DEPARTMENT OF VETERAN AFFAIRS

Memorandum

Date: December 19, 2011

From: Director, Information Technology and Security Audit Division (52CT)

Subj: Review of Alleged VA Network Security Operations Center (NSOC) Staffing Irregularities (Project # 2011-04093-CT-0229)

To: Director, Hotline Division (53E)

Thru: Deputy Assistant Inspector General for Audit and Evaluations (52B)

1. We did not substantiate the allegation of irregular staffing practices related to Public Key Infrastructure (PKI) support at the VA NSOC. In October 2011, VA OIG received a Hotline complaint from an anonymous source regarding potential waste resulting from VA NSOC's management of the PKI support contract. The complaint alleged that PKI support provided by Enterprise Information Services, Inc. (EIS) was inadequate, requiring VA to use government resources and incur unnecessary costs to meet VA's mission requirements. More specifically, the complaint alleged NSOC management was forced to reallocate government and other contractor resources to compensate for EIS' poor performance, and extended the PKI support contract and incurred additional costs despite poor contractor performance.

2. Based on our review of documentation provided by VA NSOC management and our interviews with NSOC senior management and GSA contracting representatives, we determined that: (1) VA took appropriate actions to reallocate government resources in support of the Department's PKI work-load requirements; (2) VA incurred no additional costs as a result of EIS contract extensions or poor contractor performance; (3) VA appropriately reduced allowable EIS contract costs to reflect the contractor's reduced level of effort for PKI support; and (4) The EIS contract was extended to provide Customer Service Center (CSC) help desk support and not PKI support.   Consequently, we did not find any evidence that poor contractor performance resulted in the reallocation of government resources to meet VA's PKI workload requirements.

3. In August 2009, VA awarded a multi-year, Firm Fixed Price Contract to EIS to provide Tier 1 and Tier 2 CSC help desk support. More specifically, the contract required 24/7 NSOC network security support services with work divided between VA's Falling Waters, WV and Hines, IL facilities. General functions performed by the contractor included a single point of contact service desk for support and guidance on incident response and security-related issues; monitoring, analysis, and reporting of security alerts from security devices; incident response and recovery; and PKI support. The initial contract award was for a base year ($3,583,931.40) and two option years (YR1 = $3,708,394.20 and YR2 = $3,837,065.40). VA awarded five modifications to the contract between the base year and September 2011 (Option Year 2).

4. Changes in the PKI workload exceeded the vendor's capabilities and the scope of the contract, necessitating a decision on how best to apply resources to meet VA requirements. Prior to awarding the contract to EIS, VeriSign provided VA PKI certificate authority services. The EIS contract's PKI workload estimates were based on the VeriSign level of effort, which was minimal. In FY 2010, VA replaced VeriSign with CyberTrust as its certificate authority. Changes to certificate issuance procedures and migration of existing user certificates to CyberTrust created significant additional workload requirements for EIS. VA NSOC management determined the best solution was to transfer NSOC employees to directly support the PKI certificate program. Based on NSOC employee position descriptions, the transfer of government employees to provide PKI support services was appropriate. NSOC employees have generic position descriptions that enable them to perform any needed function within the division.

5. VA, the contractor, and GSA began negotiations to adjust the level of effort and contract costs to reflect the transfer of PKI support to VA. As a result, overall contract funding was reduced by $634,494.18 over the three years of the contract. Final adjustments to the contract cost were made in September of 2011.

6. We found that VA's actions to transfer NSOC employees to directly support the PKI certificate program did not violate the Department's human resource policies. Further, EIS contract costs were appropriately reduced to reflect the transfer of PKI support services to VA. As such, we did not substantiate the allegations and are making no recommendation for improvement.

7. If you have questions or wish to discuss these issues, please contact Michael Miller, Audit Manager, at (b) (6)   , or me at (b) (6)   .

Michael Bowman
Director – Information Technology and Security Audit Division (52 CT)