

UNITED STATES GOVERNMENT
National Labor Relations Board
Office of Inspector General



Memorandum

February 2, 2004

To: Lester Heltzer
Executive Secretary

Gloria Joseph
Director of Administration

From: Jane E. Altenhofen
Inspector General

Subject: Inspection Report No. OIG-INS-32-04-03: Review of Cellular Telephone Usage

We initiated this inspection in January 2004 as an investigative effort to determine if the National Labor Relations Board's (NLRB or Agency) cellular telephones were being abused. We found, in all but one instance involving a contract employee, that the use of the cellular telephones by Agency personnel was not resulting in unnecessary charges to the Agency. The discovery of abuse by the contract employee resulted in a recovery of \$27. We also found that by consolidating the Agency's cellular telephone service, the Agency could put \$41,250 to better use over a 3-year period.

SCOPE

We reviewed the Cingular Wireless billing statements for usage between October 25, 2003 and December 24, 2003; the AT&T Wireless billing statements for usage between September 12, 2003 and December 11, 2003; and the Nextel billings for usage between September 15, 2003 and December 14, 2003. We obtained information from personnel in the Procurement and Facilities Branch and the Information and Technology Branch (ITB). We also reviewed Administrative Policy Circular (APC) 88-5, Use of Government Telephone Systems, dated May 31, 1988; APC 99-03, Use of Agency Telecommunications Resources, dated January 22, 1999; the Agreement between the General Counsel of the National Labor Relations Board and the NLRB Union covering Field Offices and Professional Employees, dated October 27, 2002; and the Administrative Policies and Procedures Manual draft section FAC-3, Telecommunications.

BACKGROUND

The Agency obtains cellular telephone service from three providers. The Procurement and Facilities Branch obtained cellular service from Cingular Wireless and AT&T Wireless. Through Cingular Wireless, the Agency receives service for 97 cellular telephones that share a pool of 4000 minutes available for use each month. There are no roaming or long distance charges for the 4000 minutes when used within the United States. Exceeding the 4000 minutes of use would result in a charge to the Agency. The baseline monthly cost of the Cingular Wireless service is approximately \$1,505. This amount includes a set cost of \$400.00 and approximately \$11.00 per cellular telephone. Additional costs can be incurred for text messages received from the Internet. These messages are similar to e-mail. Through AT&T Wireless, the Agency receives service for one cellular telephone with 900 minutes available for use each month. There are no roaming or long distance charges for the 900 minutes when used within the United States. Exceeding the 900 minutes would result in a charge to the Agency. The baseline monthly cost of the AT&T Wireless service is approximately \$124.

ITB receives service from Nextel for six cellular telephones with 400 minutes available for each phone each month. There are no roaming or long distance charges for the 400 minutes when used within the United States. The baseline monthly cost for the Nextel service is approximately \$450. This amount is \$75.00 per cellular telephone. These cellular telephones were originally purchased as a pilot program for remote access of the Agency's network. ITB continued to use the Nextel service after the pilot program ended.

Prior to the end of fiscal year 2003, ITB purchased 40 Blackberry handheld devices for the remote retrieval of e-mail messages. The Blackberry models purchased may also be used as cellular telephones. The initial acquisition cost for the Blackberry devices, supporting equipment and service, and 3-year warranty was \$34,778. The Agency plans to utilize both the e-mail retrieval and cellular telephone capabilities with each having 500 cellular minutes available a month. The monthly charge for these services is approximately \$66 for the e-mail service and cellular telephone service. The monthly service charge for e-mail retrieval without cellular telephone service is \$40.

RESULTS

Cingular Wireless

The Cingular Wireless cellular telephones were primarily distributed to Regions for emergency use and by officials at Headquarters for official use. During our review, we identified one Cingular Wireless telephone that was being abused. In a 3-month period, a contract employee used 1945 minutes and received 326 text messages. After being confronted with the abuse, the contract employee agreed to reimburse the Agency for the additional charges she incurred as a result of receiving text messages. The contract employee also acknowledged that the text messaging service was not available on the cellular telephone until she requested it from Cingular Wireless. After Cingular Wireless was contacted by an official from the Procurement and Facilities Branch regarding this matter, they agreed to provide a partial credit to the Agency. This official also requested that Cingular Wireless remove the text messaging service from all of the Agency's cellular telephones, note on the NLRB account that the text

messaging service was not authorized for NLRB cellular telephones, and instructed Cingular Wireless not to make changes to the Agency’s cellular telephones without the authorization of the Contracting Officer’s Technical Representative (COTR).

