



Office of Inspector General
U.S. General Services Administration

SEMIANNUAL REPORT TO THE CONGRESS

April to September 2024



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MESSAGE FROM THE INSPECTOR GENERAL



I am pleased to submit to Congress our Semiannual Report for the period of April 1, 2024, through September 30, 2024.

During this reporting period, we issued 31 audit reports, including 15 contract audits, with more than \$171.7 million in financial recommendations for potential cost savings and recoveries for the federal government. In addition, our investigative and legal work yielded \$131.7 million in monetary recoveries.

Of note, we reported on multiple building safety issues at GSA, including flaws with Public Buildings Service (PBS) water quality management and guidance, which led to an increased risk of exposure to lead, copper, *Legionella* bacteria, and other contaminants in federal buildings. We also found that PBS faces a significant backlog of occupational safety and health, and fire risk conditions with nearly 36,000 actionable, open risk conditions at almost 2,000 GSA-managed assets nationwide. While reviewing corrective actions GSA took in response to a 2020 report, we found that child care centers in GSA-controlled buildings still have significant security vulnerabilities. We also found that PBS Region 2 did not comply with applicable laws, regulations, and policies when awarding and administering a \$5.6 million Infrastructure Investment and Jobs Act project to repave six land ports of entry at New York State's northern border. Additionally, we reported that the GSA Federal Acquisition Service should strengthen its price analyses when consolidating multiple award schedule contracts.

As a result of an evaluation, we determined that GSA lacked adequate controls over foreign gifts and decorations, finding that the Foreign Gifts and Decorations Program generally lacked adequate inventory management controls, and we identified prohibited gifts in the inventory. Another evaluation found that PBS is not effectively administering the fuel storage tank management program effectively by not properly accounting for or maintaining the fuel tanks.

Our special agents uncovered a massive scheme to traffic fraudulent and counterfeit Cisco networking equipment which resulted in the chief executive officer being sentenced to 6.5 years in prison and ordered to pay more than \$100 million in restitution. Additionally, our investigative work revealed that a company sold millions of dollars in Chinese-made ballistic products, while claiming that the products were made in the U.S., which led to the owner being sentenced to more than 1 year in prison and being ordered to pay \$2.67 million in restitution.

Finally, Avantor, Inc., agreed to pay the United States \$5 million to resolve allegations that one of its subsidiaries, VWR International, LLC, fraudulently overcharged federal agencies for goods purchased between 2008 and 2017.

I am deeply grateful for the hard work of the men and women of GSA OIG who seek to combat waste, fraud, and abuse of taxpayer dollars on a daily basis. Our efforts would not be possible without the ongoing support of Congress and GSA management.

Robert C. Erickson
Deputy Inspector General
September 30, 2024

OIG PROFILE

ORGANIZATION

The General Services Administration (GSA) Office of Inspector General (OIG) was established on October 1, 1978, as 1 of the original 12 OIGs created by the Inspector General Act of 1978. The OIG's five components work together to perform the mission mandated by Congress.

The OIG provides nationwide coverage of GSA programs and activities. The OIG's components include:

- **THE OFFICE OF AUDITS**, an evaluative organization staffed with auditors and analysts that provides comprehensive coverage of GSA operations through program, financial, regulatory, and system audits and assessments of internal controls. The office conducts attestation engagements to assist GSA contracting officials in obtaining the best value for federal customers and American taxpayers. The office also provides other services to assist management in evaluating and improving its programs.
- **THE OFFICE OF ADMINISTRATION**, a professional support staff that provides budget and financial management, contracting, facilities and support services, human resources, information technology (IT) services, executive resources, and administers the OIG's records management program.
- **THE OFFICE OF COUNSEL**, an in-house legal staff that provides legal advice and assistance to all OIG components, represents the OIG in litigation arising out of or affecting OIG operations, and manages the OIG legislative and regulatory review.
- **THE OFFICE OF INSPECTIONS**, a multi-disciplinary organization that analyzes and evaluates GSA's programs and operations through management and programmatic inspections and evaluations that are intended to provide insight into issues of concern to GSA, Congress, and the American public. The office also coordinates quality assurance for the OIG and analyzes potentially fraudulent or otherwise criminal activities in coordination with other OIG components.
- **THE OFFICE OF INVESTIGATIONS**, a statutory federal law enforcement organization that conducts nationwide criminal, civil, and administrative investigations of illegal or improper activities involving GSA programs, operations, and personnel.

OFFICE LOCATIONS

Headquarters:

Washington, D.C.

Field and Regional Offices:

Atlanta, Georgia; Boston, Massachusetts; Chicago, Illinois; Denver, Colorado; Fort Lauderdale, Florida; Fort Worth, Texas; Kansas City, Missouri; Laguna Niguel, California; New York, New York; Oakland, California; Philadelphia, Pennsylvania; Tacoma, Washington; and Washington, D.C.

STAFFING AND BUDGET

As of September 30, 2024, our on-board staffing level was 275 employees. The OIG's Fiscal Year (FY) 2024 budget was \$73.837 million in annual appropriated funds plus \$600 thousand in reimbursable authority.

FISCAL YEAR 2024 RESULTS

During FY 2024, OIG activities resulted in:

- More than \$227.2 million in recommendations that funds be put to better use and questioned costs—if adopted, these recommendations ultimately result in savings for the American taxpayer;
- More than \$195 million in criminal, civil, administrative, and other investigative recoveries;
- 50 audit reports, 8 audit memoranda, and 2 evaluation reports that assisted management in improving the efficiency and effectiveness of GSA operations;
- 127 new investigations opened and 133 cases closed;
- 85 subjects accepted for criminal prosecution and 51 subjects accepted for civil litigation;
- 38 criminal indictments/informations and 33 successful prosecutions on criminal matters previously referred;
- 22 civil settlements and judgments;
- 11 employee actions taken on administrative referrals involving government employees;
- 116 contractors/individuals suspended and debarred;
- 11 lost pieces of New Deal artwork recovered; and
- 1,193 hotline contacts received—of these, 146 were referred to GSA program officials for review and appropriate action, 32 were referred to other federal agencies, 59 were referred to the OIG Office of Audits, 4 were referred to the OIG Office of Inspections, 5 were referred to the OIG Office of Counsel, and 89 were referred to investigative field offices for investigation or further review.

GSA's MANAGEMENT CHALLENGES

The Reports Consolidation Act of 2000, Public Law 106-531, requires Inspectors General to report on the most significant management challenges facing their agencies. The following table briefly describes the challenges the OIG identified for GSA for FY 2024. The complete assessment is posted in the Audits section of our website.

MANAGEMENT CHALLENGE	DESCRIPTION
Establishing and Maintaining an Effective Internal Control Environment	GSA continues to face significant challenges in establishing a comprehensive and effective system of internal control. Since 2018, we have cited pervasive internal control weaknesses as a challenge for GSA. This trend continued for GSA. We found that GSA failed to comply with laws, regulations, and policies and fully address findings identified in audit reports.
Improving Contract Administration	Each year, GSA awards contracts for products, services, and facilities totaling billions of dollars. After the contracts are awarded, GSA's work turns to contract administration, including monitoring contractor performance against contract terms, reviewing and approving requests for payment, addressing change orders, and closing out contracts. Since FY 2020, we have cited deficiencies in contract administration as a challenge for GSA. It continued to be a concern. While GSA has taken steps to strengthen its policies, address training for its contracting staff, and implement process improvements for its contract administration, weaknesses in GSA's contract administration persist.
Developing Efficient and Effective Acquisition Solutions	As the federal government's primary provider of acquisition services, GSA has stated that it is committed to delivering value, innovation, and an exceptional customer experience. To meet these commitments, the Federal Acquisition Service (FAS) is undertaking several initiatives that will have a major impact on its acquisition solutions. These initiatives include: transforming the Multiple Award Schedule (MAS) Program; managing supply chain risk; and managing the transition to the Enterprise Infrastructure Solutions contract. While these initiatives are intended to help FAS meet GSA's commitments and ensure compliance with recent legislation, they also significantly change FAS's processes and programs, creating challenges to FAS's ability to meet its mission.
Maximizing the Performance of GSA's Real Property Inventory	The Public Buildings Service (PBS) must maximize the performance of its real property inventory to provide its tenant agencies with space that meets their needs at a reasonable cost to American taxpayers. To achieve this goal, PBS needs to determine the best approach to reduce and consolidate space, reduce leasing costs, and meet operations and maintenance needs of increasingly aging buildings. Further, PBS must properly administer the capital construction program and ensure effective management of complex energy savings performance and utility energy service contracts.
Managing Agency Cybersecurity Risks	Like all federal agencies, GSA is dependent upon IT to fulfill its mission. However, as cybersecurity threats continue to emerge, sensitive government information and systems must be adequately secured to safeguard against internal and external threats that could compromise critical information and systems. GSA is not immune to these threats. Accordingly, GSA will continue to be challenged to effectively monitor and efficiently identify and respond to cybersecurity threats against Agency systems and data. GSA will need to continuously identify technical solutions and implement controls to mitigate these threats as bad actors find new ways to penetrate and navigate government networks and systems undetected.
Providing a Safe Work Environment	GSA plays a significant role in providing a safe and secure work environment for federal employees and visitors at over 8,300 federally owned and leased facilities nationwide. GSA's responsibilities include the effective implementation of its PBS Facility Safety, Health, and Environmental Management Program to ensure compliance with safety and health requirements. GSA's management of building safety measures is critical to protect GSA employees, contractors, and building tenants from fire, safety, and health risks. It is also critical to protect federal property from damage or loss. However, our recent audits have found that PBS continues to face significant challenges to meet and manage its responsibilities for providing a safe work environment at federally owned and leased facilities.

