



U.S. RAILROAD RETIREMENT BOARD

OFFICE OF INSPECTOR GENERAL

Railroad Retirement Board Did Not Implement Sufficient Internal Controls in the Mobile Phones Deployed as a Result of the Pandemic

Report No. 22-07

March 17, 2022



What RMA Found

RMA Associates, LLC (RMA) determined that the Railroad Retirement Board (RRB) did not implement sufficient internal controls in the mobile phones deployed as a result of the pandemic. RMA determined that RRB did not have a records management and retention system over electronic records or updated policies in place for the mobile phones. In addition, RRB telecommuting policies were outdated and personal usage policies were inconsistent. As a result, a portion of the funding associated with the mobile phone deployment could have been put to better use.

RMA also determined that the RRB's inability to properly establish and implement the mobile phone program was due to the following five findings: (1) no records management policies; (2) inconsistencies in RRB internal guidance; (3) lack of sufficient internal controls over mobile phones deployed; (4) incomplete and inaccurate mobile phone records; and (5) lack of records management system.

What RMA Recommends

To address weaknesses identified in this audit, RMA made one recommendation to the Director of Administration and ten recommendations to the Bureau of Information Services. Specifically, RMA conducted a cost-benefit analysis and identified \$310,359 in funds that could have been put to better use. This calculation was based on the total costs associated with mobile phones not used and usage outside of core hours.

RRB management concurred with six recommendations, partially concurred with two recommendations and did not concur with three recommendations.

What We Did

The Office of Inspector General (OIG) for the RRB engaged RMA to conduct a performance audit of the RRB's mobile phones deployed as a result of the pandemic. This audit was conducted in accordance with the performance audit standards established by generally accepted government auditing standards. RMA is responsible for the audit report and the conclusions expressed therein. RRB OIG does not express any assurance on the conclusions presented in RMA's audit report.

The audit objectives were to:

- (1) determine if mobile phones purchased and deployed as a result of the pandemic comply with RRB mobile device policies including records retention for voice mail, text messages, photographs, etc.;
- (2) conduct a cost benefit analysis for the cell phones that would include identification of non-usage of cell phones and extensive personal usage;
- (3) assess the necessity for the mobile phone based on cell phone usage tied to employee positions within the agency;
- (4) assess the types of applications downloaded to the mobile phones and determine if they are appropriate for business purposes and if approvals were required and provided;
- and (5) assess whether agency records of mobile phone assignment are accurate and complete.

The scope of the audit was the period of March 2020 through September 2021.

Railroad Retirement Board (RRB)
Office of Inspector General (OIG)

Railroad Retirement Board Did Not Implement Sufficient
Internal Controls in the Mobile Phones Deployed as a
Result of the Pandemic

Performance Audit Report

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Inspector General
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Chicago, IL

March 17, 2022

RMA Associates, LLC (RMA) conducted a performance audit of the Railroad Retirement Board (RRB) Mobile Phones Deployed as a Result of the Pandemic.

Our audit objectives were to 1) determine if mobile phones purchased and deployed as a result of the pandemic comply with RRB mobile device policies including records retention for voice mail, text messages, photographs, etc.; 2) conduct a cost benefit analysis for the cell phones that would include identification of non-usage of cell phones and extensive personal usage 3) assess the necessity for the mobile phone, for the entire population of cell phones, based on cell phone usage tied to employee positions within the agency; 4) assess the types of applications downloaded to the mobile phones and determine if they are appropriate for business purposes and if approvals were required and provided via a statistically valid random sample; and 5) assess whether agency records of mobile phone assignment are accurate and complete for the entire population of cell phones.

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

As a result of our audit, we found the following for each objective:

Objective	RMA Assessment
1. Determine if mobile phones purchased and deployed as a result of the pandemic comply with RRB mobile device policies including records retention for voice mail, text messages, photographs, etc.	We did not find evidence of record retention requirements for mobile phones after reviewing RRB's policies. Through inquiry, RRB confirmed they did not have the software capabilities to retain electronic records.
2. Conduct a cost benefit analysis for the cell phones that would include identification of non-usage of cell phones and extensive personal usage.	We conducted a cost-benefit analysis and identified \$310,359 in funds that could have been put to better use. This calculation was based on the total costs associated with mobile phones not used and usage outside of core hours.
3. Assess the necessity for the mobile phone, for the entire population of cell phones, based on cell phone usage tied to employee positions within the agency.	We tested RRB's iPhone inventory and call detail records for the population of phones to assess mobile phone usage. We determined mobile phones were assigned but not used for 255 of 774 phones when analyzing the September 2021 call detail, representing 33% of the population.

