

## ☞ 05hr\_JC-Au\_Misc\_pt50



☞ Details: Legislative Audit Bureau Letter Report (February 2005): Cellular Phones

(FORM UPDATED: 08/11/2010)

# WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

## 2005-06

(session year)

## Joint

(Assembly, Senate or Joint)

## Committee on Audit...

### COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

### INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)  
(**ab** = Assembly Bill)                      (**ar** = Assembly Resolution)                      (**ajr** = Assembly Joint Resolution)  
(**sb** = Senate Bill)                              (**sr** = Senate Resolution)                              (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

\* Contents organized for archiving by: Stefanie Rose (LRB) (October 2012)

Letter Report

## **Cellular Phones**

*February 2005*



**Legislative Audit Bureau**

22 E. Mifflin St., Ste. 500, Madison, Wisconsin 53703-4225 • (608) 266-2818

Fax: (608) 267-0410 • Web site: [www.legis.state.wi.us/lab](http://www.legis.state.wi.us/lab)



STATE OF WISCONSIN

Legislative Audit Bureau

22 E. Mifflin St., Ste. 500  
Madison, Wisconsin 53703  
(608) 266-2818  
Fax (608) 267-0410  
Leg.Audit.Info@legis.state.wi.us

February 25, 2005

Janice Mueller  
State Auditor

Senator Carol A. Roessler and  
Representative Suzanne Jeskewitz, Co-chairpersons  
Joint Legislative Audit Committee  
State Capitol  
Madison, Wisconsin 53702

Dear Senator Roessler and Representative Jeskewitz:

We have completed a limited-scope review of state employee cellular phone contracts and usage. The Department of Administration (DOA) negotiates contracts for cellular phone service for all state agencies, including the University of Wisconsin System. The State has approximately 10,000 cellular phones, and fiscal year 2003-04 expenditures totaled almost \$2.9 million.

DOA currently contracts with four vendors, although U.S. Cellular Corporation provides nearly 90 percent of the cellular phones for state employees. Its basic monthly plan is \$4.75 per line, plus \$.09 per minute used within Wisconsin. Agencies may change plans if an alternative plan is determined to be less costly.

We reviewed all executive branch cellular phone charges for September 2004. We found that two-thirds of cellular phone charges in the month were for less than \$20. However, 386 cellular phone bills were \$100 or more, including 5 for more than \$500. We also found agency cellular phone policies to be limited and inconsistent. We include a recommendation for agencies to review high-cost bills on a monthly basis and seek less-expensive options when appropriate.

During the course of our fieldwork, DOA issued the first statewide cellular phone policy. It applies to all agencies, and contains provisions related to assignment, personal use, reimbursement, and monitoring. DOA has also purchased and is in the process of implementing a software product that will allow it and other agencies to better monitor employees' cellular phone usage. We include a recommendation for DOA to report to the Joint Legislative Audit Committee in March 2006 on the status of these monitoring efforts.

We appreciate the courtesy and cooperation extended to us by DOA and the other agencies we visited.

Respectfully submitted,

Janice Mueller  
State Auditor

JM/KW/bm

## CELLULAR PHONES

Use of cellular phone technology is an important tool for state employees who have job responsibilities that require them to be away from a desk but readily accessible. The Department of Administration (DOA) negotiates contracts for cellular phone service for all state agencies, including the University of Wisconsin (UW) System. The State has approximately 10,000 cellular phones through these contracts, for which fiscal year (FY) 2003-04 expenditures totaled almost \$2.9 million. During the same period, nearly 100,000 landlines cost the State approximately \$16.0 million.

In response to concerns about the cost-effectiveness and appropriateness of state cellular phone usage, we performed a limited-scope review that analyzed:

- contracts for cellular phone service entered into and managed by DOA;
- expenditures for cellular phone service by state agencies;
- agency policies related to cellular phone assignment, personal use, and monitoring; and
- DOA's efforts to establish a statewide cellular phone policy and to monitor use of cellular phones.

We reviewed expenditures for FY 2003-04, including detailed information on all executive branch cellular phone charges for September 2004. Finally, we interviewed officials and staff at the agencies with the highest cellular phone expenditures, as well as DOA staff responsible for contract administration. The agencies and UW institutions with the highest expenditures include the departments of Natural Resources (DNR), Transportation (DOT), Corrections, Health and Family Services (DHFS), Commerce, and UW-Madison and UW-Milwaukee.

A detailed review of the appropriateness of individual cellular phone bills was beyond the scope of this review. We also did not review the use of pagers or cellular devices with e-mail and other personal information management capabilities (e.g., BlackBerries), which are under separate contracts.

### Cellular Phone Contracts and Expenditures

The current contracts between DOA and four cellular phone vendors began in May 2002 and have an initial expiration date of July 2005. The State recently exercised its option to renew two of the contracts for an additional two-year period, through April 2007. DOA is in discussions with the other two vendors regarding possible contract extensions. Agencies are required to obtain their cellular phone services through these contracts unless a contracted vendor does not provide adequate service in a particular area. DOA will provide the agency with a waiver to use an alternate vendor under these circumstances. Waivers account for less than 2 percent of cellular phones in use at the agencies we reviewed.



DOA's recent contract extensions with U.S. Cellular and Alltel, which is the primary vendor for the northwest region, included vendor concessions such as extending the State's rates to interested local governments and reductions in Alltel's basic rates. The Attachment describes the four state calling plans currently in effect.

Expenditures for cellular phone services are not uniquely identified in state agency accounting systems. Further, payments to some vendors may be for both cellular and other telecommunications services, such as landlines and internet service. Therefore, expenditures for FY 2003-04 are estimates based on information collected from selected agencies, the cellular phone vendors, and the State's accounting system. As shown in Table 1, they totaled approximately \$1.0 million in the UW System and \$1.9 million in other agencies. Expenditures were greatest at UW-Madison, which had the largest number of phones. DNR, which had the second highest expenditure level, accounted for 13.1 percent of state agency expenditures and 12.6 percent of cellular phones.