OIG PROFILE

MANAGEMENT CHALLENGE	DESCRIPTION
Securing Federal Facilities	GSA plays a significant role in providing secure federal facilities nationwide. However, our reports demonstrate GSA management’s significant challenges in securing federal facilities. Recent audits have found problems with GSA’s monitoring and enforcement of its security protocols. The deficiencies identified in our reports on PBS’s lack of monitoring and oversight of key security requirements and protocols, coupled with our previous reports on security at GSA facilities, demonstrate that physical security remains a challenge for GSA.
Managing the Electrification of the Federal Fleet	Executive Order 14057, <i>Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability</i> , requires 100 percent zero-emission vehicle acquisitions by 2035, including 100 percent zero-emission light-duty vehicle acquisitions by 2027. GSA’s Fleet Management faces numerous challenges in transitioning to an all zero-emission vehicle fleet. These challenges include finding available zero-emission vehicles to purchase, managing rising repair costs for the current vehicle fleet, and developing the charging infrastructure to power zero-emission vehicles.
Management of the Technology Transformation Service	In 2016, the Technology Transformation Service (TTS) joined PBS and FAS as GSA’s third service line and became the “permanent home for innovation and technology modernization inside GSA.” Approximately 1 year later, TTS was realigned within FAS and the IT Modernization Centers of Excellence to focus on whole-Agency technology modernization efforts. Since its creation, TTS (or its components) has been the subject of a U.S. Government Accountability Office audit and several GSA OIG evaluations. TTS primarily relies on GSA’s Acquisition Services Fund, a revolving fund that requires cost recovery, to fund its operations. After 7 years in existence, TTS has not yet achieved cost recovery—despite projections that it would do so by FY 2019. In addition, in September 2021, TTS shifted its focus from cost recovery to service delivery even though this is a flagrant and intentional violation of the Acquisition Services Fund’s authorizing legislation. Since as early as 2017, TTS leadership has told us that enhanced management controls and organizational changes were forthcoming to improve TTS’s operations and compliance with federal laws and regulations; however, we have seen very little improvement. In FY 2024, GSA must make a concerted effort to strengthen its oversight of TTS to ensure appropriate controls are in place and prudent financial management occurs.

SIGNIFICANT AUDITS

The Office of Audits conducts independent and objective audits to improve the effectiveness and efficiency of GSA's management and operations. These audits focus on GSA's programs, internal controls, IT infrastructure, and compliance with federal laws and regulations. Audits are also performed to assist GSA contracting personnel in obtaining the best value and price for federal customers. During this reporting period, we issued 31 audit reports, including 15 contract audits. Our contract audit work identified more than \$171.7 million in potential cost savings and recoveries for the federal government.

PREAWARD AUDITS

GSA provides federal agencies with products and services through various contract types. We oversee GSA's procurement program, which generates billions of dollars in annual sales through thousands of contracts, by conducting preaward, postaward, and performance audits. Historically, for every dollar invested in our preaward audits, we recommend at least \$20 in cost savings to the government through lower prices or more favorable contract terms and conditions for the benefit of the American taxpayer.

The predecisional, advisory nature of preaward audits distinguishes them from other audit products. Preaward audits provide vital, current information, enabling contracting officers to significantly improve the government's negotiating position to realize millions of dollars in savings on negotiated contracts.

During this reporting period, three of our more significant preaward audits were of GSA schedule contracts with combined projected government sales of more than \$467.4 million. Through these audits, we identified potential savings and recoveries of nearly \$126.9 million. We found, among other things, that proposed labor rates were overstated; price reduction provisions were ineffective; minimum requirements for labor categories were vague and insufficient; and unqualified employees were assigned to government task orders.

PERFORMANCE AUDITS

OVERSIGHT OF PBS'S PROJECTS FUNDED BY THE INFRASTRUCTURE INVESTMENT AND JOBS ACT: AUDIT OF PAVING PROJECT AT NEW YORK STATE'S NORTHERN BORDER

Report Number A220036/P/2/R24008, dated September 24, 2024

We performed this audit as part of the GSA OIG's ongoing oversight of projects funded by the Infrastructure Investment and Jobs Act (IIJA). Our audit objective was to determine whether the GSA PBS Service Northeast and Caribbean Region (PBS Region 2) planned, awarded, administered, and closed out an IIJA paving project task order for six land ports of entry (LPOEs) at New York State's northern border in accordance with the Federal Acquisition Regulation (FAR), the General Services Administration Acquisition Manual (GSAM), and other applicable policies.

PBS Region 2 did not comply with applicable laws, regulations, and policies when awarding and administering the \$5.6 million IIJA-funded project to repave six LPOEs at New York State's northern border. We found deficiencies in PBS's task order award and administration that led to, among other things, violations of federal competition requirements, poor pricing and overpayments, security vulnerabilities, and a small business "pass-through" environment.

Specifically, we found that PBS Region 2:

1. Violated competition requirements by improperly awarding the paving project using a task order placed against an operations and maintenance (O&M) services blanket purchase agreement;
2. Awarded the paving project task order using an unsupported independent government estimate and an invalid price reasonableness determination;
3. Did not perform required procurement steps because it improperly awarded the paving project using a task order placed against an O&M services blanket purchase agreement;
4. Did not ensure full compliance with GSA's environmentally preferable asphalt standard and provided inaccurate information to the public by claiming that all six LPOEs met this standard;
5. Did not comply with or enforce security requirements governing the use of drones, resulting in potential safety and security risks;
6. Created a small business "pass-through" environment and did not ensure compliance with small business subcontracting limitations;
7. Did not adequately enforce security requirements for construction personnel;
8. Did not ensure contractor compliance with labor standards;
9. Overpaid the Construction Manager as Advisor contractor and paid for services that were not performed; and
10. Violated the FAR, GSAM, and GSA policy while administering the paving project task order.

Based on our audit findings, we made 1 recommendation to the PBS Commissioner and 10 recommendations to the PBS Region 2 Regional Commissioner. Our recommendations focused

on the need for PBS to ensure that it complies with laws, regulations, and policies governing, among other things, contract competition, contract award and administration, drone use, and project security. We also recommended improvements to the oversight of small business set-aside contracts.

PBS agreed with the report recommendations.

AUDIT OF GSA'S RESPONSE TO COVID-19: PBS FACES CHALLENGES TO ENSURE WATER QUALITY IN GSA-CONTROLLED FACILITIES

Report Number A201018/P/4/R24005, dated July 22, 2024

In April 2020, we began monitoring the actions GSA took in response to the nationwide public health emergency resulting from Coronavirus Disease 2019 (COVID-19) and GSA's implementation of the Coronavirus Aid, Relief, and Economic Security Act. During our monitoring efforts, we learned that decreased water usage resulting from building closures or occupancy reductions can create hazards for returning occupants, including an increased risk of exposure to lead, copper, *Legionella* bacteria, and other contaminants.

We performed this audit to determine whether GSA has implemented Centers for Disease Control and Prevention and U.S. Environmental Protection Agency guidance, as well as GSA policies and guidance, to ensure safe drinking water in GSA-controlled facilities after reduced occupancy due to the COVID-19 pandemic.

We found that PBS did not consistently incorporate these water safety activities into O&M contracts or provide the necessary oversight to ensure that the O&M contractors performed the activities. We also found that PBS did not follow its requirements for periodic testing for lead and copper in water outlets in GSA child care centers. GSA closed the majority of its child care centers during the COVID-19 pandemic. However, PBS did not test the water in many of these centers for months or years after reopening them. Once performed, tests identified hazardous levels of lead and copper in outlets at some GSA child care centers.

Finally, we found that PBS's *Drinking Water Quality Management* policy and the PBS water safety guidance were flawed. Specifically, PBS's *Drinking Water Quality Management* policy did not fully incorporate Centers for Disease Control and Prevention and U.S. Environmental Protection Agency recommendations on maintaining water quality or testing for contaminants during periods of reduced or no occupancy. Additionally, the PBS water safety guidance did not include clear requirements for flushing and checking disinfectant levels, which can be a key indicator of water stagnation in building systems.

Based on our audit findings, we made nine recommendations to the PBS Commissioner to ensure that water is safe for occupants in its buildings. These recommendations focus on defining roles and responsibilities for maintaining water quality, ensuring consistent policies and practices nationwide, incorporating water safety activities into O&M contracts and quality assurance surveillance plans, and ensuring that water is tested in GSA's child care centers. We also recommended that PBS ensure that water quality test results—especially those above U.S. Environmental Protection Agency action levels—are communicated timely to building tenants, GSA child care center operators, and parents and guardians of affected children.

The PBS Commissioner agreed with the report recommendations.

ASSESSMENT OF A HOTLINE COMPLAINT: GSA'S PUBLIC BUILDINGS SERVICE FACES A SIGNIFICANT BACKLOG OF OPEN OCCUPATIONAL SAFETY AND HEALTH, AND FIRE RISK CONDITIONS

Memorandum Number A230075, dated August 29, 2024

As the landlord for the federal government, PBS oversees more than 8,600 assets, including 1,600 government-owned buildings and 7,000 leased spaces across the country. Federal agencies are required to provide a place of employment that is free from recognized hazards, and it is the responsibility of the head of each federal agency to establish and maintain an effective and comprehensive occupational safety and health program. GSA has the additional responsibility to abate unsafe or unhealthful conditions within 30 calendar days or develop an abatement plan within that time frame.

We performed this assignment in response to a June 2023 hotline complaint alleging that GSA is violating Occupational Safety and Health Administration (OSHA) employee health and safety regulations. Based on our assessment, we concluded that the complaint had merit and notified PBS of the deficiencies we identified through this memorandum.

