



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

The National Park Service Did Not Adequately Oversee the Guard Services Contract at the Statue of Liberty National Monument

This is a revised version of the report prepared for public release.



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

MAR 25 2024

Memorandum

To: Charles F. Sams III
Director, National Park Service

From: Kathleen R. Sedney 
Assistant Inspector General for Audits, Inspections, and Evaluations

Subject: Final Audit Report – *The National Park Service Did Not Adequately Oversee the Guard Services Contract at the Statue of Liberty National Monument*
Report No. 2022-CGD-052

This memorandum transmits our audit report on Contract No. 140P4521C0014 between the National Park Service (NPS) and Universal Protection Service, LLC, which provides unarmed guard services for the Statue of Liberty and Ellis Island in New York and New Jersey, respectively.

We made 14 recommendations to help ensure that contractual requirements are fulfilled and that NPS is adequately overseeing Contract No. 140P4521C0014.

We will track open recommendations for resolution and implementation. We will notify Congress about our findings, and we will report semiannually, as required by law, on actions you have taken to implement the recommendations and on recommendations that have not been implemented. We will also post a public version of this report on our website.

If you have any questions about this report, please contact me at aie_reports@doioig.gov.

Contents

Results in Brief 2

Introduction..... 4

 Objective 4

 Background 4

Results of Audit 6

Conclusion and Recommendations..... 20

 Conclusion..... 20

 Recommendations Summary..... 20

Appendix 1: Scope and Methodology..... 33

 Invoice Sampling..... 34

Appendix 2: Monetary Impact 36

Appendix 3: Responses to Draft Report 37

Appendix 4: Status of Recommendations..... 49

Results in Brief

What We Audited

Figure 1: Silhouette of the Statue of Liberty



Source: OIG.

We audited Contract No. 140P4521C0014 between the National Park Service (NPS) and Universal Protection Service, LLC (Contractor),¹ which provides unarmed guard services for the Statue of Liberty and Ellis Island in New York and New Jersey, respectively. The contract was awarded in September 2021 for \$5,637,357. Our audit encompassed the base year (September 8, 2021, through September 7, 2022). If all 4 option years² are exercised, including an additional 6-month extension, the total value of the contract will increase to approximately \$43,900,000.

We conducted this audit to determine whether the Contractor is complying with contract terms and conditions and whether NPS oversight was adequate.

What We Found

We found that the Contractor was not meeting various contract terms and conditions. Specifically:

- We observed two contract employees engaged on their personal cell phones rather than monitoring the screening machines.
- Neither the Contractor nor NPS could identify the whereabouts of 17 separated contract employees' Department of the Interior (DOI) ID cards.
- We identified \$970,576 claimed costs that were unsupported or unapproved as a result of an inadequate and inappropriate timekeeping system.

¹ Universal Protection Service, LLC, is doing business as (dba) Allied Universal (AUS). While the contract we reviewed was with Universal Protection Service, LLC, some documentation presented in this report reference Allied Universal.

² An option year is a contractual clause permitting an extension in the time for which services may be required.

- Neither the Contractor nor NPS could locate 9 percent of personnel documents, leaving us unable to determine whether some contract employees met the required qualifications.

We found that the underlying issues occurred because the Contractor did not adhere to the terms of the contract and because the Department's oversight of the contract was insufficient. While Contractor officials stated that they faced difficulties that limited their ability to meet contract requirements—such as limited storage space or unreliable internet connections—the Contracting Officer (CO) and the Contracting Officer's Representative (COR) need to take more steps to ensure Contractor compliance. The COR did not enforce contract requirements and did not take adequate measures to monitor compliance. Additionally, we noted a lack of communication between the CO, who is offsite, and the COR, who is onsite, about contract compliance and performance issues, which in turn allowed issues to continue. As a result, the issues we found went unidentified and unaddressed by NPS.

Why This Matters

This \$44 million contract is intended to provide security at a site that has millions of visitors annually and that is of great symbolic and historical significance to the United States: in 2023 alone, the Statue of Liberty and Ellis Island had approximately 3.73 million park visitors. Given the crucial role of the security personnel's duty to monitor and protect these visitors, the Contractor must comply with the contract terms to help ensure that potential threats to visitors and property are detected and addressed. Contract compliance deficiencies lead to an overall increased risk to public safety and to the safety of the site itself. Moreover, the absence of NPS oversight for this contract has already led to expenditures of Federal resources for payment of unapproved and unsupported invoices of \$970,576. Given that this is a labor-hour contract, approved and supported timekeeping is an essential part of ensuring that DOI is protecting and ensuring appropriate use of taxpayer resources.

What We Recommend

We make 14 recommendations to help ensure that contractual requirements are fulfilled and that NPS is adequately overseeing Contract No. 140P4521C0014 to better protect taxpayer resources expended by the Federal Government.

Introduction

Objective

We conducted this performance audit to determine whether Universal Protection Service, LLC, (Contractor) is complying with contract terms and conditions under Contract No. 140P4521C0014 and whether National Park Service (NPS) oversight ensures that the Contractor is performing in accordance with contract terms and conditions. Appendix 1 provides the audit scope and methodology. Appendix 2 shows the questioned costs of this audit.

Background

The Statue of Liberty National Monument (SOLNM)³ consists of Liberty Island (Statue of Liberty) and Ellis Island; it falls under NPS' purview. The public is brought to the SOLNM by ferries leaving Battery Park in New York City and Liberty State Park in New Jersey, where security personnel screen visitors at three sites. See Figure 4 for a map and description of the duty sites. The SOLNM had approximately 3.73 million park visitors in 2023.⁴

On September 3, 2021, NPS competitively awarded a 12-month, commercial-service,⁵ labor-hour contract⁶ (Contract No. 140P4521C0014) to the Contractor for unarmed guard services at the SOLNM. As a labor-hour contract, the hours worked by contract employees must be accurately accounted for to ensure that the Government is receiving the benefit of the contract. This is because, as Federal

Figure 2: Statue of Liberty



Source: Richard Drew/AP.

³ For this report, reference to the SOLNM will refer to the contract site of both the Statue of Liberty and Ellis Island in New York and New Jersey, respectively.

⁴ NPS, "Park Statistics," <https://www.nps.gov/stli/learn/management/park-statistics.htm>, dated January 5, 2024.

⁵ Federal regulations define a commercial service, in part, as services where the source of services "provides similar services contemporaneously to the general public under terms and conditions similar to those offered to the Federal Government." FAR § 2.101.

⁶ Federal regulations describe a labor-hour contract as a variation of a time-and-materials (T&M) contract, differing only in that materials are not supplied by the contractor. FAR § 16.602. More specifically, FAR § 16.601(b)(1) defines a T&M contract, in part, as one that acquires services on the basis of direct labor hours at specified fixed hourly rates that include wages, overhead, general and administrative expenses, and profit. Subsection (c) further states that a T&M contract "may be used only when it is not possible at the time of placing the contract to estimate accurately the extent or duration of the work or to anticipate costs with any reasonable degree of confidence." *Id.* § 16.601(c).

regulations explicitly acknowledge, there is “no positive profit incentive to the contractor for cost control or labor efficiency.”⁷

According to the contract statement of work, “Contractor security guards have a crucial and highly visible role in support of NPS’ mission. They are usually the first (and sometimes only) contact visitors have with a uniformed presence at the SOLNM and are usually our first line of security. Visitors and Federal employees perceive the contractor guards to be an integral part of the safety and security mission.”

The contract’s base year—September 8, 2021, through September 7, 2022—was funded for \$5,637,357.⁸ If the contract extends through all 4 option years plus the 6-month extension, the value of the contract will increase to approximately \$43,900,000.

During the contract’s base year, there were 110 contract employees who were responsible for providing security and monitoring all security systems at the SOLNM. Responsibilities include:

- Package screening;
- Personnel screening (visitor processing, communications, patrol operations);
- Monitoring closed circuit televisions (CCTVs) and detecting suspicious behavior;
- Responding to emergency situations involving SOLNM safety and security; and
- Acting as a crowd monitor to maintain order.

To oversee this contract, NPS relies on a Contracting Officer (CO) and a Contracting Officer Representative (COR). Specifically, according to the Quality Assurance Surveillance Plan (QASP) for this contract, the CO is responsible for monitoring contract compliance, contract administration, and cost control and for resolving any differences between the observations documented by the COR and the Contractor. The QASP also states that the COR is responsible for technical administration of the project and ensuring proper Government monitoring of the Contractor’s performance. The COR is not empowered to make any contractual commitments or to authorize any contractual changes on the Government’s behalf; these are referred to the CO for action. During the contract’s base year, NPS had turnover in both the CO and COR positions. Specifically, there were two COs (original and former acting) and two CORs (former and current).

⁷ FAR § 16.601(c)(1). This regulation goes on to explain that “[t]herefore, appropriate Government surveillance of contractor performance is required to give reasonable assurance that efficient methods and effective cost controls are being used.”

⁸ In light of the COVID–19 pandemic, NPS’ fiscal year 2022 budget justification requested discretionary appropriations from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to fund security guard services at the SOLNM for the contract’s base year. Because CARES Act funding ended after the contract’s base year, NPS’ fiscal year 2023 budget justification requested discretionary appropriations to fund security guard services at the SOLNM.

Results of Audit

We found that the Contractor did not meet various contract terms and conditions. Specifically:

- Contract employees used personal cell phones while working the screening machines.
- Contract employees did not return all ID cards at the end of their employment.
- The Contractor did not establish an electronic timekeeping system, and its manual system was inadequate to support invoices. We questioned a total of \$970,576 of claimed costs that were unsupported or unapproved.
- The Contractor did not maintain complete personnel files.

Due to these deficiencies in contract compliance, there is an overall increased risk to public safety and of improper expenditure of Federal resources through payment for unsupported invoices. According to FAR § 16.601(c)(1), labor-hour contracts such as this contract require increased oversight since there is no profit incentive for the Contractor to control costs or labor efficiency.

We found that these issues occurred because the Contractor failed to adhere to contractual terms and conditions and because NPS oversight of the contract was insufficient. The CO and the COR should increase oversight to ensure the Contractor complies with contract requirements. We determined that the current COR was unaware of contract requirements and did not provide sufficient oversight to monitor compliance. Additionally, the CO, who is offsite, and the COR, who is onsite, did not communicate concerning performance and compliance issues. As a result, neither the COR nor CO identified the issues we found.

Contractors Used Personal Cell Phones While on Duty

The contract prohibits contract employees from using personal electronic equipment, such as cell phones, computers, smartphones, electronic games, audio, or video equipment, etc., while on duty.⁹ Such use is specifically identified as a violation of standards of conduct and is cause for removal from performing on the contract. The CO and COR have the authority to order retraining at the Contractor's expense as well as to suspend or remove any contract employee from the contract who does not meet and adhere to the standards of conduct as required in the contract.¹⁰

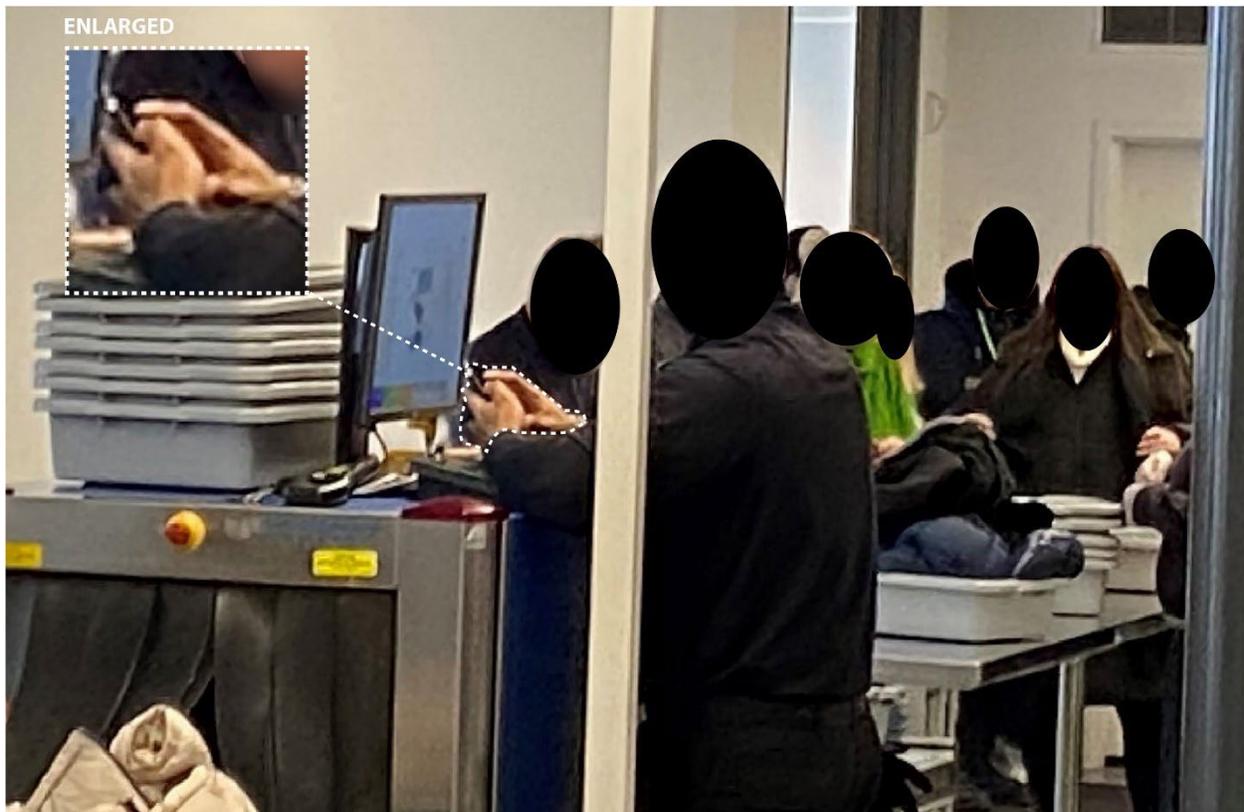
Notwithstanding these provisions, we found the Contractor's security guards used personal cell phones while on duty at screening sites. In particular, we observed two security guards at two different screening sites—one visible on CCTV and one as we went through the security

⁹ These employees are not issued cell phones by their employer.

