Veterans Health Administration

*Review of
Research Service Equipment
and Facility Management,
Eastern Colorado
Health Care System*

ACRONYMS

AEMS/MERS	Automated Engineering Management System/Medical Equipment Reporting System
CLO	Chief Logistics Officer
ECHCS	Eastern Colorado Health Care System
EIL	Equipment Inventory List
FY	Fiscal Year
IT	Information Technology
OIG	Office of Inspector General
PII	Personally Identifiable Information
ROS	Report of Survey
UC	University of Colorado
VA	Department of Veterans Affairs
VHA	Veterans Health Administration

EXECUTIVE SUMMARY

Why the OIG Did This Audit

In March 2016, Congressman Jeff Miller, former chairman of the U.S. House of Representatives Committee on Veterans' Affairs, requested the OIG investigate a complainant's allegations of widespread equipment mismanagement at the research laboratories of the Eastern Colorado Health Care System (ECHCS) in Denver, Colorado. Congressman Miller asked the OIG to determine:

- How much money ECHCS wasted by mismanaging research equipment

- Who was responsible for mismanaging the equipment

- If the causes of mismanagement have been corrected, or was the broken, unused, and abandoned equipment merely removed

- Whether any equipment transfers to the University of Colorado (UC) research facilities by ECHCS were appropriate

The OIG contacted the complainant and obtained additional information concerning other allegations. The additional allegations included mismanagement of research materials and specimens, and failure to adequately secure research facilities, hazardous chemicals, and personally identifiable information (PII). The objective of this review was to answer the former chairman's questions on the subject matter and determine the merits of all the allegations.

What the OIG Found

The OIG presented the following conclusions in response to the former chairman's questions:

1) **How much money was wasted by ECHCS mismanaging research equipment?**

   The OIG could not determine a precise amount of money wasted on equipment due to mismanagement by VA staff. The majority of the research equipment sampled as part of the review was near the end of or beyond its useful life span, and likely had little to no residual monetary value due to depreciation. In addition, while the OIG was able to obtain the original purchase value listed in the Automated Engineering Management System/Medical Equipment Reporting System (AEMS/MERS), the automated equipment inventory system in use at the time of the review did not include depreciated values of the equipment reviewed.

2) **Who was responsible for mismanaging research equipment?**

Equipment users and the ECHCS Medical Center Director are required to properly manage equipment; however, the ECHCS Research Administrative Officer and the Chief Logistics Officer said it was one of their primary responsibilities to ensure the research equipment was not mismanaged.

3) **Have the causes of mismanagement been corrected, or was the broken, unused, and abandoned equipment merely removed?**

The main cause of mismanagement was inconsistent compliance with equipment management policies and guidance. The ECHCS Medical Center Director implemented an action plan that included processing the existing unrequired and abandoned equipment. However, until controls are in place to ensure staff follow applicable equipment management policies, the risk that equipment will be mismanaged continues to exist. Therefore, until the OIG recommendations are implemented, this issue cannot be resolved.

4) **Were equipment transfers to the University of Colorado (UC) research facilities by ECHCS appropriate?**

The OIG did not identify anything inappropriate with the transfer of VA research equipment to the UC. VA research equipment was physically moved to UC so VA researchers, who are also UC staff, could efficiently use the equipment. However, VA maintained ownership and conducted annual inventories of the equipment.

In addition to responding to the congressional questions, the OIG substantiated the wide range of allegations about ECHCS Logistics and Research Services' management of research equipment, materials, and specimens, and whether its research facilities, chemicals, and PII were adequately secured. Specifically, the OIG found:

- Electronic equipment records contained conflicting, incomplete, inaccurate, and unsupported data.

- Not all accountable equipment was inventoried annually.

- Sanitation Certificates were not turned in with sensitive IT equipment.

- Report of Survey (ROS) actions were not completed for lost equipment.

- Custodial officers did not complete annual equipment accountability training or have appropriate Delegation of Authority letters.

The ECHCS Logistics and Research Services mismanaged equipment because the ECHCS Chief Logistics' Officer and Research Service Administrative Officer did not ensure staff consistently complied with VA policies, procedures, and guidance related to equipment management and accountability. ECHCS management provided multiple reasons to explain why policy and procedures were not consistently followed, which are detailed in each section of the report. Prior to the OIG site visit, the ECHCS Director had implemented an action plan to address Congress's concerns regarding equipment management issues, but until ECHCS fully implements effective controls to ensure staff consistently follows applicable policies, effective equipment management will not be realized.

Regarding the additional allegations received from the complainant, the OIG substantiated ECHCS staff did not consistently comply with materials and specimen guidance, facility security, hazardous chemical, and PII management policies. Lack of compliance with VA policies occurred because the ECHCS Research Service Administrative Officer did not ensure staff consistently followed applicable VA policies and procedures, directives, and guidance. The various reasons why staff did not comply with policies and procedures are detailed in the body of the report.

What the OIG Recommended

When ECHCS does not adequately manage research equipment, control and accountability of that equipment is lost. In addition, the compromise of research materials and specimens can result in monetary losses and delayed or canceled research projects. Furthermore, unsecured research facilities increase the risk of theft, vandalism, or inappropriate use of hazardous chemicals or PII. The OIG made a series of recommendations to the ECHCS Director to improve equipment accountability controls, materials and specimen monitoring, and facility security for the ECHCS Research Program, both at its current facility and when it moves to future space at the new VA Medical Center currently under construction in Aurora, Colorado.

Agency Comments

The VA Eastern Colorado Health Care System Director concurred with the OIG's findings and recommendations. The director's response indicated that actions taken to address 10 of the 16 recommendations had been completed, and six remained open with a target completion date of January 26, 2018. The OIG considers the corrective actions taken by ECHCS on the 10 recommendations to be sufficient and upon receiving evidence the activities were completed will consider closing these recommendations. The OIG will follow up with ECHCS on the planned actions to be completed for the remaining six recommendations.

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INTRODUCTION

Objective

In March 2016, Congressman Jeff Miller, former chairman of the U.S. House of Representatives Committee on Veterans' Affairs, requested the OIG investigate a complainant's allegations of widespread equipment mismanagement at the research laboratories of the Eastern Colorado Health Care System (ECHCS). The former chairman also asked us to determine:

- How much money ECHCS wasted by mismanaging research equipment.

- Who was responsible for mismanaging the equipment.

- If the causes of mismanagement have been corrected, or was the broken, unused, and abandoned equipment merely removed.

- Whether any equipment transfers to the University of Colorado (UC) research facilities were appropriate.

The OIG contacted the complainant prior to its ECHCS site visit and obtained additional information concerning the allegations. As a result, the OIG expanded its review to assess additional allegations that ECHCS mismanaged its research materials and specimens and failed to adequately secure research facilities, hazardous chemicals, and personally identifiable information (PII). The objectives of the OIG's review were to answer the former chairman's questions on the subject matter and to determine the merit of the allegations.

Background

According to VA's Office of Research and Development website, the primary mission of the Research Service is to advance the healthcare of veterans. The website further states that the Research Service's strategic plan focuses on conducting research that best addresses the mission and ensures that research professionalism and protection of veterans' rights are top priorities. VA's Research Service collaborates with its university partners, furthering the program's effect on the health of veterans and the nation.

Under VA policy, each VA medical facility conducting research must establish a research service to administer and manage its research program. The facility director is the institutional official responsible for the research program, assisted by the Chief of Staff and the Associate Chief of Staff for Research and Development.

The ECHCS Research Service's current facility is approximately 38,500 square feet. Major areas of research at ECHCS include:

- Oncology
- Pulmonology
- Cardiology
- Substance abuse
- Diabetes/Endocrinology

As of August 24, 2016, there were 17 researchers working onsite in the 127 rooms allocated to ECHCS Research Service.[1] Funds for the various research projects are normally obtained from VA, other government agencies, and private entities. VA began planning a replacement facility for the ECHCS in the late 1990s and announced in 2004 that it would build a new facility to replace the existing ECHCS facility. Construction of the new ECHCS facility in Aurora, Colorado, is now estimated to be completed in 2018.[2] The new research building under construction is expected to be over 47,200 square feet.[3]

ECHCS and UC have a decades-long research relationship that resulted in the formation of research teams. These researchers are divided between ECHCS and UC. The former UC facility was built adjacent to the current ECHCS facility. In 2004, the first research building at the new UC facility was completed and UC began moving to the Anschutz Medical Center. This is adjacent to the site of the new ECHCS medical facility being constructed, about eight miles away from the current ECHCS facility. The type of research equipment used varied widely. ECHCS research equipment that was part of the OIG review included a wide range of office, laboratory, and communication items like printers, microscopes, freezers, incubators, analyzers, televisions, monitors, computers, and a thumb drive.

Congressional Testimony

In May 2016, the ECHCS Director testified at a Congressional Field Hearing in Denver, Colorado. The main purpose of the hearing was to address numerous issues related to VA's handling of prescription medications and oversight of controlled substances. The ECHCS Director and Representatives Mike Coffman, Doug Lamborn, and Ann Kuster discussed the "terrible disarray" at the ECHCS research facilities—specifically, issues pertaining to abandoned, unused, and broken equipment; unmonitored freezers containing spoiled human tissue samples; and piles of computers containing research data. The ECHCS Director informed Congress that moving to a new facility would rectify some of the issues, and staff were in the process of taking actions to resolve some issues, but other issues could only be resolved by moving to the new facility.

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[1] Researchers, also known as Principal Investigators, perform research at ECHCS and may have additional personnel assisting them in their research.

[2] On September 21, 2016, the OIG issued its report, *Review of the Replacement of the Denver Medical Center, Eastern Colorado Health Care System*, which detailed the factors that led to the growing costs and schedule slippages for construction of the new VA facility under construction in Aurora, Colorado.