Our assessment found that according to PBS data, there are nearly 36,000 actionable, open risk conditions at almost 2,000 GSA-managed assets nationwide. The same data shows that there are more than 5,000 open risk conditions that were not corrected or did not have an abatement plan in place within the 30-day period required by OSHA regulations. To protect building occupants and federal property, unsafe or hazardous risk conditions in GSA-managed assets should be addressed in a timely manner. Additionally, PBS's policies and procedures for managing, correcting, mitigating, and closing out open risk conditions should promote the effective and timely resolution of health, safety, and fire risks.

The PBS Commissioner agreed with our findings on open risk conditions and the conclusion reached in our memorandum.

IMPLEMENTATION REVIEW OF CORRECTIVE ACTION PLAN: CHILD CARE CENTERS IN GSA-CONTROLLED BUILDINGS HAVE SIGNIFICANT SECURITY VULNERABILITIES, REPORT NUMBER A170119/P/6/R20001, JANUARY 30, 2020

Assignment Number A240019, dated September 17, 2024

We performed an implementation review of the corrective actions taken in response to the recommendations contained in our January 2020 audit report, *Child Care Centers in GSA-Controlled Buildings Have Significant Security Vulnerabilities*.¹ The objective of the audit was to determine if GSA provides safe and secure environments for children and staff at GSA child care centers.

Our January 2020 audit report found significant security vulnerabilities at GSA child care centers. Specifically, we found: (1) child care centers in GSA-controlled buildings that did not meet minimum security standards, (2) child care centers in buildings that were or may have been at risk, and (3) many of the recommended security countermeasures for the child care centers that had not been implemented.

Based on our findings, we made the following three recommendations to the PBS Commissioner:

1. Ensure that PBS maintains child care centers in safe locations that meet minimum security standards.
2. Address the specific vulnerabilities we identified for the child care centers.
3. Conduct a comprehensive assessment to identify security vulnerabilities at each child care center located in a GSA-controlled building and expedite action to upgrade these buildings to the minimum security standards. If PBS cannot address vulnerabilities identified in these buildings, the child care centers should be moved to safer locations.

Our implementation review found that PBS has not effectively addressed the recommendations in our January 2020 report. Specifically, significant security vulnerabilities remain outstanding for 80 of the 93 child care centers in GSA-controlled buildings. In addition, PBS did not fully implement the corrective actions to determine repair cost estimates for identified security deficiencies for GSA-controlled buildings with child care centers.

The PBS Commissioner partially agreed with our implementation review report, and noted that PBS is committed to keeping children safe in child care centers and addressing security vulnerabilities.

ALERT MEMORANDUM: GSA'S OFFICE OF ADMINISTRATIVE SERVICES' AWARD OF A \$13.7 MILLION TASK ORDER IS INVALID

Memorandum Number A240066-2, dated August 8, 2024

We issued this alert memorandum based on our ongoing audit of a \$13.7 million task order awarded by GSA's Office of Administrative Services. GSA awarded this task order using an

¹ Report Number A170119/P/6/R20001.

underlying blanket purchase agreement that was established by the Department of Defense's Enterprise Software Initiative.

During the audit, we determined that the task order was not awarded in accordance with blanket purchase agreement guidelines. Specifically, the GSA contracting officer awarded the task order without the authority to use the Department of Defense Enterprise Software Initiative blanket purchase agreement. The underlying agreement, and its supplemental ordering guide, established three categories of authorized users. GSA did not fall into any of them.

We alerted the GSA Chief Administrative Services Officer to take immediate action to cease any further work or payments under the task order. We advised that if the underlying services are still required, GSA's Office of Administrative Services should conduct a new acquisition. We noted that our preliminary audit work indicates potential additional deficiencies, including price reasonableness, competition, and compliance with internal controls. Therefore, the GSA Chief Administrative Services Officer should closely monitor a new acquisition to ensure the integrity of the procurement process.

FAS SHOULD STRENGTHEN ITS PRICE ANALYSES WHEN CONSOLIDATING MULTIPLE AWARD SCHEDULE CONTRACTS

Report Number A230040/Q/3/P24002, dated September 30, 2024

Under the MAS consolidation initiative, FAS is consolidating its existing 24 multiple award schedules into one single schedule for products, services, and solutions. As part of this initiative, FAS is working with contractors that hold multiple MAS contracts to consolidate those contracts into a single MAS contract.

In our previous audit of FAS's 2015 MAS contract consolidation effort, we found that FAS did not consistently comply with federal regulations and GSA policies for evaluating and negotiating contracts.² Among other things, FAS's noncompliance resulted in the award of new contracts without establishing price reasonableness. Accordingly, we performed this audit of FAS's current MAS contract consolidation initiative, which began in 2018, to determine if FAS consolidated and maintained contracts in accordance with federal regulations, as well as GSA policies and guidance.

We found that FAS's price analyses for the products and services transferred to consolidated contracts were frequently limited and did not consistently leverage the government's collective buying power. In particular, when performing price analyses for contracts subject to the Commercial Sales Practices (CSP) requirement, FAS contracting personnel frequently accepted unsubstantiated most favored customer and commercial pricing information. This practice does not adhere to GSA policy, limits contracting personnel's ability to fulfill their responsibilities, and ultimately reduces the effectiveness of the price analyses.

Meanwhile, when performing price analyses on Transactional Data Reporting (TDR) pilot contracts, FAS contracting personnel did not use TDR pilot data for pricing decisions; instead,

² *Audit of Price Evaluations and Negotiations for the Professional Services Schedule Contracts* (Report Number A160037/Q/3/P17001, March 21, 2017).

they relied primarily on pricing comparisons to other MAS and government contracts. However, according to GSA policy, these comparisons are to be used only as part of a larger negotiation objective development strategy. In addition, several of the comparisons were invalid because the proposed services were not compared to similar services, as required by FAR 15.4, *Contract Pricing*.

Based on our audit finding, we recommended that the FAS Commissioner:

1. Establish an oversight process for CSP-based contracts undergoing consolidation, which ensures that contracting personnel:
 - a. Comply with General Services Acquisition Regulation 538.270-1, *Evaluation of offer without access to transactional data*, and FAS Policy and Procedure 2021-05, *Evaluation of FSS Program Pricing*; and gather supporting documentation to determine a contractor's most favored customer pricing for use in negotiation objectives, and
 - b. Evaluate supporting documentation to verify a clear and relevant relationship between supporting documentation and each of the proposed prices it is meant to substantiate.
2. Establish an oversight process for TDR pilot contracts undergoing consolidation to ensure contracting personnel do not rely solely on contract-level pricing tools; and, if prices paid data is not available, prioritize obtaining recent invoices or other than certified cost or pricing data from the contractor before relying on non-prices paid information.
3. Re-evaluate previously consolidated MAS contracts to ensure that added products or services were evaluated to meet federal regulations and GSA policy requirements.

The FAS Commissioner agreed with two of our recommendations and partially agreed with a third.

BUILDING MAINTENANCE CONTRACTORS ARE NOT COMPLYING WITH THEIR GSA CONTRACTS DUE TO POOR PERFORMANCE AND INEFFECTIVE OVERSIGHT

Report Number A230032/P/2/R24004, dated May 3, 2024

During Fiscal Year 2022, our office received complaints alleging deficiencies in the performance of O&M contractors responsible for GSA-owned buildings in New York, New York; and Boston, Massachusetts. Additionally, prior audit reports issued by our office identified deficiencies in PBS's oversight of O&M contractors.³ Accordingly, we performed this audit to determine whether O&M contractors are complying with the terms and conditions of their GSA contracts.

We found that O&M contractors did not consistently comply with the terms and conditions of their GSA contracts. The O&M contractors did not complete all work orders for service requests and preventive maintenance. In some cases, O&M contractors marked work orders as complete

³ See for example, *PBS's Northeast and Caribbean Region is Not Effectively Overseeing its Operations and Maintenance Contracts* (Report Number A201046/P/2/R21007, September 24, 2021); and *Audit of a Hotline Complaint: PBS Greater Southwest Region's Operations and Maintenance Contracts* (Report Number A190054/P/4/R22001, December 16, 2021).

even though the work was not actually completed. O&M contractors also did not complete work orders timely.

These deficiencies occurred for a variety of reasons that are attributable to both the O&M contractors and PBS. We found that O&M contractors are not always providing sufficient staff to meet their contract requirements, are struggling to hire and retain key personnel, and are not effectively monitoring their contract performance. We also found that O&M contractors and PBS are misinterpreting the time frames in O&M contracts for routine service requests and that PBS does not always provide effective oversight of the O&M contractors' performance.

Based on our audit findings, we recommended that the PBS Commissioner ensure that PBS contracting officials:

1. Emphasize the evaluation of O&M contractors' proposed staffing and communicate with onsite PBS staff prior to contract award to ensure contract terms and conditions can be fully met.
2. Confirm and enforce O&M contractor compliance with contractual requirements governing:
 - a. "Personnel" and "Contractor Key Personnel"; and
 - b. Contingency plans for "Loss of the Contractor's onsite personnel."
3. Ensure that the O&M contract language clearly specifies the time requirements for routine service request completion and that the requirements are communicated to O&M contractors.
4. Thoroughly review and understand the O&M contracts' quality control plan inspection requirements.
5. Improve oversight of O&M contractors' compliance with the terms and conditions of their GSA contracts.

The PBS Commissioner agreed with the report recommendations.

FAS'S OFFICE OF ASSISTED ACQUISITION SERVICES SHOULD IMPROVE ITS OVERSIGHT AND ADMINISTRATION OF CLASSIFIED CONTRACTS

Report Number A230065/Q/3/P24001, dated September 16, 2024

The FAS Office of Assisted Acquisition Services (AAS) provides its customer agencies with customized acquisition, project management, and financial management services for large or complex IT and professional services solutions. In Fiscal Year 2023, AAS revenue was over \$16 billion, representing 48 percent of GSA's total revenue. AAS contracts have also become more complex, including contracts considered high-risk because of their classified performance elements.

