

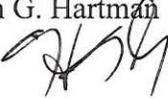


United States Department of State
and the Broadcasting Board of Governors

Office of Inspector General

AUG 15 2011

MEMORANDUM

TO: A/LM/OPS/RLC – Steven G. Hartman
FROM: OIG – Harold W. Geisel 
SUBJECT: Report on *Audit of the Project To Replace Diplomatic Facility Telephone Systems at the Department of State With Funds Provided by the American Recovery and Reinvestment Act (AUD/CG-11-32)*

Attached for your information is a copy of the subject report. The Office of Inspector General (OIG) has incorporated your comments as appropriate within the body of the report and included them in their entirety as Appendix D.

OIG appreciates the cooperation and assistance provided by your staff during this audit. If you have any questions, please contact Evelyn R. Klemstine, Assistant Inspector General for Audits, at (202) 663-0372 or Richard Astor, Director, Division of Contracts and Grants, at (703) 284-2601 or by email at astorr@state.gov.

Attachment: As stated.

cc: A/LM – (b) (6) 
A/LM/AQM – (b) (6) 
DS/MGT/PPD – (b) (6) 
IRM/BMP/SPO/SPD – (b) (6) 
M/PRI – (b) (6) 



United States Department of State
and the Broadcasting Board of Governors

Office of Inspector General

AUG 15 2011

MEMORANDUM

TO: IRM/DCIO/BMP – Janice J. Fedak

FROM: OIG – Harold W. Geisel 

SUBJECT: Report on *Audit of the Project To Replace Diplomatic Facility Telephone Systems at the Department of State With Funds Provided by the American Recovery and Reinvestment Act* (AUD/CG-11-32)

The subject report is attached for your review and action. As the action office for Recommendation 1, please provide your response to the report and information on actions taken or planned for the recommendation within 30 days of the date of this memorandum. Actions taken or planned are subject to followup and reporting in accordance with the attached compliance response information.

The Office of Inspector General (OIG) incorporated your comments as appropriate within the body of the report and included them in their entirety as Appendix B.

OIG appreciates the cooperation and assistance provided by your staff during this audit. If you have any questions, please contact Evelyn R. Klemstine, Assistant Inspector General for Audits, at (202) 663-0372 or Richard Astor, Director, Division of Contracts and Grants, at (703) 284-2601 or by email at astorr@state.gov.

Attachments: As stated.

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IRM/BMP/SPO/SPD – (b) (6) 
IRM/BMP/SPO/SPD – (b) (6) 
M/PRI – (b) (6) 



United States Department of State
and the Broadcasting Board of Governors

Office of Inspector General

AUG 15 2011

MEMORANDUM

TO: DS/MGT/PPD – James E. Weston

FROM: OIG – Harold W. Geisel 

SUBJECT: Report on *Audit of the Project To Replace Diplomatic Facility Telephone Systems at the Department of State With Funds Provided by the American Recovery and Reinvestment Act* (AUD/CG-11-32)

Attached for your information is a copy of the subject report. The Office of Inspector General (OIG) has incorporated your comments as appropriate within the body of the report and included them in their entirety as Appendix C.

OIG appreciates the cooperation and assistance provided by your staff during this audit. If you have any questions, please contact Evelyn R. Klemstine, Assistant Inspector General for Audits, at (202) 663-0372 or Richard Astor, Director, Division of Contracts and Grants, at (703) 284-2601 or by email at astorr@state.gov.

Attachment: As stated.

cc: A/LM/OPS/RLC – (b) (6)
DS/MGT/PPD – (b) (6)
DS/MGT/PPD – (b) (6)
IRM/BMP/SPO/SPD – (b) (6)
M/PRI – (b) (6)

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**United States Department of State
and the Broadcasting Board of Governors
Office of Inspector General**

Office of Audits

**Audit of the Project To Replace Diplomatic Facility Telephone
Systems at the Department of State With Funds Provided by the
American Recovery and Reinvestment Act**

**AUD/CG-11-32
August 2011**

Important Notice

~~This report is intended solely for the official use of the Department of State or the Broadcasting Board of Governors, or any agency or organization receiving a copy directly from the Office of Inspector General. No secondary distribution may be made, in whole or in part, outside the Department of State or the Broadcasting Board of Governors, by them or by other agencies or organizations, without prior authorization by the Inspector General. Public availability of the document will be determined by the Inspector General under the U.S. Code, 5 U.S.C. § 552. Improper disclosure of this report may result in criminal, civil, or administrative penalties.~~

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United States Department of State
and the Broadcasting Board of Governors

Office of Inspector General

PREFACE

This report was prepared by the Office of Inspector General (OIG) pursuant to the Inspector General Act of 1978, as amended, and Section 209 of the Foreign Service Act of 1980, as amended. It is one of a series of audit, inspection, investigative, and special reports prepared by OIG periodically as part of its responsibility to promote effective management, accountability and positive change in the Department of State and the Broadcasting Board of Governors.