Table 1

**Expenditures and Number of Cellular Phones**

	Expenditures (FY 2003-04)		Number of Phones (September 2004)	
	Total	Percentage of Total	Number	Percentage of Total
DNR	\$ 378,000	13.1%	1,270	12.6%
DOT	370,000	12.8	1,449	14.4
Corrections	294,000	10.2	1,445	14.4
DHFS	177,000	6.1	672	6.7
Commerce	110,000	3.8	189	1.9
DOA	93,000	3.2	267	2.7
All Other Agencies	447,000	15.5	1,518	15.1
<b>Subtotal Agencies</b>	<b>1,870,000</b>	<b>64.6</b>	<b>6,810</b>	<b>67.8</b>
UW-Madison	595,000	20.6	1,729	17.2
UW -Milwaukee	145,000	5.0	447	4.4
All Other Campuses	282,000	9.7	1,063	10.6
<b>Subtotal UW System</b>	<b>1,022,000</b>	<b>35.3</b>	<b>3,239</b>	<b>32.2</b>
<b>Total<sup>1</sup></b>	<b>\$2,893,000</b>	<b>100.0%</b>	<b>10,049</b>	<b>100.0%</b>

<sup>1</sup> Totals may not add because of rounding.

## Business Leadership Council Telecommunications Reduction Project

In fall 2003, the Business Leadership Council for Information Technology, a group organized by DOA and composed of officials from various agencies, initiated an effort to reduce unused or underutilized cellular phones, landlines, and voicemail services. DOA sent each agency information on its cellular phone usage and instructed the agencies to review those reports and identify phones that could be eliminated. As a result, agencies reported the elimination of 814 cellular phones statewide in March 2004. DNR and Corrections eliminated the largest number of cellular phones, 347 and 325, respectively.

### Cellular Phone Usage

As shown in Table 2, 66.1 percent of state employees' monthly cellular phone charges in September 2004 were less than \$20. However, the 3.9 percent of monthly charges that were \$100 or more accounted for 26.8 percent of total costs.

---

Table 2

#### Distribution of Cellular Phone Charges September 2004

<u>Monthly Charges</u>	<u>Percentage of Bills</u>	<u>Percentage of Total Costs</u>
Less than \$20	66.1%	23.6%
\$20-\$39.99	17.6	19.7
\$40-\$59.99	7.2	13.9
\$60-\$79.99	3.4	9.4
\$80-\$99.99	1.8	6.6
\$100 or more	3.9	26.8
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

---

As shown in Table 3, in September 2004, 305 bills were \$199 or less. However, 81 bills were for \$200 or more, including five phones with charges exceeding \$500.

Table 3

**Cellular Phone Charges of \$100 or More  
September 2004**

	\$100-\$199	\$200 or More
DOT	52	7
DNR	35	8
Corrections	19	2
DHFS	13	3
Commerce	17	7
DOA	12	1
UW-Madison	67	28
UW-Milwaukee	15	9
Others	75	16
<b>Total</b>	<b>305</b>	<b>81</b>

We obtained the job titles and responsibilities for state employees of the agencies we reviewed. Approximately one-half of the state employees with cellular phone charges of \$100 or more in September 2004 had field responsibilities, including:

- DHFS social workers who conduct assessments for child protective services;
- DOA Capitol police officers who are away from the command post;
- Department of Commerce inspectors, including plumbing consultants, elevator inspectors, commercial building inspectors, and occupational safety inspectors;
- Department of Corrections probation and parole agents;
- DOT civil engineers who manage highway projects and communicate with contractors, crews, and municipalities on-site; and
- DNR wardens and wildlife biologists.

The remaining employees with bills of \$100 or more had a variety of positions and responsibilities that may require them to be away from their desk for extended periods, including:



- department and university managers, including department secretaries, division administrators, supervisors, and section chiefs;
- university athletics staff, including coaches, event managers, and media specialists;
- university academic and research staff, including professors and researchers; and
- information technology and facilities maintenance staff.

Although the basic state plans are less expensive for most employees, agencies can change plans for individual users if an alternative plan is determined to be less costly. For example, a plan with national coverage may be less expensive for an employee who frequently travels out of state, and a plan with a large number of included minutes may be the best choice for employees with consistently high usage. While some employees with September 2004 bills of \$100 or more are already on alternative, more cost-effective plans, all agencies should carefully monitor monthly cellular phone charges.

**Recommendation**

*We recommend state agencies regularly review all monthly employee cellular phone bills of \$100 or more to ensure that employees are on calling plans that are appropriate for their job responsibilities and cellular phone usage.*

### **Cellular Phone Policies**

Although DOA has been responsible for the State's cellular phone contracting since May 2002, a statewide policy for the assignment, usage, and monitoring of cellular phones did not take effect until January 18, 2005. DOA began drafting this policy in spring 2004 and shared it with agency telecommunications managers in December 2004.

The statewide policy contains provisions necessary for assuring appropriate use and effective monitoring of cellular phones:

- State-owned cellular phones are to be assigned only when need can be justified, and assignment must be approved by division administrators, university officials, or their designees.
- Personal calls are prohibited unless they are essential, such as for a family emergency, or they are permitted under a collective bargaining agreement or compensation plan.
- All personal calls that violate this policy are to be reimbursed at the state rate (\$.09 per minute for U.S. Cellular and Alltel, \$.12 per minute for CellularOne, and \$.10 per minute for Cingular), actual fees and charges, plus an additional charge of \$.06 per minute.

- Each month, every employee assigned a cellular phone is required to identify and discuss all personal calls with the supervisor or other person assigned to review and approve the monthly cellular phone bill.
- Supervisors are required to review the continued need for and cost-effectiveness of cellular phone assignments annually.