[3] Numbers and percentages may be rounded for reporting purposes.

RESULTS AND RECOMMENDATIONS

Congressional Questions and Responses

1) How much money ECHCS wasted by mismanaging research equipment?

The OIG could not determine a precise amount of money wasted on equipment due to mismanagement by VA staff. The majority of the research equipment sampled as part of the review was near the end of or beyond its useful life span, and likely had little to no residual monetary value due to depreciation. In addition, while the OIG was able to obtain the original purchase value listed in the Automated Engineering Management System/Medical Equipment Reporting System (AEMS/MERS), the automated equipment inventory system in use at the time of the review did not include depreciated values of the equipment reviewed.

2) Who was responsible for mismanaging the equipment?

The OIG review examined the overall management of research equipment. Equipment users and the ECHCS Medical Center Director are required to properly manage equipment; however, the ECHCS Research Administrative Officer and the Chief Logistics Officer said it was one of their primary responsibilities to ensure the research equipment was not mismanaged. Each issue listed in Finding 1, which begins on page 4, identifies those with the most immediate and direct responsibility for ensuring the appropriate actions were taken.

3) Have the causes of mismanagement been corrected, or was the broken, unused, and abandoned equipment merely removed?

The main cause of mismanagement was inconsistent compliance with equipment management policies and guidance. The ECHCS Medical Center Director implemented an action plan that included processing the existing unrequired and abandoned equipment. However, until controls are in place to ensure staff follow applicable equipment management policies, the risk that equipment will be mismanaged continues to exist. Therefore, until the OIG recommendations are implemented, this issue cannot be resolved.

4) Whether any equipment transfers to the University of Colorado research facilities were appropriate.

The OIG did not identify anything inappropriate with the transfer of VA research equipment to UC. VA maintained ownership and conducted annual inventories of the equipment.

Finding 1 ECHCS Logistics and Research Services Staff Did Not Effectively Manage Equipment

The OIG substantiated that ECHCS Logistics and Research Services staff did not effectively manage equipment at the ECHCS research laboratories. Specifically:

- Electronic equipment records contained conflicting, incomplete, inaccurate, and unsupported data.

- Not all accountable equipment was inventoried annually.[4]

- Sanitation Certificates were not turned in with sensitive information technology (IT) equipment to confirm that sensitive and confidential data had been properly removed from the equipment.

- Report of Survey (ROS) actions were not completed for lost equipment.[5]

- Custodial officers did not complete annual equipment accountability training or have appropriate Delegation of Authority letters.

The OIG did not identify any inappropriate equipment transfers to UC research facilities.

Ultimately, the mismanagement occurred because the ECHCS Chief Logistics' Officer and Research Service Administrative Officer did not ensure their staff consistently complied with VA policies, procedures, and guidance related to management and accountability of equipment. Prior to the OIG's site visit, the ECHCS Director had implemented an action plan to address Congress's concerns regarding equipment management issues, but until ECHCS fully implements effective controls to ensure staff consistently follows applicable policies, effective equipment management will not be realized.

Without adequate equipment management, there is an increased risk of equipment being lost or stolen. The OIG could not determine the amount of money wasted on equipment due to mismanagement by VA staff or what items needed to be repaired or replaced. Most of the research equipment reviewed was near the end or beyond its useful life span and when considering depreciation, likely had little to no residual monetary value. In

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[4] According to VA Handbook 7002, *Logistics Management Procedures* (July 10, 2009), accountable personal property is defined as "nonexpendable property with an acquisition value of $5,000 or more and property that is of a sensitive nature regardless of cost." Hereinafter, this property will be referred to as "accountable equipment."

[5] According to VA Handbook 7002, *Logistics Management Procedures* (July 10, 2009), Reports of Survey are "used by VA to obtain an explanation as to the circumstances surrounding the loss, damage, or destruction other than through normal wear and tear of Government property."

addition, while the OIG was able to obtain the original purchase value listed in AEMS/MERS, the automated equipment inventory system in use at the time of the review did not include depreciated values of the equipment reviewed.

Unreliable Electronic Equipment Records

The ECHCS Chief Logistics Officer (CLO) did not ensure Research Service equipment data recorded in AEMS/MERS contained reliable, complete, and accurate data. According to VA Handbook 7002, *Logistics Management Procedures*, dated July 2009, and modified in April 2011, upon initial receipt of any new equipment item, the Logistics Service shall populate the automated equipment inventory system with specified data and ensure the automated equipment inventory system is updated throughout the equipment's life cycle.[6] Furthermore, the Office of Management and Budget requires management to design information system controls to ensure transactions (like purchases, changes of ownership, transfers of location, or disposals) are properly authorized and processed accurately, and data is valid and complete.[7] The OIG found:

- Conflicting and incomplete information for 526 of the 3,445 equipment records (15 percent) reviewed

- Seven equipment items not recorded, as not all Research Service accountable equipment was entered into AEMS/MERS

- One hundred six of 142 (75 percent) Sensitive, in-use, IT equipment items were not listed on an Equipment Inventory List (EIL) specifically for IT equipment

- AEMS/MERS data for 15 of 50 research equipment items (30 percent) were not accurate

- The ECHCS Logistics Service did not adequately maintain documents to support equipment transactions for the 50 items reviewed.

Conflicting and Incomplete Data

Through data analysis, the OIG found conflicting and incomplete information for 526 of the 3,445 equipment records (15 percent) reviewed. The purchase value for the 526 pieces of equipment was approximately $970,000.

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[6] VA Handbook 7002, *Logistics Management Procedures,* July 2009, page 15, under 9.a. and 9.c., and page 12, under 1.b. (2).
[7] Office of Management and Budget Circular A-123, *Management's Responsibility for Internal Control,* defines management's responsibility for internal control in federal agencies.

Table 1 provides details of the data discrepancies identified.

Table 1. AEMS/MERS Data Analysis Discrepancies

Data Discrepancy	Number of Items	Purchase Value
Equipment identified as in use with a turn in[8] and/or disposition date	42	$172,000
Loaned out equipment with a turn in and disposition date	15	$6,300
Total with Conflicting Records	57	$178,300
Equipment identified as turned in without a turn in date	293	$530,000
Equipment identified as lost or stolen without a disposition date	23	$18,500
Blank use status	10	$14,300
In use without EIL data	143	$229,000
Total with Incomplete Records	469	$791,800
Total	**526**	**$970,100**

Source: VA OIG analysis of AEMS/MERS data received on June 14, 2016

Note: Some dollar figures have been rounded for reporting purposes.

The OIG identified 57 AEMS/MERS equipment records with conflicting information. For example, 42 items with a purchase value of approximately $172,000 were recorded as in-use, but also had a turn in or disposition date.[9] According to the VA policy, if items are actually in-use, they should be assigned to a custodial officer and inventoried annually.[10] However, if they have been turned in or disposed of, adjustments should be made to equipment records so the Research Service is not accountable for the items. In addition, records for 15 items with a total purchase value of $6,300 reflected the items had been loaned out, in addition to being turned in and disposed of in 2003. This would indicate discrepancies in the information for these items records, as these items could not have been both loaned out and turned in and disposed of simultaneously.

The OIG determined that AEMS/MERS data for 293 inventory items were incomplete. The data showed equipment was turned in but the records did not include turned in dates. The system also listed 23 items as lost or stolen

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[8] Turn in occurs when ownership of equipment is transferred to Logistics Service staff. The Logistics Service disposes of the equipment by transferring ownership to another user or the General Services Administration.

[9] The disposition date should be populated only after final disposition (disposal) of the item occurs.

[10] VA Handbook 7002, page 48, under 5. Inventory of Equipment in Use, and page 14, under 6. Custodial Officer EIL Responsibilities.

that did not have required disposition dates.[11] Ten items had a blank use status, which is a required field.[12] In addition, 143 records for in-use research equipment, with a purchase value of approximately $229,000, did not have an associated EIL number recorded. If equipment is not assigned to a custodial officer's EIL, it most likely will not be inventoried annually.

Unrecorded Equipment

The OIG determined that not all Research Service accountable equipment was entered into AEMS/MERS. During its site visit, the OIG identified seven accountable equipment items that were not documented in AEMS/MERS and did not have affixed equipment entry barcode labels. The purchase value of these items was approximately $113,000. According to VA Handbook 7002, an equipment record for all accountable equipment is required to be established in the automated inventory system and listed on an EIL. VA guidance[13] instructs property specialists to affix a barcode label when receiving personal property.[14]

The ECHCS Logistics Service Property and Project Management Chief speculated these items were delivered directly to the researchers, or may have been brought onsite by a researcher. He advised that when this occurs, the equipment is not recorded in the inventory system until Logistics Service is notified that the Research Service acquired ownership. The ECHCS CLO added that communication between the Research Service and the Logistics Service had been a problem when in similar situations security controls were bypassed.

Accountable equipment items not recorded in AEMS/MERS cannot be controlled and managed appropriately. For example, the equipment will not be assigned to a custodial officer's EIL. Equipment will not be included in the required annual inventory if it is not on an EIL. Failure to ensure all accountable equipment is inventoried annually increases the risk of items being vulnerable to loss or theft.

Recommendation 1 addresses the need to ensure all Research Service equipment receives a barcode label and is recorded in the automated inventory system.

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[11] The disposition date for a lost or stolen item is the date it was identified as being lost or stolen. The disposition dates for the 23 items was missing from the system.

[12] According to the *AEMS/MERS User Training Guide*, dated December 2015, there are five status types from which to choose to show the current status: In Use, Out of Service, Loaned Out, Turned In, or Lost or Stolen.

[13] *AEMS/MERS Training Guide*, December 2015.

