

Telephone Calling Card Program

EXECUTIVE SUMMARY

Our review of the telephone calling card program identified several possible enhancements. The Office of Administrative and Personnel Management (OAPM) should issue program guidance, issue cards to all staff who need them, require users to sign a written agreement, and enhance procedures for identifying misuse of the card. OAPM should also implement personal identification numbers (PIN) for all cards to help prevent misuse, maintain an up-to-date list of all card holders, and periodically reconcile its listing of card holders to the vendor's (Sprint) listing to identify possible overcharges.

During our review, we also noted a weakness in the review process for bills generated by the Telecommunication Ordering and Pricing System (TOPS). We identified approximately \$132,000 in charges that appear erroneous. To ensure that TOPS bills are accurate, we are recommending that OAPM periodically compare telephone lines billed through TOPS to the active lines used at Commission offices. OAPM should also seek to recover the amounts billed inappropriately.

OBJECTIVES AND SCOPE

Our objectives were to determine whether calling card controls were adequate, and implementation of the program was cost effective. During the audit, we interviewed Commission staff, and reviewed available documentation, including Sprint calling card reports.

We performed our review in accordance with generally accepted government auditing standards between July and August 2003.

BACKGROUND

OAPM began issuing Sprint telephone cards to Commission employees during January 2001, and to date has issued approximately 700 cards. Employees request cards from OAPM through their Administrative Contact. Sprint charges an average of 10 cents per minute, including connection fees and taxes, for each call.

Employees may use the card while working at home (under an approved telework agreement) to check voice mail, to contact supervisors, and to make work-related

business calls. Another approved use of the card (under the Collective Bargaining Agreement) is to make one long-distance personal call of reasonable duration per day while in travel status.

If the employee does not use the card, the employee is entitled to reimbursement up to five dollars per day for personal calls while on travel. Considering the 10 cents per minute cost of calls charged to the card, its use is cost effective for both the employee and the government (compared to the much higher cost of hotel telephone charges).

To help agencies monitor use of the card, Sprint provides the Sprint Interactive Desktop Reporter (SPIDR) a billing analysis and reporting software tool. SPIDR is used in conjunction with Sprint's call detail record (CDR) provided monthly by CD-ROM. The CDR documents each call or transaction by the agency under the Sprint portion of the FTS 2001 network.

Audit Results

We found that OAPM monitors card usage by maintaining a data base of card holders, and following up on reports of excess usage identified by Sprint. We are making several recommendations to enhance OAPM's controls and to realize additional savings by encouraging use of the card when appropriate.

ISSUE GUIDANCE

OAPM has not yet issued detailed guidance on authorized uses of the telephone calling card. The guidance could define permissible uses of the card (including personal calls). The guidance could include a requirement for signed user agreements before cards are issued, which would help ensure that employees know the limited uses of the card.

Finally, the guidance could describe the possible consequences for calling card abuse, including disciplinary action, criminal penalties, and financial liability.

Recommendation A

OAPM should issue telephone calling card guidance that describes authorized uses of the card, and the consequences of misuse.

Recommendation B

OAPM should require all employees issued calling cards to sign user agreements.

ISSUE ADDITIONAL CARDS

As indicated in the Background, OAPM has issued telephone calling cards to approximately 700 employees. Most Commission employees (over 3000 in total) presumably qualify for use of the card, either through official travel and/or by

working at home. Given the financial advantages of the calling card, additional usage should be encouraged.

Recommendation C

OAPM should publicize the calling card program, and encourage all those eligible to apply.

IMPLEMENT SECURITY FEATURE

Sprint formerly issued cards with a randomly generated 14-digit calling card number. It now can issue cards that consist of a 10-digit random card number plus a PIN (personal identification number) selected by the user. This feature offers improved security.

Recommendation D

OAPM should issue new calling cards, and reissue existing cards, with a 10-digit random card number and the PIN security feature.

CANCEL CARDS OF FORMER EMPLOYEES

We found that the cards of employees leaving the Commission are not being canceled timely, which risks possible misuse. Of a judgment sample of 90 cardholders on an OAPM listing, 23 of the sample (25%) were not current employees.

The Commission's Employee Clearance regulation (SECR 7-4) requires separating employees to return government property to their Administrative Contact when they leave the Commission. The return of property is then documented on the Employee Clearance Form. However, the telephone calling card is not listed on this form, increasing the risk that the card will not be returned and canceled timely.

Recommendation E

OAPM should ask the Office of Filings and Information Services (which has responsibility for the employee clearance regulation) to include the telephone card on the Employee Clearance Form. To ensure that only current employees have active cards, it should periodically compare its authorized user listing to current personnel records, and cancel cards of former employees.

ENHANCE USAGE MONITORING

As stated in the Background, the SPIDR software and CDR information are available for agency monitoring of card use (to identify billing errors, as well as excessive calls and other potential abuse). Currently OAPM uses SPIDR and CDR to monitor costs and to follow-up on problems identified by Sprint.

OAPM indicated that because of limited resources, its telephone card database is not complete. For example, it does not include cards sent by Sprint to the field offices,

nor does it list the actual cardholders for cards issued to the Division of Enforcement. A more complete database would enhance monitoring of telephone card usage.

Recommendation F

As resources permit, OAPM should update its telephone card database to include all authorized users.

Recommendation G

OAPM should periodically reconcile Sprint's records to its records of authorized users to identify any mistakes in the records and erroneous charges.

CANCEL UNNEEDED TELEPHONE LINES

During our review of calling card procedures, we identified an unrelated but important issue. Since the closure of the Commission's Seattle office in July 1994, the General Services Administration (GSA) has billed \$65.54 monthly for Seattle telephone lines. Total charges to date (through July 2003) were approximately \$7000. GSA has also incorrectly billed the Pacific Regional Office (PRO) \$125,000 between November 2001 and July 2003 for 236 analog and 3 ISDN lines the PRO does not have.

GSA uses its automated billing system known as TOPS (Telecommunication Ordering and Pricing System) to charge agencies for service. These bills are processed through IPAC (Interagency Payment and Collection).

Recommendation H

The Office of Financial Management should contact GSA to arrange a refund through IPAC of the incorrect billings (totaling approximately \$132,000) for unused phone lines.

Recommendation I

OAPM should periodically review GSA telephone billings for accuracy, and follow-up as appropriate.

Management Response: OAPM indicated that it has sent the disconnect order to GSA and is waiting for confirmation that it has been completed.