This report is the result of an assessment of the strengths and weaknesses of the office, post, or function under review. It is based on interviews with employees and officials of relevant agencies and institutions, direct observation, and a review of applicable documents.

The recommendations therein have been developed on the basis of the best knowledge available to the OIG and, as appropriate, have been discussed in draft with those responsible for implementation. It is my hope that these recommendations will result in more effective, efficient, and/or economical operations.

I express my appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in black ink, appearing to read "H. W. Geisel", written in a cursive style.

Harold W. Geisel
Deputy Inspector General

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Acronyms

Department	Department of State
DS	Bureau of Diplomatic Security
FAH	Foreign Affairs Handbook
IPA	independent public accountant
IRM	Bureau of Information Resource Management
IRM/FTP	Bureau of Information Resource Management/ Foreign Post Telephone Branch
IT	information technology
OIG	Office of Inspector General
Recovery Act	American Recovery and Reinvestment Act of 2009

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Executive Summary

The American Recovery and Reinvestment Act of 2009¹ (Recovery Act) included \$600 million in funding for infrastructure improvements at the Department of State (Department) and established new reporting requirements related to the awarding and use of Recovery Act funds to promote transparency and accountability. The Recovery Act also included mandates for the Office of Inspector General (OIG) to provide oversight and audits of programs, grants, and activities funded by the Act.

This audit is one of two audits conducted by OIG to examine Recovery Act-funded investments in the Department's information technology (IT) platform. This report presents the results of a project to replace telephone systems at three diplomatic posts—Embassies Bangkok (Thailand), Brussels (Belgium), and Vienna (Austria)—that spent \$10 million in Recovery Act funds as part of a total \$33.5 million investment in the Department's IT platform. This particular project was part of the Department's ongoing program efforts to replace telephone systems that are 13 to 15 years old and were causing increased costs for required maintenance.

The objective of this audit was to determine whether the Department's project for replacing telephone systems met its planned objectives and complied with Recovery Act requirements while ensuring that Recovery Act funds were used only for their intended purposes.

OIG found that the Bureau of Information Resource Management (IRM) administered Recovery Act funds effectively to meet program goals and requirements and used the funds for authorized purposes. The telephone system installation equipment was appropriately procured, shipped, and installed as planned or was on schedule to be installed. However, OIG identified funds of over \$650,000 that could be put to better use in respect to the shipping of unclassified or nonsensitive telephone equipment to six posts.²

The cost-savings measure OIG identified related to shipping most telephone installation system equipment to overseas posts by commercial means rather than shipping all of it by Diplomatic Courier Service, which costs more. Using IRM data, OIG estimated that for the six posts that received new telephone system installation equipment in FY 2010, \$651,124 could have been saved by shipping unclassified or nonsensitive items commercially rather than by Diplomatic Courier Service. Specifically, between 62 and 83 percent of the total weight of telephone items could have been shipped commercially, and the overall shipping costs would have been reduced by 45 to 56 percent.

During the March 2011 exit conference, IRM officials stated that officials from the Bureau of Diplomatic Security (DS) had proposed developing, for the telephone installation contractor, guidelines for the most economical methods of shipping telephone equipment that would still be in compliance with Department regulations.

¹ Pub. L. No. 111-5.

² Embassies Bangkok (Thailand), Beirut (Lebanon), Bogota (Columbia), Brussels (Belgium), Karachi (Pakistan), and Vienna (Austria).

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OIG made one recommendation for IRM and DS to work with the Bureau of Administration (A Bureau) to find the most cost-effective commercial means of shipping unclassified or nonsensitive telephone equipment.

In response to the draft report, IRM and the A Bureau concurred with the recommendation but DS did not. (The responses are in Appendices B, D, and C, respectively.) Specifically, DS expressed concerns about shipping replacement telephone systems by commercial means, stating that it is “not a prudent security measure for protecting SBU [Sensitive But Unclassified] phone systems that may end up in a classified processing area.”

