



## Treasury Inspector General for Tax Administration Office of Audit

### THE HOMELAND SECURITY PRESIDENTIAL DIRECTIVE 12 PROGRAM OFFICE HAS ADDRESSED PRIOR WEAKNESSES, BUT PROGRESS IS SLOWER THAN WHAT HAS BEEN REPORTED

Issued on June 25, 2009

## Highlights

Highlights of Report Number: 2009-20-084 to the Internal Revenue Service Acting Chief, Agency-Wide Shared Services.

### IMPACT ON TAXPAYERS

The Homeland Security Presidential Directive 12 (HSPD-12) established a new standard for issuing and maintaining identification badges for Federal Government employees. The HSPD-12 Program Management Office (PMO) is making slow progress in issuing the badges to employees and contractors. In addition, the number of badges that have been issued is less than what has been reported to the Office of Management and Budget and to Department of the Treasury (Treasury) officials. Issuing the badges is critical to improving the future security over Treasury facilities, computer systems, and critical processes, such as collecting tax revenues and issuing refunds to taxpayers.

### WHY TIGTA DID THE AUDIT

This audit was initiated to determine whether the HSPD-12 PMO is making adequate progress in implementing the HSPD-12 requirements and has addressed the recommendations made in our prior report on the HSPD-12. The Internal Revenue Service (IRS) has been designated as the lead bureau for ensuring that the Treasury complies with the HSPD-12.

### WHAT TIGTA FOUND

The HSPD-12 PMO is using the General Services Administration's shared services provider to produce the HSPD-12 badges. Progress has been slow. As of January 30, 2009, only 58,858 (46 percent) badges out of the total Treasury population of 127,922 employees and contractors had been issued. The original deadline set by the Office of Management and Budget was October 27, 2008.

Also, the PMO has not accurately reported the progress in issuing the badges. On October 27, 2008, it reported to the Office of Management and Budget that

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76,575 (73 percent) of the Treasury employees and contractors had been issued badges. The PMO calculated the 73 percent completion figure using a total Treasury population of 104,520, which excluded seasonal employees and contractors who had not yet been issued a badge. However, TIGTA determined only 32 percent of the badges had been issued by that date. The inaccurate reporting was partially due to the PMO incorrectly defining "issued" as "sponsored, adjudicated, and enrolled." Many more employees and contractors are sponsored, adjudicated, and enrolled than are actually issued badges.

The PMO took corrective actions to address the recommendations made in our previous report.

### WHAT TIGTA RECOMMENDED

TIGTA recommended that to ensure progress is accurately reported, the HSPD-12 Executive Steering Committee should instruct the HSPD-12 program manager to 1) continue reporting the program as being behind schedule and report to the Office of Management and Budget a revised estimated date that all employees and contractors will be issued badges, and 2) define badges issued as badges that have been activated and given to employees or contractors, report to the Office of Management and Budget the total cumulative number of badges that have been issued to employees and contractors, and include all contractors and seasonal employees in the total Treasury population as long as these individuals are employed by the Treasury.

In their response to the report, IRS officials disagreed with the recommendations but took some corrective actions. The IRS reported to the Office of Management and Budget a revised estimated completion date of March 2010. However, the IRS stated it would continue to use its current definition of "issued," continue its current reporting methods, no longer attempt to issue badges to seasonal employees, and continue to exclude contractors from the Treasury population until a viable method of uploading contractors' personal information into the General Services Administration database is implemented.

TIGTA continues to believe that the PMO's definition of "issued" significantly overstates the progress of the HSPD-12 program. TIGTA also believes the technical challenges in issuing badges to contractors do not justify excluding them from the Treasury population.

### READ THE FULL REPORT

To view the report, including the scope, methodology, and full IRS response, go to:

<http://www.treas.gov/tigta/auditreports/2009reports/200920084fr.pdf>

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