Objective	RMA Assessment
4. Assess the types of applications downloaded to the mobile phones and determine if they are appropriate for business purposes and if approvals were required and provided via a statistically valid random sample.	We compared the entire population of applications downloaded onto the mobile phones to the 1) list of acceptable applications and 2) RRB Banned Applications list. We categorized each downloaded application into one of eight categories: Commerce, Messaging/social media, Gambling, News, Entertainment/Gaming, Office Applications, Video Conferencing, and Other. We determined 696 downloaded applications (of the total 725 applications downloaded) were not found on the lists. Of these 696, seven were gambling applications, explicitly prohibited in RRB policy. In addition, no approvals were required, and no controls were in place to prevent downloading of applications.
5. Assess whether agency records of mobile phone assignment are accurate and complete for the entire population of cell phones.	We assessed agency records of mobile phone assignment and found instances of incomplete and inaccurate records.

Information on our findings and recommendations are included in the accompanying report.

Respectfully,

RMA Associates

RMA Associates, LLC

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Introduction

This report presents the results of RMA Associates, LLC's (RMA) performance audit of the Railroad Retirement Board (RRB) Mobile Phones Deployed as a Result of the Pandemic.

Objectives, Scope, and Methodology

Objectives

The objectives of this audit were to:

1. Determine if mobile phones purchased and deployed as a result of the pandemic comply with RRB mobile device policies including records retention for voice mail, text messages, photographs, etc.;
2. Conduct a cost benefit analysis for the cell phones that would include identification of non-usage of cell phones and extensive personal usage;
3. Assess the necessity for the mobile phone, for the entire population of cell phones, based on cell phone usage tied to employee positions within the agency;
4. Assess the types of applications downloaded to the mobile phones and determine if they are appropriate for business purposes and if approvals were required and provided via a statistically valid random sample; and
5. Assess whether agency records of mobile phone assignment are accurate and complete for the entire population of cell phones.

Scope

The scope of the audit was mobile phones deployed by the RRB as a result of the pandemic during the period of March 2020 through September 2021.

Methodology

To address and accomplish the audit objectives, we used the following evidence-gathering and evidence-analysis techniques:

- Performed audit procedures to address the audit objectives in accordance with Generally Accepted Government Auditing Standards (GAGAS);
- Identified criteria from applicable laws, regulations, policies, and procedures, including GAGAS and the Government Accountability Office Green Book;
- Reviewed the prior OIG audit findings ([Interim Report Regarding CARES Act Expenditures and Controls](#), [RRB's Telework Program Needs Improvement](#));
- Reviewed agency documentation to address the audit objectives;
- Reviewed RRB policies and procedures to identify record retention policies for voice mail, text messages, and photographs;

- Assessed the population of downloaded applications and software and determined appropriateness for business purposes;
- Calculated the total costs (e.g., implementation and monthly recurring) for the population of mobile phones as part of the cost benefit analysis;
- Reviewed invoices for the population of mobile phones to identify and calculate the total non-usage; and non-usage tied to employee grade;
- Reviewed invoices to identify and analyze call outliers, such as weekend and night calls to identify personal usage;
- Held discussions with applicable management, staff, and key personnel; and
- Conducted a cost benefit analysis for the mobile phones that includes identification of non-usage.

We compared mobile phones purchased as part of the CARES Act and the RRB employee position index (**Table 1**). We also evaluated agency records and internal policies to determine compliance with RRB guidance and federal regulations.

Table 1: CARES Act Inventory Population¹

Pay Grade	Number of Mobile Device Users
ES-00	1
GS-04	5
GS-05	37
GS-06	7
GS-07	64
GS-08	49
GS-09	29
GS-10	96
GS-11	107
GS-12	162
GS-13	72
GS-14	48
GS-15	14
Spare	83
Total	774

Upon our assessment of the CARES Act inventory, we found 744 of 774 mobile phones (96%) purchased in March 2021 were added to the organization on or after July 2021.

We leveraged prior audit reports performed by RRB OIG relevant to mobile phones, CARES Act funding, and telework program controls. We reviewed their internal guidance to assess whether appropriate internal control policies and procedures were in place and assessed risks associated with the mobile phones.

¹ General Schedule (GS) is the predominant pay scale within U.S civil services and includes most white-collar personnel positions. Executive Service (ES) includes senior leadership or senior personnel.