¹⁰ Contract Attachment J-10, *Security Guard Information Manual*.

screening—using their personal cell phones to view what appeared to be a sporting event. (See Figure 3.) These guards were assigned to screen visitors at the x-ray machine to ensure they were not bringing through unauthorized items such as weapons, narcotics, explosives, and other contraband; they were also responsible for observing their surroundings to secure the area. According to the Contractor’s former Director of Operations for Federal Services, the violations we observed occurred notwithstanding the fact that the Contractor repeatedly emailed contract employees notifying them that Department of Interior (DOI) Office of Inspector General (OIG) auditors would be onsite.

Figure 3: Unarmed Security Guard Using Personal Cell Phone at Security Checkpoint at the SOLNM*



* Images in this report have been altered to protect individuals’ privacy interests.

Source: OIG.

We determined that the Contractor’s own oversight efforts, specifically supervisor observation, were not sufficient to deter this behavior. Supervisors are responsible for contract guard performance at their respective sites, including adherence to standards of conduct, such as cell phone usage, and are required to complete an additional 9 hours of supervisory training. When onsite reviewing the personnel file disciplinary records, however, we did not identify anyone who had been disciplined for using a cell phone.

While Contractor personnel monitored the 277 CCTVs at the Command Center (see Figure 4 for site locations and descriptions), the job duties in the *Security Guard Information Manual* specify monitoring CCTV only for criminal and suspicious activity, security breaches, and disturbances—not to monitor fellow Contractor personnel conduct for compliance. However, when we visited the Command Center, we quickly observed on CCTV a guard engaged on a personal cell phone. This demonstrated that existing tools—namely, CCTV monitoring in conjunction with supervisory actions—could assist in identifying guards who are demonstrating behavior that increases the risk to public safety, such as not being alert at their post.

The single COR, a United States Park Police (USPP) officer, is responsible for contract oversight of the six duty sites for the SOLNM. See Figure 4 for a map and description of the duty sites and relative size of the area covered by the contract. According to the COR's appointment letter,¹¹ the COR is required to observe the Contractor at work to determine if performance complies with the contract, including the work system, methods, and execution. The SOLNM area is over 40 acres¹² and open every day of the year except for Thanksgiving, Christmas, and when inclement weather makes it unsafe to visit. There are dozens of Contractor guards working at a given time; moreover, some jobs operate 24 hours a day, 7 days a week to help protect the many people who work in and visit these sites every day and secure SOLNM facilities. To ensure adequate Government surveillance over the contract during a typical week, it would require more than one individual to oversee the area each week.

We note that, according to the QASP, the CO is responsible for monitoring contract compliance, contract administration, and cost control and for resolving any differences between the observations documented by the COR and the contractor. In contrast, the QASP designates the COR to assist in administering the contract and with responsibility for technical administration of the project and ensuring proper Government surveillance of the Contractor's performance. The QASP also states that the CO will designate one full-time COR for performance management and also may designate additional representatives besides the COR to serve as technical inspectors,¹³ depending on the complexity of the services measured.

¹¹ The CO provides an appointment letter to the COR that outlines the COR's responsibilities under the contract and the limits of the COR's authority regarding the Contractor.

¹² Liberty Island is 12.7 acres, and Ellis Island is 27.5 acres, for a total of 40.2 acres.

¹³ Technical inspectors are individuals that the CO designates to assist in a contract's technical monitoring or administration.

Figure 4: Map and Description of Duty Sites



Source: Photo Spirit/Shutterstock. OIG photo illustration.

1. **Battery Park Screening:** A screening facility (a large security screening tent) for all visitors waiting for concessioner ferry transportation from Lower Manhattan to Ellis and Liberty Islands.
2. **Marine Inspection Office:** A checkpoint, located in a small office, for staff [REDACTED]
3. **Liberty State Park Screening:** A screening facility (a large security screening tent) for all visitors waiting for concessioner ferry transportation from Liberty State Park to Ellis and Liberty Islands.
4. **Ellis Bridge (Post 4):** Checkpoint for staff [REDACTED]
5. **Command Center at Ellis Island:** The location of NPS' CCTV, [REDACTED], [REDACTED].
6. **Liberty Island:** The Statue of Liberty's secondary screening post, located on Liberty Island. This screening facility is used to further screen visitors authorized to enter the pedestal and Statue of Liberty Monument.

Security guards must be alert and undistracted to detect unauthorized access or unauthorized items, threats, or suspicious activity. If guards are not, there is an increased potential public safety risk. The guards are responsible for identifying and addressing risks that range from incidents involving visitors to the site (e.g., accidents, medical emergencies, or altercations) to more serious matters such as possession of weapons or terrorist threats.

Recommendations

We recommend that NPS:

1. Require the Contractor to update policies and procedures and provide enhanced training to supervisors to ensure that they have appropriate guidance and training to identify and address violations of contractual provisions.
2. Require the Contractor to update and implement Command Center written duties to include sufficient closed circuit television monitoring as an added measure to ensure compliance with all contractual requirements and identify violations.
3. Assess the contract monitoring plan for Contract No. 140P4521C0014 and determine whether technical representatives are necessary to ensure adequate contract oversight; if so, take appropriate steps.

Contractor Employees Did Not Return All Government-Issued Identification Cards

According to the contract, identification cards (ID cards)¹⁴ issued by NPS to each contracted employee are treated as sensitive assets and are the property of the Government. When a contract employee ceases working under this contract, the Contractor is responsible for returning all DOI ID cards to the Government. In particular, the Contractor is required to coordinate all returns with the COR, who is responsible for ensuring the Contractor complies with these requirements.¹⁵

Notwithstanding the contractual requirement, we found that not all security guards returned their Government-issued ID cards upon departure. In our review of personnel files, we identified 17 separated employees (15 percent) out of the 110 contract employees who worked during the base period of the contract. However, because of the lack of procedures, the Contractor said it could not determine how many of these 17 ID cards were returned. More specifically, the Contractor did not have procedures, such as an out-processing checklist, to ensure employees

¹⁴ While the contract refers to both “key cards” and “access control devices,” the Contractor uses only non-electronic, plastic photo ID cards.

¹⁵ Contract No. 140P4521C0014 Statement of Work, “Guard Duties, 9,” pp. 20-21, and “Physical Security Requirements—DOI Access Cards,” p.54.

returned items like ID cards. The Contractor also had no process in place to record and inform the COR of the receipt or non-receipt of separated guards' ID cards. The COR, in turn, did not address this deficiency because he did not provide oversight of employee separation process, and he did not follow up with the Contractor to ensure compliance with this requirement.

Given the contract requirement and the COR's general knowledge of Contractor employee turnover, the COR should have inquired into the Contractor's process for obtaining these sensitive Government assets from separated guards.

Separated security guards with unauthorized site access create a potential public safety risk. While visitors are subjected to airport-style security screenings before entering access points, a separated security guard in possession of an ID card could be allowed to walk through access points, bypassing the screening altogether, and leaving the area exposed to a potentially dangerous situation. We were told by an NPS official who prepares the ID cards that, when a separated employee exhibits threatening or disturbing behavior, a be-on-the-lookout (BOLO) announcement is officially posted at all points of entry, but the NPS official said he did not recall the Contractor ever taking this measure. More generally, the Contractor showed us photos of individuals who had not returned ID cards that were posted in the Contractor's breakroom and said the photos were at points of entry. This is not sufficient, however, to comply with contractual requirements or to address the risks presented.

Recommendations

We recommend that NPS:

4. Require the Contractor to document efforts to obtain missing ID cards from separated guards.
5. Require the Contractor to develop and implement a process, as required by the contract, to ensure ID cards are returned.
6. Enforce the contractual provision requiring the return of ID cards and periodically check that the Contractor is submitting the ID cards.

The Contractor Did Not Have an Adequate Timekeeping System

According to the contract, "the Contractor shall provide an electronic tamperproof method" to verify employee attendance. The contract does not identify what type of electronic timekeeping system the Contractor must use, but the Contractor's *Transition Management Plan*¹⁶ stated that it would use an electronic, web-based, timekeeping system. The contract described use of a manual

¹⁶ A transition management plan is a document that outlines how to implement a change initiative in an organization. In this case, the change would be the smooth and orderly transition between the predecessor and successor contractors.

system as a backup system; moreover, this backup system requires employees to manually sign in and out when reporting for and leaving work. The contract specifically provides that, if the electronic timekeeping system malfunctions, the contractor has 7 workdays to repair the system. That is, with the exception of two locations not at issue here,¹⁷ the contract is clear that a manual system was not permissible as the primary system used to track time.

We found that the Contractor had not installed an electronic timekeeping system as required. Instead, the Contractor was relying solely on a handwritten manual system, which is not permitted as the primary form of timekeeping. According to the Contractor, it never implemented the required electronic system because it had concerns over data security and internet connectivity issues. The Contractor stated that the former COR agreed that the parties would “re-visit the issue of deployment of an electronic timekeeping system once NPS/USPP was confident that the connectivity issues were improved.” The Contractor added that moving forward with implementation of the “proposed electronic timekeeping system, under the circumstances, would likely result in frequent errors, periods of unavailability, and ultimately create larger problems.” The Contractor stated that it and the former COR mutually agreed that “paper attendance sheets would be used as a reasonable substitute for an electronic timekeeping system given that they are a largely fail-safe method of recording time and substantiating invoices.” We note that the COR does not have authority to modify the contract. Moreover, no such agreements were documented in the contract file.

Additionally, as to the use of a manual back-up timekeeping system, the contract states that it must be on an approved timesheet provided by the Contractor. More specifically, employees must manually sign in when reporting for work and manually sign out when leaving. The contract also provides that, if using a manual system, erasures, obliterations, superimposed or double entries of any type on any one line are unacceptable and will be considered insufficient evidence for payment purposes. The contract further states that “the Contractor must attach a detailed memorandum of explanation to each timesheet containing erroneous entries for the purpose of correlating all mistakes made, with the applicable, valid lines of information, and for describing the reasons behind those mistakes.” However, we found that the Contractor did not do this. The contract also specifies in the requirements for an electronic timekeeping system that the Contractor shall, at a minimum, initial each page to acknowledge that the timesheets are accurate¹⁸ and then email the files to the COR in a portable document format (PDF). Payment is not authorized until the COR receives acceptable verification supporting the invoices.

Notwithstanding these requirements, we found that the manual timekeeping system used in place of the required electronic system had missing timesheets¹⁹ and timesheets with errors. Specifically, in our sample review of 12 pay periods consisting of 63 invoices with 662 associated timesheets, we found 280 timesheets (or 42 percent) were missing supervisory approvals, totaling \$937,528. See Figure 5 for an example of a timesheet without supervisory

¹⁷ The contract permits use of the manual system as the primary form of timekeeping if the guard is working at the Ellis Bridge (Post 4) or Marine Inspection Office.

¹⁸ An operational supervisor is assigned to each screening site and is responsible for guards’ time and attendance verification.