Based on the responses, OIG considers the recommendation unresolved. This recommendation can be resolved when OIG receives and accepts documentation from DS showing that it has developed commercial means for shipping the telephone equipment as OIG recommended.

Background

On February 17, 2009, President Barack Obama signed the American Recovery and Reinvestment Act of 2009, which provided \$787 billion for Tax Relief (\$288 billion), State and Local Fiscal Relief (\$144 billion), Federal Social Programs (\$244 billion), and Infrastructure (\$111 billion).

As part of the \$111 billion in infrastructure funding, the Department received and is overseeing \$600 million that was invested in three primary areas: Diplomatic and Consular Programs, Capital Investment Fund, and the International Boundary and Water Commission. The \$600 million also includes a \$38 million fund transfer from the Department to the U.S. Agency for International Development. The IT platform, within the Capital Investment Fund, represents \$33.5 million, as shown in Table 1.

Table 1. Program/Activity and Recovery Act Funds

Program/Activity	Amount (in 000s)
Diplomatic and Consular Programs	\$ 90,000
Hard Skills Training Center	\$ 70,000
Passport Facilities	\$ 15,000
National Foreign Affairs Training Center	\$ 5,000
Capital Investment Fund	\$290,000
Data Center	\$120,000
IT Platform	\$ 33,500
Cyber Security	\$ 98,500
Transfer to U.S. Agency for International Development	\$ 38,000
International Boundary and Water Commission Construction	\$220,000
Total	\$600,000

Source: Department of State.

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The Department's project to replace telephone systems at selected diplomatic facilities included \$10 million in Recovery Act funds as part of a total of \$33.5 million dedicated to improving the Department's IT platform. As described in the Department of State's Recovery Act External Program Plan, dated July 10, 2009, this project will replace antiquated telephone systems using Recovery Act funds at a number of diplomatic posts and provide voicemail, call accounting, threat recording, and remote maintenance capability. The current systems are 13 to 15 years old and have been expanded to maximum capacity. In addition, costs for the systems have begun to increase for required maintenance performed by qualified Department telephone technicians. These telephone systems are vital for post staff to meet mission objectives, and replacing the systems would bring the Department closer to achieving the industry standard life cycle of 10 years.

Objective

The objective of the audit was to determine whether the Department's project for replacing telephone systems at three diplomatic posts met its planned objectives and complied with Recovery Act requirements while ensuring that Recovery Act funds were used only for their intended purposes.

Audit Results

Recovery Act Funds Were Managed Effectively

OIG found that IRM had achieved expected project outcomes and had complied with Recovery Act requirements. To facilitate the replacement and upgrading of telephone systems, the Department transferred funds of \$10 million to the General Services Administration, which awarded a firm-fixed-price contract to a private sector company to perform the work. All of the planned replacement telephone equipment had been installed or was on schedule to be installed at Embassies Bangkok, Brussels, and Vienna, and no significant problems or delays had been encountered.

OIG concluded that the project's objectives and expected outcomes from the Department's Recovery Act External Program Plan had been substantially achieved or were in the process of being achieved. For example, according to the plan, one of the project's objectives was to replace the "oldest equipment at diplomatic facilities with new telephone systems," and OIG determined that the systems at Embassies Brussels, Vienna, and Bangkok were among the oldest systems. Specifically, the last telephone system for Brussels was installed in 1994, Vienna in 1995, and Bangkok in 1996. Additionally, OIG determined that one of the project's objectives, transparency, was met by including relevant information on the Web site Recovery.gov and that the project's accountability objective was met by following the Department's eGovernance review process for monitoring delivery schedules, costs, and quality.

Funds Need To Be Put To Better Use in Respect to Shipping

Based on information provided by IRM's Foreign Post Telephone (FPT) Branch, OIG determined that up to 83 percent of all telephone system replacement materials for the six embassies receiving new telephone system installation equipment during FY 2010 could be shipped at a less expensive cost by commercial means, which would be in compliance with the Department's Nonsecure Telephone and Transit Security standards stated in the *Foreign Affairs Handbook*.³ During OIG's audit, all the equipment necessary to accomplish telephone system replacements at overseas posts was required by DS to be shipped by Diplomatic Courier Service.⁴ The shipments of the telephone system equipment were typically large; weighed up to 60,000 pounds; and included such low-technology materials as bulk cabling, various metal fastenings and fittings, and rolls of electrical tape.