We researched RRB's mobile device management (MDM) software, BlackBerry Unified Endpoint Manager (UEM) and Microsoft Intune and identified the controls available to RRB management. To assess data reliability, we conducted a BlackBerry UEM walkthrough to 1) assess controls associated with the existing data; and 2) review information systems maintained by RRB. We determined that the data from the information systems were sufficiently reliable for the purposes of this report. During our discussion, management explained how the devices are in the process of migrating from Blackberry UEM to Microsoft Intune.

RMA conducted this performance audit in accordance with GAGAS. Specifically, we used chapters 8 and 9 of GAGAS (GAO-21-368G). In complying with GAGAS requirements for performance audits, we obtained sufficient appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence provides a reasonable basis for our findings and conclusions based on our audit objectives.

We conducted our fieldwork at RMA headquarters in Arlington, Virginia from September 2021 through February 2022.

Background

The U.S. Railroad Retirement Board (RRB) is an independent agency in the executive branch of the federal government. The RRB's primary function is to administer comprehensive retirement, survivor, unemployment, and sickness insurance (UI/SI) benefit programs for railroad workers and their families under the Railroad Retirement Act and the Railroad Unemployment Insurance Act (RUIA). These programs provide income protection during old age in the event of disability, death, temporary unemployment, and sickness.

As a result of the pandemic, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27, 2020, boosting unemployment and sickness benefits for railroad workers impacted by the pandemic. The CARES Act awarded RRB a \$5 million appropriation to prevent, prepare for, and respond to coronavirus. RRB approved a plan to purchase and deploy mobile phones to RRB employees to improve mobility of the workforce with this funding. RRB stated that there was uncertainty regarding its ability to support expansion and sustainment of telework for most agency employees. RRB indicated that the acquisition of mobile phones would serve as a secondary means of communications and connectivity to RRB resources to continue work should the primary means of communications and connectivity to RRB not be available.

As part of this plan, the RRB purchased 685 mobile phones that were received in RRB's inventory as of April 17, 2020 and awarded a contract for mobile phone deployment in July 2020. This contract initially called for mobile phone completion by August 31, 2020, to deploy a minimum of 500 mobile phones. The initial operating plan did not include the resources necessary to deploy the mobile phones to RRB employees. The contract was modified to include the necessary resources to deploy the phones delaying the deployment completion until November 2020, approximately six months after the phones were received by RRB.

Results of Audit

RRB did not implement sufficient internal controls in the mobile phones deployed as a result of the pandemic during the scope of our audit (March 2020 to September 2021). RRB did not have a records management and retention system over electronic records or updated policies in place for the mobile phones. In addition, RRB telecommuting policies were outdated and personal usage policies were inconsistent. As a result, a portion of the funding associated with the mobile phone deployment could have been put to better use. The results of assessing the audit objectives for the RRB's mobile phone program are as follows:

- **Objective 1:** We did not find evidence of record retention requirements for mobile phones after reviewing RRB's policies. Through inquiry, RRB confirmed they did not have the software capabilities to retain electronic records.
- **Objective 2:** We conducted a cost-benefit analysis and identified \$310,359 in funds that could have been put to better use. This calculation was based on the total costs associated with mobile phones not used and usage outside of core hours. (**Appendix II: Cost Benefit Analysis**).
- **Objective 3:** We tested RRB's iPhone inventory and call detail records for the population of phones to assess mobile phone usage. We determined mobile phones were assigned but not used for 255 of 774 phones when analyzing the September 2021 call detail, representing 33% of the population. (**Table 4**).
- **Objective 4:** We compared the entire population of applications downloaded onto the mobile phones to the 1) list of acceptable applications and 2) RRB Banned Applications list. We categorized each downloaded application into one of eight categories: Commerce, Messaging/social media, Gambling, News, Entertainment/Gaming, Office Applications, Video Conferencing, and Other. We determined 696 downloaded applications (of the total 725 applications downloaded) were not found on the lists. Of these 696, seven were gambling applications, explicitly prohibited in RRB policy. In addition, no approvals were required and no controls were in place to prevent downloading of applications.
- **Objective 5:** We assessed agency records of mobile phone assignment and found instances of incomplete and inaccurate records.

The inability to properly establish and implement the mobile phone program was due to the following findings identified by RMA's completion of the audit objectives:

- No Records Management Policies;
- Inconsistencies in RRB Internal Guidance;
- Lack of Sufficient Internal Controls Over Mobile Phones Deployed;
- Incomplete and Inaccurate Mobile Phone Records; and
- Lack of Records Management System.

We provided additional details on these five findings in the following sections and provided recommendations to assist RRB in remediating them.

