

**AUDIT
REPORT**

TELEPHONE MANAGEMENT

March 26, 2002



National Aeronautics and
Space Administration

OFFICE OF INSPECTOR GENERAL

Additional Copies

To obtain additional copies of this report, contact the Assistant Inspector General for Audits at (202) 358-1232, or visit www.hq.nasa.gov/office/oig/hq/issuedaudits.html.

Suggestions for Future Audits

To suggest ideas for or to request future audits, contact the Assistant Inspector General for Audits. Ideas and requests can also be mailed to:

Assistant Inspector General for Audits
Code W
NASA Headquarters
Washington, DC 20546-0001

NASA Hotline

To report fraud, waste, abuse, or mismanagement, contact the NASA OIG Hotline at (800) 424-9183, (800) 535-8134 (TDD), or at www.hq.nasa.gov/office/oig/hq/hotline.html#form or write to the NASA Inspector General, P.O. Box 23089, L'Enfant Plaza Station, Washington, DC 20026. The identity of each writer and caller can be kept confidential, upon request, to the extent permitted by law.

Reader Survey

Please complete the reader survey at the end of this report or at <http://www.hq.nasa.gov/office/oig/hq/audits.html>.

Acronyms

CFR	Code of Federal Regulations
GSA	General Services Administration
NMI	NASA Management Instruction
NPD	NASA Policy Directive
OSF	Office of Space Flight

March 26, 2002

W

TO: A/Administrator

FROM: W/Counsel to the Inspector General

SUBJECT: INFORMATION: Telephone Management
Report Number IG-02-010

The NASA Office of Inspector General has completed an audit of telecommunications management. We found that controls for acquiring and managing telecommunications services¹ were generally adequate. However, NASA had not established effective Agencywide controls for managing telephone use. The Agency had no guidance to collect administrative costs associated with unauthorized calls and to sufficiently block the ability to use inappropriate² toll-free telephone numbers. Also, NASA did not consistently follow its policy for reviewing and certifying telephone charges. Consequently, NASA was not assured that telephone services were effectively and efficiently managed.

Background

Federal employees are permitted limited use of Government office equipment for personal needs if use does not interfere with official business and involves minimal additional expense to the Government. NASA's policy allows the use of Government-provided telephones for official business, emergency, or authorized personal use. The NASA policy provides specific definitions for emergency and authorized personal calls.³ Any telephone calls that are not for official business, emergency, or authorized personal reasons are unauthorized calls. Individuals making unauthorized calls are required to reimburse the Agency. In addition, Center Directors and the Director

¹ Telecommunications services include telephones, facsimiles, local video, administrative radio, remote telecommunications, and public address service.

² Center officials generally described inappropriate toll-free telephone numbers as those that allow access to sexually explicit or sexually oriented material, radio and television talk shows, and psychics.

³ NASA Policy Directive (NPD) 2540.1D, Use of Government Telephones, defines an emergency call as one to services such as an ambulance, local government, or military groups with jurisdiction for the safety of life. The NPD defines an authorized personal call as one that does not adversely affect an employee's performance of official duties or the functions of the employee's organization; is of reasonable duration and frequency; and is local, made to a toll-free number, or charged to a personal telephone calling card, to the employee's home telephone, or to the non-Government party called.

for Headquarters Operations should develop procedures for supervisors to review and certify that toll calls are for official business, for emergency, or for authorized personal reasons; and to collect money for unauthorized calls.

Recommendations

We recommended that NASA evaluate alternative procedures for reviewing and collecting for unauthorized telephone use and implement the most cost-effective procedures; modify existing guidance to provide for recovery of administrative costs associated with unauthorized calls and require review of cellular telephone charges; and establish a policy for blocking use of inappropriate toll-free numbers. We also recommended that NASA direct the Jet Propulsion Laboratory to modify its telephone policy to comply with the Agency's certification and collection requirements. Actions to implement these recommendations will provide NASA more assurance that telephone services are sufficiently managed.

Management's Response and OIG Evaluation

NASA concurred with the recommendations to evaluate and implement procedures for reviewing and collecting for unauthorized calls; to modify Agency guidance to include provisions for recovery of administrative costs associated with unauthorized calls, to require review of cellular telephone charges, and to establish procedures for blocking inappropriate toll-free numbers. Although NASA partially concurred with the recommendation to require the Jet Propulsion Laboratory to modify its telephone policy to comply with NASA policy, management's planned actions will meet the intent of the recommendation.

[original signed by]

Francis P. LaRocca

Enclosure

Final Report on Audit of Telephone Management

TELEPHONE MANAGEMENT

March 26, 2002

W

TO: M/Associate Administrator for Space Flight
S/Associate Administrator for Space Science

FROM: W/Assistant Inspector General for Audits

SUBJECT: Final Report on Audit of Telephone Management
Assignment Number A-00-060-00
Report Number IG-02-010

Enclosed please find the subject final report. Please refer to the Executive Summary for the overall audit results. Our evaluation of your response is incorporated into the body of the report. We consider management's proposed, corrective actions responsive to the recommendations. The recommendations will remain open for reporting purposes until corrective actions are completed. Please notify us when actions have been completed on the recommendations, including the extent of testing performed to ensure corrective actions are effective. The final report distribution is in Appendix G.