¹⁹ For the purpose of this report, the term “timesheet” describes sign-in pages that have the company name, job location, job category, dates worked, multiple employees’ time in/out entries, employee number, printed name, and signature. See Figure 5 for a timesheet example.

approval. Invoices with missing supervisory approvals provide no assurance that the timesheets were accurate. Despite these concerns, the COR reviewed and still authorized the invoices for payment.

Figure 5: Timesheet Example*

Allied Universal

Job # NPS/STL

Post Description: Bp - High - DP/Com

To 9-8

Timesheet By Job
Date Range: 09/02 - 09/08/22

Day	Date	Actual Start Time	Meal Period Enter Time Out/In	Actual End Time	Rest Period Acknowledgment Initial box	Employee Number	PRINT Employee Name	Signature	Total Hou Worked
Fri	09/02	0000		0815	<input checked="" type="checkbox"/>	[REDACTED]	[REDACTED]	[REDACTED]	
Fri	09/02	1645		2400	<input checked="" type="checkbox"/>	[REDACTED]	[REDACTED]	[REDACTED]	
SAT	09/03	0000		0815	<input checked="" type="checkbox"/>	[REDACTED]	[REDACTED]	[REDACTED]	
SAT	09/03	1645		2400	<input checked="" type="checkbox"/>	[REDACTED]	[REDACTED]	[REDACTED]	
SUN	09/04	0000		0815	<input checked="" type="checkbox"/>	[REDACTED]	[REDACTED]	[REDACTED]	
SUN	09/04	1645		2400	<input checked="" type="checkbox"/>	[REDACTED]	[REDACTED]	[REDACTED]	
Mon	9/5	0000		0815	<input checked="" type="checkbox"/>	[REDACTED]	[REDACTED]	[REDACTED]	
Mon	9/5	1645		2400	<input checked="" type="checkbox"/>	[REDACTED]	[REDACTED]	[REDACTED]	
Tue	9/6	0000		0815	<input checked="" type="checkbox"/>	[REDACTED]	[REDACTED]	[REDACTED]	
TUE	9/6	1615		0000	<input checked="" type="checkbox"/>	[REDACTED]	[REDACTED]	[REDACTED]	
WED	9/7	0000		0815	<input checked="" type="checkbox"/>	[REDACTED]	[REDACTED]	[REDACTED]	

By signing this timesheet, I affirm this is an accurate record of the hours I worked during this pay period. Unless I noted a discrepancy on my timesheet, and by checking the rest period box above, I represent that the Company authorized an permitted me to take a rest break of at least ten minutes for every four hours worked.

Page 1 of 1

* Images in this report have been altered to protect individuals' privacy interests.

A timesheet the Contractor provided to NPS showing a lack of supervisor approval. Each line represents the hours worked for a contract employee (employee number and name are hidden).

Source: NPS.

Further, one site commander²⁰ never completed any timesheets for 60 line entries²¹ in 12 invoices, totaling \$32,236. The Contractor said that it did not require timesheets for this site commander because the Contractor paid this employee a salary. However, the Contractor billed daily hours to the Government for the site commander where hours and days worked varied but provided no supporting documentation for these hours. As noted previously, because the contract is a labor-hour contract, it is particularly important to ensure that hours are accurately described

²⁰ The Contractor's Program Manager supervises the site commander and has complete authority to act for the Contractor. The site commander is the supervisor of the guard force and in charge of all Contractor employees under the contract.

²¹ A line entry on an invoice details a contract employee's work date, post description, employee name, in time, out time, hours worked, and hours type.

and documented for verification; the fact that the Contractor chose to pay one of its employees a salary rather than hourly does not affect its obligation with respect to NPS.

Additionally, the COR did not provide timesheets to support another 181 line entries in 7 invoices. We provided a list of the missing line entries to the Contractor to locate the timesheets. The Contractor acknowledged that eight of the line entries (totaling \$812) did not have a corresponding timesheet. Since these line entries were in the first pay period of the contract, the Contractor said it was making many administrative updates as the new contract commenced and the former contract closed out. The Contractor stated that the other 173 line entries were comingled with previously provided timesheets associated with other invoices, and we verified this to be correct. However, comingling hours on timesheets associated with two different invoices without providing a written explanation increases the risk of inaccuracies, as errors are more difficult to identify. Even the Contractor's former Director of Operations of Federal Services acknowledged his confusion with the timesheets.

We also identified 32 timesheets that had line strikethroughs and 6 that did not identify job location. However, we verified the strikethroughs were not included on invoices, and we were able to ascertain the locations by looking at the invoices. We also identified one timesheet that was reconstructed²² with no explanation. After we learned that the COR was involved in the timesheet reconstruction during the invoice review, we did not question these costs.

Because the Contractor did not maintain the required supporting documentation to verify and validate the payroll costs, we questioned the unsupported and unapproved timesheets. As a result of our testing, we questioned a total of \$970,576 on Contract No. 140P4521C0014 as claimed costs that were unsupported or unapproved. Specifically, as described above, the Contractor:

- Claimed unapproved payroll costs, totaling \$937,528.
- Claimed unsupported payroll costs for a site commander, totaling \$32,236.
- Claimed unsupported miscellaneous payroll costs, totaling \$812.

Notwithstanding these deficiencies, NPS paid all of these claimed costs. See Appendix 2 for a summary of monetary impact of these questioned costs.

When we spoke to the original CO and former acting CO, they stated that they were unaware that the Contractor did not have an electronic timekeeping system. The original CO stated that she was unaware of any communication between the Contractor and the former COR regarding the use of manual timesheets. We also note that the former acting CO told us that the Contractor was using a time clock, which we later learned was not the case. While the former COR acknowledged that the contract required an electronic timekeeping system, the current COR stated he did not know that the contract required the use of an electronic timekeeping system and thought the Contractor used the manual system because "that is the way it had always been

²² A reconstructed timesheet occurs when the timesheet cannot be located at the time of invoicing. A new timesheet is prepared after verifying through recordkeeping in logbooks, invoices, and the COR's personal knowledge of the people who were working when the COR was working.

done.” He said neither he nor the former COR had given written or verbal authorization for the Contractor to use manual timesheets.

Additionally, the current COR stated that if a timesheet error was identified, the entire invoice had to be rejected and reviewed again upon resubmission. We noted that a single pay period may have as many as 12 invoices. As a result, the COR expressed hesitation to reject invoices for minor errors because this could delay the payment process. We note that, on August 30, 2022, the former acting CO reached an agreement with the Contractor and modified the contract to change the invoice process from biweekly to monthly billing without consulting the COR. When we spoke to the COR in January 2023, the COR expressed to us the opinion that it increased the risk of a rushed review process, as the COR is expected to review 4 weeks of invoices at a time, rather than 2 weeks. This could potentially exacerbate the oversight issue we identified.²³

Given the multiple instances in which the COs and CORs expressed unfamiliarity with the decisions and actions taken by others, increased familiarity with contract compliance and performance and communication between the CO and COR would help improve these issues and potentially improve the COR review process. The contract requires the CO, COR, and the Contractor to meet monthly or on an as-needed basis to discuss all relevant contract issues. The CO and COR, however, met only to discuss funding issues and did not communicate about compliance issues. During the first year of the contract, the CO and COR communicated only when discussing seven contract modifications that required additional funding; these meetings did not discuss compliance issues, which is a missed opportunity to strengthen oversight controls. Coordination and communication are increasingly important to oversight as the COR is onsite and better positioned to identify issues, while the CO is offsite. Consequently, the CO and COR may alert each other of issues that the other may not otherwise be aware of.

In addition, relying on a manual timekeeping system inherently and greatly increases the risk of errors, which could lead to discrepancies in hours worked and inaccurate payments. Given that this is a labor-hour contract, timesheets are an essential part of ensuring that payments are supported and reasonable. Missing, inaccurate, and unapproved timesheets increase the risk that the Government may pay excessive amounts.

Recommendations

We recommend that NPS:

7. Enforce the contract requirement for the Contractor to provide an electronic, tamperproof method of employee attendance verification that is acceptable.
8. Until an electronic attendance verification method is implemented, direct the Contractor to develop controls to prevent unsupported or unapproved manual timesheets and separate, rather than comingle, the invoiced hours billed to multiple timesheets.

²³ Because this process change occurred after the scope of our testing, we did not determine whether this review process resulted in additional errors.

Recommendations

9. Resolve the \$970,576 in unsupported or unapproved timesheets.
10. Develop a process to review contract requirements to ensure all NPS contract oversight personnel are familiar with the contract and agree on appropriate oversight measures and documentation.
11. Enforce the contract requirement for the CO and COR to meet regularly to discuss and resolve contract issues as they arise and include the Contractor, if necessary.

The Contractor Did Not Adequately Maintain Records

According to the contract, the site commander is required to maintain paper and PDF onsite personnel folders for all Contractor employees assigned to work under the contract. These folders should contain at a minimum the following documentation: (1) drug test results, (2) evidence of initial training, (3) education, (4) New York and/or New Jersey State security guard licenses,²⁴ (5) the Contractor employee applications, (6) signed non-disclosure forms,²⁵ (7) Attachment J-4 (verification document),²⁶ (8) background investigation,²⁷ (9) training certificates, and (10) disciplinary records. These documents are required to ensure the employees are qualified, well-trained guards.

Additionally, the contract requires compliance with FAR § 52.222-54, “Employment Eligibility Verification,” which requires the Contractor to verify all new hires through the E-Verify program, which uses Form I-9.²⁸

In reviewing all the Contractor’s onsite personnel files for 93 employees, we found some of the files were missing documentation. Despite informing the Contractor in October 2022 that we would be onsite in December 2022 to review personnel files, we found approximately 43 percent (401 out of 930) of the documents were missing at the time of our visit. We tested for the 11 required documentation types and found that 7 were predominantly missing from files:

- Drug test results,

²⁴ All guards must be licensed in the State where they work (New Jersey, New York, or both if they work in both States).

²⁵ Non-disclosure forms are not specifically stated to be in the personnel folder. However, they are required as part of the Attachment J-4 document, which is required in the personnel folder.

²⁶ Attachment J-4 document requires the security guard to complete initial training, education verification, New York and/or New Jersey security licenses, sign non-disclosure forms, and pass pre-employment drug screening.

²⁷ Although the contract does not specifically state that a background investigation document must be maintained in the personnel file, the contract provides that all Contractor employees must complete a favorable background investigation.

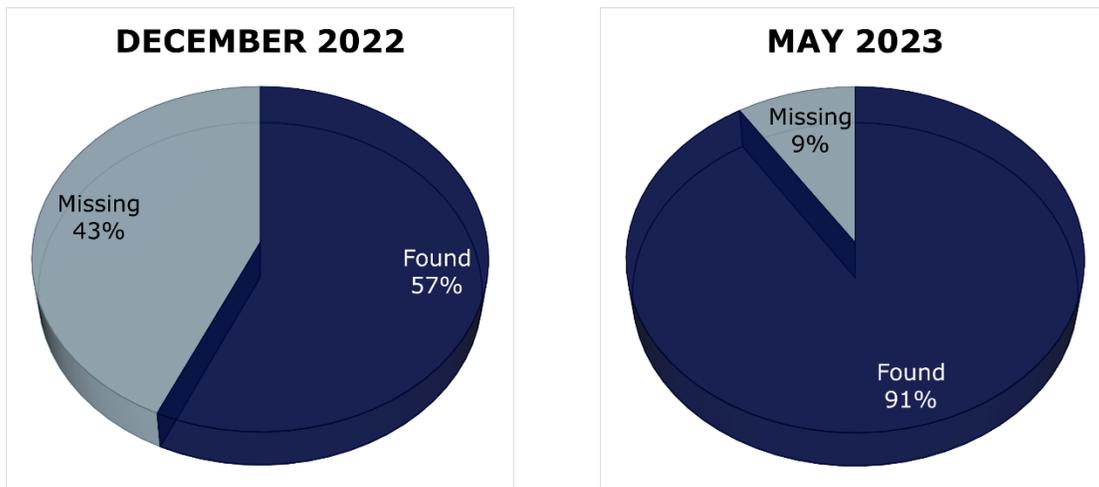
²⁸ E-Verify (e-verify.gov) is an internet-based system that confirms that the individual is authorized to work in the United States by comparing information from Form I-9 to records available at the U.S. Department of Homeland Security and Social Security Administration.

- Evidence of initial training,
- Proof that Contractor employees met minimum education requirement with a high school diploma,
- State-issued security licenses,
- Applications,
- E-Verify forms (Form I-9), and
- Signed non-disclosure agreements (NDAs).

