
TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION

Office of Inspections and Evaluations



*Internal Revenue Service Contract Security
Guard Workforce Inspection*

January 10, 2012

Reference Number: 2012-IE-R002

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.

Phone Number | 202-622-6500

Email Address | TIGTACommunications@tigta.treas.gov

Web Site | <http://www.tigta.gov>



TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

January 10, 2012

MEMORANDUM FOR DEPUTY COMMISSIONER FOR OPERATIONS SUPPORT

FROM:

R. David Holmgren
R. David Holmgren
Deputy Inspector General for Inspections and Evaluations

SUBJECT:

Final Inspection Report – Internal Revenue Service Contract Security
Guard Workforce Inspection (# IE-11-011)

This report presents the results of our inspection to determine whether the Internal Revenue Service (IRS) completes steps to provide a reasonable level of assurance that its contract security guard workforce is suitable for employment at IRS facilities and whether responsible IRS personnel are qualified to oversee the day-to-day operations of the security guard contracts assigned to them.

Synopsis

We found the IRS generally has controls in place to ensure security guards are suitable for employment in IRS facilities; however, additional controls are required to improve oversight. No systemic issues regarding the on-site administration of contract security guards exist. Nevertheless, the lack of controls in some areas prevented the IRS from accurately and timely identifying the population of security guards working under IRS contracts. Additionally, Contracting Officer's Technical Representatives allowed several security guards to work in some IRS facilities without escorts before receiving staff-like access (the ability for contract employees to enter an IRS owned or controlled facility without an IRS escort), or after re-investigations required to maintain access to IRS facilities were overdue. Finally, in one unique instance, guards hired to escort IRS employees outside of a Federal building were not subject to normal screening procedures.

Recommendations

We recommended that the Director, Physical Security and Emergency Preparedness, develop, validate, and maintain a comprehensive listing of contract security guards; and require Office of Personnel Management background investigations for all contract security guards regardless of



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the type of service provided. We further recommended that the Director develop procedures that require Contracting Officer's Technical Representatives to obtain and maintain records to document that contractors without staff-like access are properly escorted while in IRS facilities; and follow up on the results of requests for new investigations for contractor employees and remove contractors from duty who fail to provide information required for the new investigations. Finally, we recommended that the Director periodically issue memoranda to remind all Contracting Officer's Technical Representatives to adhere to internal procedures related to managing contract security guards.

Response

IRS management agreed with the recommendations in the report, and has initiated or plans to initiate the processes designed to improve oversight and provide assurance that security guards are suitable for employment in IRS facilities. Management's complete response to the report is included in Appendix IV.

Please contact me at (202) 927-7048 if you have questions, or Kevin P. Riley, Director, Office of Inspections and Evaluations, at (972) 249-8355.



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Abbreviations

ABIS	Automated Background Investigation System
COTR	Contracting Officer's Technical Representative
IRM	Internal Revenue Manual
IRS	Internal Revenue Service
NBIC	National Background Investigation Center
OPM	Office of Personnel Management
PSEP	Office of Physical Security and Emergency Preparedness



Internal Revenue Service Contract Security Guard Workforce Inspection

Background

The Federal Protective Service, U.S. Department of Homeland Security, provides and manages contract security guard workforces for 426 Internal Revenue Service (IRS) facilities throughout the continental United States. The IRS, however, has limited control over the contracts on-site administration. The IRS's Office of Physical Security and Emergency Preparedness (PSEP), within Agency-Wide Shared Services, oversees nine contracts for security guards for 36 IRS facilities across eight States and Washington, D.C. This review was conducted to determine whether the IRS completes steps to provide a reasonable level of assurance that its contract security guard workforce is suitable for employment at IRS facilities, and that the IRS personnel who oversee the guard contracts are properly assigned and certified. This inspection was limited to inspecting the contract security workforce that the IRS directly oversees.

Contract security guards, in most instances, are the first line of defense for securing IRS facilities, employees, and assets. Security guards typically perform the essential functions of: entry controllers at either the perimeter or entrance of an IRS facility, internal and external area foot patrols, vehicle patrols, and central security controllers/alarm monitors. An unqualified security guard workforce or failure to provide appropriate oversight of security guard contracts places the IRS, its mission, and its workforce at risk. Such risk includes unauthorized access to IRS facilities and the potential for harm to IRS employees and/or damage to information technology infrastructures.