We appreciate the courtesies extended to the audit staff. If you have questions concerning the report, please contact Mr. David L. Gandrud, Director, Information Technology Program Audits, at (650) 604-2672, or Mr. Roger W. Flann, Program Manager, at (818) 354-9755.

[original signed by]
Alan J. Lamoreaux

Enclosure

cc:

AI/Associate Deputy Administrator

AO/Chief Information Officer

B/Acting Chief Financial Officer

B/Comptroller

BF/Director, Financial Management Division

G/General Counsel

JM/Director, Management Assessment Division

NASA Center Directors

Director, NASA Management Office, Jet Propulsion Laboratory

Contents

Executive Summary, i

Introduction, 1

Finding and Recommendations, 2

Management Controls Over Telephone Use, 2

Appendix A – Objective, Scope, and Methodology, 7

Appendix B – General Services Administration Response to Inquiry on Telephone Use, 9

Appendix C - Reviews/Certifications of Telephone Charges and Collections for Unauthorized Calls, 12

Appendix D - Inappropriate Toll-Free Numbers Blocked, 13

Appendix E - Inappropriate Toll-free Numbers Not Blocked, 14

Appendix F – Management’s Response, 15

Appendix G – Report Distribution, 18

NASA Office of Inspector General

IG-02-010
A-00-060-00

March 26, 2002

Telephone Management

Executive Summary

Background. The General Services Administration (GSA) provides overall policy for telecommunications services.⁴ Agencies may issue their own policies and procedures for implementing GSA policy. NASA's telecommunications management policies are found in various policy directives, guidance, and procedures. For fiscal year 2001, NASA locations⁵ estimated they would spend about \$191 million for telecommunications services.

Objective. The overall audit objective was to determine whether NASA had established effective controls for acquiring and managing its telecommunications services. Specifically, we determined whether management controls were sufficient to ensure that NASA procured only required services and support. Appendix A contains further details on the audit objective, scope, and methodology.

Results of Audit. Except for telephone services, NASA had generally established adequate controls for acquiring and managing telecommunications services. However, NASA had not established effective Agencywide controls for managing telephone use. Specifically, NASA had not:

- established guidance for collecting administrative costs associated with unauthorized calls,
- consistently followed policy for reviewing and certifying telephone charges, and
- sufficiently blocked the ability to use inappropriate toll-free telephone numbers.

As a result, NASA lacked assurance that it was effectively and efficiently managing its telephone services.

⁴ See footnote 1.

⁵ NASA locations are the Ames Research Center (Ames), Hugh L. Dryden Flight Research Center (Dryden), John H. Glenn Research Center (Glenn), Goddard Space Flight Center (Goddard), Jet Propulsion Laboratory (JPL), Lyndon B. Johnson Space Center (Johnson), John F. Kennedy Space Center (Kennedy), Langley Research Center (Langley), George C. Marshall Space Flight Center (Marshall), NASA Headquarters (Headquarters), and John C. Stennis Space Center (Stennis).

Recommendations. NASA should evaluate alternative procedures for reviewing and collecting for unauthorized telephone use and implement the most cost-effective procedures. Also, NASA should modify existing guidance to provide for recovery of administrative costs associated with unauthorized calls and require review of cellular telephone charges. Further, NASA should establish a policy for blocking use of inappropriate toll-free numbers. Finally, NASA should direct JPL to modify its telephone policy to comply with the Agency's certification and collection requirements.

Management's Response. NASA concurred with all but one recommendation. Management partially concurred with the recommendation to direct JPL to modify its telephone policy to comply with NPD 2540.1D; however, the proposed actions meet the intent of the recommendation.

Evaluation of Response. Management's planned actions are responsive to all the recommendations.

Introduction

In October 1996, the NASA Administrator transferred management responsibility for Agency telephone use from the Office of Space Communications to the Office of Space Flight (OSF). The OSF, Space Communications Office, has primary responsibility for telecommunications, including establishing policy on telephone use. At the time of the transfer, NASA Management Instruction (NMI) 2540.1C, "Use of Government Telephones," provided Agency policy on telephone usage. On November 27, 1998, NASA replaced NMI 2540.1C with NASA Policy Directive (NPD) 2540.1D, same title. Information systems organizations at most NASA locations are responsible for implementing the telephone usage requirements in NPD 2540.1D.