Although all files included the Attachment J-4 document, which should have provided evidence for several of the other documents, we found the form was not complete.

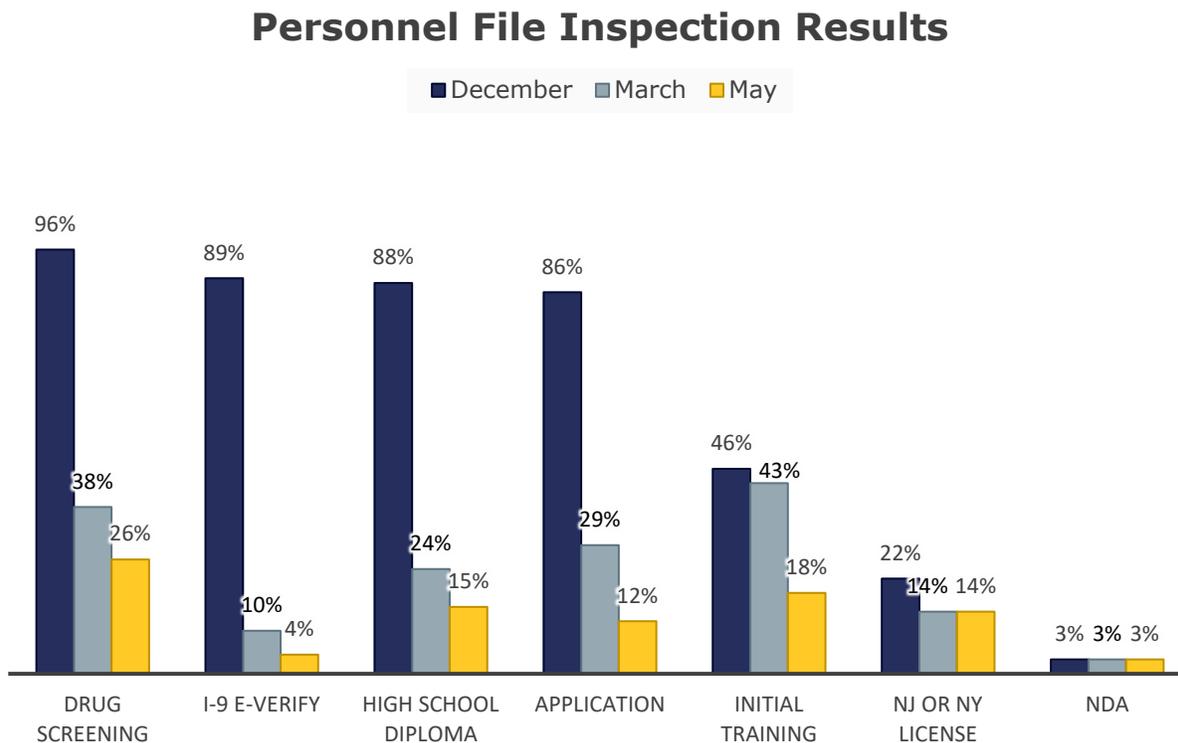
After we provided the Contractor with the results of our site visit in December 2022, the Contractor retrieved additional documentation over the course of several months. As of May 11, 2023, the Contractor had provided all but 9 percent (86 of the 930) of the missing documentation. See Figure 6 for the percentage of personnel file documentation for December 2022 and May 2023. See Figure 7 for the percentage of missing documentation by category and over time.

Figure 6: Percentage of Total Personnel File Documents for December 2022 and May 2023



Source: Universal Protection Service personnel files.

Figure 7: Percentage of Missing Personnel File Documents by Category Over Time



Source: Universal Protection Service personnel files.

Despite the fact that the Contractor is still missing important required documentation, we did not question costs associated with the security guards who do not have the required documentation for employment on the contract because all guards have passed a background investigation and have at least one State security guard license.²⁹

The Contractor stated that onsite recordkeeping has posed a challenge because it has limited space available to archive documents. We reviewed documents at the only onsite facility: a tent in Battery Park. The Contractor also kept records at various offsite locations. While we acknowledge the Contractor’s limited space, it does not exempt the Contractor from meeting contract requirements, which is to have complete and readily available personnel files.

These issues occurred in the first instance because the Contractor did not comply with contractual terms or raise this issue to the current COR to address, and the problems persisted because the CO’s and COR’s oversight was not sufficient to identify this issue. We determined, for example, that the former COR had never visited the storage site to review personnel files and that the current COR visited once, but only to review a specific personnel file. Even in the absence of a specific requirement to physically review personnel files, the COR cannot assess compliance without actually examining the records in question. That is, without regularly reviewing samples of personnel files, the COR cannot determine whether the Contractor is

²⁹ “Licenses” noted in Figure 7 refer to an absence of evidence of licenses for both States in which a guard has worked.

employing qualified individuals and in compliance with contract requirements. Additionally, while the CO is not required to visit the site, being offsite can limit insight into contract compliance. This is another reason why ongoing communication between the CO and COR regarding Contractor compliance is essential for adequate oversight.

Without all required personnel file documentation, neither the Contractor nor NPS has assurance that employees are qualified or appropriately trained for their positions. Such inadequate training or qualifications could in turn lead to performance problems, which is particularly troubling considering the public safety concerns at issue.

Recommendations
<p>We recommend that NPS:</p> <ol style="list-style-type: none">12. Determine a secure, adequate, centralized location for maintaining required records, either onsite or offsite.13. Develop a process and standard operating procedures to periodically review a sample of personnel files to ensure contract compliance.14. Ensure the Contractor locates the missing personnel documents and determine whether employees are qualified. If missing documents are not located, rendering employees unqualified, initiate removal of unqualified employees from the contract and pursue contractual remedies as appropriate.

Conclusion and Recommendations

Conclusion

We found that the Contractor was not meeting various contract terms and conditions. Specifically, contract employees used personal cell phones while working the screening machines and did not always return ID cards at the end of their employment. Additionally, the Contractor did not establish an electronic timekeeping system, and its manual system was inadequate to support invoices. Because of unsupported and unapproved manual timesheets, we are questioning costs of \$970,576. Finally, we determined that the Contractor did not adequately maintain complete personnel files.

These deficiencies generally occurred because the Contractor failed to comply with contractual provisions and because NPS oversight was not sufficient to ensure compliance with contract terms and conditions. Due to these issues in contract compliance, there is an overall increased risk to public safety and of the Government paying unsupported invoices.

We make 14 recommendations to improve NPS oversight of Contract No. 140P4521C0014 and enhance the monitoring of funds paid by the Federal Government.

Recommendations Summary

We provided a draft of this report to NPS for review. NPS provided detailed discussions of its proposed remedial steps as to most recommendations, some of which we summarize below. NPS concurred with 13 recommendations and partially concurred with 1 recommendation. We consider all recommendations resolved and Recommendations 11 and 12 implemented. Below we summarize NPS' response to our recommendations, as well as our comments on its responses. See Appendix 3 for the full text of NPS' response; Appendix 4 lists the status of each recommendation.

We recommend that NPS:

1. Require the Contractor to update policies and procedures and provide enhanced training to supervisors to ensure that they have appropriate guidance and training to identify and address violations of contractual provisions.

NPS Response: NPS concurred with Recommendation 1 and detailed the following steps that it plans to take to address this recommendation:

- The Contracting Office will hold a meeting with the President of Allied Universal Security (AUS), the Contractor's doing business as (dba) name, regarding the current Contractor Quality Control Plan for monitoring Contractor employees and enforcing the contract's standards of conduct.

- The Contractor will be required to update supervisory training guidelines and enhance training on disciplinary procedures that are found in the Contractor’s Collective Bargaining Agreement.
- Supervisors will be retrained and affirmatively acknowledge they are responsible for contract guard performance, including adherence to all standards of conduct, such as cell phone usage.
- AUS will provide remedial training to all current employees on adherence to all standards of conduct, including the use of personal electronic devices and the consequences of violating the contract’s standards of conduct.
- The Contractor will document all instances of disciplinary action involving a security guard using a personal electronic device in the employee’s personnel file.
- Evidence of the training will be tracked on an attendance sheet showing which employees have completed the training.

NPS provided a target completion date of July 31, 2024.

OIG Comment: Based on NPS’ response, we consider Recommendation 1 resolved. This recommendation will be implemented when NPS provides evidence demonstrating it has completed its planned corrective actions.

2. Require the Contractor to update and implement Command Center written duties to include sufficient closed circuit television monitoring as an added measure to ensure compliance with all contractual requirements and identify violations.

NPS Response: NPS concurred with Recommendation 2 and stated that the CO and COR will update and modify contract Attachment 11, J-10 (*Security Guard Information Manual*, Section 3.5, “Equipment”) and Attachment 16, J-15 (*Post Orders*), to clarify that the CCTVs can be used to monitor Contractor employees to ensure they adhere to contract requirements as well as Contract Section 2.5 (“Standards of Conduct”). NPS stated that it will also require CCTV system operators “to notify Operational Supervisors . . . of all Level 1 and Level 2 violations of the contract’s standards of conduct.” NPS added:

The revised Attachments will state that any violations of policy or contractual requirements by AUS employees at these work sites . . . are to be immediately reported to the respective worksite’s Operational Supervisor and Site Manager for corrective action. The COR informed the Program Manager that in accordance with the contract’s Statement of Work [SOW], dispatchers working in the Liberty Command Center are to

be classified as Operational Supervisors, and as such, are also responsible for monitoring contractor employee's adherence of contract requirements.

NPS stated, "The Program Manager will document the results of any investigation into violations of policy or contractual requirements and forward the results of any disciplinary action by email to the COR. The Program Manager will also ensure a copy of such disciplinary action is filed in the employee's personnel file."

Finally, NPS added that the Contractor will update its training "to include information about CCTV monitoring of contractor employees . . . along with the requirement that violations will be reported to Operational Supervisors, the Site Manager, and the Program Manager."

NPS provided a target completion date of July 31, 2024.

OIG Comment: Based on NPS' response, we consider Recommendation 2 resolved. This recommendation will be implemented when NPS provides evidence demonstrating it has completed its planned corrective actions.

3. Assess the contract monitoring plan for Contract No. 140P4521C0014 and determine whether technical representatives are necessary to ensure adequate contract oversight; if so, take appropriate steps.

NPS Response: NPS concurred with Recommendation 3 and stated that, because of the size of the SOLNM and other factors, "both the Contracting Office and the United States Park Police (USPP) agree that a single COR cannot adequately provide contract oversight." To address this, NPS stated that the CO will select five technical inspectors to assist in surveillance of Contractor performance.

NPS also said that the CO and COR will revise the Quality Assurance Surveillance Plan's (QASP's) performance requirements summary to ensure key tasks and performance standards from the SOW are monitored. NPS stated, "The revised Performance Requirement Summary items will be monitored using the Quality Assurance Monitoring Form to assist the COR in assessing the contractor's performance and ensuring that the required results are being achieved in accordance with the contract." NPS added that "the CO and COR will include Roles and Responsibilities of Technical Inspectors in the new QASP."

NPS provided a target completion date of July 31, 2024.

OIG Comment: Based on NPS' response, we consider Recommendation 3 resolved. This recommendation will be implemented when NPS provides evidence demonstrating it has completed its planned corrective actions.

4. Require the Contractor to document efforts to obtain missing ID cards from separated guards.

NPS Response: NPS concurred with Recommendation 4 and said, “On November 9, 2023, the Contracting Office issued a Cure Notice³⁰ stating that, among other things, AUS has failed to return all employee identification cards (ID cards) in accordance with SOW, *Guard Duties*, Section V.A.9. On November 14, 2023, the Contracting Office, COR, and other USPP officials had a meeting with AUS representatives to briefly discuss the Cure Notice.”

NPS detailed the following steps to address this issue:

The Contracting Office and COR will ensure that the Contractor complies with the Personnel Changes, Contractor Request section in contract clause DOI-AAAP-0081,³¹ *Security Requirements: Facility Access and Information Technology*, to retrieve and/or properly account for all contractor employee ID cards of all separated or terminated employees. Any ID cards not accounted for when an employee departs will be considered stolen and in accordance with SOW Section III.C.6., the Contractor must file a stolen ID report with the USPP. In addition, the Contractor will be required to provide documentation of all of its efforts to obtain missing ID cards from separated and terminated employees, to include dates, times, and methods of all attempts to locate said employees, in order to demonstrate its efforts to adhere to the contract requirements. The Contractor will also file stolen ID reports for the current 17 missing ID cards and provide documentation as stated above.