Until a background investigation is completed by the Office of Personnel Management (OPM) and a copy of the interim or final approval letter concerning suitability for staff-like access¹ is received from the IRS's National Background Investigation Center (NBIC), IRS contract security guards cannot report to work unless the contract guard is escorted by an IRS employee or authorized contractor. The Contractor Security Lifecycle Program is responsible for collecting security clearance forms from the contractor and forwarding the forms to the NBIC. Security clearance information is managed through the Automated Background Investigation System (ABIS).² Official files for each contractor guard should be maintained by the responsible Contracting Officer's Technical Representative (COTR).

We performed this review from July 2011 through September 2011 in the PSEP offices at the IRS National Headquarters in Washington, D.C., and at the NBIC in Florence, Kentucky. We

¹ Staff-like access is granted by the IRS Office of Personnel Security. Per the Internal Revenue Manual 10.23.2.8(1) (April 4, 2008), "A contractor employee who has been approved for interim or final staff-like access requires no escort.... Until a contractor employee has been approved for staff-like access, an escort is required no matter where the work is located."

² The ABIS provides a method to process, manage and store requests for national security clearances on IRS employees, personnel security investigations conducted for suitability and security determination purposes on IRS employees and contractors.



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also worked on-site in the Austin, Texas; Dallas, Texas; Holtsville, New York; and Washington, D.C. offices where contract security guards are employed. We conducted this inspection in accordance with the Council of the Inspectors General for Integrity and Efficiency Quality Standards for Inspections. Detailed information on our objective, scope, and methodology is presented in Appendix I. Major contributors to the report are listed in Appendix II.



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Results of Review

The IRS generally has controls in place to ensure that security guards are suitable for employment in the 36 facilities it is responsible for; however, additional controls are required to improve oversight. The lack of controls in some areas prevented the IRS from accurately and timely identifying the population of security guards working under IRS contracts, and allowed several security guards to work in IRS facilities without authorization, appropriate investigations, or after staff-like access had expired.

Most Contracting Officer's Technical Representatives Were Properly Appointed and Certified or Trained

The role of the COTR is pivotal, because the COTR “ensure[s] that contractors meet the commitments of their contracts... [and] are often the first to recognize when a program or contract is under-performing.”³ While isolated deficiencies exist throughout the IRS’s management of contract security guards, we found that most COTRs who oversee the administration of these contracts were properly appointed and certified.

Per the Office of Management and Budget’s Office of Federal Procurement Policy, a contracting officer must formally appoint a COTR to a contract, and, within six months of that appointment, the COTR must be certified as a COTR by the Federal Acquisition Institute.⁴ This certification is granted only after the COTR has successfully taken “competency-based core training and assignment-specific training.”⁵ We reviewed the records of four PSEP COTRs and found that three of the four were formally appointed to their positions via memorandum from the contracts Contracting Officer. However, one COTR was appointed to a contract only after the COTR and PSEP Territory Manager were informed of the requirement. According to the current COTR, a new contracting officer and COTR were assigned to the contract simultaneously. During the transition, both the old and new contracting officers overlooked the requirement to prepare an appointment letter for the new COTR. We found that all four COTRs were certified as COTRs by the Federal Acquisition Institute or met the training requirements for certification.

³ The Office of Management and Budget’s Office of Federal Procurement Policy memorandum, *Revisions to the Federal Acquisition Certification for Contracting Officer’s Representatives (FAC-COR)*, dated September 6, 2011.

⁴ The Office of Management and Budget’s Office of Federal Procurement Policy memorandum, *The Federal Acquisition Certification for Contracting Officer Technical Representatives*, dated November 26, 2007.

⁵ *Id.*



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Although Exceptions Were Noted, Generally Controls are in Place to Ensure Security Guards are Properly Investigated

We reviewed a sample of 217 security guard investigative files to determine whether background investigations were completed, adjudicated, and current. Where background investigations were pending OPM completion, or had expired, we reviewed documentation to determine whether the contract guard had been granted interim staff-like access. We also conducted field visits in IRS facilities serviced by four security guard contracts, and reviewed the personnel files of 206 security guards.