No Records Management Policies

RRB policies did not document records retention and management over electronic records. Through inquiry, RRB management verified they have records management policies over emails and retain call-detail summaries for three years through the Verizon Company Portal. Specifically, RRB management confirmed all Capstone officials are required to retain records for 25 years before transferring to National Archives and Records Administration (NARA) and non-capstone officials are required to retain records for 7 years before deleting. However, this was not documented in their policies.

NARA expanded records retention requirements to include electronic records. RRB's current policy does not explicitly address electronic records such as text messages, photographs, voicemail, and social media. RRB management found it difficult to update and implement NARA's electronic requirements due to additional costs associated with the mobile phone program. However, the lack of records management can lead to mishandling and misusing of sensitive information and increase the potential threat of unauthorized use, alteration, concealment, or deletion of federal records.

Recommendations

RMA recommends the Bureau of Information Services:

1. Update their mobile phone policies to include and implement a NARA-approved records schedule and transfer procedures for electronic records associated with mobile phones; and
2. Submit a yearly affidavit to confirm electronic records associated with mobile phones have been identified and retained until the full transition into Microsoft Azure Cloud.

Management's Comments:

RRB's Bureau of Information Services partially concurred with Recommendation 1 with the following statement:

RRB will update policies related to mobile phones based upon information supplied by NARA for retention requirements related to mobile devices. RRB will work with mobile service provider to determine what retention options are available and will seek solutions based upon technology limitations.

RRB's Bureau of Information Services did not concur with Recommendation 2 with the following statement:

All emails sent using mobile phones are already captured in the email system. RRB mobile devices are used to extend the capability for RRB employees to conduct aspects of official business (such as internal coordination and scheduling); however, all official business conducted is still required to be captured in already approved RRB systems of records.

RRB's Response:

According to NARA [Bulletin 2015-02](#), the Federal Records Act defined electronic records as "email and other electronic messaging systems that are used for purposes of communicating between individuals." They list the types of electronic messaging in addition to emails, which include instant messaging, text messaging, and voicemail messaging. All these forms of electronic messages created or received during agency business are considered federal records. NARA suggests agencies develop policies that identify, manage, and capture electronic messages by updating policies when new tools are deployed, configuring electronic records, and using third-party services to automatically capture and produce the message. Regardless of the approach, RRB must have records schedules and transfer procedures implemented that cover all forms of electronic messages.

Inconsistencies in RRB Internal Guidance

RRB management did not update internal guidance consistent with the recent laws and regulations associated with telework programs and they did not adjust the policies to account for the impact associated with the COVID-19 pandemic. In addition, RRB's internal policies and procedures inconsistently defined personal usage of the mobile phones.

RRB did not define personal usage per our audit objectives. To evaluate personal usage, RMA proposed the implementation of core hours to assist RRB management in properly defining personal usage. Core hours are the designated time-period for all employees expected to work. RRB agreed to the proposed core hours below (**Table 2**) to accommodate all employees.

Table 2: RRB Core Hours

Core Hours	Outside of Core Hours
5:00 AM	7:01 PM
7:00 PM	4:59 AM

To assess our audit objective, we tested the Verizon Wireless call detail summary report and found 2% of phone calls were made outside of the core hours.

We also reviewed OIG's Telework Program audit report to help better understand the controls in place to ensure protection of privacy data, agency information, and compliance with telework laws and regulations. OIG found RRB's Telecommuting/Mobile Computing Security Policy, dated

May 27, 2009, was outdated since the Telework Enhancement Act of 2010 was enacted on December 9, 2010. During our audit, RRB management continued using the outdated policy over RRB's mobile phone program.

Recommendations

RMA recommends that RRB's:

3. Director of Administration define and communicate 'personal usage' establishing RRB's core hours of 5:00 AM to 7:00 PM. Any usage outside of the core hours would be considered personal usage excluding business management purposes.
4. Bureau of Information Services 1) continue efforts to update the Telecommuting and Mobile Security Computing Policy with current laws and regulations and 2) develop a periodic monitoring control to assess personal usage and address it according to agency guidance.

Management's Comments:

RRB's Director of Administration did not concur with Recommendation 3 with the following statement:

RRB management does not concur that the Director of Administration should release a communication stating that all use of mobile devices outside of 5:00 am and 7:00 pm should automatically be considered personal use. Further, "business management purposes" is too vague a term to define with respect to audit closure. Frequently, staff of the RRB must communicate outside those hours with respect to lapses in funding, continuing resolutions, late breaking court decisions, COOP activity, severe weather alerts, agency operating status, time zone differences, and other definite official agency business. The Director of Administration agrees to release a statement to all employees reminding them of the RRB personal use policy.