NPD 2540.1D requires that NASA locations establish local policies and procedures for telephone management. The NPD also requires local procedures for supervisory certification that long-distance calls are for authorized personal calls or for official business or emergency purposes. The NPD defines authorized personal calls to include local calls; toll-free calls; or calls charged to an employee's telephone calling card, the employee's home, or to a non-Government party. An authorized personal call can also be long-distance to locations in the local commuting area. For fiscal year 2001, NASA's estimated obligations for telephone services totaled about \$99 million.⁶

At our request, the GSA Office of Governmentwide Policy provided us a further understanding of the Code of Federal Regulations (CFR)⁷ requirements relating to telephone use. For example, GSA discussed alternatives to supervisory reviews and certifications of long-distance calls. Appendix B contains our questions and GSA responses regarding the review of telephone calls, use of cellular telephones, and trends in Governmentwide policy.

⁶ This amount includes estimated obligations for domestic long-distance, international long-distance, and local services. The estimate also includes the associated services and equipment, such as cellular telephones and calling cards, used for the local and long-distance services. Calling cards allow employees to place official long-distance calls from non-Government telephones.

⁷ The GSA administers 41 CFR Subpart 101-35.2, "Telecommunications Management Policy," dated July 1, 2000, for all Federal agencies. Details on the CFR are in the finding section of the report.

Finding and Recommendations

Management Controls Over Telephone Use

NASA lacked adequate management controls over telephone use. Specifically, NASA had not:

- established guidance consistent with CFR requirements for collecting administrative costs associated with unauthorized calls;
- complied with guidance for reviewing and certifying telephone charges; and
- adequately blocked the ability to access inappropriate toll-free telephone numbers.

These conditions existed because NASA did not follow existing Agency guidance, update the guidance to address CFR requirements, or establish guidance relating to inappropriate telephone use. As a result, NASA lacked assurance that it was effectively and efficiently using and managing telephone services.

Requirements for Use of Government Telephones

Title 41 CFR, section 101-35.201, "Authorized Use of Long-distance Telephone Services." The CFR states that Agencies should use Government telephones for official business only and should collect for any unauthorized calls if it is cost-effective to do so. The CFR also states that Agency collections for unauthorized calls shall include an additional amount to cover the administrative costs of determining that the call was unauthorized and for processing the collection.

NPD 2540.1D, "Use of Government Telephones." The NPD outlines NASA policy for using Government-provided telephones. The NPD states that telephone calls placed over Government-provided or commercial telephone systems will be used for official business, for an emergency, or for authorized personal calls only. Any call that is not official, an emergency, or authorized personal usage, is an unauthorized call.

The NPD also states that Center Directors and the Associate Administrator for Headquarters Operations (now the Director, Headquarters Operations) are responsible for developing procedures to:

- obtain supervisory certification that toll calls under their jurisdiction are for official business, for emergency purposes, or are authorized personal calls; and
- collect money from those who use Government telephone services to make unauthorized personal calls.

The NPD states that an authorized personal call:

- does not adversely affect the performance of the employee's official duties or the effective function of the employee's organization;
- is of reasonable duration and frequency and could not have been reasonably made at another time; and
- is local, made to an "800" toll-free number, or charged to a personal telephone calling card, to the employee's home telephone, or to the non-Government party called.

An authorized personal call may also be long-distance. The long-distance call may be made at Government expense to locations within the local commuting area to speak to a spouse or dependent, to reach a number available only during working hours, or to arrange for emergency repairs to the employee's residence or property.

Collecting Administrative Costs

NPD 2540.1D does not comply with the CFR regarding costs to be included in charges for unauthorized telephone calls. Specifically, the NPD does not address the CFR requirement to identify the administrative costs of (a) determining that the call was unauthorized and (b) processing the collection. The NPD requires only that the cost of an unauthorized call be rounded to the nearest dollar to cover the administrative costs.

The OSF official responsible for developing NPD 2540.1D stated that he overlooked the CFR requirement to recover all administrative costs associated with unauthorized calls. The official stated that the CFR requirement should be included in the NPD. By revising NPD 2540.1D to agree with the CFR, NASA will have improved guidance for charging telephone users for the administrative costs associated with unauthorized telephone calls. Until NASA revises NPD 2540.1D, the Agency does not have a documented policy to require the full recovery of all administrative costs associated with unauthorized telephone calls.

Reviewing and Certifying Telephone Charges

NASA locations did not perform supervisory reviews and certifications of telephone charges as required by NPD 2540.1D. Specifically, only 4 of 11 NASA locations had established a supervisory review and certification process for wired (standard) telephones, and only 1 of 11 NASA locations had established a review and certification process for Agency-distributed wireless (cellular) telephones.

Standard Telephones. We requested that NASA locations provide us information on the process they used to review and certify telephone charges. Headquarters, Langley, and Marshall officials responded that they did not have such a process because its costs

would likely exceed the benefits achieved. None of the three locations had performed a cost/benefit analysis to support its position. Goddard and Johnson responded that they had implemented processes for reviewing and certifying telephone charges. However, neither Center had ensured that its organizational components reviewed and certified telephone charges. Finally, Ames and Marshall were the only NASA locations that had established controls over collect calls. Ames included collect calls in call detail reports that were distributed to supervisors for review and certification. Marshall's contract with the local telephone carrier prohibited collect calls to the Center. Appendix C summarizes, by NASA location, whether supervisors performed reviews and certifications and collected for unauthorized calls.