Overall, we found that the IRS effectively managed OPM investigations and adjudicated investigation results appropriately. We determined that while the IRS has effective controls in place to ensure contract security guards are prescreened and investigated, isolated deficiencies still exist in the IRS's field offices we reviewed.

The Office of Physical Security and Emergency Preparedness could not readily identify the entire contract security guard workforce

Internal controls should provide assurance that records are complete and accurate. The PSEP manages nine security guard contracts with guards working in 36 IRS facilities, but the PSEP does not have a single, comprehensive and accurate list of security guards working in all IRS facilities. When asked to provide a list of all contract security guards working at IRS facilities, the PSEP had to initiate a data call to its COTRs managing security guard contracts to obtain the information. The listing prepared by the PSEP had errors that caused us to question the overall reliability of the data we received. Specifically, the IRS initially reported 499 security guards under contract and working in IRS facilities as of July 20, 2011. However, the IRS did not include six guards actually working in an IRS facility that we identified during one field visit, and did not identify one guard with duplicate records under an erroneous Social Security Number. According to revised IRS records, the IRS's contract security guard workforce consists of 504 guards contracted to nine IRS security guard contracts. Figure 1 summarizes errors included in the listing provided.



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Figure 1: Adjustments to the Population of IRS Contract Security Guards

Number of security guards reported by COTRs as of July 20, 2011	499
Guards working in IRS facilities but not included on the listing	+6
Guard included on the listing two times	-1
Total number of security guards after Treasury Inspector General for Tax Administration adjustments	504

Source: Treasury Inspector General for Tax Administration's analysis of IRS PSEP records as of July 20, 2011.

Incomplete and inaccurate records increase the risk that security guards may be granted access to IRS facilities before receiving interim or final approval for staff-like access, which could compromise the safety and security of IRS employees, systems, and taxpayer information.

Recommendation

Recommendation 1: The Director, PSEP, should develop a comprehensive listing of contract security guards and ensure that the list is properly validated and updated on a regular basis.

Management's Response: IRS management agreed with this recommendation. The Director, PSEP, will modify the Personal Identification Verification Background Investigation Process system⁶ to track and monitor all contractors' licensing, certification, and qualification requirements. The Director also reported that the PSEP is in the process of validating every security guard contract in the Personal Identification Verification Background Investigation Process system to ensure that the roster of employees is current.

Security guards were allowed to work before they were cleared for duty

Per the Internal Revenue Manual (IRM),⁷ until the COTR receives a letter of interim or final approval of staff-like access from the National Background Investigation Center (NBIC), a contractor cannot report for work unless that contractor is properly escorted, regardless of where

⁶ The Personal Identification Verification Background Investigation Process is an IRS system designed to track and report on contractors before, during, and after the background investigation process, from on-boarding through to separation from the contract.

⁷ The IRM is the IRS's primary official source of instructions to staff relating to the administration and operations of the IRS. It contains the directions employees need to carry out their operational responsibilities.



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services are rendered or the work is located.⁸ We found that the COTRs allowed nine security guards to work in IRS facilities before the NBIC authorized interim or final staff-like access.

The COTRs at three locations allowed seven guards to report for duty prior to being authorized interim or final staff-like access. At one of these locations, the PSEP Territory Manager stated that the contractor did not have enough security guards available to staff all guard posts due to summer vacations. Therefore, the COTR allowed two guards to report for duty prior to receiving an interim or final approval for staff-like access from the NBIC. The two guards were assigned to internal roving posts and were escorted by another roving guard as on-the-job training. However, the COTR could not provide documentation to demonstrate the guards were in fact escorted. Later, we verified that these two guards were eventually approved for staff-like access.

All unescorted contract employees are subject to a background investigation, suitable for their position designation, with favorable adjudication.⁹ We determined that a COTR allowed a guard to work in an IRS facility based on an investigation received for another position in the IRS. However, the IRS later confirmed that the investigation completed on the employee did not meet the requirements for the position designation of a contract guard.