While the new statewide policy contains sound provisions, its implementation will be important because we found inconsistencies and limitations in the policies in effect at selected agencies in fall 2004. Table 4 notes the provisions included in those policies. Some agency staff have indicated that additional policies exist at a division, bureau, or university department level.

Table 4  
**Cellular Phone Policy Provisions—Selected Agencies  
 Fall 2004**

Agency	Cellular Phone Assignment	Personal Use of Cellular Phones	Reimbursement for Personal Use	Monitoring of Cellular Phone Usage
DNR	X	X	X	X
DOT	—	X	X	X
Corrections	X	X	X	X
DHFS	X	X	—	X
Commerce <sup>1</sup>	—	—	—	—
UW-Madison	—	X	—	X
UW-Milwaukee	—	X	—	—

<sup>1</sup> Commerce did not have a department-wide cellular phone policy.

In fall 2004, three agencies' written policies did not specify how cellular phone assignments were to be made or approved. Based on written policies and interviews with agency staff, we found that cellular phone assignment approval authority ranged from the supervisor level to the division administrator level.

While all of the policies we reviewed addressed personal use of state cellular phones, their provisions were sometimes unclear or contradictory. For example:

- UW-Madison's policy said that phones are to be used for calls that are "primarily" university business, but also that personal use is not permitted even if it is reimbursed;
- DOT's policy indicated any personal use of a state cellular phone is unacceptable and may be cause for disciplinary action, yet also included provisions on reimbursement for personal calls; and
- DHFS's policy said that personal calls are generally prohibited, but did not specify when they might be allowed.

Three agencies had written policies for reimbursement for personal cellular phone calls, and other agencies indicated that reimbursement was expected. However, when we requested information on reimbursements for personal calls, agencies were unable to provide complete and accurate data.

Agencies' policies contained few provisions regarding monitoring of cellular phone usage. DHFS and DNR specified only that divisions or supervisors were responsible for monitoring employees' cellular phone usage. Two other agencies—Corrections and DOT—specified that supervisors must review and approve all monthly bills, and DOT's policy also instructed supervisors to conduct semi-annual reviews of cellular phone assignments to ensure their appropriateness and to justify their continuation. Only UW-Madison's policy included specific written guidance regarding the monitoring of cellular phone usage. It suggested, for example, a review of destinations called, whether calls were made during normal business hours, and their length.

Most agencies indicated that cellular phone bills are also monitored by a central or regional office. However, these reviews are limited in scope. Some telecommunications coordinators noted that both the level and the type of monitoring vary across divisions or units within an agency.

### **Cellular Services Contracting and Monitoring**

Until recently, management reports with individual calling detail were not available. However, in November 2004, DOA entered into a one-year contract with Telesoft Corporation for hosted software that will assist it and other state agencies in monitoring cellular phone costs and usage. The annual contract cost is \$24,500. U.S. Cellular will provide electronic data to Telesoft, which will maintain the data on its servers and create reports that agencies and DOA can view. The interface will allow agencies to generate customized reports based on criteria they select, including:

- agency cellular phone inventory;
- analysis of individual employees' usage, including monthly cost and call detail for incoming and outgoing calls;
- identification of cellular phones that are seldom used; and
- analysis of usage and cost trends over time.

Each agency will have access to its own employees' cellular phone call details with the Telesoft product. DOA will have access to all information for all agencies, as well as the ability to monitor other agencies' use of the system. DOA can add the other cellular phone vendors to the Telesoft system for an additional cost but has not yet begun discussions with the other vendors. Initial implementation of the Telesoft system is expected to be complete in March 2005.

DOA will need to provide agencies with guidance on both use of the Telesoft product and the statewide cellular phone policy, and to monitor their implementation to ensure cost-effective use of cellular phones. Since more complete information will be readily available, individual agencies may also wish to expand their internal procedures for cellular phone monitoring by providing more specific guidance to supervisors, as well as a mechanism for management to ensure that adequate monitoring is taking place.

By seeking improved reporting from vendors and enabling agencies to monitor cellular phone charges electronically, DOA has improved its oversight of this activity. However, because these oversight initiatives are not yet completed, further monitoring is needed.

**Recommendation**

We recommend the Department of Administration submit a report to the Joint Legislative Audit Committee by March 31, 2006, addressing:

- current information on the number of cellular phones in service at each agency, including individual institutions within the UW System;
- the feasibility of better tracking cellular phone expenditures by specifically identifying them in the state accounting system;
- the effectiveness of the new cellular phone policy, including agency compliance with its provisions; and
- the results of early implementation of the Telesoft product by both DOA and the agencies for monitoring purposes.

\*\*\*\*

## Attachment

---

### Cellular Phone Service Plans in State of Wisconsin Contracts October 2004

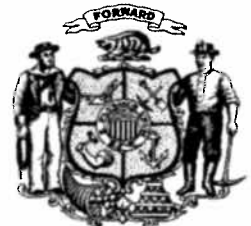
Vendor	Monthly Rate	Included Minutes	Per Minute Charge (After Included Minutes)	Additional per Minute Roaming Charge	Additional per Minute Long Distance Charge
U.S. Cellular	\$4.75	0	\$0.09	\$0.00 intrastate, \$0.75 interstate	\$0.00
Alltel <sup>1</sup>	4.75	0	0.09	0.00 intrastate, 0.79 interstate	0.15 intrastate, 0.40 interstate
CellularOne	9.75	30	0.12	0.75 intrastate, 0.99 interstate	0.25
Cingular	6.95	0	0.10	0.49	0.00

<sup>1</sup> The State's contract with Alltel was revised in October 2004. The previous plan had three tiers, with monthly rates ranging from \$9.99 to \$27.99, between 30 and 300 included minutes, and additional charges of \$0.15 per minute.