With respect to supervisory review and certification of telephone charges at JPL, the NASA contract with the California Institute of Technology (CalTech) did not include reference to NPD 2540.1D. When NASA negotiated the contract, CalTech representatives would not accept incorporation of the NPD, and NASA officials said they believed that existing JPL policy satisfied the intent of the NPD. However, the JPL policy was not adequate because it did not provide for certification and collection of costs associated with unauthorized calls.

Cellular Telephones. Of the 11 NASA locations we reviewed, only Ames certified cellular telephone charges. Ames had a process to review and certify cellular telephone charges but did not address calls costing less than \$5. Although Johnson and Kennedy reviewed cellular telephone charges from a central organization and forwarded questionable calls to supervisors for further investigation, those locations did not certify cellular telephone charges.

Management officials gave several reasons for not reviewing and certifying cellular telephone charges. For example, officials at several Centers said that they believed it would not be cost-effective to implement such a process. An official at one Center said she had not considered that NPD 2540.1D applied to cellular telephones. Although NPD 2540.1D does not specifically mention cellular telephones, OSF management stated that the NPD covers cellular telephones.

Review, Certification, and Collection Process. As previously discussed, 41 CFR states that Agencies should use Government telephones for official business only and collect for any unauthorized calls if it is cost-effective to do so. NPD 2540.1D includes the same restrictions for using Government telephones and requires supervisory review and certification. NASA included the supervisory review, certification, and collection requirements without first determining their cost-effectiveness. Further, NPD 2540.1D does not address the CFR reference to cost-effectiveness when establishing NASA's collection procedures for unauthorized calls. In view of the minimal amounts collected by NASA locations that performed supervisory reviews (see Appendix C), NASA should consider possible alternatives to the current review, certification, and collection process. We contacted three

Federal agencies⁸ to determine whether they had a cost-effective procedure to identify and collect for unauthorized calls. Each agency gathered call detail information. Although practices may vary within specific components of each agency, representatives of the agencies indicated limited, if any, use of the call data to collect for unauthorized long-distance calls. Most of the representatives we spoke with questioned the cost-effectiveness of identifying and collecting for such calls. We did not identify any agency that had a cost-effective process for doing so.

To better understand the options available for reviewing telephone charges and to clarify the extent to which agencies should apply CFR requirements, we developed several questions that we provided to GSA's Office of Governmentwide Policy. Appendix B provides GSA's response to our questions. NASA may wish to use the response in developing cost-effective alternative procedures such as reviewing samples of long-distance calls or developing a policy that addresses specific cellular telephone charges.

Blocking Access to Inappropriate Telephone Numbers

NPD 2540.1D allows employees to call a toll-free⁹ number but does not address blocking access to inappropriate toll-free numbers. The absence of Agencywide guidance regarding calls to inappropriate toll-free numbers resulted in a wide variance in the number of toll-free numbers blocked at NASA locations. For example, Goddard identified and blocked 151 toll-free telephone numbers, while Langley blocked no numbers. Appendix D identifies the number of inappropriate toll-free numbers blocked at each location. Appendix E shows examples of inappropriate toll-free numbers not blocked.

NASA locations did not always block access to inappropriate numbers because the Agency had not established an applicable policy. Without guidance for identifying and blocking calls, employees will continue to have access to inappropriate toll-free numbers.

Conclusion

Approaches for controlling telephone charges vary within the Agency. With the decreasing cost of long-distance services and growth in the use of cellular telephones, NASA needs to reassess the consistency and effectiveness of its controls for managing telephone use. Such controls can provide NASA management assurance that the CFR requirements are met and that cost-effective processes exist for managing telephone use at NASA locations.

⁸ We contacted GSA, the Department of the Interior, and the Defense Telecommunications Services-Washington of the Department of the Army, which provides telephone services to Department of Defense components in the Washington, D.C., area.

⁹ The NPD refers to 800 toll-free numbers; however, the OSF official responsible for updating NPD 2540.1D stated that the intent was to include all toll-free numbers. Toll-free numbers beginning with "866," "877," and "888," were not readily available and used at the time the NPD was issued.