An IRM/FPT official stated, in a January 29, 2010, email to a DS official that "[t]he current . . . Nonsecure Telephone Standard was developed in part to clarify shipping requirements and avoid costly Diplomatic Courier shipments to the extent possible." However, in a November 23, 2010, email, the same official stated that "the controversy over shipping telephone equipment stems largely from the fact that the Nonsecure Telephone Standard . . . is misunderstood with respect to intent and application" and that it is necessary to "look at each of the 800+ items in the . . . list of materials . . . , determine where in the mission it will be used, and what it will be used for in order to apply what is clearly the intent of the [Department Transit Security] standard." For example, according to the email, parts for a telephone system to be installed in a classified area of an embassy had to be shipped by Diplomatic Courier but other parts could be shipped at less expensive cost by commercial means.

To simplify the process, FPT officials developed a shipping matrix that the telephone system installation contractor could use in sorting and packing crates for both Diplomatic Courier and commercial shipments. In November 2010, in an exercise requested by IRM/FPT, the telephone system installation contractor used the shipping matrix and sorted the materials for upcoming scheduled projects with minimal effort.

Using IRM data, OIG estimated that for the six posts receiving new telephone system installation equipment during FY 2010, \$651,124 could have been saved by dividing the equipment into those items that were required for security reasons to be shipped by Diplomatic Courier and those items that could have been shipped at less expensive cost by commercial means. Specifically, and as shown in Table 2, between 62 and 83 percent of the total weight of all telephone installation items could have been shipped commercially, and the overall shipping costs could have been reduced by between 45 and 56 percent. OIG considers the \$651,124 in annual estimated savings as funds that could be put to better use.

³12 FAH-6 H-651.5-3, "Procurement, Shipping, and Storage of Nonsecure Telephone Equipment," and 12 FAH-6 H-312.15, "Construction Materials and Transit Security."

⁴Diplomatic Courier Service provides "secure and expeditious delivery of classified, sensitive, and other approved material between U.S. diplomatic missions and the Department of State." (Source: Diplopedia, <http://diplopedia.state.gov/index.php?title=Diplomatic_Courier_Service>, accessed on April 14, 2011.)

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Table 2. Estimated Shipping Cost Savings for FY 2010 for Telephone System Installation Equipment at Six Diplomatic Posts

Cost Comparison of All-Diplomatic Courier vs. Mixed Shipments*							
Post	Cost For Shipping All Materials By Diplomatic Courier	Percent of Weight That Could Be Shipped by Commercial Means	Estimated Cost For Materials Required To Be Shipped by Diplomatic Courier	Estimated Cost for Materials That Could Be Shipped by Commercial Means	Total Estimated Cost for Mixed Shipment	Cost Savings: Mixed Shipment vs. All Diplomatic Courier	Percent of Savings: Mixed Shipment vs. All Diplomatic Courier
Beirut	\$233,970	83	\$38,970	\$66,646	\$105,616	\$128,354	45
Bogota	\$302,560	62	\$115,545	\$43,773	\$159,318	\$143,242	53
Karachi	\$56,105	74	\$14,605	\$16,647	\$31,252	\$24,853	56
Brussels	\$185,315	65	\$64,860	\$25,300	\$90,160	\$95,155	49
Bangkok	\$309,060	65	\$108,170	\$49,532	\$157,702	\$151,358	51
Vienna	\$226,070	65	\$79,125	\$38,783	\$117,908	\$108,162	52
Total Estimated Savings						\$651,124	

Source: OIG analysis of IRM/FPT data.

*A “mixed shipment” is the sum of the costs for materials required to be shipped by diplomatic pouch because of security considerations plus the remaining items that can be shipped by commercial means.

Recommendation 1. OIG recommends that the Bureau of Information Resource Management and the Bureau of Diplomatic Security work with the Bureau of Administration, Office of Logistics Management, to find the most cost-effective commercial means of shipping unclassified or nonsensitive telephone equipment.

Management Responses: In their responses, IRM and the A Bureau agreed with the recommendation but DS did not. Specifically, DS stated that it “does not concur with allowing a commercial means to ship replacement telephone systems, vice a diplomatic pouch.” DS further stated, “That is not a prudent security measure for protecting SBU [Sensitive But Unclassified] phone systems that may end up in a classified processing area.”