A COTR must request a new investigation for any contractor employee with a break in service from an IRS contract of two years or more.¹⁰ We determined that a COTR allowed a contract guard to return to work after a break in service greater than two years from the contract without a new investigation. In this situation, the COTR mistakenly requested a revalidation of the contract employee, instead of a new investigation. However, a revalidation is only acceptable in cases where a contract employee leaves one contract and begins work on another, and the break in service is less than two years.¹¹

Allowing contract security guards to report for duty before completing suitability assessments could compromise the safety and security of IRS employees and systems, and taxpayer information. The IRM clearly documents the requirements for background investigations related to contractors, and the need to escort contractors without the appropriate background investigation and authorization of interim or final staff-like access. However, the effectiveness of these procedures declines without documentation to indicate that the appropriate IRS officials approved the arrangement and that the contractors were escorted.

⁸ IRM 10.23.2.8 (April 4, 2008).

⁹ IRM 10.23.2.2(5) (October 16, 2008).

¹⁰ IRM 10.23.2.12(3) (October 16, 2008).

¹¹ IRM 10.23.2.12 (2) (October 16, 2008).



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Recommendation

Recommendation 2: The Director, PSEP, should develop procedures to require that COTRs obtain and maintain records to verify that contractors without staff-like access are properly escorted while in IRS facilities.

Management's Response: IRS management agreed with this recommendation. The Director, PSEP, will ensure that all guards with staff-like access have at a minimum an interim staff-like clearance letter on file prior to starting work under all security contracts. The IRS will require all guards who do not have staff-like access to complete a visitor access request form. Procedures will be developed that require each site COTR request and maintain a valid monthly listing of all guard contractors that are on site. The COTR will reconcile the listing to ensure that contractors who do not have staff-like access are properly escorted.

Security guards worked with expired IRS authorizations

COTRs are responsible for initiating the re-investigations of all low, moderate and high risk contract employees and keeping track of the due dates for re-investigations. According to the IRM re-investigation procedures,¹² the COTR should initiate new investigations for high-risk contract employees. However, the COTR is only required to initiate Federal tax compliance checks and fingerprint checks for low- to moderate-risk contractor employees, which includes contract security guards. The COTR should initiate the re-investigation process every five years following approval of final staff-like access.

During one site visit, we found the COTR had erroneously allowed 17 contract security guards to continue working at an IRS facility after their staff-like access expired. As of June 29, 2011, the authorizations for the guards' staff-like access had expired as early as April 2011 and as late as November 2010. The COTR stated the errors occurred because he inadvertently based his determination of the date of the next investigation on the date of the final staff-like access letter, instead of on the due date for the next investigation update, which can differ significantly. As a result, the COTR failed to request the required five year re-investigation for 17 of the 60 security guards working under the contract. Once this finding was brought to the attention of the PSEP Territory Manager and the COTR, the 17 security guards in question were removed from their posts the next day and the COTR resubmitted the contractors for re-investigation.

Our sample of 217 investigative case files maintained by Personnel Security revealed a similar case at another location. In that case the COTR submitted the request for a re-investigation as required. However, the re-investigation was terminated, because the subject failed to timely provide required information.

¹² IRM 10.23.2.14 (April 4, 2008).



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Delaying re-investigations of contract employees increases the risk unsuitable contractors will have access to IRS facilities, which could compromise the safety and security of IRS employees and systems, and taxpayer information.

Recommendations

The Director, PSEP, should:

Recommendation 3: Require that COTRs conduct follow-up procedures to determine the status of requests for re-investigations. In cases where a contract employee fails to provide information required for the re-investigation, the COTR should remove the contract employee from duty.

Management's Response: IRS management agreed with this recommendation. The Director, PSEP, will review all contractor guard contracts and notify the contractor and the COTR to initiate a five-year update (re-investigation) 90 days before expiration of the current investigation. The contractor will be removed from duty upon the expiration of the investigation if the five-year update has not been favorably adjudicated.

Recommendation 4: Periodically issue memoranda to remind all COTRs of their responsibility to ensure all unescorted contract employees are approved for staff-like access in accordance with procedures included in the IRM.

Management's Response: IRS management agreed with this recommendation. The Director, PSEP, will issue an annual memorandum to COTRs as a reminder that contractors must be escorted until they have staff-like access and should not be escorted for a period of greater than 180 days without the initiation of an investigation.