If the Contractor continuously fails to retrieve and/or properly account for the ID cards of all separated employees, the USPP and COR may issue new ID cards to all current contractor employees. New ID cards will look different than the previous ID cards to help ensure separated security guards are not able to gain unauthorized access to any worksites or the monuments and thereby mitigate a potential public safety risk. In accordance with DOI-AAAP0081, if ID cards of separating employees are not returned, the CO shall consider this a failure by the Contractor to

³⁰ When the Contractor fails to perform some of the provisions of the contract, Federal regulations state that the CO shall give the Contractor written notice specifying the failure and providing a period of 10 days in which to cure the failure. Upon expiration of the 10 days, the CO may issue a notice of termination for default unless it is determined that the failure to perform has been cured. FAR § 49.402-3(d).

³¹ This citation refers to a Department of the Interior policy designated as DOI-AAAP-0081, *Implementation of Homeland Security Presidential Directive-12 (HSPD-12) at DOI for Contractors and Recipients*, which was issued August 4, 2016.

comply with contract requirements and will result in the Contractor's liability for all costs associated with correcting the bre[a]ch in security.

NPS provided a target completion date of July 31, 2024.

OIG Comment: Based on NPS' response, we consider Recommendation 4 resolved. This recommendation will be implemented when NPS provides evidence demonstrating it has completed its planned corrective actions.

5. Require the Contractor to develop and implement a process, as required by the contract, to ensure ID cards are returned.

NPS Response: NPS concurred with Recommendation 5 and said, "On November 9, 2023, the Contracting Office issued a Cure Notice stating that AUS has failed to return all employee ID cards in accordance with SOW, Guard Duties, Section V.A.9. On November 14, 2023, the Contracting Office, COR, and other USPP officials had a meeting with AUS representatives to briefly discuss the Cure Notice."

NPS detailed the following steps it plans to take to address this issue:

- The Contractor will provide a monthly activity report to the COR, including a roster of Contractor employees assigned to the site.
- The CO and COR will meet with the Contractor to determine additional quality control measures needed to ensure the Contractor meets the contract performance requirements concerning proper accounting for all Government-furnished items, including access cards, keys, and ID cards at the time of employee separation or termination.
- The Contractor will update the Contractor Quality Control Plan with any changes resulting from the meeting and provide a copy to the CO and COR for concurrence of contract compliance.
- The CO and COR will complete periodic Government inspections to ensure the Contractor meets ID card requirements of the contract.

NPS provided a target completion date of July 31, 2024.

OIG Comment: Based on NPS' response, we consider Recommendation 5 resolved. This recommendation will be implemented when NPS provides evidence demonstrating it has completed its planned corrective actions.

6. Enforce the contractual provision requiring the return of ID cards and periodically check that the Contractor is submitting the ID cards.

NPS Response: NPS concurred with Recommendation 6 and said, “On November 9, 2023, the Contracting Office issued a Cure Notice stating that AUS has failed to return all employee ID cards in accordance with SOW, *Guard Duties*, Section V.A.9. On November 14, 2023, the Contracting Office, COR, and other USPP officials had a meeting with AUS representatives to briefly discuss the Cure Notice.”

NPS outlined the following corrective actions it plans to take:

- The Contracting Office and COR will include language in the *Security Guard Information Manual* requiring security guards to return ID cards to the Program Manager on the last day of their employment.
- The USPP and COR will revise the ID card application and background check request form to include a sentence in which applicants affirmatively acknowledge that they are responsible for returning their ID card on their last day of employment.
- As discussed in the response to Recommendation 5, the Contractor’s revised Quality Control Plan will demonstrate procedures to proactively account for all employee ID cards and to develop and utilize an out-processing checklist for all its separating employees to properly account for all Government furnished items, including any access cards, keys, and ID cards.
- As also discussed in the response to Recommendation 3, the Contracting Office and COR will expand the Quality Assurance Monitoring Form and will require that the COR periodically confirm that the ID cards for all separated Contractor employees have been returned to the USPP.

NPS provided a target completion date of July 31, 2024.

OIG Comment: Based on NPS’ response, we consider Recommendation 6 resolved. This recommendation will be implemented when NPS provides evidence demonstrating it has completed its planned corrective actions.

7. Enforce the contract requirement for the Contractor to provide an electronic, tamperproof method of employee attendance verification that is acceptable.

NPS Response: NPS concurred with Recommendation 7 and said, “On November 9, 2023, the Contracting Office issued a Cure Notice to the Contractor for failure to implement a tamperproof Electronic Timekeeping System [in accordance with] SOW VII.A.1., *Electronic Timekeeping System*.”

NPS added:

On November 14, 2023, the Contracting Office, COR, and other USPP officials had a meeting with AUS representatives to briefly discuss the

Cure Notice and the contractual requirement for a tamperproof electronic timekeeping system. . . . The Government will re-assess the available internet connection at each worksite and explore possible options to provide sufficient internet access to use the originally proposed timekeeping system. If the Government cannot identify any acceptable internet options to run a web-based timekeeping system, the CO will move forward with modifying the contract to revise the electronic timekeeping systems requirements in accordance with the limitations of the park and within the requirements for a labor hour contract. If a modification to the specifications is necessary, the Contractor will be required to propose a new system and implementation date which will be negotiated as necessary to incorporate into the contract.

NPS provided a target completion date of July 31, 2024.

OIG Comment: Based on NPS' response, we consider Recommendation 7 resolved. This recommendation will be implemented when NPS provides evidence demonstrating it has completed its planned corrective actions.

8. Until an electronic attendance verification method is implemented, direct the Contractor to develop controls to prevent unsupported or unapproved manual timesheets and separate, rather than comingle, the invoiced hours billed to multiple timesheets.

NPS Response: NPS concurred with Recommendation 8 and said, "On November 9, 2023, the Contracting Office issued a Cure Notice to the Contractor for failure to implement a tamperproof Electronic Timekeeping System [in accordance with] SOW VII.A.2., *Manual Backup System*, and A.3., *Required elements of manual backup system*."

The Contracting Office, COR, and other USPP officials also met with AUS representatives on November 14, 2023, "to briefly discuss the Cure Notice and the requirement to develop and implement controls to prevent unsupported or unapproved manual timesheets." NPS also stated:

During the meeting, AUS remarked that the contract's SOW does not require supervisory signature or initials on the contractor's timesheets that are prepared using the manual backup system. The SOW does require Contractor initial on each timesheet page for the electronic timekeeping system; however, [NPS] agrees with the AUS officials that the SOW does

not require a supervisory signature or initials on timesheets prepared using the manual backup system.³²

NPS added:

The CO and the COR will hold subsequent meetings with the Contractor [in accordance with] SOW IX.A.6., to discuss updating the Quality Control Plan to prevent the use of unsupported or unapproved manual timesheets [until] the electronic timekeeping system is fully deployed and operational. The updated Quality Control Plan will address the continuance of such controls for the manual backup system as required by the contract. The Contractor will share a draft of its updated Quality Control Plan to the Contracting Office and the COR to ensure the Government concurs that the proposed controls are adequate. If the CO and/or COR believe that additional control measures are required, the Contractor will revise its Quality Control Plan accordingly.

Regarding the comingling of timesheets, NPS stated that before the issuance of the draft OIG audit report, “the current COR requested a separate timesheet for surge guards from the Contractor, who provided the separate invoices as requested. The CO and COR will meet with the Contractor to discuss the method for submitting separate invoices in future.”

NPS provided a target completion date of July 31, 2024.

OIG Comment: Based on NPS’ response, we consider Recommendation 8 resolved. This recommendation will be implemented when NPS provides evidence demonstrating it has completed its planned corrective actions.

9. Resolve the \$970,576 in unsupported or unapproved timesheets.

NPS Response: NPS partially concurred with Recommendation 9 and stated, “The recommendation to resolve the \$970,576 in unsupported or unapproved timesheets has already been resolved except for the claimed unsupported miscellaneous payroll costs of \$812.” As it stated in response to Recommendation 8, NPS reiterated that “there was no specified requirement in the contract for timesheets associated with a manual backup system to have supervisory approval.” NPS added, “The actual reconciliation process performed by the COR, along with other mitigating factors, accounted for the hours and costs associated in the timesheets.” NPS commented that, “[d]uring the exit briefing, the OIG Audit team said there was no indication of fraudulent activity regarding these unsupported or unapproved timesheets” and added that “[t]here is no indication of any loss to the Government.” According to NPS, “Prior to the release of the draft OIG Audit report, the current COR and the former AUS Program Manager created a new manual

³² OIG addresses this assertion directly in Recommendation 9.

timesheet simplifying the format and creating a supervisory signature to provide an additional control measure.”

Moreover, on February 1, 2024, subsequent to receiving NPS’ response, we met with NPS’ Contracting Office to understand the “other mitigating factors” it referred to in its response. NPS said the following additional steps are included in the timesheet review process.

- The Contractor receives a quarterly schedule from NPS in advance of hours worked, which identifies the number of hours to be worked and dollar amount per site location. NPS said any variation from this schedule must be resolved and requires an explanation of why there is a difference.
- NPS said the Contractor enters individual employee hours into its system at the corporate office and then prepares, uploads, and submits the invoices electronically through the U.S. Department of the Treasury’s Invoice Processing Platform (IPP) system, where contract line-item numbers (CLINs) are identified and compared to what the IPP is expecting.
- NPS’ Budget Analyst provides another layer of review of invoices in the IPP system when checking and matching up CLINs. NPS stated that, if the Budget Analyst had identified inaccurate information, she would have informed the COR.

Regarding the site commander’s unsupported payroll costs of \$32,236, NPS reiterated, “there is no indication of any loss to the Government.” NPS said, “the former and current COR were under the impression that the Contractor’s site commander was a salaried employee and did not require a timesheet.” NPS also stated “the COR can attest that this site commander was working during this time period and [her] lack of presence at the site would have been noticed.”

In reference to the miscellaneous payroll costs, totaling \$812, NPS stated, “the COR will request that the new Program Manager locate, review, and account for these eight lines of invoice entries that did not have a corresponding timesheet.” NPS provided a target completion date of July 31, 2024.

OIG Comment: Based on NPS’ response, we consider Recommendation 9 resolved. We acknowledge that the guidance relating to the manual backup system did not specifically require supervisory approval, but we reiterate that this system was not an acceptable system in the first instance pursuant to the terms of the contract and that the contractually mandated system explicitly required such supervisory approval. That is, as we emphasized in the report, the Contractor was not authorized to use a manual backup system as the primary form of timekeeping. As to NPS’ comment that OIG identified no fraud, we judgmentally sampled select materials for a performance audit of compliance and oversight of contractual requirements. That is, this was not scoped as a fraud

investigation. Our audit did identify control deficiencies that would make fraud harder to detect.

However, given the COR's reconciliation process, NPS' detailed explanation of the "other mitigating factors," and NPS' assertion that there was no indication of any loss to the Government, we consider the following amounts implemented:

- \$937,528 of timesheets with no supervisory approval.
- \$32,236 of unsupported site commander hours.

The remainder of this recommendation will be implemented when the Contractor provides supporting documentation for the eight lines of invoice entries or evidence of reimbursement to the Government of \$812 for unsupported invoices.

10. Develop a process to review contract requirements to ensure all NPS contract oversight personnel are familiar with the contract and agree on appropriate oversight measures and documentation.

NPS Response: NPS concurred with Recommendation 10 and said, "The CO and the USPP Supervisor shall ensure personnel assigned to the contract, to include the COR, any alternate CORs, and all Technical Representatives are provided sufficient time for review and familiarization of all contract documents and requirements, and to meet with the COR and any other park personnel involved in contract oversight." NPS provided a target completion date of July 31, 2024.

OIG Comment: Based on NPS' response, we consider Recommendation 10 resolved. This recommendation will be implemented when NPS provides evidence demonstrating it has completed its planned corrective actions.

11. Enforce the contract requirement for the CO and COR to meet regularly to discuss and resolve contract issues as they arise and include the Contractor, if necessary.

NPS Response: NPS concurred with Recommendation 11 and said, "The current CO currently holds a brief, weekly meeting to discuss contract administration and performance issues. To foster better communication, at least once a month the meeting will provide additional time to discuss more thoroughly all matters of this contract, and additional meetings with the AUS will be held as needed to facilitate matters."

On January 30, 2024, NPS provided OIG with documentation of the CO's weekly, recurring calendar meeting invitation with the COR, among others, and included a meeting agenda. NPS stated, "the weekly meeting agenda has been updated to provide

additional time on the second week of each month to facilitate a more thorough discussion of all [u]narmed [g]uard [s]ervices contract matters.”