[14] Personal property is all property other than real property and all property on federal compounds that is disposed of as trash. Real property is buildings, land, structures, and building service equipment (for example, equipment that is permanently installed in or attached to buildings and structures that when installed becomes an integral part of real property for the purpose of rendering the building or structure usable or habitable, such as heating and light fixtures, elevators, fire alarms, and air conditioning systems).

Sensitive IT Equipment Not on IT Equipment Inventory List

The OIG found 106 of 142 sensitive, in-use IT equipment items (75 percent) were not listed on an IT equipment-specific EIL. According to VA Handbook 7002, all IT accountable equipment, including sensitive IT equipment regardless of cost, must be entered into the EIL by Logistics Service. Sensitive items include all items containing memory storage capability for retaining personally identifiable information that is protected and/or confidential, as specified in the Privacy Act and in the Health Insurance Portability and Accountability Act, whether or not the item is classified as IT. The facility director delegates IT equipment inventory responsibilities to the IT custodial officer and the control and oversight for property management functions to the facility accountable officer.[15]

The ECHCS Chief Information Officer speculated the 106 items were not included on the IT sensitive EIL because they were purchased by the Research Service rather than by an IT specialist. He added that, regardless of who purchases a sensitive IT item, it should be assigned to an IT inventory list. In contrast, the CLO stated the ECHCS Chief Information Officer is responsible for IT-procured equipment, but not IT equipment procured by the Research Service. Therefore, when the Research Service ordered sensitive IT equipment, Logistics Service assigned the items to a Research Service EIL instead of an IT EIL, as required.

The OIG also determined there was confusion among staff as to which equipment items were considered sensitive IT items. For example, the Chief Information Logistics Officer and the Chief Information Officer stated that they did not consider printers and fax machines to be sensitive IT equipment; however, VA Handbook 6500.1 includes printers and fax machines containing memory as sensitive IT equipment that requires sanitization. [16] Therefore, the OIG concluded there was not effective training in place because of the staff's confusion about identifying sensitive equipment.

ECHCS management cannot maintain effective control over sensitive IT items if the sensitive IT items are not listed on the appropriate EIL. For example, IT equipment might not be sanitized prior to turn in, as discussed in the *Turned in Sensitive IT Items Lacked Sanitization Certificates* section.

Recommendations 2 and 3 address the need to ensure sensitive Research Service IT items are assigned to an IT EIL and staffs are trained to enable them to identify and place sensitive IT equipment under control.

Inaccurate Data

Through testing, the OIG identified data accuracy issues for 15 of 50 items (30 percent) sampled. The OIG also determined AEMS/MERS data did not reflect accurate equipment locations. The OIG performed a physical

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[15] The accountable officer at ECHCS is the CLO.
[16] VA Handbook 6500.1, *Electronic Media Sanitization*, November 3, 2008

inventory to locate a sample of 50 items recorded in the automated inventory system that were assigned to the Research Service. The review identified:

- Ten of 50 items (20 percent), with a recorded purchase value of about $8,400, could not be found.

- Five of 50 items (10 percent), with a recorded purchase value of about $308,000, were physically located, but not in the locations reflected in the automated inventory records.

- Six of 50 items (12 percent), with a recorded purchase value of approximately $718,000, were located at UC. VA maintained ownership and conducted annual inventories of the equipment; thus, these transfers were not inappropriate.

According to the CLO, discrepancies in AEMS/MERS records occurred because Logistics Service staff focused on performing higher priorities, such as equipment receiving, inventorying, and disposal activities, rather than performing quality control reviews of data. In addition, the OIG also determined AEMS/MERS allowed users to bypass required fields and record conflicting information. Furthermore, the system had limited standardized report-generating functionalities for identifying data integrity issues. According to the ECHCS Chief Information Officer, the facility transitioned to a new equipment inventory system in November 2016. Therefore, the OIG is not providing any recommendations regarding AEMS/MERS weaknesses.

Conflicting, missing, or inaccurate automated equipment inventory system data preclude management officials from effectively controlling and managing equipment. In addition, inaccurate inventory data negatively affect management's ability to make well-informed decisions regarding equipment and limit its assurance that equipment is properly managed. Furthermore, VA departments may not have reasonable assurance that equipment is managed according to applicable policies.

Recommendation 4 addresses the need to implement a policy to perform annual quality reviews of the Research Service's automated inventory data.

Equipment Transaction Documents Not Available

Multiple requests were made to ECHCS Logistics Service staff seeking documents to support equipment transactions recorded in AEMS/MERS for the items the OIG reviewed, but very few documents were provided. Therefore, the OIG concluded that the Logistics Service failed to maintain the documents as required. The Research Service provided purchase order documents for only three of the 50 items reviewed, and there were no invoices documenting purchase prices for any of the items. As of August 2016, no other equipment transaction documentation had been provided.

The OIG physically located 38 of the 50 items. AEMS/MERS records indicated another seven items were inventoried from the period of 2014

through 2016, and one item that was inventoried during 2010. The remaining four items could not be located and AEMS/MERS records showed no inventory or disposition date for them. Based on the information the OIG collected and criteria, at a minimum, transaction documents should have been maintained for at least 45 equipment items. Due to a lack of accurate and complete information for the other five items, the OIG could not make a conclusion whether documentation should have been maintained. However, since purchase order documents for only three items were provided, the OIG concluded the CLO did not ensure required documentation was consistently maintained.

According to VA policies and procedures basic documentation supporting the cost of each asset; the date the asset was placed into service; the useful life of the asset; and any subsequent acquisition, disposal, or transfer affecting the recorded value of the item should be maintained for the life of the asset and for three years after disposal or transfer of the asset.[17] Furthermore, VA Handbook 6300.1 requires records and information collected and created by VA to be maintained in a manner that allows for ready retrieval whenever necessary, throughout the approved life cycle of the information.[18] VA Handbook 7002 states the accountable officer is responsible to account for all personal property assigned to their facility and for the documentation of all transactions affecting personal property.

The CLO stated they did not maintain the documentation because Logistics Service management and staff focused on performing higher-priority activities, such as equipment receiving, inventorying, and disposal activities, rather than collecting, organizing, and maintaining files of supporting documents in locations that could be easily accessed for review or retrieval. He related that the documents reside in various systems, but that they could be obtained and organized.

If supporting documentation for equipment transactions is not maintained, there is no audit trail of activities. ECHCS management, Logistics Service staff, or other personnel would not be able to compare the data recorded in the automated equipment inventory system to supporting documentation to determine if the information is accurate and reliable, or add missing information to the system. Furthermore, lack of documentation may limit management's ability to effectively monitor, demonstrate the appropriateness of, and make informed decisions related to equipment purchases.

Recommendation 5 addresses the need to ensure research equipment transaction records are maintained.

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[17] VA Financial Policies and Procedures, *General Property, Plant, and Equipment,* Volume V, Chapter 9, February 2013.
[18] *Records Management Procedures* (March 24, 2010).

Noncompliant Annual Inventories

The CLO did not ensure all accountable equipment was inventoried annually. As of June 24, 2016, three of 50 equipment items tested (6 percent), with a purchase value of about $70,500, had not been physically inventoried within the past 12-month period, as required. According to VA Handbook 7002, inventory of all accountable equipment and sensitive items, regardless of cost, is to be conducted on an annual basis. Furthermore, policy states the inventory due date cannot extend beyond 12 months from the previous inventory date.

According to the ECHCS Logistics Service Property and Project Management Chief, not all accountable equipment was inventoried annually because the "inventory by exception" method applied by the Logistics Service did not ensure all items were inventoried in a 12-month cycle. The CLO explained that inventory by exception focuses on what has not been accounted for in the last year, which allows equipment to potentially not be inventoried for nearly two calendar years. He advised this process would no longer be used as of FY 2017. Not performing an annual inventory of all accountable equipment increases the risk of equipment being lost or stolen and reduces the likelihood that inventory records are accurate.

Recommendation 6 addresses the need to perform recurring reviews to ensure all Research Service equipment has been inventoried on an annual basis.

Turned In Sensitive IT Items Lacked Sanitization Certificates

The ECHCS Custodial Officers and Information Security Officer did not ensure any of the 15 sensitive equipment items that possibly contained sensitive data, included in the OIG review, had the VA Form 0751, *Information Technology Equipment Sanitization Certificate* attached to the turn-in documentation prior to disposal.[19] These items required sanitization and included devices such as a laptop computer, printer, copier, and facsimile machine.[20]

According to VA Handbook 7002, turned in IT equipment must be sanitized prior to any type of disposal or donation action being taken. VA Handbook 6500.1 states that VA Form 0751 must be completed and attached to the proper turn-in documentation as required by the local VA office or facility. At a minimum, the IT technician and the information security officer must complete and sign the VA Form 0751 to assert that appropriate sanitization occurred.

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[19] Custodial officers assume responsibility for accountable equipment under their jurisdiction.
[20] VA Handbook 6500, *Risk Management Framework for VA Information Systems-Tier 3: VA Information Security Program*, dated March 10, 2015, defines sanitization as the process by which information is removed from media so that information recovery is not possible.

According to the CLO, Logistics Service staff relied on the ECHCS Information Security Officer to determine what items required sanitization; however, VA Handbook 6500.1, *Electronic Media Sanitization*, November 3, 2008, clearly identifies items that required sanitization. He added that under previous property management leadership, for reasons unknown to him, staff were instructed not to maintain records of Sanitization Certificates. Furthermore, this official stated Sanitization Certificates might not have been completed at all during the scope of the review, especially if those staff members were operating under the assumption that they were not required to retain sanitization documentation.

Figure 1 show hard drives removed from computers as part of the sanitization process, prior to disposal.