We performed this audit to determine if: (1) AAS contracts are accurately classified, (2) sufficient controls are in place to monitor and ensure compliance with AAS policy for contract security classification levels, and (3) AAS contracting personnel possess adequate security clearances to effectively award and administer contracts with classified elements.

We found that while AAS has established contract security classification levels, its oversight and administration of contracts with classified performance elements are impaired by two issues:

- First, we found that AAS Level 2 (Unclassified Acquisition – Secure Facility Access Required) contracts are not accurately classified. As a result, some contracts are not subject to the portfolio reviews implemented by AAS to reduce its risk. Although AAS updated contract security classification level definitions in May 2023, the new standards have not been implemented effectively.
- Second, we found that AAS policy does not require AAS Level 3 (Classified Elements for Performance) contracting officers to have adequate security clearances. This can impair the administration of contracts with classified elements.

Based on our audit findings, we recommended that the FAS Commissioner:

1. Conduct a review of all active AAS Level 2 contracts to ensure that all contract security classifications adhere to AAS's current policy and definitions.
2. Consolidate and improve contract security classification guidance to provide more detail and clarity for AAS contracting personnel.
3. Update existing controls to monitor and ensure compliance with contract security classifications.
4. Implement Assisted Services Shared Information System controls to ensure accuracy and integrity of contract security classifications.
5. Strengthen AAS policy to require AAS Level 3 contracting officers to have adequate security clearances and establish a plan to initiate the security clearance process for affected contracting officers.
6. Provide AAS contracting personnel with training on any updated policies or guidance implemented in response to the audit findings.

The Acting FAS Commissioner agreed with the report recommendations.

GSA SHOULD STRENGTHEN THE SECURITY OF ITS ROBOTIC PROCESS AUTOMATION PROGRAM

Report Number A230020/B/T/F24004, dated August 6, 2024

In 2018, the Office of Management and Budget recommended that federal agencies use robotic process automation (RPA) to reduce repetitive administrative tasks. That same year, GSA established its RPA program to automate low-value, routine tasks, allowing employees to spend more time on challenging work. RPA uses bots, which are software applications that simulate human actions, to reduce repetitive administrative tasks. While RPA offers the potential to save time and improve productivity, the bots' ability to perform thousands of read, write, and deletion actions at high rates of speed poses unique risks to GSA's systems and data. We performed this audit to assess whether GSA's RPA program complies with federal and Agency IT security policies, procedures, standards, and guidance.

We found that GSA's RPA program did not comply with its own IT security requirements to ensure that bots are operating securely and properly. GSA also did not consistently update system security plans to address access by bots. Instead of addressing these issues, RPA program management simply removed or modified the requirements. Lastly, GSA's RPA program did not establish an access removal process for decommissioned bots, resulting in prolonged, unnecessary access that placed GSA systems and data at risk of exposure.

Based on our audit findings, we made seven recommendations to GSA's Chief Financial Officer and Chief Information Officer to:

1. Conduct a comprehensive assessment of GSA's CIO-IT Security 19-97, *IT Security Procedural Guide: Robotic Process Automation (RPA) Security*, (RPA policy) to ensure, among other things, that its monitoring controls are effectively designed and implemented.
2. Develop oversight mechanisms to enforce compliance with the RPA policy and ensure that controls are operating effectively.
3. Require system security plans to be updated as part of the RPA security approval process to address bot and non-person entity access.
4. Review all system security plans that bots currently interact with to determine if they address bot and non-person entity access. Update the system security plans, as needed.
5. Establish procedures as part of the RPA security approval process that ensure system owners consider updating the security controls identified in Appendix A of the RPA policy.
6. Review all system security plans that bots currently interact with to determine if the security controls need to be updated. Update the system security plans, as needed.
7. Develop a comprehensive process for removing bot custodian and developer access for decommissioned bots and GSA systems that:
 - a. Aligns with GSA's CIO-IT Security-01-07, *IT Security Procedural Guide: Access Control*;
 - b. Tracks and documents that access has been removed; and
 - c. Incorporates the process into the RPA policy.

The GSA Chief Financial Officer and Chief Information Officer agreed with the report recommendations.

ALERT MEMORANDUM: IMMEDIATE MANAGEMENT ACTION NEEDED TO RESOLVE SIGNIFICANT CONCERNS OVER ASBESTOS TESTING AT THE JACOB K. JAVITS FEDERAL BUILDING IN NEW YORK, NEW YORK

Memorandum Number A240083-1, dated September 30, 2024

Currently, PBS Region 2 is managing a construction project for the U.S. Department of Education on the 33rd floor of the Jacob K. Javits Federal Building. Prior to the onset of the construction work, the general contractor for the project was required to abate existing asbestos-containing materials (ACM) in the space. PBS Region 2 hired a third-party monitoring contractor to observe the asbestos abatement project and perform visual and air quality tests. The third-party monitoring contractor was also required to ensure that the general contractor performed the work according to federal, state, and local regulations.

After multiple failed visual inspections and aggressive air sampling tests, and with project delays mounting, PBS Region 2 removed the third-party monitoring contractor and brought in two separate contractors to perform asbestos testing in August 2024. During our assessment of a hotline complaint about the project, we identified significant concerns with the follow-on

asbestos testing results for the asbestos abatement project. Specifically, the follow-on contractors had potential conflicts of interest, leading to concerns over independence. Additionally, PBS Region 2 did not provide effective oversight to ensure that the follow-on tests were performed in the same manner as the original tests. As a result, PBS does not have assurance that asbestos is within safe levels in the project space to allow the project to continue.

Because contractors are now actively working on the project, immediate steps are needed to ensure that the contractors and other building occupants are not at risk of exposure to asbestos. Therefore, we issued this alert memorandum to notify PBS that it must take immediate action to confirm that asbestos is within safe levels for the health and safety of the contractors actively working on the project and other building occupants. Because of the concerns raised in our memorandum, PBS should ensure that it provides direct oversight of any actions undertaken.

GSA DID NOT RESPOND TO WATER CONTAMINATION AT THE PATRICK V. MCNAMARA FEDERAL BUILDING IN A TIMELY MANNER, PLACING BUILDING OCCUPANTS AT RISK

Memorandum Number A240049, dated July 30, 2024

We issued this memorandum in response to a hotline complaint we received in December 2023 from a federal employee working at the Patrick V. McNamara Federal Building in Detroit, Michigan (McNamara Federal Building). This complaint arose after the PBS building management office informed tenants of drinking water contamination in the building on November 29, 2023. We concluded the hotline complaint had merit and notified PBS of deficiencies in policy and procedures.

GSA is responsible for operating and maintaining GSA-controlled space in a safe and healthful manner. However, PBS's Great Lakes Region (PBS Region 5) did not respond to elevated levels of lead, copper, and *Legionella* bacteria at the McNamara Federal Building in a timely manner. As a result, building occupants were at risk of exposure to water contaminants and could not make informed health and safety decisions. Further, GSA's delayed response led some tenants to take their own response measures.

Overall, we found that PBS's lack of timely response to the water contamination at the McNamara Federal Building stemmed from vague guidance and inadequately trained building managers and operations personnel. PBS's guidance should convey a sense of urgency and establish specific time frames for notifying building occupants of water contamination. These time frames should be commensurate with the likelihood of exposure to water contaminants and potential severity of the associated health risks. In addition, PBS building management personnel should be thoroughly trained on the requirements for responding to water contamination, including the proper protocols for protecting and notifying building occupants.

The PBS Commissioner acknowledged that "a more timely notification to [McNamara Federal Building] occupants would have been appropriate as [PBS] determined what corrective action was required to reduce risk." The PBS Commissioner wrote that GSA takes the safety of its building occupants "very seriously" and added that "GSA is undertaking an extensive, national testing program at federally owned facilities and in leased space to proactively identify water

quality concerns and take corrective action.” The PBS Commissioner also detailed a number of actions that GSA has taken or plans to take in an effort to improve water quality management.

INEFFECTIVE OVERSIGHT OF A CONTRACT FOR BASIC REPAIRS AND ALTERATIONS TO THE WILLIAM AUGUSTUS BOOTLE FEDERAL BUILDING AND U.S. COURTHOUSE INCREASED THE RISK OF 8(A) PROGRAM SMALL BUSINESS FRAUD AND ABUSE

Memorandum Number A210076-2, dated August 6, 2024

We previously conducted an *Audit of PBS Basic Repairs and Alterations Project: William Augustus Bootle Federal Building and U.S. Courthouse*, and reported our findings in a September 29, 2023, audit report.⁴ During the audit, we identified evidence of a potential “pass through” fraud scheme and referred the matter to the OIG Office of Investigations. After the release of our report, the Office of Investigations referred the case to the U.S. Attorney’s Office for the Middle District of Georgia. Although the case was declined, this memorandum outlines the potential abuse of the U.S. Small Business Administration’s (SBA’s) Business Development program (8(a) program).

PBS’s Southeast Sunbelt Region (PBS Region 4) awarded a \$3.345 million sole-source contract to modernize the heating, ventilation, and air conditioning (HVAC) system at the William Augustus Bootle Federal Building and U.S. Courthouse in Macon, Georgia (Bootle Building). PBS awarded this contract using sole-source procedures to a participant in the SBA’s 8(a) program. The SBA established this program to help small business firms owned and controlled by socially and economically disadvantaged individuals. Once certified, 8(a) program participants are eligible to receive federal contracting preferences.