OIG Comment: Based on our review of NPS’ response and supporting documentation, we consider Recommendation 11 implemented.

12. Determine a secure, adequate, centralized location for maintaining required records, either onsite or offsite.

NPS Response: NPS concurred with Recommendation 12 and said, “Earlier in the year, the COR provided an unused storage room to AUS for onsite management. The room was securable with a key co[d]e and the key provided to the AUS Program Manager. However, NPS requested to have this secure storage room back. The COR and USPP leadership will coordinate with NPS and request this secure storage room be provided to AUS as part of the requirements of this contract.”

On January 30, 2024, NPS provided OIG with documentation stating, “[t]he unused storage room with a lock has been reallocated for use by AUS as a secure location to store required records. They were given access to the room on January 24, 2023. This room locks and the Contractor has been provided a key.”

OIG Comment: Based on our review of NPS’ response and supporting documentation, we consider Recommendation 12 implemented.

13. Develop a process and standard operating procedures to periodically review a sample of personnel files to ensure contract compliance.

NPS Response: NPS concurred with Recommendation 13 and stated that it will take the following actions:

- The CO and COR will meet to modify the SOW to reduce the documents required to be maintained in personnel folders on-site. All other documents will be housed at an off-site location, to which the CO and COR will have access and/or copies of the documents upon request.
- The CO and COR will develop a process to periodically review a sample of personnel files for contract compliance and document that review.
- The CO and the COR will meet with the Contractor to discuss updating the Quality Control Plan to ensure the Contractor has a process to maintain accountability of all employee documentation for direct inspection by the CO and/or the COR and ensure “copies of any such documents will be provided to the CO or the COR upon request.” The updated Quality Control Plan will also require the Program Manager to send a signed completed copy of the Attachment 5, J-4 (*Statue of Liberty Security Guard Verification Document*), before any new contract employee begins working at any worksite. The Contractor will share a

draft of its updated Quality Control Plan with the CO and the COR to obtain their concurrence that it complies with the contract.

NPS provided a target completion date of July 31, 2024.

OIG Comment: Based on NPS' response, we consider Recommendation 13 resolved. This recommendation will be implemented when NPS provides evidence demonstrating it has completed its planned corrective actions.

14. Ensure the Contractor locates the missing personnel documents and determine whether employees are qualified. If missing documents are not located, rendering employees unqualified, initiate removal of unqualified employees from the contract and pursue contractual remedies as appropriate.

NPS Response: NPS concurred with Recommendation 14 and stated:

The CO and the COR will meet with the new Program Manager and require AUS to email updated Attachment 5, J-4, *Statue of Liberty Security Guard Verification Documents* for each current contracted employee in a pdf format to the COR. The Program Manager will document and explain the circumstances of any current personnel files that are missing documentation in an email to the Contracting Officer and COR. . . . Depending on the specific category of a missing document, the Contractor may perform corrective measures to resolve the issue of a specific missing document.

NPS acknowledged:

There is a Collective Bargaining Agreement (CBA)^[33] that applies to this contract. Therefore, the Government must ensure that whatever actions that are taken in this contract are within the terms of the CBA. Being cognizant of the CBA, if the missing document(s) cannot be located and the Contractor is unable to perform corrective measures, thereby rendering an employee unqualified, the Contractor shall remove the unqualified employee from this contract and notify the CO and COR in writing of the removal of the contract employee and the reason(s) for the removal.

NPS provided a target completion date of July 31, 2024.

OIG Comment: Based on NPS' response, we consider Recommendation 14 resolved. Although the CBA was not a focus of this project, we performed a limited review during fieldwork and determined that much of its language was consistent with the contract and so should not impede enforcement of the contract requirements. For example, the CBA

³³ A CBA is a negotiated written contract by a trade union or trade unions between the employees and the management of a company that regulates the terms and conditions of employees at work, such as the wages, benefits, and duties of the employees and responsibilities of the employer. It often includes rules for a dispute resolution process.

specifically states in reference to employee removal, “if the contracting agency, or other government agency, directs that a specific employee be removed from the contract, any such action directed may be undertaken by the Employer and shall not be subject to grievance or arbitration.” Moreover, Contract No. 140P4521C0014 provides that a “contractor employee may also be removed where the continued employment of the contractor employee in connection with the Government work is deemed, in the Government’s sole discretion, contrary to the public interest, inconsistent with the best interests of security, or a potential threat to the health safety, security, general wellbeing, or operational mission of the park or its visitors.” Regardless, notwithstanding its reference to a CBA, NPS does not suggest that it would somehow limit its ability to enforce contractual terms and conditions. This recommendation will be implemented when NPS provides evidence demonstrating it has completed its planned corrective actions.

Appendix 1: Scope and Methodology

Scope

Our audit scope included approximately \$7 million in contract activity by Universal Protection Service under Contract No. 140P4521C0014 with the National Park Service (NPS). We reviewed personnel files, monthly activity reports, and a sample of invoices with associated timesheets that were submitted to the Government and incurred between September 8, 2021, through September 7, 2022, the base period of the contract.

Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We assessed whether internal control was significant to the audit objectives. We determined that Universal Protection Service's control environment and activities and the following related principles were significant to the audit objectives:

- Management should demonstrate a commitment to recruit, develop, and retain competent individuals.
- Management should design control activities to achieve objectives and respond to risks.
- Management should implement control activities through policies.
- Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.

We tested the operation and reliability of internal controls over activities related to our audit objectives. Our tests and procedures included:

- Reviewing Federal and U.S. Department of the Interior acquisition regulations, policies, and procedures; the terms and conditions for Contract No. 140P4521C0014; and Universal Protection Service's policies and procedures.
- Gathering background information on the history of the Statue of Liberty National Monument (SOLNM) and mission of security guards selected to protect and secure it.
- Reviewing personnel files and monthly activity reports.

- Interviewing officials, including NPS and Universal Protection Service management and staff.
- Reviewing timesheets and invoices that supported selected expenditures charged to the contract.
- Examining the contract to determine whether Universal Protection Service complied with selected terms and conditions of the contract.
- Performing a limited review of the Collective Bargaining Agreement.
- Verifying the appropriate and allowable use of Coronavirus Aid, Relief, and Economic Security Act funds for the contract.

We relied on computer-generated data from Universal Protection Service’s accounting system. To assess the reliability of computer-generated information and determine if facts, dates, and figures contained errors or were incomplete, we obtained copies of Universal Protection Service’s invoices in an Excel format and compared the dates and figures to source documents. We also used a Contractor-provided, computer-generated billing report and tested validity during the testing of employee records. We determined the data received to answer our audit objective and report on our audit findings was sufficiently reliable for the purposes of our audit.

We visited the SOLNM the week of December 5, 2022. We performed an unannounced observation the first day of the site visit. We then reviewed 100 percent of the personnel files and interviewed the Contracting Officer’s Representative, the Contractor’s former Program Manager, and former Director of Operations for Federal Services.

We reviewed 100 percent of the monthly activity reports. We also tested a sample of invoices and timesheets, which we describe below.

Invoice Sampling

Our population of invoices totaled 27 biweekly pay periods with 214 invoices and a dollar amount of approximately \$7 million. We judgmentally selected a sample of 12 (or 44 percent) of the biweekly pay periods with 63 (or 29 percent) invoices containing 662 timesheets and having a dollar amount of \$2,322,668 (or 33 percent). We selected one pay period in each month, except for the month of August.

We reviewed all invoices for five of our sample pay periods. We then assessed the risks identified from that review as being (1) missing timesheets for specific job duties (the site commander and guards working surge hours³⁴) and (2) the largest dollar amount invoice in the pay period. Using professional judgment, we then targeted these invoices in the remaining seven sample pay periods.

³⁴ Surge hours are hours worked outside of the operational hours. Surge hours can include emergencies, natural disasters or special screening requests made by NPS, usually occurring either a few hours prior to or after a regularly scheduled shift and are billable to NPS.

To test payroll costs claimed under the contract, we verified employees' charged work hours on timesheets against invoices. Because we selected audit samples for testing on a judgmental rather than statistical basis, we did not project the results of our test to the total population of recorded transactions.

Appendix 2: Monetary Impact

Description	Questioned Costs (\$)
Timesheets with no supervisory approval	937,528
Unsupported site commander hours	32,236
Unsupported miscellaneous hours	812
Totals	\$970,576

Appendix 3: Responses to Draft Report

The National Park Service's response to our draft report follows on page 38.



United States Department of the Interior

NATIONAL PARK SERVICE

1849 C Street, NW
Washington, DC 20240

To: Assistant Inspector General for Audits, Inspections and Evaluations

From: Director *Charles A. Laws* Date: 2023.12.22
09:06:49 -05'00'

Subject: National Park Service response to the Office of Inspector General Draft Report entitled: National Park Service Could Improve Oversight of Unarmed Guard Services Contract at the Statue of Liberty National Monument (Report No. 2022-CGD-052)

This memorandum transmits the National Park Service (NPS) management's response to each of the audit recommendations, plans for corrective actions, and documentation of corrective actions taken. NPS management is committed to improving our contract administration, oversight, and ensuring compliance with applicable laws, federal regulations, NPS guidance, and contract terms and conditions. Our responses are listed below:

Recommendation 1: Require the Contractor to update policies and procedures and provide enhanced training to supervisors to ensure that they have appropriate guidance and training to identify and address violations of contractual provisions.

Response: Concur. The Contracting Office will hold a meeting to discuss this issue with the President of Allied Universal Security (AUS) regarding the current Contractor Quality Control Plan for monitoring of contractor employees and enforcement of the contract's standards of conduct. The Contractor will be required to update supervisory training guidelines and to enhance training on disciplinary procedures that are found in the Contractor's Collective Bargaining Agreement. Supervisors shall be retrained and affirmatively acknowledge they are responsible for contract guard performance, including adherence to all standards of conduct, such as cell phone usage. AUS shall provide remedial training to all current employees on adherence to all standards of conduct including the use of personal electronic devices and the consequences of violating the contract's standards of conduct. The Contractor will document all instances of disciplinary action involving a security guard using a personal electronic device in the employee's personnel file. Evidence of the training will be recorded on an attendance sheet showing which employees have completed the training.

Responsible Party: AUS and Contracting Office

Target Date: July 31, 2024

Recommendation 2: Require the Contractor to update and implement Command Center written duties to include sufficient CCTV monitoring as an added measure to ensure compliance with all contractual requirements and identify violations.

Response: Concur. The Contracting Office and contracting officer representative (COR) will update and incorporate via modification, contract Attachment 11, ATT J-10, *Security Guard Information Manual*, Section 3.5, *Equipment*, for Closed Circuit Television (CCTV) System, and Attachment 16, ATT J-15, *Post Orders*, to clarify the use of CCTVs in monitoring of contractor employees to ensure adherence of contract requirements and Section 2.5: Standards of Conduct, is permitted, and the requirement for CCTV system operators to notify Operational Supervisors at the Battery Park Screening Site, Liberty State Park Screening Site, Liberty Island Secondary Screening Site, and Ellis Bridge Post 4 of all Level 1 and Level 2 violations of the contract's standards of conduct. The revised Attachments will state that any violations of policy or contractual requirements by AUS employees at these work sites, such as but not limited to, inattention to duty, behavior that distracts from assigned duties, or instances of inappropriate behavior that are observed by Command Center personnel, are to be immediately reported to the respective worksite's Operational Supervisor and Site Manager for corrective action. The COR informed the Program Manager that in accordance with the contract's Statement of Work, dispatchers working in the Liberty Command Center are to be classified as Operational Supervisors, and as such, are also responsible for monitoring contractor employee's adherence of contract requirements. The Program Manager will document the results of any investigation into violations of policy or contractual requirements and forward the results of any disciplinary action by email to the COR. The Program Manager will also ensure a copy of such disciplinary action is filed in the employee's personnel file. The Contractor shall update Contractor provided training to include information about CCTV monitoring of contractor employees to ensure their compliance with all contractual requirements and to identify violations, along with the requirement that violations will be reported to Operational Supervisors, the Site Manager, and the Program Manager.

Responsible Party: AUS, Contracting Office, and COR

Target Date: July 31, 2024

Recommendation 3: Assess the contract monitoring plan for Contract No. 140P4521C0014 and determine whether technical representatives are necessary to ensure adequate contract oversight; if so, take appropriate steps.

Response: Concur. Due to the physical size of the Statue of Liberty National Monument, which has six separated security guard duty sites, millions of annual visitors, and 24/7 operations, both the Contracting Office and the United States Park Police (USPP) agree that a single COR cannot adequately provide contract oversight. The park and/or the USPP shall identify individuals who can serve as technical inspectors to assist with performance surveillance. The contracting officer (CO) shall select five of these individuals to designate as technical inspectors to assist in surveillance of contractor performance.