Further, RRB's Bureau of Information Services concurred with Recommendation 4.

RMA's Response:

Per the audit objectives, RMA must assess the device usage of the mobile phones deployed within our scope, including non-usage and personal usage. Due to inconsistent policies, we worked with RRB to define parameters to test personal usage. RRB concurred with the RRB core hours during our audit. After discussing recommendations during the exit conference, RMA revised the recommendation to caveat the exclusion of "business management purposes." In addition, RMA agrees to the Director of Administration releasing a personal usage reminder to all mobile phone users until the current policies are updated and consistent with the other.

Lack of Sufficient Internal Controls Over Mobile Phones Deployed

The mobile phone program did not have an internal control system associated with the mobile phones. According to the 17 Principles of the Green Book, specific requirements are necessary to establish an effective internal control system. Specifically, there was no evidence of the following:

- Implementation of a risk profile/assessment to identify, analyze and respond to risks;
- Review and approval process for application and software download;
- Restrictions of certain applications and software;
- Controls to track and monitor inappropriate use and unusual activity;
- Logging of iPhone usage for compliance and auditing purposes; and
- Enforcement and monitoring completion of G-6 Acknowledgement form before obtaining the phone.

Through inquiry, RRB management explained they did not identify the mobile phones as an assessable unit (AU) during the onset of the pandemic. Because the phones were not designated as AUs within their agency, an effective internal control assessment was not performed. RRB has controls in place to monitor IOS and system updates on the mobile phones. If the device is not updated within a 30-day period, the device's MDM capabilities are suspended. RRB is currently reviewing and updating the policy using Intune as the technical control.²

Further, two offices were handling the mobile phone deployment. Specifically, the Telecommunications office was responsible for the device shipment, while the users' supervisors were responsible for enforcing the completion of the Employee Acknowledgement Statement. Coordination between the two offices was inconsistent and their roles and responsibilities were not documented in RRB's G-6 Rules of Behavior Policy.

An ineffective internal control system and risk assessment may lead to a possibility of end-user misconduct and noncompliance with federal regulations. Without the active monitoring, tracking, and reporting of mobile device usage, deficiencies and violations are not detected, prevented, or corrected in a timely manner. Specifically, the lack of application restrictions, resulted in 696 downloaded applications inappropriate for business purposes. Of these 696, seven were gambling applications, explicitly prohibited in RRB policy (**Table 3**).

² Microsoft Intune will identify and block applications that fall under certain categories (e.g., gaming, gambling).

Table 3: Downloaded Applications Testing Results

Application Category	Number of Applications	Number of Exceptions
Commerce	135	135
Messaging/Social Media	39	38
Gambling	7	7
News/Web Browser	40	38
Entertainment/Gaming	339	339
Office Applications	29	12
Video Conferencing	5	5
Other	131	122
Total	725	696

When we examined the Multi-Module Report, which tracks and monitors the completion of the Employee Acknowledgement Statement for the Rules of Behavior, 295 device users received their mobile phone before completing the form, a violation of RRB internal policies.

After testing mobile phone usage, 33% of the entire mobile phone population was not used and 2% of minutes used were outside of core hours. As a result, RRB is incurring monthly cellular service costs on mobile phones issued to employee who do not require the mobile phone to perform normal job functions. We identified \$310,359 in funds that could have been put to better use. This calculation was based on the total costs associated with mobile phones not used and usage outside of core hours.

Recommendations

RMA recommends the Bureau of Information Services:

5. Incorporate the mobile phones in an existing assessable unit and update their mobile phone policies to include documentation regarding the specific roles and responsibilities of each office overseeing the mobile phone program;
6. Enforce and execute a review and approval process for application and software download and restrict access to specified applications found in their RRB G-6 Rules of Behavior; and
7. Implement procedures to periodically track, log, and monitor iPhone usage and the completion of the G-6 Acknowledgement Statement.

Management's Comments:

RRB's Bureau of Information Services concurred with Recommendations 5, 6, and 7. Specifically, RRB included the following statements for Recommendations 5 and 6:

Recommendation 5: RRB will incorporate mobile devices into the Networking Services assessable unit. The telecommunications section transferred from Office of Administration

to the Bureau of Information Services. As a result, mobile devices services are no longer split between two business units and the recommended action can now be instituted.