However, because of these contracting preferences, fraudulent “pass-through” schemes are commonly associated with contracts awarded through the 8(a) program. Under these schemes, a participating business uses its 8(a) status to obtain a contract and bills the government for the work performed, but a subcontractor that is not eligible for the 8(a) program performs most of the work. In exchange for the “pass-through” use of the 8(a) program certification by the ineligible subcontractor, the 8(a) program participant typically retains a portion of the contract value without performing, or only minimally performing, any work.

We identified several 8(a) program small business fraud risk indicators during the award and administration of the Bootle Building HVAC modernization contract, including: (1) subcontractor work on the contract exceeded FAR limitations, (2) the prime contractor retained a significant portion of the contract value for minimal work, and (3) subcontractor employees were represented to the government as prime contractor employees. Accordingly, we advised PBS Region 4 to review and strengthen oversight of its 8(a) program contracts.

The PBS Regional Commissioner responded that PBS Region 4 takes our finding “very seriously.” He also outlined a series of corrective actions that PBS Region 4 is undertaking as part of “an aggressive corrective action plan” to address our memorandum.

⁴ Report Number A210076/P/4/R23009.

AUDIT OF PBS NATIONAL CAPITAL REGION'S ASBESTOS MANAGEMENT IN BUILDING 40 OF THE ST. ELIZABETHS WEST CAMPUS

Report Number A230046/P/R/R24003, dated May 1, 2024

We performed this audit in response to a hotline complaint that raised concerns over asbestos management in Building 40 of PBS National Capital Region's (PBS NCR's) St. Elizabeths West Campus in Washington, D.C. During our assessment of the hotline complaint, we identified concerns with asbestos management at Building 40 that may lead to increased risk of exposure for building occupants, visitors, and contractors. Our audit objective was to determine if PBS NCR is managing asbestos in Building 40 of the St. Elizabeths West Campus in accordance with federal regulations and PBS policy to ensure the health and safety of individuals.

We found that PBS NCR mismanaged asbestos in Building 40. Specifically, we found that PBS NCR:

1. Did not maintain comprehensive and reliable asbestos records for Building 40, which hindered its ability to effectively manage asbestos in the building;
2. Did not take appropriate measures to eliminate or mitigate ACM hazards in Building 40, placing building occupants, visitors, and contractors at risk of asbestos exposure; and
3. Failed to notify building occupants of the presence and location of asbestos in Building 40 in violation of an OSHA standard and PBS asbestos management policy.

Overall, we found that these deficiencies were driven by significant gaps in PBS NCR personnel's knowledge and understanding of asbestos management requirements. PBS NCR personnel routinely told us that they were unaware of the requirements set forth in PBS's asbestos management policy and federal regulations. Some responsible officials were also unaware of the presence of ACM in Building 40.

Based on our audit findings, we recommended that the PBS NCR Regional Commissioner:

1. Conduct a comprehensive assessment of PBS NCR's asbestos management program and implement internal controls to ensure adherence to federal regulations and PBS asbestos management policy.
2. Comprehensively train PBS NCR management and staff so that they have a clear understanding of PBS's asbestos management policy and their roles and responsibilities for effectively and safely managing ACM in GSA-owned facilities.
3. Take multiple specific actions to improve asbestos management in Building 40.

The PBS NCR Regional Commissioner agreed with the report recommendations.

AUDIT OF GSA'S COMPLIANCE WITH THE GEOSPATIAL DATA ACT OF 2018

Report Number A240028/I/T/F24006, dated September 30, 2024

On October 5, 2018, Congress passed the Geospatial Data Act of 2018 (GDA) to promote greater access to and use of geospatial data, which is information that is tied to a location on Earth, such as latitude and longitude coordinates. The GDA's goals are to spur economic growth, advance science, and improve public health and other services. We performed this

audit pursuant to GDA Section 759(c), *Audits*, which requires the inspector general of each covered agency to conduct an audit, not less than once every 2 years, of the covered agency's compliance with the GDA. The objective of our audit was to assess GSA's compliance with the 13 requirements listed in GDA Section 759(a), *Covered Agency Responsibilities*.

We found that GSA is not fully complying with the GDA. GSA's geospatial datasets are not fully reliable, limiting their usefulness. Specifically, GSA's geospatial datasets contain inaccurate latitude and longitude coordinates. Additionally, some of the data contained in GSA's geospatial datasets has data quality deficiencies. Since the datasets are not fully reliable, they are less useful at meeting the GDA's goals to spur economic growth, advance science, and improve public health and other services. We also found that GSA does not have an effective process to meet the GDA's requirement to search for existing geospatial data before procuring new data sources, which could lead to duplicative and unnecessary purchases of geospatial data.

Based on our audit findings, we recommended that GSA's Chief Information Officer:

1. Correct the geospatial data quality deficiencies identified in our report.
2. Implement controls to ensure that the Inventory of Owned and Leased Properties and Federal Real Property Profile Management System datasets contain accurate latitude and longitude coordinates based on each property's physical location except for those properties with a clear exemption for national security.
3. Strengthen the data validation process for the Inventory of Owned and Leased Properties and Federal Real Property Profile Management System datasets to address the geospatial data quality deficiencies identified in our report.
4. Establish a process to ensure GSA searches existing geospatial data before procuring new data.

GSA partially agreed with the report recommendations.

FIRE SAFETY AND ACCESSIBILITY DEFICIENCIES AT THE GSA HEADQUARTERS BUILDING IN WASHINGTON, D.C.

Report Number A240018/P/R/R24007, dated August 12, 2024

We performed this audit because PBS plays a significant role in providing a safe, healthy, and secure environment for building occupants at over 8,300 federally owned and leased facilities nationwide, including the GSA headquarters (HQ) building in Washington, D.C. PBS's management of its facilities is critical because deficiencies could pose fire, safety, and health risks to building occupants and the public.

PBS NCR's Office of Facilities Management is responsible for the day-to-day operations and property management of the GSA HQ building. These responsibilities include programs that safeguard employees, tenants, visitors, and contractors. Our audit objective was to assess whether PBS NCR complied with applicable laws, regulations, and PBS policies governing fire protection and accessibility for the GSA HQ building.

We found that PBS NCR did not fully comply with applicable laws, regulations, and PBS policies governing fire protection and accessibility for the GSA HQ building. We also found that some fire doors used to access stairwells for emergency egress did not comply with fire protection

requirements. Additionally, PBS NCR has not corrected a fire protection deficiency concerning coordination and communication with the local fire department. In addition, we found that the GSA HQ building did not fully comply with accessibility requirements. Specifically, we identified deficiencies in wheelchair-accessible restrooms, one elevator, and the handrail for the building's wheelchair ramp that may make building access difficult or potentially hazardous for people with disabilities.

Based on our audit findings, we recommended that the PBS NCR Regional Commissioner:

1. Take immediate actions to address the fire safety deficiencies at the GSA HQ building by:
 - a. Promptly ensuring that all fire doors are inspected, repaired, or replaced for proper functionality and compliance with safety standards and fire codes;
 - b. Strengthening oversight to ensure that the building's O&M contractor is complying with contract requirements, including, but not limited to, fire safety requirements;
 - c. Expediting the corrective action for the fire safety deficiency identified during the Management Analysis and Review System review, dated January 6, 2023, by coordinating pre-fire planning activities with the local fire department; and
 - d. Ensuring that pre-fire planning walk-throughs are regularly scheduled and performed with the local fire department.
2. Take immediate actions to improve management oversight of its facilities to reassess compliance with Architectural Barriers Act Accessibility Standards and OSHA requirements at the GSA HQ building by:
 - a. Reviewing designated wheelchair-accessible restrooms to ensure individuals with disabilities have easy access, and adjusting any restroom doors to fall within the acceptable range for accessibility;
 - b. Addressing the functionality and compliance of all elevators, ensuring that each elevator is equipped with an automatic verbal announcement feature; and
 - c. Stabilizing the handrail for the wheelchair ramp at the entrance of the building.

The PBS NCR Regional Commissioner agreed with the report recommendations.

SUMMARY OF CONTRACT AUDIT REPORTS

The Office of Audits issues contract audit reports to assist contracting officials in awarding and administering GSA contracts. The two primary types of contract audits include:

- Preaward audits, which provide GSA contracting officials with information to use when negotiating fair and reasonable GSA contract prices.
- Postaward audits, which examine GSA contractors' adherence to contract terms and conditions.

During the period April 1, 2024, to September 30, 2024, we issued 15 contract audit reports. In these reports, we found that:

- 11 contractors did not submit accurate, current, and complete information.
- 10 contractors did not maintain an adequate system to properly administer the Price Reductions Clause and/or did not comply with price reduction provisions.
- 8 contractors either overcharged GSA customers or overstated their proposed labor rates.
- 6 contractors assigned employees who were unqualified for their billable positions to work on GSA schedule task orders.
- 3 contractors did not accurately report its schedule sales and did not pay the associated Industrial Funding Fee.
- 3 contractors did not follow other terms and conditions of its contract.

We also recommended more than \$171.7 million in cost savings. This includes funds that could be put to better use, which is the amount the government could save if our audit findings are implemented. It also includes questioned costs, which is money that should not have been spent, such as overbillings and unreported price reductions.

April 1, 2024 – September 30, 2024

CONTRACT AUDIT REPORTS	
Recommendations That Funds Be Put to Better Use	\$157,977,354
Questioned Costs	\$13,798,963

FAR DISCLOSURE PROGRAM

The FAR requires government contractors to disclose credible evidence of violations of federal criminal law under Title 18 of the United States Code (18 U.S.C.) and the False Claims Act to agencies' OIGs. To facilitate implementation of this requirement, we developed internal procedures to process, evaluate, and act on these disclosures and created a website for contractor self-reporting.