AT&T Wireless

An official from the Procurement and Facilities Branch stated that the AT&T cellular service was obtained in order to retain one AT&T cellular telephone number. In light of recent regulatory changes that allow the transfer of a cellular telephone number from one service provider to another, the justification for retaining the AT&T Wireless service no longer exists. We suggest that the AT&T Wireless service be converted to Cingular Wireless resulting in cost savings of \$3,699 illustrated in the chart below. The average official use of the AT&T Wireless user should not result in a need for additional minutes from Cingular Wireless.

Nextel

The Nextel cellular telephones are primarily used by ITB personnel. ITB uses Nextel because of messaging capabilities and radio communication between cellular telephones. ITB intends to discontinue the Nextel service once the Blackberry devices are issued. We suggest that the Nextel cellular telephone be converted to Cingular Wireless resulting in the cost savings of \$11,593 illustrated in the chart below. We note that the average official use of the Nextel users should not result in a need for additional minutes from Cingular Wireless.

Blackberry Devices

ITB intends to distribute 37 Blackberry devices to Board Members, the General Counsel, management officials at the Headquarters and in the field, and ITB personnel. Of this group, 22 individuals, including 9 in ITB, do not currently have an Agency issued cellular telephone. We suggest that the Agency reconsider using the Blackberry devices as cellular telephones with service from T-Mobile and, as noted above, that existing cellular service be consolidated under the Cingular Wireless contract. Such action will result in \$41,250 funds put to better use over the 3-year warranty period. The chart below explains this savings:

Number of personnel	Current cellular service	Cost of current service	Cost if transferred to Cingular	Cost of cellular Blackberry*	Cost saving over 3 years
22	No current service	0	N/A	26.99	21,376.08
8	Cingular Wireless	11.08	N/A	26.99	4,582.08
6	Nextel	74.75	11.08	26.99	11,592.72
1	AT&T Wireless	123.83	11.08	26.99	3,699.00
Total 37					41,249.88

*This figure takes into account the \$10.00 discount for Blackberry e-mail service when combined with cellular service.

Agency Policy and Procedure

The current Agency policy and procedures do not address the use and acquisition of wireless communication devices. We suggest that the Agency take the necessary steps to approve the administrative procedures that address the use of cellular telephones and Blackberry devices.

We suggest that Agency management reevaluate whether the individuals assigned the telephones have an official need for the cellular telephone capability. We note that a significant amount of the Agency's cellular telephone usage appears to be for non-official calls. We did not categorize this usage as an abuse because there was not a resulting charge to the Agency.

We also have serious reservations about the need to increase the Agency cellular service capacity by 20,000 minutes. We note that the decision to implement this increase was made by ITB without consultation with the telecommunication specialist in the Procurement and Facilities Branch. Had such consultation occurred, ITB would have learned that the Agency has not had a need to exhaust its 4000-minute capacity with Cingular Wireless. This is particularly noteworthy considering the amount of personal use as compared to official use. We also note that the President's Management Agenda requires that agencies demonstrate, among other things, that their information technology projects are not duplicative of other investments.

Management Response

Management stated that for T-Mobile the next level down from the 500-minute plan was the 60-minute plan and that such a plan would not meet the needs of senior management officials. Management also issued 13 Blackberry devices with T-Mobile cellular telephone service (7 to the Board and its staff and 6 to the General Counsel and his staff). As of the date of this report, the issuance of the Blackberry devices had not been coordinated with the Procurement and Facilities Branch COTR for the cellular telephone service. The lack of coordination resulted in 10 management official having two cellular telephones at Agency expense – one of which is the AT&T service that cannot be terminated until the contract expires in August 2004.

cc: Board
General Counsel