The CO and COR shall review the contract's Statement of Work (SOW), identify key performance tasks, and revise the Quality Assurance Surveillance Plan's (QASP) Performance Requirements Summary as necessary to ensure key tasks and performance standards are monitored. The revised Performance Requirement Summary items will be monitored using the Quality Assurance Monitoring Form to assist the COR in assessing the contractor's performance and ensuring that the required results are being achieved in accordance with the contract. In addition, the CO and COR will include Roles and Responsibilities of Technical Inspectors in the new QASP.

Responsible Party: Contracting Office and COR

Target Date: July 31, 2024

Recommendation 4: Require the Contractor to document efforts to obtain missing ID cards from separated guards.

Response: Concur. On November 9, 2023, the Contracting Office issued a Cure Notice stating that, among other things, AUS has failed to return all employee identification cards (ID cards) in accordance with SOW, *Guard Duties*, Section V.A.9. On November 14, 2023, the Contracting Office, COR, and other USPP officials had a meeting with AUS representatives to briefly discuss the Cure Notice.

The Contracting Office and COR will ensure that the Contractor complies with the Personnel Changes, Contractor Request section in contract clause DOI-AAAP-0081, *Security Requirements: Facility Access and Information Technology*, to retrieve and/or properly account for all contractor employee ID cards of all separated or terminated employees. ID cards are considered Government property for use by the Contractor in its performance under this contract. As such, any ID cards not accounted for when an employee departs will be considered stolen and in accordance with SOW Section III.C.6., the Contractor must file a stolen ID report with the USPP. In addition, the Contractor will be required to provide documentation of all of its efforts to obtain missing ID cards from separated and terminated employees, to include dates, times, and methods of all attempts to locate said employees, in order to demonstrate its efforts to adhere to the contract requirements. The Contractor will also file stolen ID reports for the current 17 missing ID cards and provide documentation as stated above.

If the Contractor continuously fails to retrieve and/or properly account for the ID cards of all separated employees, the USPP and COR may issue new ID cards to all current contractor employees. New ID cards will look different than the previous ID cards to help ensure separated security guards are not able to gain unauthorized access to any worksites or the monuments and thereby mitigate a potential public safety risk. In accordance with DOI-AAAP0081, if ID cards of separating employees are not returned, the CO shall consider this a failure by the Contractor to comply with contract requirements and will result in the Contractor's liability for all costs associated with correcting the breach in security.

Responsible Party: Contracting Office, COR, and AUS

Target Date: July 31, 2024

Recommendation 5: Require the Contractor to develop and implement a process, as required by the contract, to ensure ID cards are returned.

Response: Concur. On November 9, 2023, the Contracting Office issued a Cure Notice stating that AUS has failed to return all employee ID cards in accordance with SOW, Guard Duties, Section V.A.9. On November 14, 2023, the Contracting Office, COR, and other USPP officials had a meeting with AUS representatives to briefly discuss the Cure Notice.

IAW SOW Section *VII.C., Monthly Activity Report*, the Contractor shall provide a monthly activity report to the COR which includes a roster of contractor employees assigned to the site.

The CO and COR will hold a meeting with the Contractor IAW SOW IX.A.6. to discuss the current Contractor and determine what additional quality control measures need to be included, to ensure the Contractor meets the performance requirements of the contract concerning proper accounting for all Government furnished items, to include any access cards, keys, and ID cards at the time of employee separation and/or termination IAW contract requirements including clause DOI-AAAP-0081, *Security Requirements: Facility Access and Information Technology*.

Clause DOI-AAAP-0081 requires the Contractor to immediately notify the COR when an employee is reassigned or leaves the Contractor's employment and prior to any termination, at which time the COR will initiate the exit clearance process, which must be completed and signed by the Contractor and Contractor employee prior to the Contractor employee's departure. Additionally, when a Contractor employee is no longer working under this contract, the clause requires the Contractor to coordinate with the COR for the return of all Department of the Interior (DOI) Access Cards, keys, and other Government property issued to that employee.

The Contractor shall update the Contractor Quality Control Plan with any changes as a result of the meeting and shall provide a copy to the Contracting Office and COR for concurrence to ensure the revised process to manage ID cards is adequate for contract compliance.

IAW SOW X.E. *Inspection Methods*, the CO and COR will ensure Government inspections for contractor compliance with the ID card requirements of the contract are periodically completed. At the discretion of the Government, the Contractor's Program manager may be invited to accompany the COR for the inspection.

Responsible Party: Contracting Office, COR, and AUS

Target Date: July 31, 2024

Recommendation 6: Enforce the contractual provision requiring the return of ID cards and periodically check that the Contractor is submitting the ID cards.

Response: Concur. On November 9, 2023, the Contracting Office issued a Cure Notice stating that AUS has failed to return all employee ID cards in accordance with SOW, *Guard Duties*,

Section V.A.9. On November 14, 2023, the Contracting Office, COR, and other USPP officials had a meeting with AUS representatives to briefly discuss the Cure Notice.

The Contracting Office and COR will include language in Attachment 11 ATT J-10, *Security Guard Information Manual*, to specifically state that each security guard is personally responsible and accountable for their ID card and that it must be returned to the Program Manager on the last day of their employment. The USPP and COR will revise the form called, *United States Park Police Identification Card Application and Background Check Request*, to include a sentence in which the applicant affirmatively acknowledges that they are responsible for the return of their ID card upon the last day of their employment.

As discussed in the response to Recommendation 5, the Contractor's revised Quality Control Plan must demonstrate procedures to proactively account for all employee ID cards, and to develop and utilize an out-processing checklist for all its separating employees to properly account for all Government furnished items, to include any access cards, keys, and ID cards. As mentioned in the response to Recommendation 3, the Contracting Office and COR will expand the Quality Assurance Monitoring Form to assist the COR in assessing the Contractor's performance under the contract. The revised Quality Assurance Monitoring Form will include a requirement that the COR conduct a periodic inspection of the Contractor's files to confirm that the ID cards for all separated contractor employees have been returned to the US Park Police.

Responsible Party: Contracting Office and COR

Target Date: July 31, 2024

Recommendation 7: Enforce the contract requirement for the Contractor to provide an electronic, tamperproof method of employee attendance verification that is acceptable.

Response: Concur. On November 9, 2023, the Contracting Office issued a Cure Notice to the Contractor for failure to implement a tamperproof Electronic Timekeeping System IAW SOW VII.A.1., *Electronic Timekeeping System*.

On November 14, 2023, the Contracting Office, COR, and other USPP officials had a meeting with AUS representatives to briefly discuss the Cure Notice and the contractual requirement for a tamperproof electronic timekeeping system. The timekeeping system AUS proposed clearly indicated it was web-based, which would require internet connectivity to function. After reviewing the proposed web-based timekeeping system, the Government determined it met contract requirements and was considered technically acceptable. When attempting to install the system at the worksites, AUS found internet connectivity completely insufficient to run the system and notified the Government of the issue. As mentioned in the draft OIG Audit report, AUS officials expressed their concerns about internet connectivity at all the various worksites upon initial discovery, and again later when questioned by the Government. AUS requested that where appropriate, the necessary NPS officials engage with AUS in their efforts to deploy an operational electronic timekeeping system. The Government will re-assess the available internet connection at each worksite and explore possible options to provide sufficient internet access to use the originally proposed timekeeping system. If the Government cannot identify any acceptable internet options to run a web-based timekeeping system, the CO will move forward

with modifying the contract to revise the electronic timekeeping systems requirements in accordance with the limitations of the park and within the requirements for a labor hour contract. If a modification to the specifications is necessary, the contractor will be required to propose a new system and implementation date which will be negotiated as necessary to incorporate into the contract.

Responsible Party: Contracting Office, COR, and AUS

Target Date: July 31, 2024

Recommendation 8: Until an electronic attendance verification method is implemented, direct the Contractor to develop controls to prevent unsupported or unapproved manual timesheets and separate, rather than comingle, the invoiced hours billed to multiple timesheets.

Response: Concur. On November 9, 2023, the Contracting Office issued a Cure Notice to the Contractor for failure to implement a tamperproof Electronic Timekeeping System IAW SOW VII.A.2., *Manual Backup System*, and A.3., *Required elements of manual backup system*.

On November 14, 2023, the Contracting Office, COR, and other USPP officials had a meeting with AUS representatives to briefly discuss the Cure Notice and the requirement to develop and implement controls to prevent unsupported or unapproved manual timesheets. During the meeting, AUS remarked that the contract's SOW does not require supervisory signature or initials on the contractor's timesheets that are prepared using the manual backup system. The SOW does require Contractor initial on each timesheet page for the electronic timekeeping system; however, the Government agrees with the AUS officials that the SOW does not require a supervisory signature or initials on timesheets prepared using the manual backup system. During the meeting, AUS requested a follow-up meeting to further discuss SOW VII.A.3.ii., requirement for AUS to prepare a detailed memorandum to explain obvious corrections to manually produced timesheets when the invoice has clearly been approved by the appropriate AUS officials.

The CO and the COR will hold subsequent meetings with the Contractor IAW SOW IX.A.6., to discuss updating the Quality Control Plan to prevent the use of unsupported or unapproved manual timesheets while the electronic timekeeping system is fully deployed and operational. The updated Quality Control Plan will address the continuance of such controls for the manual backup system as required by the contract. The Contractor will share a draft of its updated Quality Control Plan to the Contracting Office and the COR to ensure the Government concurs that the proposed controls are adequate. If the CO and/or COR believe that additional control measures are required, the Contractor will revise its Quality Control Plan accordingly.

Regarding the comingling of timesheets, the specific example cited in the OIG Audit report was of an invoice which contained entries for both surge guard services at a construction site guard services at the Liberty Island Secondary Screening Site. Although the Government does agree that keeping these entries separate would make it easier to complete inspections, the comingling of the surge guards with the secondary screening guards did not negatively impact the reconciling of the Liberty Island Secondary and surge guard invoices. No other instances of comingled timesheets were identified. Before the issuance of the draft OIG Audit report, the

current COR requested a separate timesheet for surge guards from the Contractor, who provided the separate invoices as requested. The CO and COR will meet with the Contractor to discuss the method for submitting separate invoices in future.

Responsible Party: Contracting Office, COR, and AUS

Target Date: July 31, 2024.

Recommendation 9: Resolve the \$970,576 in unsupported or unapproved timesheets.

Response: Partially Concur. The recommendation to resolve the \$970,576 in unsupported or unapproved timesheets has already been resolved except for the claimed unsupported miscellaneous payroll costs of \$812. There was no specified requirement in the contract for timesheets associated with a manual backup system to have supervisory approval. The actual reconciliation process performed by the COR, along with other mitigating factors, accounted for the hours and costs associated in the timesheets. During the exit briefing, the OIG Audit team said there was no indication of fraudulent activity regarding these unsupported or unapproved timesheets. There is no indication of any loss to the Government.

Once the Contractor deploys an operational tamperproof electronic timekeeping system, the contract requires the electronic timekeeping system to be capable of generating documents that show the names of the guards, along with the dates, times, and location of when and where each guard worked, and that the Contractor shall initial each page acknowledging the timesheets are accurate. However, the contract states for a manual backup system, the Contractor will maintain a system wherein employees manually sign in when reporting for work, and manually sign out when leaving, on an approved timesheet form provided by the Contractor. Again, there is no stated requirement for a supervisor's approval. The essential elements required for reconciliation for each contract employee billed are dates worked, name of employee, start and end times, and employee signatures. This information must coincide with the monthly invoices that are submitted separately by the Contractor's Accounting Officer. If the information does not coincide, the invoices are rejected, and payment is not approved. Prior to the release of the draft OIG Audit report, the current COR and the former AUS Program Manager created a new manual timesheet simplifying the format and creating a supervisory signature to provide an additional control measure.