---



# WISCONSIN STATE LEGISLATURE





**WISCONSIN DEPARTMENT OF  
ADMINISTRATION**

**JIM DOYLE  
GOVERNOR**

**STEPHEN E. BABLITCH  
SECRETARY**

Office of the Secretary  
Post Office Box 7864  
Madison, WI 53707-7864  
Voice (608) 266-1741  
Fax (608) 267-3842

April 6, 2006

Senator Carol A. Roessler, Co-Chair  
Joint Legislative Audit Committee  
8 South, State Capitol  
Madison, WI 53702

Rep. Suzanne Jeskewitz, Co-Chair  
Joint Legislative Audit Committee  
314 North, State Capitol  
Madison, WI 53702

Dear Senator Roessler and Representative Jeskewitz:

In February 2005 the Legislative Audit Bureau provided your committee with a report on state employee cellular phone contracts and usage. The report described the current cell phone environment within the state agencies, including the University of Wisconsin System. It reviewed contracts in place, costs, and usage patterns.

The Legislative Audit Bureau also included a recommendation that the Department of Administration submit a report to the Joint Legislative Audit Committee addressing four specific items. A report addressing each of these items is attached, for your committee's review.

I am pleased to report to you that since the audit, the number of cellular phones used by state government has decreased by 13.2 percent (1,309 lines), producing a monthly cost savings of \$44,833. This cost saving effort is part of the Governor's initiative to make state government operate more efficiently.

Should you have any questions regarding the attached report, please contact Mike Kessenich at (608) 264-9406.

Sincerely,

Stephen E. Bablitch  
Secretary

Cc: Janice Mueller, State Auditor  
Mike Kessenich

## DOA Report on Cellular Phones to Joint Legislative Audit Committee

1. Current information on the number of cellular phones in service at each agency, including individual institutions within the UW System:

The following table provides a breakdown of the current number of cell phones, as of February 2006, for state agencies and the UW System, along with the associated monthly costs.

<b>February 2006 Cellular line count and cost by agency</b>	<b>Number of Cell Phones</b>	<b>Monthly Cost</b>
UW-Madison	1,077	\$26,511
Dept of Natural Resources	1,187	\$25,432
Dept of Transportation	1,210	\$24,002
Corrections	1,367	\$20,490
Dept of Health & Family Services	691	\$13,819
UW-Milwaukee	386	\$9,157
Military Affairs	158	\$8,163
DOA	217	\$5,443
DATCP	187	\$4,753
Dept of Commerce	158	\$4,750
UW-Oshkosh	141	\$3,751
Dept of Justice	134	\$3,699
DWD	133	\$2,665
UW-River Falls	124	\$2,620
UW-Whitewater	117	\$2,540
UW-Extension	113	\$2,494
UW-Stevens Point	162	\$2,274
Dept of Revenue	79	\$1,983
UW-Eau Claire	91	\$1,721
Mad Air Nat'l Guard	66	\$1,682
UW-Parkside	29	\$1,673
Dept of Public Instruction	72	\$1,549
Assembly	32	\$1,439
Dept of Financial Institutions	16	\$1,199
Senate	21	\$1,036
Veteran's Affairs	66	\$1,012
UW-La Crosse	59	\$967
Public Defender	51	\$828
UW-Platteville	33	\$731
Governor's Office	19	\$715
DMA/WEM	50	\$697
UW-Green Bay	48	\$641
UW-Stout	16	\$546
Educational Communications Board	16	\$481
DMA/Challenge Academy	15	\$407



State Fair Park	19	\$379
Investment Board	21	\$373
Employee Trust Funds	13	\$365
Mil Air Nat'l Guard	2	\$319
Public Service Commission	16	\$289
Dept of Tourism	6	\$267
State Historical Society	28	\$215
Supreme Court	10	\$178
UW-Fond du Lac	11	\$127
Board on Aging & Long Term Care	12	\$119
Misc/under \$100 per month	109	\$3,349
Total	8,588	\$187,850

2. The feasibility of better tracking cellular phone expenditures by specifically identifying them in the state accounting system:

In order to aid state agencies to better track cellular phone expenditures, the State Controller's Office last year established two new accounting object codes for use when processing cell phone invoices. One object code (2271) was for cellular equipment, while the other one (2270) was for cellular services. State agencies were informed of the new codes for their use in state fiscal year 2006.

3. The effectiveness of the new cellular policy, including agency compliance with its provisions:

There are several factors which led to a significant reduction in the number of cell phones and costs since the Legislative Audit Bureau completed its review of cellular phones and contracts in February 2005.

While it is difficult to attribute a specific dollar figure directly to the Enterprise Cellular Policy, DET believes the cellular policy is an important tool for effectively managing cellular service. The policy requires cost justification for issuing cell phones, and requires consideration be given for pooling or sharing of phones. The policy also restricts the use of state cellular phones for personal calls, while recognizing the importance of employee safety issues. Finally, it mandates a monthly review of cellular bills, and requires reimbursement for all unauthorized calls.

4. The results of early implementation of the Telesoft product by both DOA and the agencies for monitoring purposes:

TeleCELL, the Telesoft product, is a powerful web based point and click wireless management tool that state agencies have been using since July 2005. It allows agencies to easily identify potential efficiencies and cost saving opportunities. While this product has been well received by many

agencies, DET continues to use TeleCELL to monitor overall cellular usage to identify potential problem areas, and encourages agencies not currently taking advantage of this tool to do so.

The following table shows the number of cell phones in service and the monthly cost for September 2004 (the month used in the LAB review) and February 2006.