Recommendation 6: RRB will create an approved list of acceptable mobile applications and publish those on the "Company Portal" which is now available on the phone with our switch from BlackBerry to Microsoft Intune for mobile device management. Additionally, the RRB will only allow for approved Apps to be installed on the mobile device and Risk Management will monitor the mobile devices for unauthorized used [sic].

Incomplete and Inaccurate Mobile Phone Records

During our assessment of the mobile phones inventory and personnel position index, we determined RRB's mobile phone records were incomplete and inaccurate. Specifically, we found the following errors:

Incomplete Records:

- Five instances where a mobile phone record had missing data elements (such as the part number, order number, date(s) added to organization and assigned to the mobile device management (MDM) server); and
- Five mobile phones were missing serial number information.

Inaccurate Records:

- Seventeen instances of phone records containing duplicate Subscriber Identity Module (SIM) numbers;
- Two instances of an RRB employee with multiple mobile phones;
- Three instances where a phone number was manually entered incorrectly; and
- Ten mobile users that could not be identified in RRB's personnel position index.

Upon identifying these errors, RRB management was able to correct and update the following errors:

- Two instances of an RRB employee with multiple devices; and
- Ten mobile users that could not be identified in RRB's personnel position index.

The Green Book outlines management requirements for an effective design of control activities; specifically, *"Documentation and records are properly managed and maintained."*

Due to daily operational requirements and additional costs, RRB did not continually update the iPhone inventory to reflect personnel changes associated with attrition and the transition to remote working and telecommunication. Improper reporting of agency records may result in the misuse or misallocation of mobile phones.

Recommendations

RMA recommends the Bureau of Information Services:

8. Periodically review the mobile phone inventory for completeness and accuracy to include a comparison to RRB's personnel position index.
9. Implement the use of unique identifiers between disparate data sets (e.g., mobile phone inventory, personnel position index) to facilitate comparisons and reconcile inconsistent information.

Management's Comments:

RRB's Bureau of Information Services concurred with both recommendations associated with this finding.

Lack of Records Management System

RRB lacks a records management and retention system over electronic records. During the onset of the pandemic, RRB did not have a practical solution for records retention of electronic records. Further, they did not have a system with automated records management capabilities. According to NARA's Universal Electronic Records Management (ERM) Requirements, agencies must manage all electronic records to avoid the possibility of unauthorized use, alteration, concealment, or deletion of federal records.

Other agencies utilize third-party cloud providers to sync text messages, photographs, and audio records. The syncing process generates a duplicate copy of the data and stores it so the data can be accessed from any device using a user identification and password. RMA noted that the integration of Microsoft Azure Cloud is part of RRB's Legacy Systems Replatform Services (LSMS) Information Technology (IT) Modernization Initiative. This cloud software falls under the third-party cloud service provider and contains the described capabilities.

Recommendations

RMA recommends the Bureau of Information Services:

10. Develop and implement a records management and retention system for electronic records.
11. Research the capabilities of RRB's Microsoft Azure Cloud's functionality to determine feasibility of incorporating the automated records management and retention capabilities to govern the mobile phones electronic records.

Management's Comments:

RRB's Bureau of Information Services did not concur with Recommendation 10 referring to the response for Recommendation 2:

All emails sent using mobile phones are already captured in the email system. RRB mobile devices are used to extend the capability for RRB employees to conduct aspects of official business (such as internal coordination and scheduling); however, all official business conducted is still required to be captured in already approved RRB systems of records.

RRB's Bureau of Information Services partially concurred with Recommendation 11 with the following statement:

There are legal and cost implications to maintaining electronic records generated on mobile devices. The agency will likely be constrained by the capabilities of the service providers themselves and their legal requirements to provide such records. The RRB will confer with agency leadership to confirm compliance within these constraints and implications.

RMA's Response:

In reference to our response for Recommendation 2, instant messaging, text messaging, and voicemails are classified as electronic records per the NARA guidance. All forms of electronic messages created or received during agency business are considered federal records. RRB should have records management and schedules that cover all forms of electronic messages. RMA understands the legal and cost implications to maintain electronic records. We continue to recommend RRB research the Microsoft Azure Cloud capabilities until a records management and retention system for electronic records is implemented.