Recommendations, Management Response, and Evaluation of Response

The Associate Administrator for Space Flight should:

- 1. Evaluate the cost-effectiveness of alternative procedures (such as sampling of calls or identification of extraordinary call frequency, unusual locations called, or unusually high cost per call) for reviewing and collecting costs for unauthorized telephone use, and modify NPD 2540.1D to provide for implementation of the most cost-effective procedure.**
- 2. Modify NPD 2540.1D to provide for the recovery of administrative costs associated with identifying and collecting the costs of unauthorized calls and to include specific reference to cellular telephones.**
- 3. Establish a policy for blocking access to inappropriate toll-free numbers.**

Management Response. Concur. The OSF will develop cost-effective procedures for reviewing and collecting costs (for unauthorized calls) and will update NPD 2540.1D to incorporate those procedures. Also, the OSF will modify NPD 2540.1D to provide for recovering administrative costs associated with identifying and collecting the costs of unauthorized calls and for blocking access to inappropriate toll-free numbers. Proposed changes and modifications to NPD 2540.1D will be completed by the end of fiscal year 2002. See Appendix F for management's complete response.

Evaluation of Management's Response. Management's planned actions are responsive to the recommendations. The recommendations are resolved, but will remain undispositioned and open for reporting purposes until corrective actions are completed.

- 4. The Associate Administrator for Space Science should direct JPL to modify its telephone policy to comply with NPD 2540.1D.**

Management Response. Partially concur. The Associate Administrator for Space Science stated that the NASA Management Office will initiate negotiations with Caltech/JPL to incorporate the NPD 2540.1D requirements into the contract once NASA completes revision of the NPD (see Appendix F).

Evaluation of Management's Response. Management's planned actions will satisfy the intent of the recommendation. The recommendation is resolved, but will remain undispositioned and open for reporting purposes until corrective actions are completed.

Appendix A. Objective, Scope, and Methodology

Objective

The overall objective was to determine whether NASA had established effective controls for acquiring and managing its telecommunications services. Specifically, we determined whether management controls were sufficient to ensure that NASA procures only required services and support.

Scope and Methodology

We performed work at all NASA locations. We limited our review to management controls for acquiring telephones, facsimiles, local video, administrative radio, remote telecommunications, and public address services. To accomplish the audit objective, we:

- Reviewed applicable laws, regulations, NASA guidance, and other documentation related to the acquisition of, accountability for, and use of telecommunications services to understand the procedures used to manage telecommunications services.
- Interviewed information technology personnel and reviewed applicable documents to understand the procedures for acquiring and paying for telecommunications services.
- Obtained information from the Defense Telecommunications Services - Washington of the Department of the Army, Department of the Interior, and General Services Administration regarding their practices to identify and collect for unauthorized calls.
- Obtained information from the General Services Administration to determine its position on Title 41 of the Code of Federal Regulations requirements regarding telephone usage.
- Requested information from all NASA locations to understand and evaluate management practices relating to blocking telephone numbers, reviewing and certifying toll calls, and collecting for unauthorized calls.

Because of time constraints, we did not perform the extensive testing necessary to determine the extent of unauthorized calls made by employees at NASA locations. We did not rely on computer-processed data for the results included in this audit report.

Management Controls Reviewed

We reviewed management controls related to the use of Government telephones as described in Title 41 of the Code of Federal Regulations, NASA Policy Directive

Appendix A

(NPD) 2540.1D, and guidance issued by NASA locations. We considered the management controls to be adequate except that NPD 2540.1D did not fully comply with Code of Federal Regulations requirements and did not address blocking access to inappropriate toll-free numbers. In addition, the Jet Propulsion Laboratory telephone policy did not fully comply with the NPD (see the Finding).

Audit Field Work

We performed field work from September 2000 through August 2001 at Ames Research Center, Hugh L. Dryden Flight Research Center, John H. Glenn Research Center, Goddard Space Flight Center, Jet Propulsion Laboratory, Lyndon B. Johnson Space Center, John F. Kennedy Space Center, Langley Research Center, George C. Marshall Space Flight Center, NASA Headquarters, and John C. Stennis Space Center. We performed the audit in accordance with generally accepted Government auditing standards.

Appendix B. General Services Administration Response to Inquiry on Telephone Use

To better understand the options available for reviewing telephone charges, we submitted questions to the General Services Administration's (GSA's) Office of Governmentwide Policy. The questions addressed how agencies should apply Title 41 of the Code of Federal Regulations (CFR) requirements. Our questions and GSA's responses (which we paraphrased in some cases) are provided below.

Questions and Responses Relating to Review of Telephone Calls

Question: 41 CFR section 101-35.202, "Collection for Unauthorized Use," states that Agencies shall collect for any unauthorized calls if it is cost-effective to do so and further states that collections shall include an additional amount to cover administrative costs. Since administrative costs should be included in the amounts collected, can the Agency determine that it would be uneconomical to institute a supervisory review and certification process?

Response: Yes, and with the reduced price of calls (on land lines) some other agencies have made that decision because the cost of review is too high. For your information, FTS [Federal Telecommunications System] 2001¹⁰ makes it optional if an agency even gets the billing details for long-distance calls - since it does cost so much and the review costs may exceed the abuse (if any).¹¹

Question: Can the requirement for supervisory review and certification be met with a process less than the supervisory review of all long-distance calls? (For example, either (1) some higher level review that would identify questionable phone use for further supervisory review or (2) monthly review of higher usage phones and a system that randomly selects a sample of other users.)