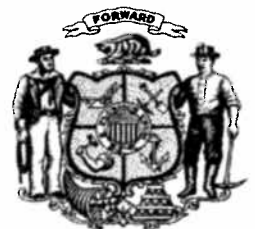
<b>Sep-04</b>	<b>Phones</b>	<b>Monthly Cost</b>
US Cellular	8,601	\$214,778
CellularOne	592	\$17,237
Alltel	704	\$668
<b>Totals</b>	<b>9,897</b>	<b>\$232,683</b>
<b>Feb-06</b>		
US Cellular	7,423	\$166,855
CellularOne	497	\$10,606
Alltel	668	\$10,388
<b>Totals</b>	<b>8,588</b>	<b>\$187,850</b>
<b>Difference</b>	<b>(1,309)</b>	<b>(\$44,833)</b>
	<b>-13.2%</b>	<b>-19.3%</b>

The above table shows a substantial reduction in the number of cell phones over the reporting period. While it is difficult to quantify exactly, certainly part of the reduction can be attributed to the monitoring done via the TeleCELL tool. Other factors include the Enterprise Cellular Policy, DOA's telephone line reduction (including cellular phones) effort, and the additional scrutiny in general that cell phone usage by state government is receiving.

One other measure of the increased monitoring of cell phone usage relates to the number of cell phone monthly bills that exceed \$100. In 2004 there were 386 such bills. Today that number is down to 203. A number of those reductions can probably be attributed to switching those individuals to a more appropriate monthly plan, based on their individual usage patterns.



# WISCONSIN STATE LEGISLATURE





WISCONSIN STATE LEGISLATURE  
Joint Legislative Audit Committee

Committee Co-Chairs:  
State Senator Carol Roessler  
State Representative Suzanne Jeskewitz

April 27, 2006

Mr. Stephen E. Bablitch, Secretary  
Department of Administration  
101 East Wilson Street, 10<sup>th</sup> Floor  
Madison, Wisconsin 53701

Dear Mr. Bablitch:

Thank you for your letter, dated April 6, 2006, which responds to the recommendation for a follow-up report as described by the nonpartisan Legislative Audit Bureau in its evaluation the State's use of cellular phones (letter report, February 2005).

We are pleased with the reduction in both the number of state employee cellular phones and in the related costs. We note particularly that the number of monthly cellular phone bills exceeding \$100 has declined from 386 in September 2004 to the 203 referenced in your letter.

However, your report is silent on the extent to which state agencies have implemented a monthly review of cellular phone bills that are \$100 or more, as recommended by the Legislative Audit Bureau. While we understand that each agency is responsible for managing its use of cellular phones pursuant to the policies of the Department of Administration, some additional information about state agency compliance with these policies would be beneficial. To that end, we ask that by September 1, 2006, you submit a report that:

- provides assurance that state agencies are reviewing monthly cellular phone bills of \$100 or more to ensure compliance with the policies of the Department of Administration;
- summarizes, by agency, the number of instances in which reimbursement has been obtained from state employees for unauthorized cellular phone calls they made during fiscal year (FY) 2005-06;
- describes the extent to which state agencies have used the TeleCELL system to make management decisions related to overall cellular phone usage; and
- provides FY 2005-06 cellular phone expenditures by agency, including an enumeration of the amount each agency charged to object codes 2270 and 2271.

We look forward to receiving your next report in September 2006. Thank you for your cooperation.

Sincerely,

Senator Carol A. Roessler, Co-chair  
Joint Legislative Audit Committee

Representative Suzanne Jeskewitz, Co-chair  
Joint Legislative Audit Committee

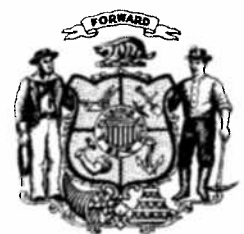
cc: Janice Mueller  
State Auditor

SENATOR ROESSLER  
P.O. Box 7882 • Madison, WI 53707-7882  
(608) 266-5300 • Fax (608) 266-0423

REPRESENTATIVE JESKEWITZ  
P.O. Box 8952 • Madison, WI 53708-8952  
(608) 266-3796 • Fax (608) 282-3624



# WISCONSIN STATE LEGISLATURE



## Matthews, Pam

---

**From:** Matthews, Pam  
**Sent:** Thursday, September 07, 2006 4:51 PM  
**To:** Hinrichs, Dave - DOA  
**Cc:** Asbjornson, Karen; Chrisman, James; Gustafson, Sara; Shannon, Pam  
**Subject:** Follo-up report to Cell Phone Letter Report

**Attachments:** Scan001.PDF

Dear Dave,

Attached is a copy of the letter sent to Sec. Bablitch on April 27, 2006. Please respond as to when we can expect to receive the report indicated in the letter that the Joint Legislative Audit Committee Co-chairs expected to receive on September 1, 2006.



Scan001.PDF (56  
KB)

Thank you,

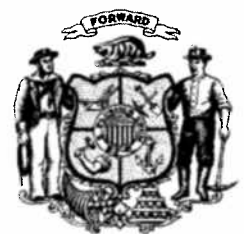
Pam

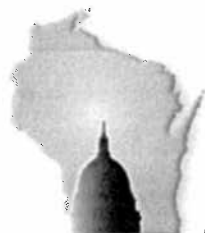
*Pamela B. Matthews  
Research Assistant/Committee Clerk  
Office of Representative Sue Jeskewitz*

*Madison: 608.266.3796  
Toll free: 888.529.0024  
pam.matthews@legis.state.wi.us*



# WISCONSIN STATE LEGISLATURE





**WISCONSIN DEPARTMENT OF  
ADMINISTRATION**

**JIM DOYLE**  
GOVERNOR  
**STEPHEN E. BABLITCH**  
SECRETARY

Office of the Secretary  
Post Office Box 7864  
Madison, WI 53707-7864  
Voice (608) 266-1741  
Fax (608) 267-3842

September 15, 2006

Senator Carol Roessler, Co-Chair  
Joint Legislative Audit Committee  
8 South, State Capitol  
Madison WI 53702

Rep. Suzanne Jeskewitz, Co-Chair  
Joint Legislative Audit Committee  
314 North, State Capitol  
Madison WI 53702

Dear Senator Roessler and Representative Jeskewitz:

In response to your letter dated April 27, 2006, we are enclosing a report of FY 2005-06 cellular phone expenditures by agency. This report includes enumeration of the amount each agency charged to object codes 2270 and 2271 as outlined in your request.