Appendix I: Management's Comments



UNITED STATES GOVERNMENT

FORM 6-1157(11-32)

MEMORANDUM

RAILROAD RETIREMENT BOARD

March 11, 2022

TO: Mark Hebert
RMA Associates, LLC

FROM: Daniel J. Fadden DANIEL FADDEN Digitally signed by DANIEL FADDEN
Date: 2022.03.11 14:32:26 -0600
Senior Executive Officer/Director of Administration

SUBJECT: Response to RMA Audit Railroad Retirement Board Did Not Implement
Sufficient Internal Controls in the Mobile Phones Deployed as a Result of the
Pandemic

The following are comments by Railroad Retirement Board management with respect to the findings of RMA during the course of the audit titled "Railroad Retirement Board Did Not Implement Sufficient Internal Controls in the Mobile Phones Deployed as a Result of the Pandemic." Management Responses are numbered according to the order of findings contained in this report. For convenience and reference, RRB Management includes a summary re-statement of the finding immediately prior to the response. Each response is indented from the finding number. The RRB is unable to provide an accurate timeline for implementation at present. All implementation will be performed as staffing and budget permits.

1. BIS should update their mobile phone policies to include and implement a NARA-approved records schedule and transfer procedures for electronic records associated with mobile phones.
 - a. Partial concur. RRB will update policies related to mobile phones based upon information supplied by NARA for retention requirements related to mobile devices. RRB will work with mobile service provider to determine what retention options are available and will seek solutions based upon technology limitations.
2. Submit yearly affidavit to confirm electronic records associated with mobile phone have been identified and retained until the full transition into Microsoft Azure Cloud.
 - a. Non-concur. All emails sent using mobile phones are already captured in the email system. RRB mobile devices are used to extend the capability for RRB

employees to conduct aspects of official business (*such as internal coordination and scheduling*); however, all official business conducted is still required to be captured in already approved RRB systems of records.

3. Director of Administration should define and communicate 'personal usage' establishing RRB's core hours of 5:00am to 7:00pm. Any usage outside of the core hours would be considered personal usage excluding business management purposes.
 - a. Non-concur. RRB management does not concur that the Director of Administration should release a communication stating that all use of mobile devices outside of 5:00am and 7:00 pm should automatically be considered personal use. Further, "business management purposes" is too vague a term to define with respect to audit closure. Frequently, staff of the RRB must communicate outside those hours with respect to lapses in funding, continuing resolutions, late breaking court decisions, COOP activity, severe weather alerts, agency operating status, time zone differences, and other definite official agency business. The Director of Administration agrees to release a statement to all employees reminding them of the RRB personal use policy.
4. Bureau of Information Services should 1) continue efforts to update Telecommuting and Mobile Security Computing Policy with current laws and regulations and 2) develop a periodic monitoring control to assess personal usage and address it according to agency guidance.
 - a. Concur
5. Bureau of Information Services should incorporate mobile phone in an existing AU and update their mobile phone policies to include documentation regarding the specific roles and responsibilities of each office overseeing the mobile phone program.
 - a. Concur. RRB will incorporate mobile devices into the Networking Services assessable unit. The telecommunications section transferred from Office of Administration to the Bureau of Information Services. As a result, mobile devices services are no longer split between two business units and the recommended action can now be instituted.
6. Bureau of Information Services should enforce and execute a review and approval process for application and software download and restrict access to specified applications found in their RRB G-6 Rules of Behavior.
 - a. Concur. RRB will create an approved list of acceptable mobile applications and publish those on the "Company Portal" which is now available on the phone with our switch from BlackBerry to Microsoft Intune for mobile device management. Additionally, the RRB will only allow for approved Apps to be installed on the mobile device and Risk Management will monitor the mobile devices for unauthorized used.

7. Implement procedures to periodically track, log, and monitor iPhone usage and the completion of the G-6 Acknowledgement Statement.
 - a. Concur
8. Bureau of Information Services should periodically review the mobile phone inventory for completeness and accuracy to include a comparison to RRB's personnel position index.
 - a. Concur
9. Bureau of Information Services should implement the use of unique identifiers between disparate data sets (*mobile phone inventory v. personnel position index*) to facilitate comparisons and reconcile inconsistent information.
 - a. Concur
10. Bureau of Information Services should develop and implement a records management and retention system for electronic records.
 - a. Non-concur. See response to Recommendation #2.
11. Bureau of Information Services should research capabilities of RRB's Microsoft Azure Cloud functionality to determine feasibility of incorporating the automated records management and retention capabilities to govern the mobile phones electronic records.
 - a. Partial Concur. There are legal and cost implications to maintaining electronic records generated on mobile devices. The agency will likely be constrained by the capabilities of the service providers themselves and their legal requirements to provide such records. The RRB will confer with agency leadership to confirm compliance within these constraints and implications.