Response: Yes. The random selection review and audit process is a well-founded approach that has been used widely by many agencies as a realistic way to certify bills. (This is similar to what is done for travel vouchers and other financial transactions where the dollars and risk are much higher.)¹²

¹⁰ FTS 2001 is the Federal Government's long-distance voice/data/video network that is managed through the GSA.

¹¹ Some NASA locations used their local Central Branch Exchange "call detail data" for reviewing long-distance calls. Accordingly, those NASA locations may not need the FTS 2001 billing details to review use of long-distance calls.

¹² Our audit also identified commercial sources that provided services and software for monitoring telephone usage through call accounting. Call accounting is the process of collecting, analyzing, and reporting call record information.

Appendix B

Questions and Responses Relating to Use of Cellular Telephones

Question: 41 CFR, section 101-35.201(c)(3)(i), prohibits use of a Government system or device, where the Government pays the cost of the long-distance call, for other than official business. Would cellular telephone calls, for which air-time charges (local or long-distance) apply, fall under this CFR section?

Response: Actually, the general policy is for "official business," but down lower [within 41 CFR, section 101-35.201(c)(3)(I)] the regulations intentionally say "authorized calls" and the procedures open the issue of agency-authorized personal calls. So the agency can set policies that permit some personal calls. For instance, GSA internal policies permit that long-distance calls may be made to home or for personal business within the local commuting area. (This acknowledges that just to call home or their doctor's office may be a long-distance call for some.)

Also see "Model Limited Use Policy for Government IT" found at <http://www.cio.gov> (search for "limited") that outlines the direction for agencies to set policies that permit personal use. The basic rule in that model policy is that the personal use not create "significant additional expense" for the Government.

Also note that the Government Rules of Conduct speak of "Authorized Use" of Government equipment and facilities. Heads of agency can authorize the use of agency facilities (see 5 USC [United States Code] 301¹³).

On cell phones - you'll notice that that issue is intentionally omitted from the "Model Limited Use Policy." The reason is - as you suggest - because it is a gray area and a slippery slope. If you don't draw a line, you'll be paying for all the personal cell phone service for Government employees. But where to draw a line? If the user is on a rate plan (justified by their Government use) that has free nights and weekends - then there is no additional expense - so if the agency adopts the policy, it is fine to use that time for personal use. Or if the plan permits 500 minutes per month, the employee can use the unused minutes for personal calls. Even occasional calls that are billable do not add "significant additional expense" and MAY also be determined to be acceptable.

You can see the direction - but until the market rate plans shift toward unlimited calls - or very low costs per minute, it is difficult to draw the clear line. We also did not want to create an environment that employees are all asking to change plans to 1,000 minutes per month or unlimited so that their personal calls (for the privileged) would be covered.

¹³ Title 5 of the U.S. Code (titled "Government Organization and Employees"), Section 301, states that the head of an Executive department may prescribe regulations for the Government of his department, the conduct of its employees, the distribution and performance of its business, and the custody, use, and preservation of its records, papers, and property.

BOTTOM LINE: While we intentionally did not establish clarity in the model policy for cell phone use in this area, the agency could establish a policy that permits some limited personal use.

Question: During the course of our audit, we have been asked whether an employee having a cellular telephone plan covering a specified amount of minutes can use the remaining minutes at the end of the billing period for personal calls. Can they?

Response: Yes, if the agency adopts that policy - because it creates no significant additional expense on the Government. However - be careful not to create demand landslide [created by significant personal use] for new high-cost rate plans that are not warranted by Government use.

It may be worth noting here that two agencies are telling employees to buy their own personal phone service, and the agency will pay the employee a fixed monthly stipend (say \$25/month) for the Government calls. That reverses the issue and gets rid of all of these problems. We are still researching to establish if there is a clear legality and the proper mechanics for doing that.

Question: Another similar situation with cellular telephones is where the provider does not charge for calls under a minute in length. In both of these situations, our audit would conclude that nothing but authorized calls can be made. Is there any guidance in place or contemplated that would contradict our position?

Response: The agency can easily "authorize" these calls because no "significant additional expense" would be created for the Government.

Question and Response Relating to Trends in Governmentwide Policy

Question: Given the many changes in technology for placing telephone calls - - cellular, personal data assistants, etc., and the drop in cost for telephone services, do you foresee any near-term changes to Government policies pertaining to their use? If so, would you please explain?

Response: Yes, see "Model Limited Use Policy." In general, the trend is toward a relaxation of the limits on authorized use, the blending of family, work, and home, acknowledging pressures to increase teleworking¹⁴ (and paying for telecom services to the employee's home), and to make the Government work place more friendly, more like commercial industry. You'll see very liberal telework arrangements evolving. There is also the shift toward empowering and trusting the employees to use, but not abuse the work environment.