In order to fully respond to the Committee's request for additional information, it will be necessary to gather detailed information from state agencies. Since this effort will require more time to compile and analyze the information, we will be submitting the additional information no later than October 13, 2006. This additional time will enable us to provide you with the most accurate and complete information to address the following issues outlined in your previous letter, specifically:

- summarize, by agency the number of instances in which reimbursement has been obtained from state employees for unauthorized cellular phone calls they made during FY 05-06;
- describe the extent to which the state agencies have used the TeleCELL system to make management decisions related to overall cellular phone usage; and
- provide assurance that state agencies are reviewing monthly cellular bills of \$100 or more to ensure compliance with the policies of the DOA.

Please feel free to contact Sean Dilweg at 266-1741 should you have any questions about this information.

Sincerely,

*ja* Stephen E. Bablitch  
Secretary

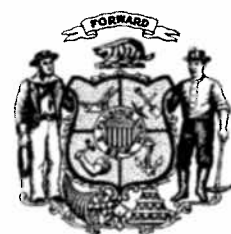
Cc: Janice Mueller

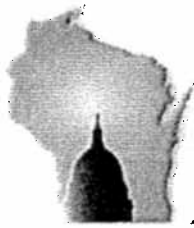
Enclosure



FY 2005-06 Cellular Expenditures by Agency

Dollar amount	Acct		Grand Total
	2270Cellular Service	2271Cellular Equipment	
Agency			
115Agriculture, Department of	49,560.69	24.99	49,585.68
143Commerce, Department of	48,456.10	2,791.80	51,247.90
144Financial Institutions	7,971.39		7,971.39
155Public Service Commission	3,452.64	94.85	3,547.49
215Arts Board	417.30		417.30
225Educational Communications Bd.	6,946.53		6,946.53
245Historical Society	3,551.77		3,551.77
285University of Wisconsin	143,478.84	2,695.39	146,174.23
292Technical College System Board	1,930.58		1,930.58
370Natural Resources, Dept. of	406,255.35	21,375.27	427,630.62
380Tourism	3,610.37	300.68	3,911.05
395Transportation, Department of	336,559.25	15,286.14	351,845.39
432Board on Aging	1,494.68		1,494.68
445Workforce Development	40,439.70	484.79	40,924.49
455Justice, Department of	128,302.54	10,893.58	139,196.12
465Military Affairs, Dept. of	117,558.07	2,719.68	120,277.75
485Veterans Affairs, Dept. of	14,237.17		14,237.17
505Administration, Department of	96,021.06	1,677.79	97,698.85
507Public Lands Board	1,092.18		1,092.18
510Elections Board	10,141.99		10,141.99
515Employee Trust Fds	2,287.68		2,287.68
525Governor's Office	14,622.39	427.93	15,050.32
536Investment Bd	9,189.74		9,189.74
540Lieutenant Governor's Office	2,489.49		2,489.49
545Off State Employment Relations	2,485.65		2,485.65
550Public Defender	8,405.94	482.10	8,888.04
566Revenue, Department of	24,179.81	1,359.51	25,539.32
575Secretary of State	84.32		84.32
680Supreme Court	2,829.67	99.99	2,929.66
765Legislative	301.76		301.76
Grand Total	1,488,354.65	60,714.49	1,549,069.14





**WISCONSIN DEPARTMENT OF  
ADMINISTRATION**

**JIM DOYLE**  
GOVERNOR  
**STEPHEN E. BABLITCH**  
SECRETARY  
Office of the Secretary  
Post Office Box 7864  
Madison, WI 53707-7864  
Voice (608) 266-1741  
Fax (608) 267-3842

October 19, 2006

Senator Roessler and Representative Jeskewitz  
Co-Chairs  
Joint Legislative Audit Committee  
P.O. Box 7882  
Madison, WI 53707-7882

Dear Senator Roessler and Representative Jeskewitz:

As we indicated in our letter to you dated September 15, 2006, we are following up with the additional information requested. Attached is a report outlining the answers to the following questions as requested in your previous letter:

- summarize, by agency the number of instances in which reimbursement has been obtained from state employees for unauthorized cellular phone calls they made during FY 05-06;
- describe the extent to which the state agencies have used the TeleCELL system to make management decisions related to overall cellular phone usage; and
- provide assurance that state agencies are reviewing monthly cellular bills of \$100 or more to ensure compliance with the policies of the DOA.

You will notice that the majority of agencies are not using the TeleCell product directly, but 100% of the agencies/campuses are reviewing cellular bills exceeding \$100. DOA regularly reviews the entire state's usage in TeleCELL and informs agencies/campuses that there are accounts that appear to be in need of review. We specifically look at the top billing lines and point these out as potentially being on the wrong plan. Some of the agencies, especially those with few cell phones, are able to manage their usage without the need for a product like TeleCELL. All agencies/campuses except one, were able to determine the number of reimbursements by employees.

We hope that the information is clear and understandable and apologize for the delay.