Appendix II: Cost Benefit Analysis

We used RRB's iPhone inventory and September 2021 call detail records to test the mobile phone usage in support of our cost benefit analysis. Please note, we did not use earlier invoices because phones were added sporadically. The September 2021 call detail was used to discern usage because September was the most comprehensive number of assigned users and all phones assigned within our audit scope. We tied each phone number in the RRB iPhone Inventory with the phone numbers in the call detail records.

During our usage testing, we determined mobile phones were assigned but not used for 255 of 774 phones, representing 33% of the population (**Table 4**). Additionally, we identified 2% of usage was made outside of core hours.

Table 4: Mobile Phone Non-Usage Results

Pay Grade	Number of Mobile Phones	Number of Mobile Phones with No Usage	Percent of Non-Usage by Grade
ES-00	1	-	-
GS-04	5	4	80%
GS-05	37	16	43%
GS-06	7	5	71%
GS-07	63	31	49%
GS-08	49	24	49%
GS-09	31	10	32%
GS-10	96	16	17%
GS-11	106	15	14%
GS-12	162	40	25%
GS-13	72	13	18%
GS-14	48	7	15%
GS-15	14	-	-
Spare	77	71	92%
N/A	6	3	50%
Total	774	255	33%

We calculated the total costs associated with the purchase and deployment of the iPhones and identified the percentage of 1) mobile phones issued and used, 2) mobile phones issued and not used, 3) mobile phones not issued and not used,³ and 4) mobile phones not used and could not be identified in the CARES Act inventory list or position index within our scope. We believe the costs identified are funds RRB could put to better use (**Table 5**). Additionally, we identified 2% of cell phone usage was outside of work hours, with an additional \$12,139.31 of funds put to better use.

³ These are spare and vacant mobile phones.

Table 5: Mobile Phone Usage Cost or Benefit

Description	Number of Mobile Phones	Percent of Population	Cost (✖) or Benefit (✓)?
Mobile Phones Issued/Used	519	67.0%	✓
Mobile Phones Issued/Not Used	181	23.4%	✖
Mobile Phones Not Issued/Not Used	71	9.2%	✖
Mobile Phones Unidentified/Not Used ⁴	3	0.4%	✖

RMA found the mobile phones program had a total cost of **\$905,185.47**, with implementation costs of \$340,560 (**Table 6**) and total monthly invoice costs of \$564,625.47 during our period of review (**Table 7**).

Table 6: Implementation Costs

One-Time Purchase	Value
iPhone XR	\$250.00
Blackberry UEM	\$190.00
Cost per Mobile Phone	\$440.00
Multiplied by the Number of Mobile Phones	774
Total Implementation Cost	\$340,560.00

⁴ "Unidentified" means we could not determine whether the mobile phone was in scope due to inaccurate iPhone inventory. Through inquiry, we found these mobile phones belonged to prior RRB employees.

Table 7: Monthly Invoice Costs

Monthly Invoice	Value
March 2020 ⁵	-
April 2020	\$46,448.99
May 2020	\$32,432.82
June 2020	\$31,878.72
July 2020	\$32,290.90
August 2020	\$31,084.15
September 2020	\$31,003.02
October 2020	\$31,108.34
November 2020	\$32,135.24
December 2020	\$31,373.79
January 2021	\$31,396.68
February 2021 ⁶	\$9,230.23
March 2021	\$31,401.86
April 2021	\$31,408.12
May 2021	\$31,410.52
June 2021	\$31,404.12
July 2021	\$31,397.18
August 2021	\$31,423.76
September 2021	\$35,797.03
Total Invoice Costs	\$564,625.47

Mobile phones issued and used have total benefits of \$594,826.14. The mobile phones not used have the total costs of \$298,220.02 (**Table 8**). The 2% of usage outside core hours accounts for an additional \$12,139.31 of funds that could have been put to better use.

Table 8: Cost-Benefit Analysis Results

Description	Calculations	Value
Total Costs	(Total Costs * Percent of Costs Identified) + Usage Outside Core Hours (Total Benefits * 2%)	\$310,359.33
Total Benefits	(Total Costs * Percent of Benefits) - Usage of Outside of Core Hours (Total Benefits * 2%)	\$594,826.14
Total		\$905,185.47

RMA determined \$310,359.33 as funds that could have been put to better use. We noted this as the effect of *finding 3: Lack of Sufficient Internal Controls*; specifically highlighting the impact of no tracking, monitoring, and logging of usage and non-usage.

⁵ The CARES Act Inventory Verizon Account was activated 4/7/2020; therefore, we could not include March 2020 invoice.

⁶ The reason for the change in cost for this month is each phone received a refund (1st Responder SP UNL Refund and Hotspot Refund).