Figure 1. Computer Hard Drives

Source: Photograph taken at 2:40 p.m. on June 22, 2016, during OIG site visit at ECHCS

In addition, 14 of the 15 items had not been assigned to an IT EIL, which the OIG believes contributed to noncompliance with this requirement, as non-IT custodial officers may not have been aware that these items required Sanitization Certificates. Without Sanitization Certificates, Logistics Service staff did not have reasonable assurance that the Research Service's IT equipment, which could contain sensitive information, was processed appropriately. If sensitive information was not removed from the items, it could be compromised or inappropriately disclosed.

Recommendation 7 addresses the need to implement a local procedure to ensure Sanitization Certificates are included with Research Service equipment turn-in documentation.

Report of Survey Actions Not Taken

The CLO did not ensure required actions were taken after the Research Service reported lost items via VA Form 1217, *Report of Survey*, as required. According to VA Handbook 7002, a *Report of Survey* should be used to document the findings, determine responsibility, and record pecuniary

liability, if any, established by a board of survey or surveying officer. The form should also be used as the official document to adjust the equipment inventory record. Furthermore, according to policy, the ROS process will not exceed 60 days unless there is an ongoing law enforcement investigation requiring additional time. The accountable officer is also required to establish and maintain, on a FY basis, an ROS register and file.

The Research Service initiated eight ROSs in calendar year 2015 to report lost equipment. The form has several sections where required ROS actions can be recorded. However, the OIG review determined that other than the initial information reporting the equipment items as being lost, no information was documented. The OIG confirmed that, as of June 2016, no additional actions were taken after the Research Service reported the lost equipment. In addition, the accountable officer did not consistently maintain an ROS register for tracking and monitoring required actions.

According to the CLO, no further actions were taken after the equipment items were reported as lost because many of the items were found later. In addition, he stated that in recent years there has been a declining number of staff, due to attrition, that have the required training to complete ROS actions, which also made it difficult to take the required actions. If appropriate actions are not taken to ensure lost items are timely investigated, appropriate adjustments to equipment inventory accounts may not be made; thus, erroneous information is reported, hindering management's ability to manage and control assets.

Recommendations 8, 9, and 10 address the need to ensure Research Service ROS actions are completed, an ROS register is maintained, and an adequate number of staff are trained to perform duties as ROS officials.

Custodial Officers Not Managed Appropriately

Custodial officer training and Delegation of Authority letters were not completed, as required. Six of 39 Research Service Custodial Officers (15 percent) did not complete required training in FY 2015. In addition, 11 of 56 Delegation of Authority letters for Research Service Custodial Officers (19 percent) were not completed appropriately. According to the ECHCS Research Service Administrative Officer, this occurred because researchers worked offsite and did not have access to online training, combined with recurring turnover in ECHCS leadership. Without proper training and appointment letters, custodial officers do not have the knowledge or the authority to properly manage and account for the property under their control.

Training Not Completed

Required training was not completed by six of the 39 Research Service Custodial Officers (15 percent) in FY 2015. Further, as of June 20, 2016, 34 of the 41 Research Service Custodial Officers (83 percent) had not received the required training during FY 2016. According to VA Handbook

7002, custodial officers should receive EIL training from the accountable officer on an annual basis, which should be documented accordingly.

The Research Service Administrative Officer provided several reasons why custodial officers did not complete annual training requirements in FY 2015. She stated the training was not available in the Talent Management System, which would have provided automatic emails to the employee when training was due or overdue. She also commented that while training was provided at ECHCS and available via video conferencing, offsite custodial officers, several of whom worked at UC Denver, did not attend the training provided at ECHCS. According to her, video conferencing was not accessible from UC Denver. She believed most of these issues will be resolved by providing the training via the Talent Management System or offering in-person training at the new ECHCS facility, which would be adjacent to UC Denver. She further advised the Research Service's Supply/Inventory Technician position was vacant for all of FY 2015, and the individual in this position has traditionally helped provide training reminders to custodial officers. If custodial officers do not receive the required annual training, it increases the possibility that they do not have the knowledge to properly and effectively control and manage assigned equipment.

Recommendation 11 addresses the need to ensure all Research Service Custodial Officers complete required training.

Delegation of Authority Letters Not Completed as Required

Delegation of Authority letters for Research Service Custodial Officers were not current or not signed by the ECHCS Director. Of the 56 Research Service EILs where custodial officer delegation letters were required, eight delegation letters (14 percent) were for prior custodial officers, and three delegation letters (5 percent) were not signed by the ECHCS Director. According to VA Handbook 7002, the facility director shall designate, in writing, the custodial officer responsible for accountable equipment maintained on an appropriate EIL. Individual researchers may be designated as the custodial officers.

The CLO stated this occurred because of changes in ECHCS leadership. In 2015, the previous ECHCS Director retired, and there were two interim directors before a permanent director was appointed in 2016.[21] Because there are over 200 EILs facility-wide, the CLO chose to wait until a permanent director was appointed before submitting delegation letters for signature. However, prior to the review, the permanent director had not signed the delegation letters.

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[21] The director began her position at ECHCS on January 10, 2016, which was over five months before the site visit on June 20, 2016.

If custodial officers are not timely assigned and notified of their responsibilities in writing, research equipment may not be managed effectively. Furthermore, the risks of not timely assigning and notifying custodial officers increase the likelihood that equipment is not effectively managed if there is a time gap between the removal of a custodial officer and appointment of a new custodial officer. In addition, if custodial officers who require training to effectively manage equipment are not notified timely, this increases the risk that assigned equipment will not be managed according to policies until the custodial officer has completed the training.

Recommendation 12 addresses the need to ensure the completion of Delegation of Authority letters for Research Service Custodial Officers.

Conclusion   The OIG substantiated ECHCS did not properly manage research equipment. If ECHCS does not take corrective actions to improve the management of research equipment, it increases the risk of a potential breach involving protected health information or PII, that equipment could be lost or stolen, or that data are incorrectly recorded in the inventory system. Furthermore, it precludes ECHCS from maintaining effective accountability and control of equipment, which could potentially result in a waste of taxpayer funds and diminish the public's trust in VA's ability to effectively manage equipment.

Recommendations

1. The OIG recommended the VA Eastern Colorado Health Care System Director establish a policy requiring the Research Service implement a process to identify all accountable equipment annually that does not have a barcode label, and ensure these items are communicated to the Logistics Service so they receive a barcode label and are recorded in the automated inventory system.

2. The OIG recommended the VA Eastern Colorado Health Care System Director develop an action plan that would ensure all Research Service sensitive information technology equipment is assigned to an information technology equipment inventory list.

3. The OIG recommended the VA Eastern Colorado Health Care System Director implement a training program to ensure Information Technology, Research, and Logistics Service staffs are properly trained to enable them to identify and place sensitive information technology equipment under control.

4. The OIG recommended the VA Eastern Colorado Health Care System Director implement a policy requiring the Logistics Service perform recurring, at least annually, quality reviews of Research Service automated equipment data to identify and correct incomplete, inaccurate,

and unreliable records, maintain copies of the reviews, and provide the completed reviews to the director.

5. The OIG recommended the VA Eastern Colorado Health Care System Director implement a policy requiring the Logistics Service perform recurring quality reviews, at least annually, to ensure equipment transaction records are maintained, logically organized, and easily accessible for assigned research equipment, in accordance with policy.

6. The OIG recommended the VA Eastern Colorado Health Care System Director develop a local policy requiring the Logistics Service to perform recurring reviews of inventory dates for all Research Service accountable equipment and sensitive items, to ensure all equipment has been inventoried on an annual basis, which is from the month of completion to the next 12-month period, as required by VA Handbook 7002.

7. The OIG recommended the VA Eastern Colorado Health Care System Director implement a procedure to ensure compliance with the VA Handbook 6500.1 requirement to attach VA Form 0751, *Information Technology Equipment Sanitization Certificate,* to VA Form 2237, *Request, Turn-In, and Receipt for Property or Services,* prior to disposal of sensitive information technology equipment.

8. The OIG recommended the VA Eastern Colorado Health Care System Director take steps necessary to ensure required Report of Survey actions listed in VA Handbook 7002 are completed for the missing items reported lost by the Research Service on the eight Reports of Survey initiated in calendar year 2015.

9. The OIG recommended the VA Eastern Colorado Health Care System Director require the accountable officer to follow policy, establish, and maintain a Report of Survey register by fiscal year, to track, monitor, and ensure required actions are completed timely.

10. The OIG recommended the VA Eastern Colorado Health Care System Director ensure there are an adequate number of officials who have the required training to complete Report of Survey actions so Reports of Survey can be fully processed, timely.

11. The OIG recommended the VA Eastern Colorado Health Care System Director implement a mechanism to ensure all Research Service Custodial Officers complete their required annual Custodial Officer's training.

12. The OIG recommended the VA Eastern Colorado Health Care System Director ensure Delegation of Authority letters for all current Research Service Custodial Officers are completed in accordance with VA Handbook 7002.

Management Comments

The ECHCS Director concurred with the finding and recommendations. The director reported that corrective actions had been taken to address six of the 12 recommendations (4 and 8–12). Corrective actions on the remaining six recommendations (1, 2, 3, 5, 6, 7) were scheduled to be completed by January 26, 2018. Appendix D contains the full text of the director's comments.

OIG Response

The ECHCS Director's corrective actions are responsive and once information is received indicating the actions were completed, the OIG will consider closing the recommendations (4 and 8–12). The OIG will follow up with ECHCS on the planned corrective actions for the remaining six recommendations.

