



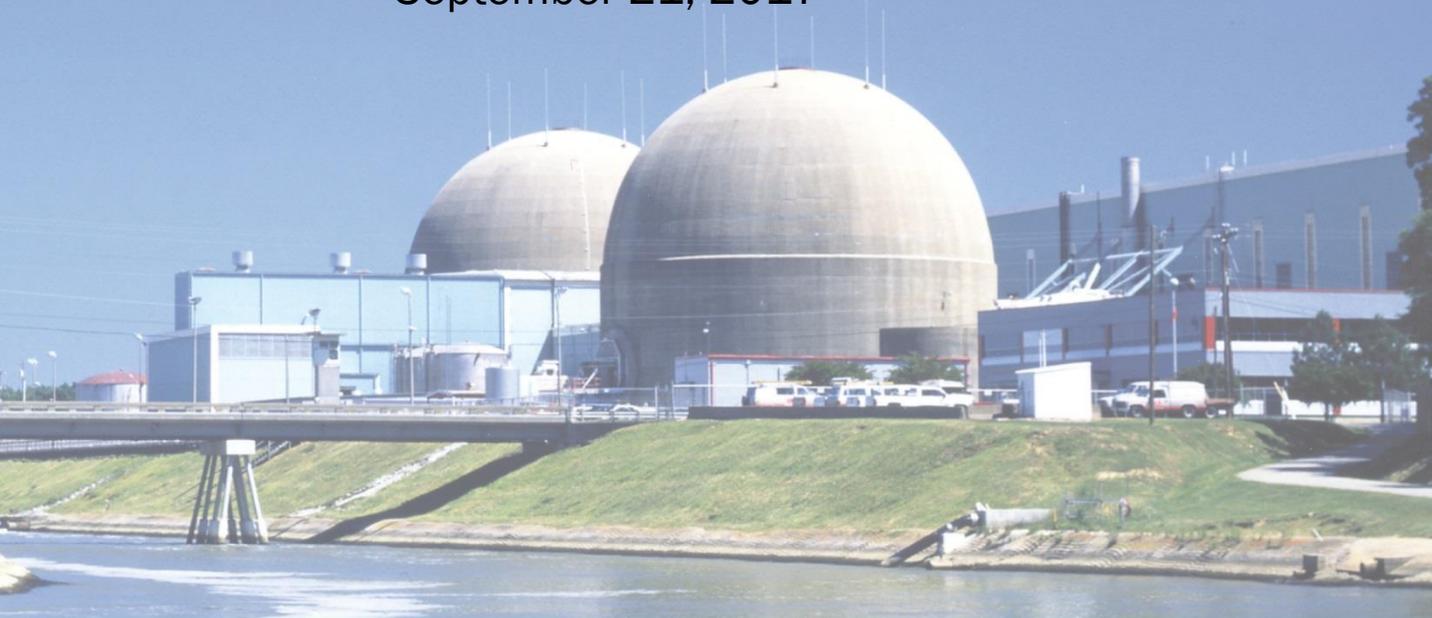
OFFICE OF THE INSPECTOR GENERAL

U.S. NUCLEAR REGULATORY COMMISSION
DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Evaluation of NRC's Management of Government Cell Phones

OIG-17-A-27

September 21, 2017



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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

**OFFICE OF THE
INSPECTOR GENERAL**

September 21, 2017

MEMORANDUM TO: Victor M. McCree
Executive Director for Operations

FROM: Dr. Brett M. Baker */RA/*
Assistant Inspector General for Audits

SUBJECT: EVALUATION OF NRC'S MANAGEMENT OF
GOVERNMENT CELL PHONES (OIG-17-A-27)

Attached is the Office of the Inspector General's (OIG) evaluation report titled *Evaluation of NRC's Management of Government Cell Phones*.

The report presents the results of the subject evaluation. Following the September 5, 2017, exit conference, agency staff indicated that they had no formal comments for inclusion in this report.

Please provide information on actions taken or planned on each of the recommendations within 30 days of the date of this memorandum. Actions taken or planned are subject to OIG followup as stated in Management Directive 6.1.

We appreciate the cooperation extended to us by members of your staff during the evaluation. If you have any questions or comments about our report, please contact me at (301) 415-5915 or Beth Serepca, Team Leader, at (301) 415-5911.

Attachment: As stated



Office of the Inspector General

U.S. Nuclear Regulatory Commission
Defense Nuclear Facilities Safety Board

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Results in Brief

Why We Did This Review

In April 2016, the agency entered into a contract with AT&T Mobility to purchase government furnished cell phones. Prior to the mobility contract, government furnished cell phones were leased.