¹⁴ Telework allows employees to work at locations other than their traditional office.

**Appendix C. Reviews/Certifications of Telephone Charges and
Collections for Unauthorized Calls**

NASA Location	Supervisory Reviews and Certifications Performed	Collections for Unauthorized Calls October 1, 2000 through March 31, 2001
Ames Research Center	Yes	\$ 144
Dryden Flight Research Center	No	480
Glenn Research Center	No	0
Goddard Space Flight Center	Yes	3,096
NASA Headquarters	No	0
Jet Propulsion Laboratory	No	0
Johnson Space Center	Yes	2,170
Kennedy Space Center	No	0
Langley Research Center	No	0
Marshall Space Flight Center	No	0
Stennis Space Center	Yes	137
Total		\$6,027

Appendix D. Inappropriate Toll-Free Numbers Blocked

NASA Location	Inappropriate Numbers Blocked
Ames Research Center	71
Dryden Flight Research Center	0 ¹
Glenn Research Center	0
Goddard Space Flight Center	151
NASA Headquarters	0 ¹
Jet Propulsion Laboratory	0
Johnson Space Center	56
Kennedy Space Center	68
Langley Research Center	0
Marshall Space Flight Center	0
Stennis Space Center	25
Total	371 ²

¹ The telephone carrier at this location could not block specific toll-free telephone numbers.

² This number represents 271 different toll-free numbers. The population of inappropriate numbers may be larger.

Appendix E. Inappropriate Toll-Free Numbers Not Blocked

Inappropriate Toll-free Numbers*	Response at Call Destination	Number of NASA Locations That Did Not Block This Number
(800) 468-XXXX	Sexually explicit	7
(800) 568-XXXX	Sexually explicit	8
(800) 723- XXXX	Psychic	7
(800) 733- XXXX	Sexually explicit	6
(800) 753- XXXX	Sexually explicit	9
(800) 758- XXXX	Sexually explicit	8
(800) 766- XXXX	Chat line	10
(800) 786- XXXX	Sexually explicit	7
(800) 949- XXXX	Sexually explicit	7
(800) 999- XXXX	Sexually explicit	7

*We have provided the complete telephone numbers to NASA management.

Appendix F. Management's Response

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



February 5, 2002

Reply to Attn of

M-3

TO: W/Assistant Inspector General for Audits
FROM: M/Acting Associate Administrator for Space Flight
SUBJECT: Draft Report on Audit of Telephone Management Assignment
Number A-00-060-00

We have reviewed the subject draft audit report. This response has been coordinated with the Office of Space Science and other appropriate offices. We have provided the enclosed comments regarding the audit findings and have addressed each recommendation accordingly.

Thank you for the opportunity to provide comments before publication of this document. If you have any questions regarding these comments, please contact John Rodgers on 202-358-4778.

A handwritten signature in black ink, appearing to read "Frederick D. Gregory".

Frederick D. Gregory

Enclosure

cc:
J/J. Sutton
JM/J. Werner
M-3/J. Rodgers
MX/G. Gabourel
R/S. Venneri
S/E. Weiler
W/D. Gandrud
R. Flann

Appendix F

Management Response to OIG Draft Report on Audit of Telephone Management, Assignment Number A-00-060-00

The Associate Administrator for Space Flight should:

Recommendation 1:

Evaluate the cost-effectiveness of alternative procedures (such as sampling of calls, identification of extraordinary call frequency, unusual locations called, or unusually high cost per call) for reviewing and collecting costs for unauthorized telephone use, and modify NASA Policy Directive (NPD) 2540.1D to provide for implementation of the most cost-effective procedure.

Management Response: Concur.

Actions Planned: The Office of Space Flight will develop cost-effective procedures for reviewing and collecting costs and update NPD 2540.1D. All changes to NPD 2540.1D will be completed by the end of FY02.

Recommendation 2:

Modify NPD 2540.1D to provide for the recovery of administrative costs associated with identifying and collecting the costs of unauthorized calls and to include specific reference to cellular telephones.

Management Response: Concur.

Actions Planned: The Office of Space Flight will modify NPD 2540.1D. NASA will ensure that the NPD covers the recovery of administrative costs associated with identifying and collecting the costs of unauthorized calls and the use of cellular phones. All changes should be completed by the end of FY 2002.

Recommendation 3:

Establish a policy for blocking access to inappropriate toll-free numbers.

Management Response: Concur.

Actions Planned: The Office of Space Flight will establish a policy for blocking access to inappropriate toll-free numbers. NASA will modify NPD 2540.1D to address the policy for appropriate blocking. All changes to NPD 2540.1D will be completed by the end of FY02.

2.

Recommendation 4:

The Associate Administrator for Space Science should direct JPL to modify its telephone policy to comply with NPD 2540.1D.

Management Response: Partially Concur.