Finding 2   Finding 2   ECHCS Did Not Have Effective Monitoring and Emergency Backup Plan for Research Materials and Specimens

The ECHCS Research Service Administrative Officer did not ensure research staff complied with guidance and implemented an effective monitoring and emergency backup plan to properly preserve all temperature-sensitive research materials and specimens.[22] Specifically, not all of the freezers containing materials and specimens had remote monitoring probes, which would send notification when the freezer exceeded specified temperature ranges. In addition, not all of the freezers were connected to a backup power source that would supply electricity in case of power interruptions or failure. This occurred because the aging facility was not configured to provide adequate backup power sources. The Research Service Administrative Officer reported they did not have the financial resources to provide probes for all freezers and refrigerators. If valuable materials and specimens are compromised, it could delay or jeopardize the continuation of research projects and diminish the public's trust in VA's research program.

Lack of Remote Temperature Monitoring System for all Freezers

The Research Service Administrative Officer did not ensure all freezers that stored research materials and specimens had temperature-monitoring devices installed that would send notifications when temperatures exceeded specified thresholds. ECHCS research staff used TempTrak®, a web-based system that monitors temperatures on some of the freezers containing materials and specimens. This monitoring system alerts users once the freezer's temperature has exceeded its preset range and sends an alert notification.

However, not all of the freezers had the monitoring devices installed. According to the Research Service Administrative Officer, some of the older ultra-low minus 80 degree models did not have the ports needed to insert a TempTrak probe. The ECHCS Research Service Safety Technician and Education Coordinator stated the monitoring probes could not be installed in these older freezers without portals because the door seal would be broken and the unit would freeze up and stop working. In addition, the Research Service Administrative Officer stated the Research Service did not have the financial resources to provide probes for all of the freezers. She further stated researchers should have used their research funds to ensure the freezers had a remote temperature monitoring probe. However, a researcher who transferred research materials and specimens from a prior facility to the ECHCS facility lost them due to a freezer failure. He said he was new to ECHCS and had not been informed of the need to purchase a monitoring

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[22] Materials are reagents and are used to create a chemical reaction, which allows researchers to detect, measure, produce, or change other substances. Specimens refer to human and animal tissue samples.

probe. He also added that his funding had not yet been transferred from his prior VA facility at the time of the loss, so he would not have been able to purchase a monitoring probe.

The Research Service Administrative Officer stated ECHCS Research Service plans to bring the newer refrigerators and freezers to the new facility if they are within their useful lifespan. In addition, they also hope to purchase new freezers, especially ultra-low freezers, for the new facility, which is dependent upon funding. She added all the refrigerators and freezers at the new facility should have a temperature monitoring system. On August 7, 2017, an email indicated the Research Service Administrative Officer advised that all of the current ultra-low freezers are now on TempTrak.

Limited Backup Power

The Research Service Administrative Officer did not ensure all freezers that stored research materials and specimens were connected to electrical outlets that were powered by a backup generator during power interruptions and outages. This issue was noted in a peer review report, which was provided to the ECHCS Director.[23] Although there was emergency power backup, it was considered inadequate. In addition, there were inadequate emergency power plugs to accommodate all of the freezers that were used for storage of research materials and specimens. According to the ECHCS Director, as of November 2016, which was approximately four months after the OIG's site visit, there were enough electrical outlets with power supplied by the backup generators for the freezers.

Preservation Guidelines

National Institutes of Health guidelines suggest biological specimens from study participants be handled according to the highest standards.[24] Research facilities should follow best practices for specimen storage and retrieval and should be operated using effective facility environments. The environments should include ambient temperature controls, good air circulation, lighting, and security. Systems should be in place to allow for local and remote temperature monitoring of freezers. Research facilities should have emergency preparedness plans that cover equipment failures and power interruption that include backup storage capacity and backup power supplies.

In addition, research guidance recommends that a temperature tracking system (automated or manual) and alarm system be installed to alert staff when refrigerators or freezers deviate from the set temperature range. [25] This information in the section on cold storage did not differentiate between the different types of freezers or refrigerators, or the different types of materials or specimens, such as human or animal that might be stored in them.

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[23] *Summary of Visit to ECVHCS Research Division,* April 15, 2016.
[24] "Guidelines for Human Biospecimen Storage and Tracking Within the NIH Intramural Research Program," National Institutes of Health, 2013.
[25] Department of VA, *Research Laboratory Safety Guidebook*, March 2015.

Risks of Unmonitored Freezers

Materials and specimens in freezers without a monitoring device are at a higher risk of being compromised. If the freezer does not operate within the necessary temperature range, staff have no way of knowing unless someone is present, physically observes the failure, and reports it or takes corrective actions.

The Research Service Administrative Officer advised there have been several occasions where freezers that did not have the monitoring devices installed failed to work properly. However, she said the research contents in the failed freezers were moved to another unit prior to any of the contents being compromised, except for the one incident involving the researcher who transferred materials and specimens from his former facility. Although the Research Administrative Officer only recalled the one incident where materials were lost due to a freezer failure, one ECHCS researcher said she and another researcher lost materials as a result of an ultra-low minus 80 freezer failure in either 2009 or 2010. She added that the other researcher was granted a one-year extension of his research project.

According to the Research Service Administrative Officer and the project researcher who transferred material and specimens from his former facility, the value of the lost research materials was estimated at approximately $82,000 to $101,000. Neither the Research Service Administrative Officer nor the researcher could quantify the value of the compromised specimens in this incident. According to the researcher, the project could be delayed for about three years because of the need to regenerate specimens to the stage they were in before they were rendered unusable. This delay could place the continuation of the research project in jeopardy.

Conclusion

The Research Service's failure to implement effective controls to ensure proper storage of research materials and specimens in freezers with temperature monitoring devices led to a higher risk of those materials and specimens being compromised, which could result in a monetary loss, delay or cancelation of research projects, and could diminish the public's trust in the Research Service. If research projects are delayed or terminated, any potential benefits of these research projects are also delayed and could possibly never be realized.

Recommendation

13. The OIG recommended the VA Eastern Colorado Health Care System Director ensure all materials and specimens are stored in a freezer with a remote temperature monitoring system.

Management Comments

The ECHCS Director concurred with the finding and recommendation and reported that corrective actions had been completed. Appendix D contains the full text of the director's comments.

OIG Comments   The ECHCS Director's corrective actions to address the recommendation are responsive and the OIG will consider closing the recommendation upon receipt of information showing the actions were completed.

Finding 3   ECHCS Research Facilities Were Not Secured

The OIG substantiated the allegation that ECHCS Research Service did not adequately secure their facilities, which increased the risk that hazardous chemicals and PII could be compromised. This occurred because the ECHCS Research Service Administrative Officer did not ensure research facilities were secured according to applicable policies.

Unsecured Facilities

The OIG confirmed that all Research Service facilities were not consistently secured as required. The OIG determined that only one of the three Research Service buildings that had laboratories in them had a security system that was monitored by VA Police and that not all entry doors from non-research areas into the research areas were self-closing and secured at all times.

Required Laboratory Security Systems Were Installed

According to Veterans Health Administration (VHA) Handbook 1200.06, all VA research laboratory areas must include an intrusion alarm system either connected to, or otherwise monitored by, the facility's Police Service 24 hours a day, seven days a week.[26] However, the Director of Research Operations, VHA's Office of Research and Development, stated that only laboratories that had select biological agents or chemicals required an intrusion alarm system either connected to, or otherwise monitored by, the facility's VA police 24 hours a day, seven days a week. The official further stated it was the medical center director's discretion as to whether all laboratories have 24 hour, seven days a week, security systems monitored by VA police installed, but they are not required for all facilities that have laboratories in them. According to the Research Service Administrative Officer, none of the select biological agents or chemicals was stored in any of the ECHCS laboratories. Therefore, the OIG determined that although one of the ECHCS laboratories had a monitored security system installed that alerted VA police if an intrusion occurred, none of the laboratories required security systems as described in VHA Handbook 1200.06.

Exterior Doors Were Not Consistently Secured

The OIG did determine not all entry doors from non-research areas into the research laboratory areas were secured at all times, as required by VHA Handbooks 1200.06 and 1200.08.[27] Exterior doors with automatic locking mechanisms were not consistently and completely closed, which would engage the automatic locking mechanisms. In addition, a lock button on a self-closing, keyed exterior door was not placed in the proper position so it would lock when closed. This occurred because automatically locking mechanisms did not consistently operate as intended, and staff did not engage the locks on the self-closing keyed exterior door.

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[26] VHA Handbook 1200.06, *Control of Hazardous Agents in VA Research Laboratories* (October 21, 2005).
[27] VHA Handbook 1200.08, *Safety of Personnel Engaged in Research* (March 6, 2009).

Unsecured Research Facility Doors

Exterior doors to Research Service buildings were not consistently secured, as required by VHA Handbook 1200.08. According to the handbook, laboratory and animal care areas are to be locked at all times. The OIG performed physical checks and observations of Research Service buildings to determine if all exterior doors were secured. The OIG found the exterior door on one Research Service building ajar. The door had a self-closing, automatic locking mechanism that locked when closed completely. However, when the OIG initially checked the door, it was not closed completely so the lock was not engaged. The OIG also found an unsecured exterior door on another Research Service building. The exterior door had a keyed lock and the lock button was left in the unlocked position. In addition, there were several complaints and work orders for exterior door locks not engaging on Research Service buildings. Two VA police officers interviewed stated that routine security checks performed during the evenings and nighttime frequently revealed unsecured research building exterior doors. Several staff also advised that exterior doors did not consistently close and lock properly.

According to VHA Directive 1200, the VA medical facility director is responsible for ensuring all individuals working within and supporting the VA medical facility's research program are fully aware of, and implement all required security controls.[28] VA Handbook 1200.06 states that VA research laboratories are not open to the public, so all entry doors from non-research areas into the research laboratory areas must be self-closing and secured at all times. Access must be by keycard or a system that is equal to or exceeds the security of a keycard system.

