the IRS ensures that only those employees with a valid business need are assigned an aircard and/or BlackBerry® smartphone and provides more effective oversight and monitoring of these devices. Improved policies and procedures can result in savings of \$5.9 million over five years, which would help to support the President's November 2011 Executive Order to cut waste in Federal Government spending and identify opportunities to promote efficient and effective spending.

WHY TIGTA DID THE AUDIT

This audit was initiated because the President issued an Executive Order in November 2011 directing Government agencies to cut combined costs by 20 percent in six areas, including information technology devices. In Fiscal Year 2011, the IRS spent about \$8.5 million on aircards and \$2.9 million on BlackBerry® smartphones to enable employees to have mobile Internet and e-mail access. Our objective was to determine whether the IRS is managing its aircards and BlackBerry® smartphones in a cost-effective manner.

WHAT TIGTA FOUND

Processes for assigning and monitoring the use of aircards and BlackBerry® smartphones are not adequate to ensure that employees have a business need for the devices. Assignment of these devices is generally based on job series classifications without adequately ensuring a business need exists.

In addition, the IRS paid approximately \$1.1 million during Fiscal Year 2011 for 13,878 aircards and 754 BlackBerry® smartphones that were not used for

periods of three months to one year. For example, TIGTA identified 45 aircards and 68 BlackBerry® smartphones that were not used at all for the entire 12 months of the fiscal year.

Finally, 2,560 employees may have been assigned an aircard or BlackBerry® smartphone without required management approval. These devices cost the IRS more than \$950,000 in Fiscal Year 2011, or about \$4.8 million over five years.

WHAT TIGTA RECOMMENDED

TIGTA recommended that the IRS develop processes to periodically evaluate job series profiled for aircards and BlackBerry® smartphones and ensure managerial approval of devices is based on business need; establish a pooling policy for aircards; review its inventory records to identify devices shown as assigned to employees without proper management approval; develop a formalized process to identify BlackBerry® smartphones with no usage; and identify whether BlackBerry® smartphones with no data use could be replaced with a lower costing cellular telephone.

In their response, IRS management agreed with two of our six recommendations. IRS management agreed to establish a policy to periodically evaluate the job series profiled for aircards and BlackBerry® smartphones and agreed to formally document their process to monitor BlackBerry® smartphones with no usage. Although IRS management disagreed with our recommendation to establish a pooling policy for aircards, they agreed to conduct a business assessment to determine if a shared aircard policy would be effective.

IRS management disagreed with our three remaining recommendations, citing previously existing procedures. Based on the large number of unapproved and unused devices identified during the audit, TIGTA believes the IRS should take action to enhance its existing controls.

READ THE FULL REPORT

To view the report, including the scope, methodology, and full IRS response, go to:

<http://www.treas.gov/tigta/auditreports/2013reports/201310010fr.pdf>.

E-mail Address: TIGTACommunications@tigta.treas.gov

Website: <http://www.tigta.gov>

Phone Number: 202-622-6500