A Contracting Officer's Technical Representative failed to maintain personnel records on IRS contract security guards

Per the IRM, it is the responsibility of the COTR to collect and retain, for the duration of the contract, official file records for each contract guard.¹³ At a minimum, these records should contain the firearm qualification forms, cardiopulmonary resuscitation (CPR) and first aid forms, suitability clearances and training certificates. We found that one COTR did not maintain official records for individual contract security guards and instead relied on the contractor's project manager to maintain and update security guard personnel records. This deficiency was the result of the responsible PSEP employee's lack of awareness of the IRM requirement to maintain records on-site. The IRS's failure to collect and maintain official personnel records on contract security guards creates risk and makes the IRS's security program vulnerable because the contractor could alter the records for unqualified security guards without detection.

¹³ IRM 10.2.12.8(3) (October 21, 2008).



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Recommendation

Recommendation 5: The Director, PSEP, should periodically issue memoranda to remind all COTRs of their responsibility to officially file records for each contract guard, in accordance with procedures included in the IRM.

Management's Response: IRS management agreed with this recommendation. The Director, PSEP, will periodically issue communications to advise COTRs of their responsibility to officially file records for each contract guard, in accordance with procedures included in the IRM.

Guards Hired to Escort Employees Outside One Federal Building Were Not Subject to Office of Personnel Management Background Investigations

The IRS manages one contract through which armed IRS security guards escort IRS employees from the building to public transportation stations and parking lots in the area. The guards are stationed outside the Federal building between the hours of 7:00 p.m. and 1:00 a.m., but they are not authorized to enter the building.

PSEP staff informed us that a decision was made that the OPM background investigations were not required, because these guards are not allowed to enter the Federal building. Instead the PSEP required the contractor to only provide documentation that a background investigation had been completed for each security guard in question. We found that the contractor did provide the required documentation; however, the documentation provided no detail related to the adjudication process of background investigation results, and the contractor did not forward any investigation results to the IRS. As a result, the IRS has no assurance that the armed guards hired to escort IRS employees outside of the Federal building are suitable for such assignments.

Recommendation

Recommendation 6: The Director, PSEP, should require OPM background investigations and adjudication by IRS officials for all security guards assigned to protect IRS employees.

Management's Response: IRS management agreed with this recommendation. The Director, PSEP, will require that all area offices initiate the necessary paperwork requesting that an OPM background investigation and adjudication be completed for all security guards. Additionally, the COTR in each area will identify guards needing background investigations for staff-like access and will ensure that their contractors initiate the process to have those security guards investigated through OPM.



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Appendix I

Detailed Objective, Scope, and Methodology

Our overall objective was to determine whether the IRS completes steps to ensure that contract security guards are suitable for employment at IRS facilities, and that the acquisition workforce responsible for the day-to-day administration and contractor adherence to contracts met the minimum requirements in order to monitor the contracts that are assigned to them.

The scope of our review was limited to the security guard contracts managed by the IRS and did not incorporate any of the security guard personnel and contracts managed by the Federal Protective Service, U.S. Department of Homeland Security; and the U.S. General Services Administration.

- I. Determined whether the contract security guards providing services to the IRS are suitable for employment.
 - A. Analyzed a judgmental sample of IRS contract security guards to determine if the IRS had documentation to support that the security guards received suitability clearances before reporting for duty.
 - B. Determined if the IRS had collected, forwarded for action, and retained the results of the contractors' background investigation.
 - C. Determined if the IRS obtained assurance that all contract security guards have either received satisfactory results from their background investigations or that discrepant information was appropriately adjudicated.
 - D. Determined if contractors had reported to duty without the COTR receiving a copy of the suitability letter authorizing interim or final approval of staff-like access from NBIC.
 - E. Determined whether the COTRs maintained comprehensive official files for each security guard.
- II. Determined whether the COTRs assigned to security guard contracts have met the minimum requirements in order to monitor contracts assigned to them.
 - A. Determined whether the COTRs had been formally appointed to applicable security guard contracts.
 - B. Determined whether the COTRs had met the training requirements for or had received the Federal Acquisition Certification for Contracting Officer's Technical Representatives.