Unsecured or improperly secured buildings and laboratories increase the risk that research equipment and hazardous, flammable, or toxic chemicals maintained in buildings could be stolen and misused, and also increase the possibility that PII might be compromised. Recommendations 15 and 16 address the need for ensuring locks function as intended, and using appropriate locking mechanisms for Research Service buildings.

Hazardous Chemicals at Risk

The inadequate and inconsistent security of research facilities increased the risk that hazardous chemicals could be compromised. However, ECHCS could have reduced the amount of hazardous chemicals at risk by timely turning in unrequired hazardous chemicals. While the OIG was unable to determine the total amount of hazardous chemicals stored at the research facilities prior to its visit, the Research Service turned in more than 740 pounds of unrequired hazardous chemicals from May through June 2016. This amount far exceeded the 13 pounds turned in during calendar year 2015. According to the Research Service Administrative Officer, most of the chemicals were collected from vacant laboratories. The

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[28] VHA Directive 1200 was modified in July 2009 and May 2016. Both issues are applicable because of the time frame of the review.

Research Service Safety Technician and Education Coordinator stated the chemicals were turned in a few weeks prior to the OIG's site visit and were picked up by the disposal contractor on June 27, 2016. On June 22, 2016, the OIG staff observed a storage room that contained a large quantity of various chemicals that had been turned in for disposal, some of which were labeled as hazardous. Figure 2 shows some of the chemicals awaiting disposal.

Figure 2. Chemicals in Storage Room

Source: Photograph taken at 2:47 p.m. on June 22, 2016, during OIG site visit at ECHCS

VHA Handbook 1200.06 requires that hazardous agents and toxins not currently in use and for which there are no immediate plans for use must be transferred to another laboratory, destroyed, or disposed of by methods approved in applicable regulations.

The ECHCS Research Service Associate Chief of Staff stated that the Research Service delayed decommissioning vacant laboratories as they prepared to transition to the new facility. As a result, the chemicals remained in the vacant laboratories until additional personnel were assigned to help with the cleanup as part of ECHCS' action plan, which ECHCS management told us was expedited in anticipation of the OIG's visit. Recommendation 17 addresses the need to establish procedures to timely dispose of unused chemicals when Research Service laboratories are vacated or determined to be "unrequired" as set forth in VHA Handbook 1200.06.

PII at Risk

The inadequate and inconsistent security of research facilities also increased the risk of PII being compromised, as alleged by the complainant. However, the amount of PII at risk could have been mitigated by taking timely and appropriate actions to decommission vacant laboratories, and collecting,

storing, or disposing of unrequired documents and electronic devices in the vacant laboratories.[29]

According to the *Summary of Visit to ECVHCS Research Division* report, dated April 11–12, 2016, ECHCS researchers were granted waivers to work off-site as early as 2008. The Associate Chief of Staff for Research said computers and documents remained in vacant laboratories until additional personnel were assigned to help with the cleanup as part of ECHCS's action plan and in anticipation of the OIG's visit. The Research Service Administrative Officer stated that shortly before the OIG's visit in June 2016, hard copy research documents and computers were collected from vacant laboratories.

The documents collected from the vacant laboratories were stored in a locked vacant room. Access to the room was limited to authorized staff, which had access to a key. However, the documents were not placed in locked cabinets inside the vacant room. The OIG confirmed that some of the documents collected and stored in the locked vacant room contained PII. However, the OIG was unable to confirm whether the documents collected from the vacant laboratories were maintained in locked laboratories and cabinets when ECHCS research staff was not present, prior to the OIG site visit. Documents containing PII not stored in locked cabinets inside secured laboratories places PII at risk since ECHCS researchers, who were not authorized access to the PII, had keys that would open multiple laboratory doors. Figure 3 shows some of the boxes of research documents collected that were stored in the secured vacant laboratory.

The computers collected from the vacant laboratories were turned in to the Research Service IT Specialist who downloaded research data to VA share drives and prepared the computers for disposal. Research and IT staff confirmed safeguards had been installed on all computers and thumb drives as required by VA policies. Figure 4 shows some of the turned in computers.

VA Directive 6502, *VA Privacy Program*, May 5, 2008, states, "the physical input and output products of VA information systems that contain privacy-protected data, such as disks, paper, flash drives, or any other data storage device, shall be protected against misuse and unauthorized access, unauthorized disruption, unauthorized disclosure, or unauthorized modification or destruction." In addition, according to ECHCS *Information Security Policy/Procedures* 00-35, the PII should have been locked in cabinets when not in use, or disposed of through shredding or other approved disposal methods.[30]

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[29] According to VA Handbook 7002, "unrequired" equipment is no longer needed or has become unserviceable through normal use.
[30] ECHCS *Information Security Policy/Procedures 00-35*, April 30, 2007.

*Why This
Occurred*

The reasons for the inadequate and inconsistent security of research facilities are discussed in the *Monitored Security Systems Not Utilized* and *Unsecured Research Facility Doors*, sections above in this report. The ECHCS Research Service Associate Chief of Staff stated the Research Service delayed decommissioning vacant laboratories as they prepared for their transition to the new facility.

When vacant laboratories are not timely decommissioned, it increases the risk that any potential PII could be compromised. For example, researchers at the ECHCS facility had keys that would open multiple laboratory doors, thus allowing them access to unauthorized PII. Furthermore, the risk is higher that PII in a vacant laboratory would go undetected for a longer period, if detected at all, than PII compromised in an occupied laboratory. Recommendation 16 addresses the need to establish procedures to timely decommission vacant laboratories, and for taking appropriate actions, regarding unrequired PII and chemicals in vacant laboratories.

Figure 3. Research Documents Being Prepared for Long-Term Storage

Source: Photograph taken at 2:31 p.m. on June 22, 2016, during OIG site visit at ECHCS

Figure 4. Turned in Research IT Equipment

Source: Photograph taken at 2:41 p.m. on June 22, 2016, during OIG site visit at ECHCS

Conclusion

Research Service buildings were not adequately secured. Unsecured research facilities place buildings, laboratories, staff, equipment, chemicals, and PII at risk. For example, unsecured facilities increase the risk of theft of equipment and hazardous chemicals, vandalism to the facilities and equipment, and the possible compromise of PII. If facilities are vandalized or equipment is vandalized or stolen, it results in a waste of funds. If hazardous chemicals are stolen and used for unscrupulous reasons or if PII is compromised, it undermines the public's trust in VA to protect and manage these assets.

Recommendations

14. The OIG recommended the VA Eastern Colorado Health Care System Director ensure exterior doors on Research Service buildings are repaired so they consistently lock upon closure.

15. The OIG recommended the VA Eastern Colorado Health Care System Director ensure all exterior doors to Research Service buildings are secured by self-closing doors with automatic locking upon closure with access by keycard or a system that is equal to or exceeds the security of a keycard system.

16. The OIG recommended the VA Eastern Colorado Health Care System Director establish procedures to timely decommission vacant laboratories, and collect, store, or dispose of unused chemicals and personally identifiable information in accordance with applicable policies.

Management Comments

The ECHCS Director concurred with the finding and recommendations and reported that corrective actions had been completed to address these

recommendations. Appendix D contains the full text of the director's comments.

OIG Response   The ECHCS Director's corrective actions to address the recommendations are responsive and the OIG will consider closing the recommendations after receiving information indicating the actions were completed.

Appendix A   Background

Some of the ECHCS Research Service facilities were built in the early 1950s and have experienced problems related to aging infrastructure. Examples of problems within the research facilities included inadequate emergency power backup; water, sewer, and gas leaks; and fluctuating temperature and humidity control. The ECHCS Director stated in October 2016 that the water, sewer, and gas leaks and inadequate emergency power issues had been resolved.

Because of the changing timeline for the new ECHCS facility and the current facility's declining conditions, many of the researchers who were conducting research at the ECHCS facility were granted waivers to work offsite beginning in 2008 to maintain a viable research relationship with UC and preserve the VA program. When research projects were migrated from ECHCS to UC, research equipment and chemicals no longer required were left in the vacated laboratories. This resulted in other VA equipment being moved to UC to be used by researchers who held joint VA-UC appointments. Ownership of the equipment was not transferred to UC and the equipment is included in VA's annual inventory.

Action Plan to Prepare for Transition to New Facility

In late May 2016, a Research Service Space Remediation action plan was developed and implemented by the ECHCS Associate Director in coordination with ECHCS Research Service. This action plan included identifying and turning in any unrequired research equipment and chemicals, preparing research documents for long-term storage or disposal, and cleaning of research facilities. Although actions were implemented prior to the OIG's announced site visit, ECHCS management confirmed that staff took more aggressive actions just prior to the OIG's arrival. Figure 5 shows some of the equipment that was collected from various laboratories prior to the OIG's visit and subsequently taken to an offsite warehouse.

Figure 5. Equipment in Warehouse

Source: Photograph taken at 2:29 p.m. on June 24, 2016, during OIG site visit at ECHCS

*Prior
Related
Report*

The *Logistics Business Review*, *16-01-LOG-SR-009*, September 1, 2016, was completed by the Office of Internal Controls. The Office of Internal Controls reports to the Principal Deputy Assistant Secretary for Management, who reports to the Assistant Secretary for Management and Chief Financial Officer. The Office of Internal Controls is responsible for reviewing VA financial management and logistics operations to ensure information and performance is complete, reliable, timely, and consistent. Internal Controls Over Operations performs logistics reviews under the Office of Internal Controls and conducts operational control analysis of nonexpendable personal property and expendable item inventory at field stations throughout VA.

The review was conducted in May 2016, the month prior to the OIG's site visit at ECHCS. Nonexpendable personal property management was one of the areas reviewed. Common findings identified in the report and during the review include equipment inventories not being performed annually, ROS officials not appointed, ROSs not processed timely, and annual accountability training not completed. However, the OIG did not rely on their work to support any findings or conclusions.