Sincerely,

Gina Frank-Reece  
Deputy Secretary

Cc: Janice Mueller

enclosure

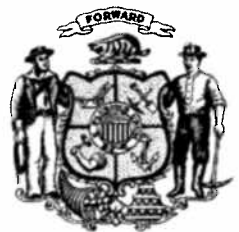
Agency	Question 1 (instances of reimbursement )	Question 2 (use of TeleCELL)	Question 3 (review cellular bills > \$100 )
Arts Board	0	Not regularly using Telecell	Yes
Assembly	no cell phones	no cell phones	no cell phones
Corrections	1286*	Yes	Yes
Dept of Administration	64	Yes	Yes
DATCP	5	Not regularly using Telecell	Yes
Dept of Commerce	2	Yes	Yes
Dept of Financial Institutions	44	Not regularly using Telecell	Yes
Dept of Health & Family Services	85	Not regularly using Telecell	Yes
Dept of Justice	2	Not regularly using Telecell	Yes
Dept of Natural Resources	155	Not regularly using Telecell	Yes
Dept of Public Instruction	26	Yes	Yes
Dept of Revenue	40	Not regularly using Telecell	Yes
Dept of Tourism	33	Not regularly using Telecell	Yes
Dept of Transportation	18	Yes	Yes
Dept of Workforce Development	19	Yes	Yes
Educational Communications Board	18	Not regularly using Telecell	Yes
Elections Board	1	Yes	Yes
Employee Trust Funds	1	Not regularly using Telecell	Yes
Ethics Board	no cell phones	no cell phones	no cell phones
Governor's Office	None	Yes	Yes
Investment Board	5	Not regularly using Telecell	Yes
Military Affairs	0	Yes	Yes
OCI	1	Not regularly using Telecell	Yes
Public Defender	40	Not regularly using Telecell	Yes
Public Service Commission	7	Not regularly using Telecell	Yes
Sec. of State Office	0	Not regularly using Telecell	N/A (no bills that large)
State Fair Park	5	Not regularly using Telecell	Yes
State Historical Society	2	Not regularly using Telecell	Yes
Veteran's Affairs	18	Yes	Yes
WERC	0	Not regularly using Telecell	Yes

Information below provided by UW System

Agency	Question 1 (instances of reimbursement )	Question 2 (use of TeleCELL)	Question 3 (review cellular bills > \$100 )
UW-Madison	Thirty	Yes	Yes.
UW-Milwaukee	Ten	Yes	Yes
UW-Eau Claire	One	No	Yes
UW-Green Bay	Not readily ascertainable.	Yes	Yes
UW-LaCrosse	None	No	Yes
UW-Oshkosh	None	No	Yes
UW-Parkside	None	No	Yes
UW-Platteville	Three .	Yes	Yes
UW-River Falls	Seven	No	Yes
UW-Stevens Point	None	No	Yes
UW-Stout	Thirteen	No	Yes
UW-Superior	Ten	No	Yes
UW-Whitewater	Eight	Yes	Yes
UW-Extension	Eighteen	Yes	Yes
UW-System Administration	Two	No	Yes
<b>UW-Colleges</b>			
UW Baraboo	None	No	Yes - All bills
UW Barron	None	No	Yes - All bills
UW Fond du Lac	None	No	Yes - All bills
UW Fox Valley	One	No	Yes - All > \$100
UW Manitowoc	No Cell Phones		
UW Marathon	None	No	Yes - All > \$100
UW Marinette	None	No	Yes - All bills
UW Marshfield	None	No	Yes - All bills
UW Richland	None	No	Yes - All bills
UW Rock	16	No	Yes - All bills
	None since an internal audit was done last spring		
UW Sheboygan	None	No	Yes - All bills
UW Washington	No Cell Phones		
UW Waukesha	None	No	Yes - All bills
Central Office	None	No	Yes - All bills



WISCONSIN STATE LEGISLATURE





WISCONSIN STATE LEGISLATURE

Joint Legislative Audit Committee

Committee Co-Chairs:  
State Senator Carol Roessler  
State Representative Suzanne Jeskewitz

December 7, 2006

Mr. Stephen Bablitch, Secretary  
Department of Administration  
101 East Wilson Street, 10<sup>th</sup> Floor  
Madison, Wisconsin 53703

Dear Mr. Bablitch:

Thank you for your letters, dated September 15, 2006, and October 19, 2006, which respond to our April 2006 request for updated information about state agency use of cellular phones during fiscal year 2005-06.

We are pleased to note that state agencies are reporting that they review cellular phone bills over \$100 on a regular basis. Maintaining careful oversight of cellular phone usage will be important as agencies strive to make appropriate management decisions and ensure that appropriate reimbursement is obtained from state employees for unauthorized cellular phone usage.

We appreciate your responsiveness to our request for additional information. Should the 2007-08 Joint Legislative Audit Committee wish to receive an additional update on cellular phone usage during fiscal year 2006-07, they will contact you and request additional follow-up information. Thank you for your cooperation.

Sincerely,

Senator Carol Roessler, Co-chair  
Joint Legislative Audit Committee

Representative Suzanne Jeskewitz, Co-chair  
Joint Legislative Audit Committee

cc: Janice Mueller  
State Auditor



# WISCONSIN STATE LEGISLATURE





Original URL: <http://www.jsonline.com/news/state/feb05/304766.asp>

## Report: 386 state employees had \$100-plus cell phone bills

By PATRICK MARLEY  
[pmarley@journalsentinel.com](mailto:pmarley@journalsentinel.com)

Posted: Feb. 25, 2005

**Madison** - Nearly 400 state employees racked up cell phone bills of more than \$100 - including five who topped \$500 - for a recent month, according to an audit released today.

The Legislative Audit Bureau report found two-thirds of the roughly 10,000 cell phones owned by the state cost under \$20 each for September 2004. But the 386 bills that came in at \$100 or more accounted for more than a quarter of the state's cell phone costs.

From mid-2003 to mid-2004, the state spent \$2.9 million on cell phones, according to an estimate by the non-partisan bureau.

The most expensive phones were maintained by the University of Wisconsin-Madison, which in September had 67 bills of \$100 to \$199 and 28 for \$200 or more. The Department of Transportation had 59 bills of more than \$100; the Department of Natural Resources had 43 bills of more than \$100.