Once NRC stopped leasing Government furnished cell phones, NRC property custodians were assigned responsibility of managing cell phones.

Government furnished cell phones include iOS and Android devices.

The objective was to evaluate whether NRC's Government furnished cell phones are sufficiently managed to provide information security.

Evaluation of NRC's Management of Government Cell Phones

What We Found

OIG did not identify weaknesses relative to Government furnished cell phone information security. However, the evaluation identified weaknesses in the management of Government furnished cell phones in the following areas:

- Guidance and training. Although property custodians were tasked with managing government cell phones, guidance and training is inconsistent.
- Cell phone recordkeeping. Government furnished cell phones recordkeeping is inaccurate and inconsistent.
- Rules of Behavior. Government furnished cell phone users only acknowledge the rules of behavior for proper use of the device once.

What We Recommend

This report makes four recommendations to improve the management of NRC's government furnished cell phones. Management stated their agreement with the findings and recommendations.

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ABBREVIATIONS AND ACRONYMS

ADM	Office of Administration
DFS	Division of Facilities and Security
GAO	Government Accountability Office
MD	Management Directive
NRC	Nuclear Regulatory Commission
OCIO	Office of the Chief Information Officer
OIG	Office of the Inspector General
SPMS	Space and Property Management System

I. BACKGROUND

Cell Phone Acquisition

In April 2016, the agency entered into a contract with AT&T Mobility to purchase Android and iOS devices for up to 350 users with a price ceiling of approximately \$1.8M. Currently, there are 347 users and 412 Government furnished cell phones acquired from the mobility contract. The base period of performance is April 8, 2016, to November 30, 2017, with an option to extend up until 2019.

The services and prices offered in the contract include

- The ability to change plans and features.
- Mobile communications.
- Standard device upgrades.
- Device management.

Property Custodians

Once NRC stopped leasing Government furnished cell phones, NRC property custodians were assigned responsibility of managing cell phones. Property custodians manage and control assigned property by maintaining and updating the Space and Property Management System (SPMS). SPMS is the official database for NRC property accountability used to track property inventory assigned to office accounts. It is managed by the Division of Facilities and Security (DFS), Office of Administration (ADM).

Management Directive (MD) and Handbook 13.1, *Property Management*, states property custodian responsibilities include

- Conducting a review of their property account in the off-year from the physical inventory. Property custodians are required to verify and certify that all SPMS equipment records are accurate.
- Coordinate equipment moves, pickups, and exchanges. Custodians must be proactive to ensure that coordination takes place.
- Recover equipment from departing employees.

- Instruct property holders on their responsibilities on the use and care of NRC property.

At the time of the evaluation, there were 48 property custodians assigned the responsibility for managing office Government furnished cell phones.

Responsible NRC Offices

The Office of the Chief Information Officer (OCIO) plans, directs, and oversees the implementation of a comprehensive and cost-effective NRC Information Technology Security Program. The program enables access to agency resources from agency issued mobile devices such as smartphones.

OCIO uses an application called MaaS360 to administer, manage, control and monitor smartphone activity and data usage.

ADM manages the NRC property management program. ADM implements NRC personal property policies and develops procedures, manages SPMS, and establishes standards to ensure uniformity, flexibility, and proper use and disposal of equipment.

II. OBJECTIVE

The objective was to evaluate whether NRC's Government furnished cell phones are sufficiently managed to provide information security. The report appendix contains information on the evaluation scope and methodology.

III. FINDINGS

OIG did not identify weaknesses relative to cell phone information security; however, the evaluation identified three areas for improvement in the overall management of Government furnished cell phones: (a) guidance and training on Government furnished cell phone management for property custodians, (b) Government furnished cell phone record management, and (c) the rules of behavior associated with Government furnished cell phones. OIG makes four recommendations to improve NRC's management of Government furnished cell phones.

A. Insufficient Guidance and Training

Many of NRC's property custodians are unfamiliar with the process by which NRC's Government furnished cell phones are assigned and returned, or how to handle lost or stolen phones. Although Federal agencies are responsible for giving their employees the information and guidance they need to do their jobs, NRC guidance on cell phone management is inconsistent, and the agency does not consistently provide property custodians with guidance or training on cell phone management. Without properly training or instructing property custodians on how to handle cell phones, there is an increased risk that phones will be lost without NRC's awareness. Additionally, there is risk end users will be provided with incorrect information about what to do if phones are lost or how to return phones when they are no longer needed.

What Is Required

Federal and Agency Guidance

Federal agencies are responsible for giving their employees the information and guidance they need to do their jobs.