FAR RULE FOR CONTRACTOR DISCLOSURE

FAR 52.203-13(b), *Code of business ethics and conduct*, implements the Close the Contractor Fraud Loophole Act, Public Law 110–252, Title VI, and Chapter 1. Under the rule, a contractor must disclose, to the relevant agency's OIG, certain violations of federal criminal law (within 18 U.S.C.), or a violation of the civil False Claims Act, connected to the award, performance, or closeout of a government contract performed by the government contractor or subcontractor. The rule provides for suspension or debarment of a contractor when a principal knowingly fails to disclose—in writing—such violations in a timely manner.

DISCLOSURES FOR THIS REPORTING PERIOD

As disclosures are made, our Offices of Audits, Investigations, and Counsel jointly examine each acknowledgment and determine what actions—if any—are warranted. During this reporting period, we received one new disclosure regarding contract overbillings. We concluded our evaluation of three disclosures that resulted in \$935,767 in settlements and recoveries to the U.S. Government. Additionally, we assisted on seven disclosures referred by other agencies because of potential impact on GSA operations that resulted in \$347,343 in refunds to federal agencies. Finally, we continued to evaluate 11 existing disclosures during this reporting period.

STATISTICAL SUMMARY OF OIG AUDITS

April 1, 2024 – September 30, 2024

OFFICE OF AUDITS	
Total Financial Recommendations	\$171,776,317
These include:	
Recommendations That Funds Be Put to Better Use	\$157,977,354
Questioned Costs	\$13,798,963
Audit Reports Issued	31
Audit Memoranda Provided to GSA	8
GSA Management Decisions Agreeing with Audit Recommendations	\$155,943,467

SIGNIFICANT INSPECTIONS

The Office of Inspections conducts systematic and independent assessments of GSA's operations, programs, and policies, and makes recommendations for improvement. Reviews involve on-site inspections, analyses, and evaluations to provide information that is timely, credible, and useful for Agency managers, policymakers, and others. Inspections may include an assessment of efficiency, effectiveness, impact, and sustainability of any GSA operation, program, or policy. Inspections are performed in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

During this reporting period, the office issued two evaluation reports addressing GSA's controls over foreign gifts and PBS's administration of the fuel tank storage program.

GSA LACKS ADEQUATE CONTROLS OVER FOREIGN GIFTS AND DECORATIONS

Report Number JE24-001, dated April 18, 2024

The Office of Inspections conducted an evaluation of GSA's Foreign Gifts and Decorations Program to determine whether GSA properly accounts for and disposes of foreign gifts and decorations, and if GSA is ensuring adequate security of the gifts and decorations in its custody. GSA manages the Foreign Gifts and Decorations Program through two separate offices. The Office of Administrative Services is responsible for receipt and retention of foreign gifts and decorations (foreign gifts) given to GSA employees. The Federal Acquisition Service (FAS), Office of Personal Property Management is responsible for the disposition of foreign gifts government-wide.

Our evaluation found that the Foreign Gifts and Decorations Program generally lacked adequate inventory management controls, resulting in foreign gifts missing from the program's inventory. We also identified prohibited gifts included in the inventory; inefficient inventory storage, labeling, and organization; gifts sitting in storage for years; and infrequent inventory activities and follow-up. Additionally, we observed vulnerabilities in the security of the foreign gifts, leaving them susceptible to loss or theft. Lastly, we found foreign gifts sold by GSA to recipients and to the public did not follow federal requirements and internal policies for essential documentation.

To address these findings, we recommended the following actions to the Assistant Commissioner of the Office of General Supplies and Services:

1. Update and finalize the Foreign Gifts and Decorations Program's standard operating procedures to reflect current practices, ensure compliance with federal requirements, and instill management controls over the disposition of foreign gifts and decorations.
2. Properly dispose of all prohibited gifts in inventory and ensure none is accepted moving forward.

3. Conduct an annual foreign gifts inventory, update the database for accuracy, and properly dispose of gifts with no value.
4. Conduct a security risk assessment to determine the risks of possible theft or loss of foreign gifts and decorations at both storage locations and throughout the lifecycle of the program.
5. Ensure the program's compliance with 41 C.F.R. § 102–42 and internal policies for all foreign gifts and decorations reported to GSA.
6. Ensure all foreign gifts and decorations sold to the public are reviewed and approved by the Secretary of State in accordance with 5 U.S.C. § 7342.

PUBLIC BUILDINGS SERVICE IS NOT EFFECTIVELY ADMINISTERING THE FUEL STORAGE TANK MANAGEMENT PROGRAM

Report Number JE24-002, date July 30, 2024

The Office of Inspections conducted an evaluation of the GSA Fuel Storage Tank Management Program to determine if PBS is managing the Fuel Storage Tank Management Program effectively.

Our evaluation found that PBS is not effectively administering the Fuel Storage Tank Management Program. During our site visits to five GSA regions, encompassing 25 locations, we found that PBS does not have a complete or accurate inventory of the fuel storage tanks currently in service. Additionally, the regional personnel responsible for day-to-day operations and maintenance did not have the necessary plans to properly account for or maintain the fuel storage tanks, or to respond to a leak or a spill. We also found that required monthly visual inspections were either performed inaccurately or not saved in the system of record, and that none of the five regions we visited had consistently applied the National Fire Protection Association guidance for signage and markings on or around the fuel storage tanks.

To address these findings, we recommended the following actions to the PBS Commissioner:

1. Complete a thorough and accurate inventory of all fuel storage tanks across GSA's facilities and ensure that the inventory is updated in the National Computerized Maintenance Management System, to include the proper asset type description in the database.
2. Develop Fuel Storage Tank Management Plans in accordance with GSA policies and procedures.
3. Develop a quality control system to ensure that the required actions and documentation to maintain fuel storage tanks are completed and included in the National Computerized Maintenance Management System as required by GSA policies.
4. Ensure compliance with National Fire Protection Association marking standards.

SIGNIFICANT INVESTIGATIONS

The Office of Investigations conducts independent and objective investigations relating to GSA programs, operations, and personnel. The office consists of special agents with full, statutory, law enforcement authority to make arrests, execute search warrants, serve subpoenas, and carry concealed weapons. Special agents conduct investigations that may be criminal, civil, or administrative in nature and often involve complex fraud schemes. Investigations can also involve theft, false statements, counterfeit or substandard products, embezzlement, bribery, antitrust violations, credit card fraud, diversion of excess government property, and digital crimes.

During this reporting period, the office opened 63 investigative cases, closed 77 investigative cases, referred 53 subjects for criminal prosecution, and helped obtain 17 convictions. Civil, criminal, and other monetary recoveries resulting from our investigations totaled more than \$131.7 million.

CRIMINAL INVESTIGATIONS

LEADER OF MASSIVE SCHEME TO TRAFFIC IN COUNTERFEIT CISCO NETWORKING EQUIPMENT SENTENCED TO 78 MONTHS IN PRISON AND ORDERED TO PAY OVER \$100 MILLION IN RESTITUTION

A GSA OIG investigation found that Onur Aksoy, Founder and Chief Executive Officer of Pro Network, LLC, ran an enormous operation to traffic in fraudulent and counterfeit Cisco networking equipment. The investigation found that Aksoy, Pro Network, and its related entities purchased from Chinese suppliers thousands of low-quality, modified computer networking devices with counterfeit Cisco labels, stickers, boxes, documentation, and packaging. The devices were typically older, lower-model products – some of which had been sold or discarded – that Chinese counterfeiters modified to appear like genuine versions of new, enhanced, and more expensive Cisco devices. The devices, which were used in U.S. hospitals, schools, and highly sensitive military and U.S. government systems (including platforms supporting fighter jets) suffered from numerous performance, functionality, and safety problems.

While executing a search warrant at Pro Network's warehouse, agents seized approximately 1,156 counterfeit Cisco devices with a retail value of more than \$7 million. On June 29, 2022, Aksoy was charged in a criminal complaint with mail fraud, and GSA OIG agents arrested him on his way to Miami International Airport to depart on a flight to Turkey. Subsequently, a grand jury in the District of New Jersey returned an indictment charging Aksoy with various offenses, including conspiracy to traffic in counterfeit goods and to commit mail and wire fraud.

Aksoy pleaded guilty, and on May 1, 2024, he was sentenced to 78 months in prison followed by 3 years of supervised release. Aksoy agreed to pay restitution of more than \$100 million to Cisco and other victims and permit the destruction of millions of dollars of counterfeit goods seized from his businesses. GSA OIG investigated this case with Homeland Security Investigations (HSI), Customs and Border Protection (CBP), Defense Criminal Investigative Service (DCIS), and Naval Criminal Investigative Service (NCIS).

COMPANY OWNER SENTENCED TO PRISON FOR SELLING CHINESE-MADE BALLISTIC PROTECTIVE EQUIPMENT TO THE GOVERNMENT

A GSA OIG investigation revealed that Jeffrey Meining, owner of Bulletproof-It, LLC, sold millions of dollars in ballistic products, to include ballistic helmets and body armor, to various government law enforcement and fire agencies, while claiming that the products were made in the United States and met specified testing standards. Meining advertised that his company's products were "US Made / TAA Compliant," but the investigation determined that many of the products sold to government agencies were imported from China. The investigation also found that despite claiming that Bulletproof-It's products met National Institute of Justice ballistic protection standards, Meining did not test many of the products. Meining pleaded guilty to wire fraud, and on March 19, 2024, he was sentenced to 366 days in prison followed by 3 years of supervised release. On May 29, 2024, Meining was ordered to pay \$2.67 million in criminal restitution. GSA OIG investigated this case with HSI, CBP, DCIS, NCIS, Air Force Office of Special Investigations (AFOSI), Army Criminal Investigation Division (CID), Department of Veterans Affairs (VA) OIG, Department of State OIG, Department of Justice (DOJ) OIG, Department of the Interior (DOI) OIG, and Department of Commerce (Commerce) Bureau of Industry and Security.

