

Summary: Dell, Inc. Disclosure of Trade Agreement Acts Violation

Report Date: May 17, 2017

OIG initiated this investigation after receiving information that Dell, Inc. voluntarily disclosed an inadvertent violation of the Trade Agreements Act (TAA), which requires Federal Government contracting officers to procure U.S.-made end products or those that have been produced or “substantially transformed” in certain designated countries. The errors occurred on 28 orders valued at approximately \$85,004 on two National Aeronautics and Space Administration (NASA) contracts, one U.S. Army contract, and one General Services Administration (GSA) contract. Of those orders, the Department of the Interior (DOI) placed 16, which were valued at \$60,000.

We investigated this disclosure jointly with the Offices of Inspector General at NASA and GSA to determine how the error occurred and if Dell had identified every non-compliant order.

We learned that three employees in China and one in India made coding errors regarding the country of origin, which caused the company to ship non-TAA-compliant laptop computers and tablets to numerous Government agencies. As a remedy, Dell contacted the purchasing officials related to the affected orders to arrange for replacement products that meet TAA requirements.

This is a summary of a report of investigation we provided to the DOI Office of the Chief Information Officer, and also to the National Park Service, the U.S. Geological Survey, and the Bureau of Indian Affairs.