The Government Accountability Office's (GAO) *Standards for Internal Control in the Federal Government* states that management is responsible for documenting policies and processes.

MD 13.1, *Property Management*, stipulates that the Property Management Officer provides guidance to designated property custodians. MD 13.1 also states that all property custodians are to attend training, provided by management. This training is designed to keep the property custodians current on procedures governing the agency's property management program.

What We Found

Property Custodians Are Unfamiliar With Cell Phone Processes

Many of NRC's property custodians are unfamiliar with the process by which NRC's Government furnished cell phones are assigned and returned, or how to handle lost or stolen phones.

OIG interviewed 20 of NRC's 48 property custodians who manage cell phones to ascertain their familiarity with this responsibility. Half of the property custodians stated they did not receive guidance for managing Government furnished cell phones. Six stated they were not notified when cell phones were added to their division's property accounts.

Although property custodians are responsible for notifying users of proper procedures for handling Government furnished cell phones,

- Eight of those interviewed did not know the correct procedure for returning phones.
- Eleven did not know the process for assigning a cell phone.
- Six did not know the process for reporting a lost or stolen phone.

Why This Occurred

NRC guidance on cell phone management is inconsistent, and the agency does not consistently provide property custodians with guidance or training on cell phone management.

Guidance Is Conflicting

Agency guidance for returning mobile devices is conflicting. The return instructions on OCIO's service catalog instructs users to return the device, original box, and components to OCIO's Mobility Operations¹ when leaving the agency. However, this does not align with guidance in MD 13.1, which states users should return property to the property custodians.

Although some offices give supplemental guidance to their property custodians (e.g., one headquarters office developed and distributes a handbook to their property custodians, ADM provides an annual custodian meeting manual on custodian responsibilities), this guidance does not address management of cell phones.

Training Is Not Provided

Of the 20 property custodians interviewed by OIG, 80 percent (16) stated they did not receive any training for their role.

OIG learned that NRC provides formal property custodian training for new custodians, or upon request from current custodians, and holds an annual property meeting; however, these training opportunities are not specific to cell phones.

¹ Mobility Operations is overseen by OCIO. The operations team configures phones for the agency and ensure users have access

Why This Is Important

Risk of Lost Phones and Misinformation

Without properly training or instructing property custodians on how to handle cell phones, there is an increased risk that phones will be lost without NRC's awareness and that end users will be provided with incorrect information about what to do if phones are lost or how to return phones when they are no longer needed.

Recommendations

OIG recommends that the Executive Director for Operations

1. Reconcile guidance (e.g., MD 13.1 and OCIO service catalog) concerning the return of cell phones and provide the correct instructions to property custodians.
2. Provide periodic cell phone management training to property custodians with responsibility for managing cell phones.

B. Cell Phone Recordkeeping Needs Improvement

NRC's Government furnished cell phone recordkeeping is inaccurate and inconsistent. NRC offices use one method for tracking inventory of Government furnished cell phones and a separate method for monitoring and management of smartphones. Without reconciling NRC's Government furnished cell phone records, there is a risk of improperly accounting for devices.

What Is Required

MD 3.53 Guidance

NRC MD 3.53, *Records and Document Management Program*, states accurate records contribute to efficient and economical agency operations.

What We Found

Cell Phone Records Do Not Match

The Government furnished cell phone records in the monitoring/management system and the inventory system do not match. OIG compared ADM's SPMS records with OCIO's records on May 17, 2017, and noted the following discrepancies:

- There were 412 entries on ADM's SPMS records and 347 entries in the OCIO provided records.
- There were 42 smartphone records that were not in the SPMS system.
- There were 56 smartphone records in the SPMS system that were not in the MaaS360 system.

The management/monitoring and the inventory systems have two different purposes and the agency believes differences are to be expected. The SPMS system is used for tracking property, while the MaaS360 system is used to manage/monitor the active devices. OIG could not reconcile the records between the two systems.

Why This Occurred

Two Separate Methods for Recordkeeping

OCIO and ADM use separate cell phone records. OCIO utilizes the MaaS360 portal whereas ADM relies on SPMS. The two systems are not reconciled, which leads to inaccuracies as cell phones are transferred throughout the agency.

The agency stated that the MaaS360 system is not used for physical inventory, but for monitoring/managing active smartphones. Therefore, inactive phones would not be seen. Shared devices may be in one name in SPMS but could technically be a shared device that moves between multiple users in a specific call monitoring role. Mobile equipment procured by other offices would be listed in SPMS but would not be monitored by MaaS360.