The draft OIG Audit report questioned a total of \$970,576 in unsupported or unapproved timesheets, as follows:

- Claimed unapproved payroll costs, totaling \$937,528:

There is no indication of any loss to the Government. This amount was based on 63 invoices with 662 associated timesheets of which 280 timesheets were missing supervisory approvals. Before authorizing payment, the COR reconciled these invoices using the above-described process. The lack of a supervisor's signature did not impact reconciliation. Since the former and current COR are consistently onsite where the contract guards work, they provide outside verification of guard attendance. Similarly, law enforcement and NPS supervisory personnel are present at the screening sites and other areas such as the Command Center, Ellis Bridge, and the Marine

Inspection Office, where they are able to verify contract guard attendance and report any observed shortage of personnel. Due to the operational tempo and requirements of the Statue of Liberty and Ellis Island National Monuments, a noticeable shortage of contract guards performing their duties would have had a serious adverse impact on daily operations during the time period of the audit sample. There were no reports of such contract security guard shortages. Regarding the electronic timekeeping system, the contract states the COR will verify the actual presence of contractor employees randomly. Since the COR visits each worksite as part of primary duties as well as the COR duties, the COR is able to verify the actual presence of contractor employees on nearly a daily basis, which exceeds the requirement for the completion of random verifications, enhancing Contractor compliance.

- Claimed unsupported payroll costs for a site commander, totaling \$32,236:

There is no indication of any loss to the Government. The former and current COR were under the impression that the Contractor's site commander was a salaried employee and did not require a timesheet. The COR can attest that this site commander was working during this time period and his lack of presence at the site would have been noticed.

- Claimed unsupported miscellaneous payroll costs, totaling \$812:

The Contractor acknowledged that eight of 181-line entries in seven invoices did not have a corresponding timesheet although approved by the COR. The COR will request that the new Program Manager locate, review, and account for these eight lines of invoice entries that did not have a corresponding timesheet.

Responsible Party: Contracting Office, COR, and AUS

Target Date: July 31, 2024

Recommendation 10: Develop a process to review contract requirements to ensure all NPS contract oversight personnel are familiar with the contract and agree on appropriate oversight measures and documentation.

Response: Concur. The CO and the USPP Supervisor shall ensure personnel assigned to the contract, to include the COR, any alternate CORs, and all Technical Representatives are provided sufficient time for review and familiarization of all contract documents and requirements, and to meet with the COR and any other park personnel involved in contract oversight.

Responsible Party: Contracting Office, COR, and Park Office

Target Date: July 31, 2024

Recommendation 11: Enforce the contract requirement for the CO and COR to meet regularly to discuss and resolve contract issues as they arise and include the Contractor, if necessary.

Response: Concur. The current CO currently holds a brief, weekly meeting to discuss contract administration and performance issues. To foster better communication, at least once a month the meeting will provide additional time to discuss more thoroughly all matters of this contract, and additional meetings with the AUS will be held as needed to facilitate matters.

Responsible Party: Contracting Office and COR

Target Date: January 2, 2024

Recommendation 12: Determine a secure, adequate, centralized location for maintaining required records, either onsite or offsite.

Response: Concur. Earlier in the year, the COR provided an unused storage room to AUS for onsite management. The room was securable with a key core and the key provided to the AUS Program Manager. However, NPS requested to have this secure storage room back. The COR and USPP leadership will coordinate with NPS and request this secure storage room be provided to AUS as part of the requirements of this contract.

Responsible Party: AUS, COR, and Contracting Office

Target Date: January 2, 2024

Recommendation 13: Develop a process and standard operating procedures to periodically review a sample of personnel files to ensure contract compliance.

Response: Concur. The CO and COR shall meet to modify the SOW Section II.F., *On-Site Personnel Folders*, to reduce the documents required to be maintained in On-Site Personnel Folders to only consist of the signed Attachment 5, ATT J-4, *Statue of Liberty Security Guard Verification Document*, the applicable New York and/or New Jersey State Security Guard License, and any disciplinary records pertaining to the contract employee. The Contractor employee's employment application, and all other documents pertaining to citizenship, age, medical fitness, education/experience, training, and drug test results will be authorized to be stored by the Contractor at an off-site location. Sensitive Contractor personnel documents should not be stored in onsite facilities such as a tent in Battery Park. Although stored off-site, the Contractor shall provide access and/or copies of any such documentation upon request by the CO or the COR. A review of other NPS contracts that provide unarmed security guard services disclosed no requirements for the Contractor to maintain On-Site Personnel Folders with all these various documents described in this contract. The de-scoping of this contract's SOW would make it comparable to the SOWs in other similar NPS contracts.

The CO and COR shall develop a process to periodically review a sample of personnel files to ensure compliance IAW a revised SOW Section II.F., *On-site Personnel Folders*. The CO and COR shall expand the QASP's Performance Requirements Summary and its key tasks and performance standards. The only current required task in the QASP's Performance Requirements Summary pertaining to these listed documents is the possession of required New York State and/or New Jersey guard licenses. Based on an expanded

QASP's Performance Requirement Summary, the CO and COR will also expand the Quality Assurance Monitoring Form to document a periodic review of required personnel documents.

In addition, the CO and the COR will hold a meeting with the Contractor IAW SOW IX.A.6., to discuss updating the Quality Control Plan to ensure the Contractor has a process to maintain accountability of all documentation relative to their employees and that it is available for direct inspection by the CO and/or the COR, and copies of any such documents will be provided to the CO or the COR upon request. The updated Quality Control Plan shall also include language to ensure the Program Manager sends a signed completed copy of the Attachment 5, ATT J-4, *Statue of Liberty Security Guard Verification Document*, before any new contract employee begins working at any worksite. The Contractor will share a draft of its updated Quality Control Plan to the Contracting Officer and the COR to ensure the Government concurs that the proposed accountability and production process of required documents is adequate. If the CO and/or COR believe that additional measures are required, the Contractor will revise its Quality Control Plan accordingly.

Responsible Party: Contracting Office, COR, and AUS

Target Date: July 31, 2024

Recommendation 14: Ensure the Contractor locates the missing personnel documents and determines whether employees are qualified. If missing documents are not located, rendering employees unqualified, initiate removal of unqualified employees from the contract, and pursue contractual remedies as appropriate.

Response: Concur. The CO and the COR will meet with the new Program Manager and require AUS to email updated Attachment 5, ATT J-4, *Statue of Liberty Security Guard Verification Documents* for each current contracted employee in a pdf format to the COR. The Program Manager will document and explain the circumstances of any current personnel files that are missing documentation in an email to the Contracting Officer and COR. The OIG Audit report states the contractor's "folders should contain at a minimum the following documentation: (1) drug test results; (2) evidence of initial training; (3) education; (4) New York and/or New Jersey State security guard licenses; (5) the contractor employee applications; (6) signed nondisclosure forms; (7) Attachment 5, ATT J-4 verification document; (8) background investigation; (9) training certificates; and (10) disciplinary records." Figure 7 of the OIG Audit report provides percentages of missing personnel documents by category over time. The categories included drug screening, I-9 E-Verify, High School Diploma, Application, Initial Training, NJ or NY License, and NDA (Non-Disclosure Agreement).

Depending on the specific category of a missing document, the Contractor may perform corrective measures to resolve the issue of a specific missing document. For example, if the folder is missing the results of a drug test, and if the Contractor wants this employee to remain working under this contract, the Contractor will have their employee perform another drug test and the results will be placed into the employee's folder. If the folder is missing documentation of initial training, or any other training that cannot be documented, and if the Contractor wants this employee to remain working under this contract, the Contractor will provide this training to

the employee and the results will be placed into the employee's folder. If the folder is missing an NDA, and if the Contractor wants this employee to remain working under this contract, the Contractor will ensure the NDA is properly completed and placed into the employee's folder.

There is a Collective Bargaining Agreement (CBA) that applies to this contract. Therefore, the Government must ensure that whatever actions that are taken in this contract are within the terms of the CBA. Being cognizant of the CBA, if the missing document(s) cannot be located and the Contractor is unable to perform corrective measures, thereby rendering an employee unqualified, the Contractor shall remove the unqualified employee from this contract and notify the CO and COR in writing of the removal of the contract employee and the reason(s) for the removal. An example of a missing document the Contractor may be unable to correct is a photocopy of the state-issued security license. If this document is missing from an employee's personnel file and the employee cannot produce evidence of their current state-issued security license, that would render the employee unqualified, as a current license is mandatory to perform the services of this contract.

Responsible Party: Contracting Officer, COR, and AUS

Target Date: July 31, 2024

Appendix 4: Status of Recommendations

Recommendation	Status	Action Required
<p>2022-CGD-052-01 We recommend that the National Park Service require the Contractor to update policies and procedures and provide enhanced training to supervisors to ensure that they have appropriate guidance and training to identify and address violations of contractual provisions.</p>	Resolved	We will track implementation.
<p>2022-CGD-052-02 We recommend that the National Park Service require the Contractor to update and implement Command Center written duties to include sufficient closed circuit television monitoring as an added measure to ensure compliance with all contractual requirements and identify violations.</p>	Resolved	We will track implementation.
<p>2022-CGD-052-03 We recommend that the National Park Service assess the contract monitoring plan for Contract No. 140P4521C0014 and determine whether technical representatives are necessary to ensure adequate contract oversight; if so, take appropriate steps.</p>	Resolved	We will track implementation.
<p>2022-CGD-052-04 We recommend that the National Park Service require the Contractor to document efforts to obtain missing ID cards from separated guards.</p>	Resolved	We will track implementation.
<p>2022-CGD-052-05 We recommend that the National Park Service require the Contractor to develop and implement a process, as required by the contract, to ensure ID cards are returned.</p>	Resolved	We will track implementation.
<p>2022-CGD-052-06 We recommend that the National Park Service enforce the contractual provision requiring the return of ID cards and periodically check that the Contractor is submitting the ID cards.</p>	Resolved	We will track implementation.

Recommendation	Status	Action Required
<p>2022-CGD-052-07 We recommend that the National Park Service enforce the contract requirement for the Contractor to provide an electronic, tamperproof method of employee attendance verification that is acceptable.</p>	Resolved	We will track implementation.
<p>2022-CGD-052-08 We recommend that the National Park Service, until an electronic attendance verification method is implemented, direct the Contractor to develop controls to prevent unsupported or unapproved manual timesheets and separate, rather than comingle, the invoiced hours billed to multiple timesheets.</p>	Resolved	We will track implementation.
<p>2022-CGD-052-09 We recommend that the National Park Service resolve the \$970,576 in unsupported or unapproved timesheets.</p>	Resolved	We will track implementation.
<p>2022-CGD-052-10 We recommend that the National Park Service develop a process to review contract requirements to ensure all NPS contract oversight personnel are familiar with the contract and agree on appropriate oversight measures and documentation.</p>	Resolved	We will track implementation.
<p>2022-CGD-052-11 We recommend that the National Park Service enforce the contract requirement for the CO and COR to meet regularly to discuss and resolve contract issues as they arise and include the Contractor, if necessary.</p>	Implemented	No action is required.
<p>2022-CGD-052-12 We recommend that the National Park Service determine a secure, adequate, centralized location for maintaining required records, either onsite or offsite.</p>	Implemented	No action is required.
<p>2022-CGD-052-13 We recommend that the National Park Service develop a process and standard operating procedures to periodically review a sample of personnel files to ensure contract compliance.</p>	Resolved	We will track implementation.

Recommendation	Status	Action Required
2022-CGD-052-14 We recommend that the National Park Service ensure the Contractor locates the missing personnel documents and determine whether employees are qualified. If missing documents are not located, rendering employees unqualified, initiate removal of unqualified employees from the contract and pursue contractual remedies as appropriate.	Resolved	We will track implementation.



REPORT FRAUD, WASTE, ABUSE, AND MISMANAGEMENT

The Office of Inspector General (OIG) provides independent oversight and promotes integrity and accountability in the programs and operations of the U.S. Department of the Interior (DOI). One way we achieve this mission is by working with the people who contact us through our hotline.



If you wish to file a complaint about potential fraud, waste, abuse, or mismanagement in the DOI, please visit the OIG's online hotline at www.doioig.gov/hotline or call the OIG hotline's toll-free number: **1-800-424-5081**

Who Can Report?

Anyone with knowledge of potential fraud, waste, abuse, misconduct, or mismanagement involving the DOI should contact the OIG hotline. This includes knowledge of potential misuse involving DOI grants and contracts.

How Does it Help?

Every day, DOI employees and non-employees alike contact the OIG, and the information they share can lead to reviews and investigations that result in accountability and positive change for the DOI, its employees, and the public.

Who Is Protected?

Anyone may request confidentiality. The Privacy Act, the Inspector General Act, and other applicable laws protect complainants. Section 7(b) of the Inspector General Act of 1978 states that the Inspector General shall not disclose the identity of a DOI employee who reports an allegation or provides information without the employee's consent, unless the Inspector General determines that disclosure is unavoidable during the course of the investigation. By law, Federal employees may not take or threaten to take a personnel action because of whistleblowing or the exercise of a lawful appeal, complaint, or grievance right. Non-DOI employees who report allegations may also specifically request confidentiality.