*Equipment
Management
System*

AEMS/MERS was released in 1985 and until recently was the official enterprise-wide system of record for accountability of property for the VA.[31] It was a shared resource between the Office of Acquisition and Logistics, Logistics and Supply Chain Management, and Engineering Service. The accountable officer is responsible for ensuring that all property assigned to a facility is accounted for and entered into the proper automated system. According to the ECHCS Chief Information Officer, ECHCS migrated from AEMS/MERS to Maximo as the official property management system in November 2016.

*Equipment
Management
Responsibilities
and Procedures*

According to VA Directive 7002, July 10, 2009 "any employee who uses, supervises the use of, exercises control over, or has custody of public property in their personal possession or in the possession of employees under their jurisdiction is responsible for such property."

- Every employee assumes personal responsibility for government property, whether such property has been issued, specifically assigned, or is used by a specific person on occasion.

- The accountable officer or designee is responsible to assure all government property assigned to a facility is accounted for and entered into the proper automated system. The accountable officer also ensures that all property is properly used, maintained, and conserved during its

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[31] AEMS/MERS is a module within Veterans Health Information Systems and Technology Architecture information system (VistA) used by VHA.

useful life, and that procedures are in place to avoid theft, abuse, and loss.

- The custodial officer (service chief, component head, or equivalent employee) assumes responsibility for accountable equipment under their jurisdiction.[32]

Inventory Procedures

According to VA Handbook 7002, conducting a physical inventory is the process of reconciling accountable personal property records with the property actually on hand. At a minimum, the serial number, model number, and location will be verified against the EIL when the inventory process is being conducted. VA requires annual inventory of all accountable property and designated sensitive items. EILs that fall below a 95 percent accuracy rate must be inventoried again in six months.

Equipment Disposition Procedures

In accordance with VA Handbook 7002, "accountable equipment that is no longer needed, or equipment that has become unserviceable through normal use, will be considered as unrequired." Unrequired property will be returned to the Logistics Service, which determines if the property can be reused within the VA, disposed of by the VA, or replaced through exchange or sale. When unrequired property cannot be reused within VA, it is then considered to be excess and must be reported to the General Services Administration.

Special Disposal Procedures for IT Equipment

Per VA Handbook 7348, "all equipment items containing any form of memory that, if released to the general public, could cause a breach in security or confidentially for veterans or employees will be sanitized prior to being turned in for disposal action."[33] This sanitization process will be documented and the documentation furnished to the Logistics Service by IT personnel once the process is complete. The document will contain the appropriate signatures.[34] Per VA Handbook 7002, hard drives will be removed from computers being sent for salvage. The hard drives, along with other devices containing memory, should be sent to the information security officer for proper disposal.

Lost or Stolen Equipment

According to VA Handbook 7002, an ROS should be used for lost, damaged, or destroyed government property to document the findings, determine responsibility, and record pecuniary liability, if any, established by a board of survey or surveying officer.[35] The form should also be used as the official document to adjust the equipment inventory record. The overall ROS process will not exceed 60 days unless there is an ongoing law enforcement investigation requiring additional time. When property cannot be found, it will be designated as lost or stolen and removed from property records. The

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[32] VA Handbook 7002, *Logistics Management Procedures*, July 2009.
[33] VA Handbook 7348, *Utilization and Disposition of Personal Property*, March 2012.
[34] VA Handbook 7348, *Utility and Disposition of Personal Property*, March 2012
[35] VA Form 1217.

accountable officer will establish and maintain, on a fiscal year basis, an ROS register and file.

The accountable officer will assign an ROS surveying official for all items below $5,000. If the item is worth $5,000 or more, or the assignment of pecuniary liability is likely, the accountable officer will establish a board of survey. The ROS, along with accompanying information, will be forwarded to the approving official—an associate director or equivalent—for review and approval of the personnel assigned to conduct the ROS investigation.

Appendix B   Scope and Methodology

Scope

The OIG conducted its review from June 2016 through November 2017 to assess whether the ECHCS properly managed research equipment, materials and specimens, and adequately secured its research facilities, chemicals, and PII from May 1, 2015, through May 31, 2016.

Methodology

To determine whether the ECHCS properly managed research equipment, materials, and specimens, and adequately secured its research facilities, chemicals, and PII, the OIG conducted a site visit and:

- Reviewed applicable policies, procedures, and guidelines

- Interviewed individuals responsible for recording, managing, and disposing of research equipment

- Interviewed ECHCS researchers

- Conducted a physical inventory test count of in-use equipment, based on a statistically selected sample of 30 items, plus 20 high-dollar certainty items

- Conducted a test of inventory records pertaining to the disposition of equipment, based on a statistically selected sample of 13 items, plus two high-dollar certainty items

- Analyzed and reviewed pertinent data, documents, and accountable equipment

- Interviewed individuals with knowledge of, or responsibility for, materials and specimens

- Reviewed data and documents associated with material and specimen care and loss

- Interviewed individuals with knowledge of the security of facilities, chemicals, and PII

- Reviewed facility security policies and procedures

- Reviewed chemical disposal data and policies and procedures

- Reviewed security and protection of PII policies and procedures

- Observed security measures currently in place at ECHCS Research facilities

Fraud Assessment

The review team assessed the risk that fraud, violations of legal and regulatory requirements, and abuse could occur during this review. The review team exercised due diligence in staying alert to any fraud indicators by taking actions such as:

- Soliciting the OIG's Office of Investigations for related ongoing investigations

- Building various fraud-related work steps into the Review Guide and performing those steps during the site visit, such as a segregation of duties review and checking for fraudulent alterations when reviewing documents

The OIG did not identify any instances of fraud during this review.

Data Reliability

The OIG used data obtained from the AEMS/MERS inventory file, which was accessed through Veterans Health Information Systems and Technology Architecture, to conduct inventory testing. A number of steps in physical inventory testing were performed where data was verified in its sample to the equipment location, assigned custodial officers, and various physical descriptions and identifying numbers on the equipment.

In addition, the OIG analyzed all records in the universe for missing and conflicting data in key fields, such as the EIL and Use Status fields. Although the OIG found data integrity issues with this data file, the reliability of the data for testing was sufficient for the purposes of its analysis and findings.

Government Standards

The OIG conducted this review in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation.*

Appendix C   Statistical Sampling Methodology

Two statistically selected samples, augmented with certainty items, were used to facilitate on-hand physical inventory and the turned in/disposition inventory tests. The OIG did not project on its test findings because it determined that the actual results of the inventory tests the OIG performed at ECHCS were sufficient to support its opinion on the allegations of the complainant.

Population   The population for the tests was obtained from the AEMS/MERS Inventory file system, which was accessed through Veterans Health Information Systems and Technology Architecture. AEMS/MERS was, until late 2016, the official enterprise-wide system of record for accountability of personal property for the VA. The sampling universe totaled 1,204 items, with a purchase value of approximately $7,471,720.

Sampling Design   The sampling design was limited to three strata. Stratum 1, a total of 1157 items, was selected from all items with a status of in use, with no turn in date or disposition date. Stratum 2, a total of 25 items, was selected from all items that had a turn in date during the audit scope period of May 1, 2015, through May 31, 2016, excluding any items listed in Stratum 3. Stratum 3, a total of 22 items, included certainty items. Certainty items were selected based on purchase value of $50,000 or greater. Data for 20 of the 22 certainty items indicated they were on-hand and two items indicated disposition actions.

A total of 50 in-use equipment items were selected to conduct a physical inventory test count of on-hand items. Thirty items were statistically selected from stratum 1 and 20 on-hand, high-dollar certainty items were selected from stratum 3.

All 27 inventory records pertaining to the disposition of equipment items were selected for review. The 27 items consisted of all 25 items in stratum 2, plus the 2 high-dollar certainty items from stratum 3 showing a disposition status.

The entire 15 sensitive equipment items, included in stratum 2, were judgmentally selected for review to determine whether VA Form 0751, *Information Technology Equipment Sanitization Certificate*, was attached to the turn-in documentation prior to disposal.

Appendix D   Management Comments

Department of Veterans Affairs Memorandum

Date: January 12, 2018

From: Eastern Colorado Healthcare System

Subj: Response to OIG Project Number 2016-02742-R9-0160

To: Assistant Inspector General for Audits and Evaluations (52)

1.   We appreciate the opportunity to work with the Office of Inspector General as we continuously strive to improve the quality of healthcare for America's Veterans.

2.   Included you will find our response to the Draft Report, Review of Research Service Equipment and Facility Management, Project Number: 2016-02742-R9-0160

(Original signed by)

Sallie A. Houser-Hanfelder, FACHE
Director

Finding 1—ECHCS Logistics and Research Services Staff Did Not Effectively Manage Equipment; ECHCS concurs with the finding.

Recommendation 1. The OIG recommended the VA Eastern Colorado Health Care System Director establish a policy requiring the Research Service implement a process to identify all accountable equipment annually that does not have a barcode label, and ensure these items are communicated to the Logistics Service so they receive a barcode label and are recorded in the automated inventory system.

Concur

Target date for completion: 1/26/2018

ECHCS has implemented a policy requiring annual EIL reconciliations to include all inventory items eliminating the prior practice of inventory by exception. Now that we have moved to the new facility, we have performed 100% inventory on all Research Laboratory Building floors to account for all newly purchased equipment as well as equipment that was transferred from the old campus. Research and Property Management teams will meet monthly with a running agenda which includes, but will not be limited to:

1)   Thorough review of all new purchases of equipment and confirmation of what has been received to date;

2)   Confirm what has arrived and that it has been inducted into the system of record (MAXIMO), scanned into its proper location and placed on the proper inventory listing;

3)   Reconciliation of valid vs. invalid EIL listings, new delegations, change over inventories needing to be conducted, etc;

4)   Thorough review of any potentially sensitive OI&T items that may need to be put on the 78 series OI&T EIL;

5)   Reconciliation of ROS's in all states of being processed to confirm they are being initiated, are being actioned and are being properly removed from record within provided guidelines.