Why This Is Important

Risk of Improperly Accounting for Phones and Paying for Unneeded Mobility Services

Without accurate management of cell phones, there is a risk of improperly accounting for devices. Without accurate records, the agency is not aware of how many Government furnished cell phones there are and to whom they are assigned. In addition, the inability to properly account for the number of Government furnished cell phones in use within the agency could lead to paying for unneeded mobility services.

Recommendation

OIG recommends that the Executive Director for Operations

3. Review SPMS and MaaS360 and account for all the Government furnished cell phones annually.

C. Insufficient Notification of the Rules of Behavior

Prudent business practices stress the importance of users periodically reviewing policies and procedures; however, NRC users are required to review the rules of behavior for all mobile devices only one time, which is the first time they are issued such an item. As a result, users may not be familiar with the rules of behavior, which could lead to misuse.

What Is Required

Prudent business practices stress the importance of users periodically reviewing policies and procedures.

What We Found

Rules of Behavior Only Acknowledged Once

When first assigned a mobile device, users are asked to acknowledge rules of behavior informing them of their responsibilities while operating an agency issued device. Responsibilities include maintaining awareness of their surroundings to safeguard agency information, limiting use of the device, and reporting lost or stolen devices. This is the only time users are asked to acknowledge the rules of behavior.

Why This Occurred

No Requirement to Re-Acknowledge

NRC has not required users to re-acknowledge the rules of behavior for cell phones. Currently, management believes that acknowledging the rules of behavior once over the lifetime use of the device is adequate for staff.

Why This Is Important

Risk of Misuse

Without periodic re-acknowledgment of the rules of behavior by the users, there is a risk of misuse of cell phones and failure to protect NRC information.

Recommendation

OIG recommends that the Executive Director for Operations

4. Require periodic re-acknowledgment of the rules of behavior for cell phones.

IV. CONSOLIDATED LIST OF RECOMMENDATIONS

OIG recommends that the Executive Director for Operations

1. Reconcile guidance (e.g., MD 13.1 and OCIO service catalog) concerning the return of cell phones and provide the correct instructions to property custodians.
2. Provide periodic cell phone management training to property custodians with responsibility for managing cell phones.
3. Review SPMS and MaaS360 and account for all Government furnished cell phones annually.
4. Require periodic re-acknowledgment of the rules of behavior for cell phones.

V. AGENCY COMMENTS

An exit conference was held with the agency on September 5, 2017. Agency management provided comments prior to and following this meeting, after reviewing a discussion draft. These comments are incorporated into this report, as appropriate. As a result, agency management stated their general agreement with the findings and recommendations and opted not to provide formal comments for inclusion in this report.

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

The objective was to evaluate whether NRC's Government furnished cell phones are sufficiently managed to provide information security.

Scope

The evaluation focused on reviewing NRC's management of Government cell phones since they were acquired in April 2016. The evaluation was conducted at NRC headquarters in Rockville, MD, from April 2017 to July 2017. Internal controls related to the evaluation's objective were reviewed and analyzed. Throughout the evaluation, auditors considered the possibility of fraud, waste, and abuse in the program.

Methodology

OIG reviewed relevant Federal criteria for this evaluation, including

- The Government Accountability Office's *Standards for Internal Control in the Federal Government*.
- The National Institute of Standards and Technology (NIST) *Guidelines for Managing the Security of Mobile Devices in the Enterprise*

OIG reviewed internal documents, including

- Management Directive and Handbook 13.1, *Property Management*.
- Management Directive 3.53, *NRC Records and Document Management Program*.
- NRC's *Rules of Behavior for Using an Agency Issued Mobile Device, including Smartphones and Tablets*.
- NRC's *Rules of Behavior for Using a Personal Smartphone or Tablet to Access the Agency's Network*.

- NRC's *Returning Your Government Furnished Equipment (GFE) Device*.

OIG reviewed the AT&T Mobility contract documents, including the statement of work and price schedules, and property forms for handling sensitive equipment. OIG performed data analytics on cell phone records retrieved from the MaaS360 portal and the SPMS.

OIG conducted interviews of NRC staff and management to gain an understanding of the roles and responsibilities of Government cell phone management. OIG interviewed 20 property custodians from several offices at headquarters and the regions.

We conducted this evaluation in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

The evaluation was conducted by Beth Serepca, Team Leader; Felicia Silver, Senior Auditor; Chanel Stridiron, Auditor; and Connor McCune, Auditor.

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COMMENTS AND SUGGESTIONS

If you wish to provide comments on this report, please email OIG using this [link](#).

In addition, if you have suggestions for future OIG audits, please provide them using this [link](#).