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Appendix II

Major Contributors to This Report

Kevin P. Riley, Director
James A. Douglas, Supervisory Program Analyst
John L. da Cruz, Program Analyst



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Appendix III

Report Distribution List

Commissioner C
Office of the Commissioner – Attn: Chief of Staff C
Deputy Commissioner for Operations Support OS
Chief, Agency-Wide Shared Services OS:A
Chief Human Capital Officer OS:HC
Director, Physical Security and Emergency Preparedness OS:A:PSEP
Chief Counsel CC
National Taxpayer Advocate TA
Director, Office of Legislative Affairs CL:LA
Director, Office of Program Evaluation and Risk Analysis RAS:O
Office of Internal Control OS:CFO:CPIC:IC
Audit Liaisons:
 Chief, Agency-Wide Shared Services OS:A
 IRS Human Capital Officer OS:HC



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Appendix IV

Management's Response to the Draft Report



CHIEF
AGENCY-WIDE
SHARED SERVICES

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

NOV 30 2011

MEMORANDUM FOR R. DAVID HOLMGREN
DEPUTY INSPECTOR GENERAL FOR INSPECTIONS
AND EVALUATIONS

FROM:

David A. Grant
Chief, Agency-Wide Shared Services

SUBJECT:

Draft Inspection Report – Inspection of the Contract
Security Guard Workforce Inspection (#IE-11-011)

Thank you for the opportunity to comment on the subject report. We agree with the recommendations. Attached please find our corrective actions.

We take the findings very seriously and recognize that immediate actions are necessary to ensure additional controls are in place to improve oversight and ensure security guards are suitable for employment within IRS facilities.

We have begun the process of enhancing security controls to increase the level of oversight by requiring that Contracting Officer Technical Representatives (COTRs) track, monitor, inspect and validate records of contract security guards to ensure suitability for employment and compliance to contract requirements.

Thank you for your guidance in this effort. If you have any questions, please contact me at (202) 622-7500, or a member of your staff may contact Norris L. Walker, Director, Physical Security and Emergency Preparedness, at (202) 622-0831. For matters concerning audit procedural follow-up, please contact Larry Pugh, Office of Strategy and Finance, Agency-Wide Shared Services, at (202) 622-4541.

Attachment



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Attachment

RECOMMENDATION # 1: The Director, Physical Security and Emergency Preparedness (PSEP), Agency-Wide Shared Services, should develop a comprehensive listing of contract security guards and ensure the list is properly validated and updated on a regular basis.

CORRECTIVE ACTION: We agree with this recommendation. We will add a module in the Personal Identification Verification Background Investigation Process (PBIP) system to track and to monitor all contractor's license, certifications, and qualification requirements. PBIP will provide notification of expirations within 30 days. We are validating every security guard contract in PBIP to ensure that the roster of employees is current. The COTRs will be granted access to run real-time reports to see the status.

IMPLEMENTATION DATE: May 1, 2012

RESPONSIBLE OFFICIAL: Director, Physical Security and Emergency Preparedness, Agency-Wide Shared Services

CORRECTIVE ACTION MONITORING PLAN: PSEP will enter accepted corrective actions into the Joint Audit Management Enterprise System (JAMES). This corrective action is monitored on a monthly basis until completion.

RECOMMENDATION #2: The Director, PSEP, should develop procedures that require COTRs obtain and maintain records to verify contractors without staff-like access are properly escorted while in IRS facilities.

CORRECTIVE ACTION: We agree with this recommendation. In support of this recommendation, the Director, PSEP, will ensure that all guards with staff-like access have at a minimum an interim staff-like clearance letter on file prior to starting work under all security contracts. All guards who are awaiting clearances and/or recertification will be required to complete a visitor access request form. This form confirms all contract employees who have been given access into the facility, and authorizes the issuance of an escort only badge until the National Background Investigation Center's (NBIC) investigation process is finalized.

Procedures will be developed that require each site COTR request and maintain a valid monthly listing of all guard contractors that are on site. This listing will be reconciled by the site COTR to ensure that contractors who do not have staff-like access are properly escorted. Additionally, copies will be forwarded to the National COTR to validate compliance.



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IMPLEMENTATION DATE: January 30, 2012

RESPONSIBLE OFFICIAL: Director, Physical Security and Emergency Preparedness,
Agency-Wide Shared Services

CORRECTIVE ACTION MONITORING PLAN: PSEP will enter accepted corrective actions into the Joint Audit Management Enterprise System (JAMES). This corrective action is monitored on a monthly basis until completion.