TWO INDIVIDUALS SENTENCED FOR INVOLVEMENT IN A MULTI-MILLION DOLLAR SDVOSB FRAUD SCHEME

A GSA OIG investigation found that Joseph David Dial, Jr., the owner of United Medical Design Builders (UMDB), falsely claimed to GSA and other federal agencies that UMDB was eligible to receive contracts intended for service-disabled veteran-owned small businesses (SDVOSBs). As a result, UMDB obtained SDVOSB contracts, including an \$8.2 million contract to build healthcare facilities at Hanscom Air Force Base. During the investigation, Troy Bechtel, a former UMDB project manager, made several false statements to the investigative team regarding who controlled UMDB.

Dial pleaded guilty to major fraud against the United States and wire fraud. He was sentenced in 2019 to 26 months in prison, 2 years of supervised release, and he was ordered to forfeit \$25,000. Bechtel pleaded guilty to false statements. He was sentenced on May 10, 2024, to 90 days of home confinement, 2 years of probation, a fine of \$11,000, and he was ordered to forfeit \$25,000. GSA OIG investigated this case with DCIS, SBA OIG, and Army CID.

DEFENSE CONTRACTOR SENTENCED FOR MISREPRESENTATIONS AND FOR ILLEGALLY OBTAINING PARTS FOR SENSITIVE MILITARY EQUIPMENT FROM UNAUTHORIZED COUNTRIES

A GSA OIG investigation found that David Murar, the owner of Midwest Metals, St. Louis Loft Metals, and Florence Metals, fraudulently used his wife's name to gain a competitive advantage

for one of his companies by claiming it was a woman-owned small business, when he was really the owner and operator. From roughly April through October 2022, Murar bid on and received at least nine federal contracts worth \$333,465 by way of these fraudulent misrepresentations. Murar also undercut domestic suppliers by obtaining parts from China and other foreign countries, discarding their original packaging, and repackaging them to conceal the parts' overseas origins. Murar provided restricted diagrams of necessary parts and other "military critical technical data" to foreign nationals to obtain those parts, despite having signed agreements not to provide that data to anyone other than his employees or other eligible persons in compliance with U.S. export control laws and regulations.

Murar pleaded guilty to conspiracy to commit wire fraud. He was sentenced on July 23, 2024, to 5 years of probation, a fine of \$50,000, and he was ordered to pay \$83,355 in restitution. GSA OIG investigated this case with DCIS, Army CID, AFOSI, HSI, and Commerce Office of Export Enforcement.

GOVERNMENT CONTRACTORS SENTENCED FOR ROLE IN SET ASIDE FRAUD SCHEME

A GSA OIG investigation determined that Cindy McAleese, a former civilian contracting officer for the U.S. Army at Fort Drum, New York, solicited and received things of value from Sean O'Sullivan, co-owner of Sierra Delta Contracting, LLC (SDC), including sports tickets, meals, sexual encounters, and time and attention, in exchange for McAleese taking official action on O'Sullivan's behalf, such as providing SDC with government contracts and approving payment on those contracts. O'Sullivan admitted that he and McAleese took steps to keep their relationship a secret.

In addition, investigators learned that O'Sullivan and David Rose, co-owner of SDC, falsely and fraudulently certified in the System for Award Management (SAM) that SDC was a SDVOSB, which resulted in them being awarded approximately \$3.5 million in federal set-aside contracts. Although Rose was a service-disabled veteran, he did not personally manage or control SDC's day-to-day business operations as certified in SAM. The investigation also found the set-aside contracts awarded to SDC were subcontracted to SOS, Inc., a company owned by O'Sullivan, which allowed him to keep the majority of profits.

Rose, O'Sullivan, and their businesses agreed to pay a total of \$758,526 to the United States to resolve allegations they violated the False Claims Act. Additionally, O'Sullivan pleaded guilty to conspiracy to commit wire fraud and conspiracy to commit an offense against the United States. He was sentenced on May 16, 2024, to 2 years of probation and ordered to pay \$345,271 in restitution, which was paid through the civil settlement. Rose pleaded guilty for his role in the conspiracy and was ordered to pay \$33,992 in restitution and a \$2,000 fine. McAleese pleaded guilty to conspiracy to commit fraud against the United States and was entered into the Providing Alternatives That Help pretrial diversion program. GSA OIG investigated this case with Army CID, DCIS, SBA OIG, and Department of Transportation OIG.

TAMPA MAN ORDERED TO PAY \$441,942 IN RESTITUTION FOR UNAUTHORIZED ACCESS TO SAM

A GSA OIG investigation determined that Anwar McNeil conspired to change a government contractor's bank account information in SAM without authorization. McNeil was involved in a

larger business email compromise scam often targeting businesses that perform electronic payments such as wire transfers. McNeil or other conspirators used social engineering techniques and fraudulent emails to convince victims to initiate a funds transfer, often as part of an anticipated business transaction, to an account controlled by McNeil or other conspirators, rather than the true account anticipated as part of the legitimate business transaction.

McNeil pleaded guilty to conspiracy to commit money laundering, and on September 24, 2024, he was sentenced to 182 days home detention, 5 years' probation, and ordered to pay \$441,942 in restitution. GSA OIG investigated this case with the Federal Reserve Board OIG and HSI.

MAN SENTENCED FOR DEFRAUDING GSA AUCTIONS AND PURCHASING VEHICLES FOR \$1

A GSA OIG investigation found that Evan Coker fraudulently obtained government property by creating fraudulent identifications in the GSA Auction online system. After winning GSA Auction lots, Coker would manipulate the pay.gov website and change the payment amounts from the winning bid amount to \$1. He won 19 GSA Auction lots totaling \$151,462, including a Ford Escape Hybrid, a Ford F550 pickup truck, and a Chevrolet C4500 box truck, but he only paid \$19. Coker was indicted by a federal grand jury charging him with wire fraud. He pleaded guilty, and on August 13, 2024, Coker was sentenced to time served (463 days confinement), 3 years of probation, and he was ordered to pay \$22,699 in restitution to GSA.

CIVIL SETTLEMENTS

AVANTOR, INC. AGREED TO PAY \$5 MILLION TO RESOLVE ALLEGED FALSE CLAIMS ACT VIOLATIONS

On July 30, 2024, Avantor, Inc. agreed to pay the United States \$5 million to resolve allegations that one of its subsidiaries, VWR International, LLC (VWR), violated the False Claims Act by fraudulently overcharging federal agencies for goods purchased between 2008 and 2017. VWR, located in Radnor, Pennsylvania, is a global distributor of scientific and technical laboratory supplies, including chemicals, glassware, instruments, protective clothing, and production supplies. It was alleged that VWR violated the False Claims Act when it failed to offer or provide federal government purchasers buying goods from VWR under their GSA Multiple Award Schedule contracts with Most Favored Customer (MFC) pricing. VWR also failed to provide federal government purchasers with the same rebates, discounts, incentives, and other favorable terms offered to the MFC. GSA OIG investigated this case with DCIS, VA OIG, and Department of Health and Human Services OIG.

TELECOM TECHNOLOGIES AGREED TO PAY \$400,000 TO RESOLVE ALLEGED FALSE CLAIMS ACT VIOLATIONS

On July 8, 2024, Telecom Technologies, Inc. (Telecom), agreed to pay the United States \$400,000 to resolve allegations it violated the False Claims Act by selling government agencies

counterfeit products and products not compliant with the Trade Agreements Act (TAA). Telecom was awarded a GSA MAS contract in 2006 and received extensions of the contract in 2011, 2016, and 2021. The alleged fraud occurred during the time period from July 18, 2018, through August 9, 2022. GSA OIG investigated this case with the DCIS, Army CID, NCIS, AFOSI, and Commerce OIG.

INVESTIGATION OF A SENIOR OFFICIAL

ALLEGED FRAUD BY SENIOR GOVERNMENT EMPLOYEE NOT SUBSTANTIATED

GSA OIG initiated an investigation based on information provided by our Data Analytics Division that identified a GSA Senior Executive Service employee who received several loans through the SBA's Paycheck Protection Program and the Economic Injury Disaster Loan Program. The investigation determined the GSA employee co-owned a business with their spouse, for which the loans were obtained, and found no evidence to suggest the funds were used for purposes other than those for which the programs were established.

FLEET CARD FRAUD

The Office of Investigations collaborates with GSA's Fleet Loss Prevention Team to prevent, detect, and investigate fraud involving GSA's government-wide Fleet program. During this reporting period, these investigations uncovered unlawful conveyance of fuel, felony credit card theft, identity theft, trafficking in counterfeit credit cards, and use of GSA Fleet cards for personal gain.

Our work on Fleet card investigations during this reporting period resulted in 14 arrests and 8 individuals sentenced to a combined total of 2 years of confinement, 8 years of probation, and 40 hours of community service.

Examples of successful Fleet card fraud cases include the following:

- Fernando Garcia and Jesus Galindo used stolen GSA Fleet cards to make purchases for their financial benefit. The Fleet cards were assigned to vehicles leased to the Wapato Irrigation Project (WIP) on the Yakama Indian Reservation and were stolen during break-ins of a WIP facility. Garcia and Galindo were charged in Washington state court with theft. On April 5, 2024, Garcia pleaded guilty and was sentenced to 364 days in prison (suspended) and ordered to complete 24 hours of community service. On May 20, 2024, Galindo pleaded guilty and was sentenced 364 days in prison (suspended) and ordered to complete 16 hours of community service.
- Skye McCovey used a stolen GSA Fleet card to make purchases for her financial benefit. The Fleet card was assigned to a vehicle leased to the Bureau of Indian Affairs, Yurok Tribe, Klamath, California. McCovey pleaded guilty to grand theft in California state court and was sentenced on July 11, 2024, to 16 months in prison and ordered to pay \$4,960 in restitution.