OIG Reply: Because one of the three action offices did not concur with the recommendation, the recommendation is unresolved. OIG’s intent in making the recommendation was to segregate those items that would be going into a classified area and require shipment via the diplomatic pouch from all others that do not require special security transportation and handling procedures, such as heavy cabling spools.

This recommendation can be closed when OIG reviews and accepts documentation from IRM regarding its plan for shipping unclassified or nonsensitive telephone equipment by the most cost-effective commercial means.

Scope and Methodology

The purpose of this audit was to determine whether the Department of State's (Department) project for replacing telephone systems at three diplomatic posts—Embassies Bangkok (Thailand), Brussels (Belgium), and Vienna (Austria)—met the project's planned objectives and complied with the requirements of the American Recovery and Reinvestment Act of 2009 (Recovery Act) while ensuring that Recovery Act funds were used only for their intended purposes. This audit is one of two audits being conducted by the Office of Inspector General (OIG) to examine Recovery Act-funded investments in the Department's information technology (IT) platform. The other audit, which pertains to \$13 million expended to replace aging desktop workstations at various diplomatic posts, has a similar objective. Additionally, an independent public accountant (IPA) under contract to OIG is auditing other Recovery Act projects under the Department's Capital Investment Fund, including projects to construct data centers and improve cyber security.

OIG conducted this audit from May 2010 through March 2011 in accordance with generally accepted government auditing standards. Those standards require that the auditors plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on its audit objectives. OIG believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objective.

Work was performed in the Washington, DC, area with officials from the Bureaus of Administration, Information Resource Management (IRM), and Diplomatic Security. OIG interviewed Bureau of Administration officials to learn the specifics of the contracting process used to replace the telephone systems. OIG also interviewed IRM officials and reviewed supporting documentation related to Recovery Act obligations and expenditures for the new telephone systems.

OIG audit staff performed work at Embassies Bangkok, Brussels, and Vienna, where telephone systems were scheduled to be replaced. OIG observed installation work in progress, verified the receipt of selected items from a list of materials procured using Recovery Act funds, and interviewed post officials about issues pertaining to the replacement project.

The contracting officer's representative for the telephone systems installation project accompanied auditors at the three posts to explain technical aspects of the project, answer the audit team's questions, and assist in locating items procured and shipped to the posts as per the installation contract.

During the audit, OIG joined with the IPA under contract to OIG for audits of other Recovery Act-funded projects concerning IT. The IPA performed audit procedures to determine the following:

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- Funds were awarded and distributed in a prompt, fair, and reasonable manner.
- Recipients and uses of all funds were transparent to the public, and the public benefits of the funds were reported clearly and accurately and in a timely manner.
- Responsible project officials had taken actions to identify and mitigate instances of fraud, waste, error, and abuse.

To ensure the accuracy and completeness of the project's plans and financial records, the IPA firm performed the following actions:

- Reconciled information on financial records within the Department's Global Financial Management System (GFMS) with information on weekly financial activity reports as of the end of FY 2010 and additional interim dates.
- Analyzed year-end obligation totals for the IT platform operations portion of the Capital Investment Fund.
- Verified that Recovery Act funds for each project were tracked and reported separately from other funds.

Work Related to Internal Controls

To assess the adequacy of internal controls related to the weekly financial activity reports, the accountability of Recovery Act funds, and the monitoring of projects to avoid cost overruns and delays, the IPA performed the following actions:

- Obtained an understanding of the processes and procedures.
- Reviewed source documentation and other types of evidence to confirm the adequacy of stated controls.
- Compared weekly report balances with details and reconciled differences in the Department's GFMS.
- Reviewed internal reports related to the compilation of balances and amounts for reporting to the public.
- Determined that separate Treasury Account Symbols were established for Recovery Act programs.
- Verified proper approval over transactions involving Recovery Act funds.

Tests for Data Reliability

To assess data reliability, the IPA selected a testing sample and performed the following procedures:

- Reviewed contract files to determine whether contracts were awarded by the General Services Administration at fixed cost.
- Tested to determine whether particular contracts were disclosed and listed within a separate section on the Web site Recovery.gov if such contracts were determined to have been awarded noncompetitively or not at fixed price.

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- Compared weekly financial activity report balances with underlying schedules and GFMS details.