The high-cost bills were split evenly between workers who do not routinely work out of offices, such as on-site highway engineers, and employees who are often away from their desks for extended periods, such as university coaches and top managers for state agencies.

The report does not name the employees with the high-cost phone bills.

In January, the Department of Administration issued a statewide cell phone policy for the first time to help control costs. It is now rolling out software that will analyze bills on a regular basis.

*Complete coverage of this story will appear online later today and in the Milwaukee Journal Sentinel in the morning.*





Thank you for using our printer friendly story page.

[Return to story](#)

## Agencies Told To Cut Cell Phone Cost

### Audit Finds Cheaper Plans May Be Available

**Wisconsin State Journal :: LOCAL/WISCONSIN :: C1**

**Saturday, February 26, 2005**

**Karen Rivedal Wisconsin State Journal**

Government agencies should work harder to find less expensive calling plans to help reduce the \$2.9 million spent on 10,000 state-owned cell phones last year, State Auditor Jan Mueller said Friday.

The state, through contracts negotiated by the Department of Administration, already offers up to four plans. U.S. Cellular provides service for 90 percent of state users at better rates than most consumers can get: \$4.75 a month plus 9 cents a minute.

But state employees who must use cell phones a lot -- such as people in the UW-Madison Athletics Department, who spend a lot of time traveling and recruiting, -- could ring up cheaper bills if their supervisors asked for an available state waiver for a different plan, Mueller said.

"Agencies really do need to seek less expensive options," she said. "Many employees need to use cell phones and use them heavily, but we're recommending a common-sense business approach to find the cheapest plans."

Last year, for example, the UW Athletics Department's \$180,000 bill made up about 30 percent of the university's total cell phone expenses and included some of the highest individual bills in state government. For those users -- as well as for others who work outside the office a lot, such as game wardens or parole agents -- a plan with a higher flat fee in exchange for national coverage to avoid roaming charges and a high number of included minutes may be a better deal, Mueller said.

But less than 2 percent of state cell phones were obtained using waivers during the period the audit covered, from July 1, 2003, to June 30, 2004.

The UW Athletics Department could have cut \$100,000 from its bill using a plan outside the ones that the state offers, said Darrell Bazzell, vice chancellor for administration. Sports and others areas of the university are exploring alternate plans now.

"We're on top of that," Bazzell said Friday. "We're trying to figure out how best to minimize those charges."

The audit also took an in-depth look at the charges for all calls made in September 2004. That study showed that two-thirds of all phone charges were for less than \$20, while 386 phones totaled \$100 or more, accounting for a disproportionate 27 percent of total charges that month.

Mueller recommended that agencies regularly review monthly cell phone bills of \$100 or more to ensure calling plans are appropriate. She also asked DOA to submit a report in May 2006 measuring the effectiveness of the state's new cell phone policy, which seeks to tighten controls and will use a new software tool to keep better tabs on users.

DOA spokesman Scott Larrivee said his agency would comply with the request, but he added a caveat.

"It's ultimately up to the individual agencies to manage their budgets and make sure the phones they have are being used appropriately," he said.

Statewide, the audit found UW-Madison had the highest annual cell phone bill, at \$595,000, followed by the Department of Natural Resources at \$378,000 and the Department of Transportation at \$370,000.

The University of Wisconsin System -- UW-Madison, UW-Milwaukee and the other 24 campuses -- accounted for about \$1 million of the \$2.9 million state total.

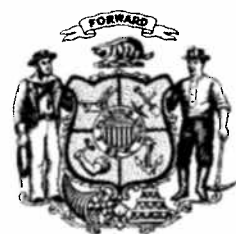
\

[Return to story](#)

**madison.com** is operated by Capital Newspapers, publishers of the Wisconsin State Journal, The Capital Times, Agri-View and Apartment Showcase. All contents Copyright ©, Capital Newspapers. All rights reserved.



# WISCONSIN STATE LEGISLATURE



## **27 News Headlines**

### **27 News Uncovers Bizarre Use Of State Cell Phones**

Tue 03-01-2005 , 6:06 pm

Two of the highest monthly cell phone bills flagged by a state audit were the result of interactive art

An audit of the use of state assigned cell phones by more than nine thousand workers found twenty monthly bills of between \$311 and \$1456.

27 News has uncovered two of those bills were rung up by patrons of a museum.

In September 2004, several exhibits of artist Xu Bing's work were displayed at Madison's Elvehjem Museum of Art.

Museum Director Russell Panczenko said the exhibits included expressions of technology's influence on our culture.

Panczenko said one exhibit consisted of two state cell phones.

"You listen to what people talk about. They walk down the street, 'Hi, what are you doing tonight? Gee, I just saw you a few minutes ago, I forgot to tell you,' " said Panczenko. "And people could actually sit down and have a relationship on the two phones in the gallery."

A report from the State of Wisconsin Legislative Audit Bureau identifies monthly bills from two different cell phone numbers assigned to Panczenko as \$366.67 each, for a total of \$733.34.

"That's wrong. That's a double entry," said Panczenko.

State Auditor Jan Mueller said the dual cell phone bills are correct.

Panczenko told 27 News a cell phone plan was selected with a higher than normal monthly charge but considerable free minutes to cover expected high usage on the phones in the museum exhibit.

Panczenko said students were also hired to monitor the exhibit's cell phone use to prevent calls to parties outside the museum.

Panczenko said the exhibit was closed a month before the anticipated end of its run because of technical and cost issues.

The state audit recommends more review of monthly cell phone bills above \$100.

The audit found that policies regarding cell phone use by state employees was inconsistent across the state.

Two cell phone users with monthly bills of more than \$700 each were forced to reimburse the state hundreds dollars for personal cell phone minutes as a result of the audit.