RECOMMENDATION #3: The Director, PSEP, should require that COTRs conduct follow-up procedures to determine the status of requests for re-investigations. In cases where a contract employee fails to provide information required for the re-investigation, the COTR should remove the contract employee from duty.

CORRECTIVE ACTION: We agree with this recommendation. The Director, PSEP, will review all contractor guard contracts and notify the contractor and the COTR to initiate 5-year updates 90 days before expiration of the current investigation. The contractor will be removed from duty upon the expiration of the investigation if the 5-year update has not been favorably adjudicated.

The Director, PSEP, is working with the Procurement Office to address the revision of the Delegation of Procurement Authority (DPA) Policy and Procedure memorandum to incorporate the duties of a primary COTR and sub COTRs. This appointment letter will outline the scope of specific responsibilities under a multiple tier COTR model that includes their responsibility to monitor and to review contractor files to ensure that all security requirements and paperwork, including security background investigations for all required contractor personnel, are on file.

IMPLEMENTATION DATE: March 1, 2012

RESPONSIBLE OFFICIAL: Director, Physical Security and Emergency Preparedness,
Agency-Wide Shared Services

CORRECTIVE ACTION MONITORING PLAN: PSEP will enter accepted corrective actions into the Joint Audit Management Enterprise System (JAMES). This corrective action is monitored on a monthly basis until completion.

RECOMMENDATION #4: The Director, PSEP, should periodically issue memoranda to remind all COTRs of their responsibility to ensure all unescorted contract employees are approved for staff-like access in accordance with procedures included in the IRM.



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CORRECTIVE ACTION: We agree with this recommendation. The Director, PSEP, will issue a memorandum to COTRs on an annual basis as a reminder that contractors must be escorted until they have staff-like access and should not be escorted for a period of greater than 180 days without an investigation being initiated.

IMPLEMENTATION DATE: December 15, 2011

RESPONSIBLE OFFICIAL: Director, Physical Security and Emergency Preparedness, Agency-Wide Shared Services

CORRECTIVE ACTION MONITORING PLAN:

PSEP will enter accepted corrective actions into the Joint Audit Management Enterprise System (JAMES). This corrective action is monitored on a monthly basis until completion.

RECOMMENDATION #5: The Director, PSEP, should periodically issue memoranda to remind all COTRs of their responsibility to officially file records for each contract guard in accordance with procedures included in the IRM.

CORRECTIVE ACTION: We agree with this recommendation. The Director, PSEP, will issue periodic communications by memorandum and website postings to COTRs as a security advisory of their responsibility to officially file records for each contract guard in accordance with procedure included in the IRM. Additionally, PSEP will conduct random quality assurance reviews (QARs) and site visits to analyze and validate compliance.

IMPLEMENTATION DATE: February 1, 2012

RESPONSIBLE OFFICIAL: Director, Physical Security and Emergency Preparedness, Agency-Wide Shared Services

CORRECTIVE ACTION MONITORING PLAN: PSEP will enter accepted corrective actions into the Joint Audit Management Enterprise System (JAMES). This corrective action is monitored on a monthly basis until completion.

RECOMMENDATION #6: The Director, PSEP, should require OPM background investigations and adjudication by IRS officials for all security guards assigned to protect IRS employees.



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CORRECTIVE ACTION: We agree with this recommendation. The Director, PSEP, will require that all area offices initiate the necessary paperwork requesting an OPM background investigation and adjudication be completed for all security guards processed using the OPM system, Electronic Questionnaires for Investigations Processing (eQIP). Additionally, the COTR in each area will identify guards needing background investigations for staff-like access and will ensure that their contractors initiate the process to have those security guards investigated through OPM. PSEP will conduct random site surveys to ensure COTRs are aware of and in full compliance with these requirements. Any deficiencies identified will be documented and corrective actions will be immediately implemented.

IMPLEMENTATION DATE: January 1, 2012

RESPONSIBLE OFFICIAL: Director, Physical Security and Emergency Preparedness, Agency-Wide Shared Services

CORRECTIVE ACTION MONITORING PLAN: PSEP will enter accepted corrective actions into the Joint Audit Management Enterprise System (JAMES). This corrective action is monitored on a monthly basis until completion.