Use of Computer-Processed Data

The IPA used GFMS details and reconciling schedules to compare the balances reported in GFMS with information contained in the Recovery Act weekly financial activity reports posted by the Department. The IPA determined that the GFMS data and schedules were reliable based on a selected sample and testing of internal controls involving the weekly reporting process.



United States Department of State

Washington, D.C. 20520

July 20, 2011

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MEMORANDUM

TO: OIG – Howard W. Geisel

FROM: IRM/BMP/SPO – DeAnne Bryant 

SUBJECT: Draft OIG Report on the Audit of the Project to Replace Diplomatic Facility Telephone Systems at the Department of State with Funds Provided by the American Recovery and Reinvestment Act

Thank you for the opportunity to provide a response to the subject report, *Audit of the Project To Replace Diplomatic Facility Telephone Systems at the Department of State With Funds Provided by the American Recovery and Reinvestment Act (AUD/CG-11-XX July 2011)*. This memorandum is to inform you that IRM agrees with Recommendation 1 in the subject report.

Recommendation 1: OIG recommends that the Bureau of Information Resource Management and Bureau of Diplomatic Security work with the Bureau of Administration, Office of Logistics Management, to find the most cost effective commercial means of shipping unclassified or non-sensitive telephone equipment.

IRM Response (07/2011): IRM agrees with the OIG recommendation in this area.

cc: DCIO/BMP – (b) (6) [redacted]
IRM/BMP/SPO/SPD – (b) (6) [redacted]
M/PRI – (b) (6) [redacted]
OIG/AUD – (b) (6) [redacted]
OIG/AUD – (b) (6) [redacted]

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Appendix C

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MEMORANDUM FOR: **OIG – Mark P. Taylor**
FROM: DS/MGT/PPD – James E. Weston
SUBJECT: DS Response to Advance Draft Audit Report:

Attached is the Bureau of Diplomatic Security's initial response to Recommendation 1 of the subject report.

Attachment: DS Response to Recommendation 1

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**DS Comments to Advance copy of OIG Draft Audit Report
AUD/CG-11-XX July 2011**

**Audit Report on Audit of the Project to Replace Diplomatic Facility
Telephone Systems at the Department of State With Funds Provided by the
American Recovery and Reinvestment Act**

Recommendation 1. OIG recommends that the Bureau of Information Resource Management, in coordination with the Bureau of Diplomatic Security, establish and implement procedures to ship unclassified or nonsensitive telephone equipment by commercial means.

DS Comment: DS/SI/IS does not concur with allowing a commercial means to ship replacement telephone systems, vice a diplomatic pouch. That is not a prudent security measure for protecting SBU phone systems that may end up in a classified processing area.

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Drafted: DS/MGT/PPD - [REDACTED]
07/22/2011

Cleared: DS/MGT/PPD - [REDACTED] - 7/26/11 - ok
DS/MGT/PPD - [REDACTED] - 7/22/11 - ok
DS/SI - [REDACTED] - 7/19/11 - ok
DS/C - [REDACTED] - 7/22/11 - ok

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United States Department of State

Washington, D.C. 20520

JULY 22, 2011

MEMORANDUM

TO: OIG/AUD – Mark P. Taylor

FROM: A/LM/OPS – Steven G. Hartman

SUBJECT: Draft Compliance Review of Audit of the Project To Replace Diplomatic Facility Telephone Systems at the Department of State With Funds Provided by the American Recovery and Reinvestment Act, AUD/CG-11-XX - July 2011

Below is the Office of Logistics Management's response to recommendation 1 of the draft subject report. [REDACTED] in A/LM/OPS/SLD is the point of contact and can be reached at [REDACTED].

Recommendation 1: *OIG recommends that the Bureau of Information Resource Management, in coordination with the Bureau of Diplomatic Security, establish and implement procedures to ship unclassified or nonsensitive telephone equipment by commercial means.*

A/LM/OPS Response: *A/LM requests the OIG designate A/LM as one of the "Action" offices to ensure that all the transportation options are identified and considered, and replace the above recommendation with the following text:*

Recommendation 1. OIG recommends that the Bureau of Information Resource Management and Bureau of Diplomatic Security work with the Bureau of Administration, Office of Logistics Management, to find the most cost effective commercial means of shipping unclassified or nonsensitive telephone equipment.

A/LM concurs with the new text recommended herein.

Major Contributors to This Report

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