The Associate Administrator for Space Science agrees that JPL should modify its telephone policy to comply with NPD 2540.1D. However, as a contractor, JPL cannot be directed to do so without a potential cost to the government. In accordance with schedule clause G-14 "NASA Issuance System" of the NAS7-1407 contract, "NASA Issuances become contractually binding and obligatory upon the Contractor only when and to the extent made so by appropriate contractual means."

NPD 2540.1D is currently being revised to conform with the Office of Inspector General's recommendations. Once this revision is complete, the NASA Management Office will initiate negotiations with Caltech/JPL to incorporate the issuance into the NAS7-1407 contract.

Appendix G. Report Distribution

National Aeronautics and Space Administration (NASA) Headquarters

A/Administrator
AI/Associate Deputy Administrator
AA/Chief of Staff
AB/Associate Deputy Administrator for Institutions
AO/Chief Information Officer
B/Acting Chief Financial Officer
B/Comptroller
BF/Director, Financial Management Division
C/Acting Director, Headquarters Operations
G/General Counsel
J/Assistant Administrator for Management Systems
JM/Director, Management Assessment Division
M/Associate Administrator for Space Flight
S/Associate Administrator for Space Science

NASA Centers

Director, Ames Research Center
Director, Dryden Flight Research Center
Director, Glenn Research Center
Director, Goddard Space Flight Center
Acting Director, Johnson Space Center
Director, Kennedy Space Center
Chief Counsel, Kennedy Space Center
Director, Langley Research Center
Director, Marshall Space Flight Center
Acting Director, Stennis Space Center
Director, NASA Management Office, Jet Propulsion Laboratory

Non-NASA Federal Organizations and Individuals

Assistant to the President for Science and Technology Policy
Deputy Associate Director, Energy and Science Division, Office of Management and Budget

Appendix G

Non-NASA Federal Organizations and Individuals (Cont.)

Branch Chief, Science and Space Programs Branch, Energy and Science Division, Office of Management and Budget
Director, Acquisition and Sourcing Management Team, General Accounting Office
Senior Professional Staff Member, Senate Subcommittee on Science, Technology, and Space

Chairman and Ranking Minority Member – Congressional Committees and Subcommittees

Senate Committee on Appropriations
Senate Subcommittee on VA, HUD, and Independent Agencies
Senate Committee on Commerce, Science, and Transportation
Senate Subcommittee on Science, Technology, and Space
Senate Committee on Governmental Affairs
House Committee on Appropriations
House Subcommittee on VA, HUD, and Independent Agencies
House Committee on Government Reform
House Subcommittee on Government Efficiency, Financial Management, and Intergovernmental Relations
House Subcommittee on Technology and Procurement Policy
House Committee on Science
House Subcommittee on Space and Aeronautics

Congressional Member

The Honorable Pete Sessions, U.S. House of Representatives

NASA Assistant Inspector General for Audits Reader Survey

The NASA Office of Inspector General has a continuing interest in improving the usefulness of our reports. We wish to make our reports responsive to our customers' interests, consistent with our statutory responsibility. Could you help us by completing our reader survey? For your convenience, the questionnaire can be completed electronically through our homepage at <http://www.hq.nasa.gov/office/oig/hq/audits.html> or can be mailed to the Assistant Inspector General for Audits; NASA Headquarters, Code W, Washington, DC 20546-0001.

Report Title: Telephone Management

Report Number: _____ **Report Date:** _____

Circle the appropriate rating for the following statements.

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	N/A
1. The report was clear, readable, and logically organized.	5	4	3	2	1	N/A
2. The report was concise and to the point.	5	4	3	2	1	N/A
3. We effectively communicated the audit objectives, scope, and methodology.	5	4	3	2	1	N/A
4. The report contained sufficient information to support the finding(s) in a balanced and objective manner.	5	4	3	2	1	N/A

Overall, how would you rate the report?

- Excellent Fair
 Very Good Poor
 Good

If you have any additional comments or wish to elaborate on any of the above responses, please write them here. Use additional paper if necessary. _____

How did you use the report? _____

How would you identify yourself? (Select one)

- | | |
|--|--|
| <input type="checkbox"/> Congressional Staff | <input type="checkbox"/> Media |
| <input type="checkbox"/> NASA Employee | <input type="checkbox"/> Public Interest |
| <input type="checkbox"/> Private Citizen | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> Government: _____ | Federal: _____ State: _____ Local: _____ |

May we contact you about your comments?

Yes: _____ **No:** _____

Name: _____

Telephone: _____

Thank you for your cooperation in completing this survey.

Major Contributors to the Report

David L. Gandrud, Program Director, Information Technology Program Audits

Roger W. Flann, Program Manager

Bessie J. Cox, Auditor-in-Charge

Eugene R. Bauer, Auditor

Ronald T. Callahan, Auditor

Nancy C. Cipolla, Report Process Manager

Barbara J. Smith, Program Assistant