Recommendation 2. The OIG recommended the VA Eastern Colorado Health Care System Director develop an action plan that would ensure all Research Service sensitive information technology equipment is assigned to an information technology equipment inventory list.

Concur

Target date for completion: 1/26/2018

ECHCS logistics will establish monthly meetings between Research and Supply Chain Management Services which will be documented in accordance with local station policy/MOU. This meeting will require the Research Service AO and the Supply Chain Management Service Property Chief's attendance. This monthly meeting will have a running agenda which includes, but will not be limited to:

1)   Thorough review of all new purchases of equipment and confirmation of what has been received to date;

2)   Confirm what has arrived and that it has been added into the system of record (MAXIMO), scanned into its proper location, and placed on the proper inventory listing;

3)   Reconciliation of valid vs. invalid EIL listings, new delegations, change over inventories needing to be conducted, etc;

4)   Thorough review of any potentially sensitive OI&T items that may need to be put on the 78 series OI&T EIL;

5)   Reconciliation of ROS's in all states of being processed to confirm they are being initiated, are being actioned and are being properly removed from record within provided guidelines.

Recommendation 3. The OIG recommended the VA Eastern Colorado Health Care System Director implement a training program to ensure Information Technology, Research, and Logistics Service staffs are properly trained to enable them to identify and place sensitive information technology equipment under control.

Concur

Target date for completion: 1/26/2018

ECHCS logistics will establish a local policy/MOU that will integrate the Supply Chain Management, Research, OI&T and ISO services into one Sensitive Equipment training program focused around the identification of what a sensitive item is and standardized procedure for dispositioning sensitive equipment (be it placing/identifying an item when being put on record or turning in an item). The training program will be required annually by any/all individuals within these departments that have responsibilities related to inventory management of sensitive equipment. The procedural portion of the policy will encompass the 0751 sanitization of sensitive equipment process and who is responsible for what portion of this process from each service line.

Recommendation 4. The OIG recommended the VA Eastern Colorado Health Care System Director implement a policy requiring the Logistics Service perform recurring, at least annually, quality reviews of Research Service automated equipment data to identify and correct incomplete, inaccurate, and unreliable records, maintain copies of the reviews, and provide the completed reviews to the director.

Concur

Target date for completion: Completed

A new tool that has recently been deployed (Q1 FY 18) to the field within the VHA inventory management community that tracks various key performance metrics is the Supply Chain Common Operating Picture (SCCOP). This online tool is an intuitive depiction of data pulled directly from Maximo (the newly adopted system of record to ECHCS as of November 2016) on a recurring basis. One of the key metrics now being tracked is mandatory fields within MAXIMO. With this capability, inventory managers are proactively able to monitor and correct incomplete, inaccurate and unreliable data as needed within the system of record. The SCCOP is a tool that is directly available to and is being utilized by facility leadership.

Recommendation 5. The OIG recommended the VA Eastern Colorado Health Care System Director implement a policy requiring the Logistics Service perform recurring quality reviews, at least annually, to ensure equipment transaction records are maintained, logically organized, and easily accessible for assigned research equipment, in accordance with policy.

Concur

Target date for completion: 1/26/2018

ECHCS will incorporate an annual review into facility policy 90-3 (Non-Expendable Equipment Management) to ensure equipment transaction records have been filed in their appropriate EIL folders located on the Property Management Shared Drive, which are locally organized and easily accessible for each EIL.

Recommendation 6. The OIG recommended the VA Eastern Colorado Health Care System Director develop a local policy requiring the Logistics Service to perform recurring reviews of inventory dates for all Research Service accountable equipment and sensitive items, to ensure all equipment has been inventoried on an annual basis, which is from the month of completion to the next 12-month period, as required by VA Handbook 7002.

Concur

Target date for completion: 1/26/2018

ECHCS has recently (Q1 FY 18) moved to a new inventory model which has rescinded the option of conducting annual inventories by exception (per VA Handbook 7002 optional guidance). EIL's with <300 items will be required to complete a 100% inventory during their annual inventory month. EIL's with >300 items will be required to conduct their inventories on a quarterly/cyclical basis. This new inventory model will be incorporated into facility policy 90-3. This will be monitored during the monthly PPM/Research meetings.

Recommendation 7. The OIG recommended the VA Eastern Colorado Health Care System Director implement a procedure to ensure compliance with the VA Handbook 6500.1 requirement to attach VA Form 0751, Information Technology Equipment Sanitization Certificate, to VA Form 2237, Request, Turn-In, and Receipt for Property or Services, prior to disposal of sensitive information technology equipment.

Concur

Target date for completion: 1/26/2018

ECHCS will establish a local policy/MOU that will integrate the Supply Chain Management, Research, OI&T and ISO services into one Sensitive Equipment training program focused around the identification of what a sensitive item is and standardized procedure for dispositioning sensitive equipment (be it placing/identifying an item when being put on record or turning in an item). The training program will be required annually by any/all individuals within these departments that have inner dealings related to inventory management of sensitive equipment. The procedural portion of the policy will encompass the 0751 sanitization of sensitive equipment process and who is responsible for what portion of this process from each service line.

Recommendation 8. The OIG recommended the VA Eastern Colorado Health Care System Director take steps necessary to ensure required Report of Survey actions listed in VA Handbook 7002, are completed for the missing items reported lost by the Research Service on the eight Reports of Survey initiated in calendar year 2015.

Concur

Target date for completion: Completed

All eight reports of survey noted during this investigation have been completed.

Recommendation 9. The OIG recommended the VA Eastern Colorado Health Care System Director require the accountable officer to follow policy, establish, and maintain a Report of Survey register by fiscal year, to track, monitor, and ensure required actions are completed timely.

Concur

Target date for completion: Completed

The ECHCS Property Management team implemented a new ROS register at the beginning of FY 17.

Recommendation 10. The OIG recommended the VA Eastern Colorado Health Care System Director ensure there are an adequate number of officials who have the required training to complete Report of Survey actions so Reports of Survey can be fully processed, timely.

Concur

Target date for completion: Completed

The ECHCS Property Management team currently has thirty-two trained (documented) ROS officials with another four individuals pending training.

Recommendation 11. The OIG recommended the VA Eastern Colorado Health Care System Director implement a mechanism to ensure all Research Service Custodial Officers complete their required annual Custodial Officer's training.

Concur

Target date for completion: Completed

A new national mandate from the VHA Procurement and Logistics Office requires custodial officers to complete their nationally standardized custodial officer training via the Federal Acquisition Institute. These completion percentages are based off active custodial officers in MAXIMO and are reported down through VISN Supply Chain Management and Facility Leadership to ensure their requirements are met annually.

Recommendation 12. The OIG recommended the VA Eastern Colorado Health Care System Director ensure Delegation of Authority letters for all current Research Service Custodial Officers are completed in accordance with VA Handbook 7002.

Concur

Target date for completion: Completed

Since this review, the ECHCS Property Management team has revised its internal procedures for managing custodial officer delegations of authority. Having one delegation per custodial officer with no system of keeping these delegations up to date in the past, the Property Team now quarterly and/or as needed (when an individual comes or goes that the Property Team is made aware of proactively in between quarterly reviews) revisits blanket delegations for revisions to ensure all delegations on file are up to date and accurate. This will also be addressed during the monthly PPM/Research meetings.

Finding 2—ECHCS Did Not Have Effective Monitoring and Emergency Backup Plan for Research Materials and Specimens

Recommendation 13. The OIG recommended the VA Eastern Colorado Health Care System Director ensure all materials and specimens are stored in a freezer with a remote temperature monitoring system.

Concur

Target date for completion: Completed

All refrigerators and freezers at the new facility are on a remote temperature monitoring system. Freezers containing specimens that remain on the Clermont St campus are also monitored.

Finding 3—ECHCS Research Facilities Were Not Secured

Recommendation 14. The OIG recommended the VA Eastern Colorado Health Care System Director ensure exterior doors on Research Service buildings are repaired so they consistently lock upon closure.

Concur

Target date for completion: Completed

The Research laboratories have moved to the new facility and to date there have been no issues with exterior doors locking upon closure. The research laboratories at the old campus are in the process of being decommissioned and there is no active laboratory or animal work being performed there.

Recommendation 15. The OIG recommended the VA Eastern Colorado Health Care System Director ensure all exterior doors to Research Service buildings are secured by self-closing doors with automatic locking upon closure with access by keycard or a system that is equal to or exceeds the security of a keycard system.

Concur

Target date for completion: Completed

All research laboratory buildings are secured by self-closing doors with automatic locking mechanisms. This same requirement does not hold true for non-laboratory research locations.

Recommendation 16. The OIG recommended the VA Eastern Colorado Health Care System Director establish procedures to timely decommission vacant laboratories, and collect, store or dispose of unused chemicals and personally identifiable information in accordance with applicable policies.

Concur

Target date for completion: Completed

Laboratory closures and decommissioning will be reported to the Research and Development Committee and communicated to the Director through her attendance at the meeting and minutes which she reviews and signs.

For accessibility, the format of the original memo and attachments has been modified to fit in this appendix, to comply with Section 508 of the Rehabilitation Act of 1973, as amended.

Appendix E   OIG Contact and Staff Acknowledgments

Contact	For more information about this report, please contact the Office of Inspector General at (202) 461-4720.
Acknowledgments	Timothy Crowe, Director Lee Giesbrecht Valerie Kimball Mark Mullery Susan Popp Bryan Shaw Craig Ward

Appendix F   Report Distribution

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