SIGNIFICANT INVESTIGATIONS

- Jeremy Brown and Sara Clemmer stole several GSA Fleet cards that were assigned to the National Park Service, Yosemite National Park, and used the cards to make more than \$20,000 in purchases for their financial benefit. Brown and Clemmer both pleaded guilty to felony grand theft in California state court. In August 2024, Brown was sentenced to 2 years in prison and ordered to pay \$17,405 in restitution, and Clemmer was sentenced to 90 days in prison and ordered to pay \$1,400 in restitution.
- A U.S. Army private assigned to the Military Police Company, U.S. Army Garrison, West Point, New York, used a GSA Fleet card to fuel personal vehicles in the Baltimore, Maryland, area. The U.S. Army imposed an other-than-honorable discharge on the private for his misuse of the GSA Fleet card, and he was subsequently discharged from the U.S. Army on July 11, 2024. The loss to the government was estimated to be \$4,843.
- Yunior Diaz Torres pleaded guilty in Florida state court to unlawful possession of a stolen credit card, fraudulent use of a credit card, trafficking in or possession of 5 to 14 counterfeit credit cards, fraudulently obtaining motor or diesel fuel, unlawful conveyance of fuel, retail fuel theft, and possession of a controlled substance. This investigation was initiated after GSA Fleet Loss Prevention identified suspicious transactions with a GSA Fleet card assigned to a vehicle leased to the VA in Tampa, Florida. Diaz Torres was sentenced to 30 days in jail.

NEW DEAL ART INVESTIGATIONS

During the New Deal era, the federal government created and administered four separate art projects, which operated from 1933 to 1943, to create employment opportunities. The Works Progress Administration was largest of the New Deal era programs. New Deal artwork was produced by artists who created thousands of paintings, sculptures, and works on paper. The federal government loaned the available art to public agencies and nonprofit institutions throughout the nation. GSA is responsible for inventorying and cataloguing the loaned pieces of art. To date, more than 23,000 pieces of artwork have been located. Some circumstances have contributed to the separation of the borrowers from the artwork, resulting in New Deal art changing hands, and some pieces have found their way into private possession.

GSA's Fine Arts Program Office (FAP) and the OIG work together to locate, identify, and recover lost works of art. As a direct result of these cooperative efforts, six lost pieces of artwork were recovered and inventoried during this reporting period:

- A citizen located in Thetford, Vermont, contacted the OIG informing us they were in possession of "Bill Rand," by Elinor Sears. The OIG recovered this painting from the citizen.
- FAP notified the OIG that "Harlem River," by Palmer Hayden, was listed for auction in Philadelphia, Pennsylvania. The OIG recovered the painting from the auction house.

SIGNIFICANT INVESTIGATIONS

- An auction house in Chicago, Illinois informed the OIG that they were in possession of “Heavy is the Head that Labors,” by William S. Carter. The OIG recovered the painting from the auction house.
- FAP notified the OIG that three paintings - “The Flood,” by Joseph Vavak; “Waterfall in Wisconsin,” by William S. Schwartz; and “Hey Rube,” by Dennis Burlingame - were listed for sale by an auction house in Asheville, North Carolina. The OIG coordinated with the auction house and the original possessor of the paintings, a private school located in Elgin, Illinois. The private school closed at the end of the 2023-2024 school year after being open for 185 years. The OIG eventually recovered the paintings from the school.

New Deal artwork is not subject to public sale, but the internal estimated value of these recovered and inventoried pieces is \$58,000. Since cooperative efforts between the OIG and FAP began in 2001, 813 pieces have been recovered, with an estimated value of \$8,867,550*

**This number includes all pieces of artwork recovered through the joint publicity/recovery efforts of the OIG and FAP. Not all recoveries require direct intervention by the OIG; some are direct “turn-ins” to the FAP as result of our combined public information campaigns and/or internet searches which reveal the claim of ownership by the government. The internal estimated value is for internal use only and is not a formal appraisal or representative of the market value of the artwork*



“Harlem River,” by Palmer Hayden



“Waterfall in Wisconsin,” by William S. Schwartz



“Heavy is the Head that Labors,” by William S. Carter

OTHER SIGNIFICANT WORK

SUSPENSION AND DEBARMENT INITIATIVE

The FAR authorizes federal agencies to suspend or debar individuals or companies for the commission of any offense indicating a lack of business integrity or business honesty that directly affects the present responsibility of a government contractor or subcontractor. The OIG has made it a priority to refer instances of misconduct by individuals and companies to GSA so it can take appropriate suspension and debarment actions and protect the government from fraud, waste, and abuse.

During this reporting period, the OIG made 85 referrals for consideration of suspension or debarment to the GSA Office of Acquisition Policy or other federal debarment officials. There were 83 actions issued based on current and previous OIG referrals.

INTEGRITY AWARENESS

The OIG gives Integrity Awareness Briefings nationwide to educate GSA employees on the prevention of fraud, waste, and abuse. This period, we gave 41 briefings attended by 1,289 GSA employees, other government employees, and government contractors. These briefings explain the statutory mission of the OIG and the methods available for reporting suspected instances of wrongdoing. In addition, through case studies, the briefings make GSA employees aware of actual instances of fraud in GSA and other federal agencies and help prevent fraud's recurrence.

HOTLINE

The OIG hotline provides an avenue for employees and other concerned citizens to report suspected wrongdoing. Hotline posters located in GSA-controlled buildings encourage employees to use the hotline. Our hotline also allows online submission of complaints.

During the reporting period, we received 683 hotline contacts. Of these, 78 were referred to GSA program officials for review and appropriate action, 18 were referred to other federal agencies, 33 were referred to the OIG Office of Audits, 2 were referred to the OIG Office of Counsel, and 42 were referred to investigative field offices for investigation or further review.

STATISTICAL SUMMARY OF OIG INVESTIGATIONS

April 1, 2024 – September 30, 2024

OFFICE OF INVESTIGATIONS	
Referrals for criminal prosecution, civil litigation, administrative action, suspension & debarment	224
Indictments and informations on criminal referrals*	14
Subjects accepted for criminal prosecution	53
Subjects accepted for civil action	29
Convictions	17
Civil settlements/judgments	14
Contractors/individuals suspended and debarred	83
Employee actions taken on administrative referrals involving government employees	5
Investigative Reports**	3
Number of subpoenas	30
Total Investigative Receivables and Recoveries***	\$ 131,745,662

*The total number of criminal indictments and criminal informations includes all criminal charging documents resulting from any prior referrals to prosecutive authorities.

**The total number of investigative reports includes reports of investigations and letterhead reports, which summarize the results of an official investigation and were referred to GSA officials for a response in consideration of taking administrative action or for information only.

***This includes civil judgments and settlements; ordered criminal fines, penalties, and restitution; forfeiture; administrative recoveries; and recovered government property.

INVESTIGATIVE WORKLOAD

The OIG opened 63 investigative cases and closed 77 cases during this reporting period.

REFERRALS

The OIG makes criminal and civil referrals to the DOJ or other authorities for prosecutive and litigative consideration. The OIG also makes administrative referrals to GSA officials on certain cases disclosing wrongdoing on the part of GSA employees, contractors, or private individuals doing business with the government.

SIGNIFICANT INVESTIGATIONS

ACTIONS ON OIG REFERRALS

Based on these and prior referrals, 53 subjects were accepted for criminal prosecution and 29 subjects were accepted for civil litigation. Criminal cases originating from OIG referrals resulted in 14 indictments or informations and 17 convictions. OIG civil referrals resulted in 14 subject settlements/judgments. Based on OIG administrative referrals, 11 contractors or individuals were debarred, 72 contractors or individuals were suspended, and 5 personnel actions were taken against a government employee.

Table 1. Summary of OIG Referrals

TYPE OF REFERRAL	CASES	SUBJECTS
Civil	20	41
Criminal (DOJ)*	34	60
Criminal (State/Local)**	12	15
Administrative Referrals for Action/Response	18	23
Suspension	2	8
Debarment	12	77
TOTAL	98	224

*The total number of persons referred to DOJ for criminal prosecution includes both individuals and companies that have been referred to DOJ for criminal prosecutorial consideration.

**The total number of persons referred to state and local authorities includes both individuals and companies that have been referred to authorities, other than DOJ, for criminal prosecution. Referrals to military authority for prosecution under the Uniform Code of Military Justice are also included in this metric.

SIGNIFICANT INVESTIGATIONS

Monetary Results

Table 2 presents the amounts of fines, penalties, settlements, recoveries, forfeitures, judgments, and restitutions payable to the U.S. Government and other victims as a result of criminal and civil actions arising from OIG referrals. Table 3 presents the amount of administrative recoveries and forfeitures as a result of investigative activities. Criminal, civil, and other monetary recoveries arising from our work totaled more than \$131.7 million.

Table 2. Criminal and Civil Results

	CRIMINAL	CIVIL
Fines and Penalties	\$113,109	\$0
Settlements/Judgments		\$6,601,595
Recoveries/Forfeitures	\$15,025,000	\$1,323,556
Restitutions	\$107,544,023	
TOTAL	\$122,682,132	\$7,925,151

Table 3. Non-Judicial Recoveries*

Administrative Recoveries	\$1,074,809
Forfeitures/Restitution	\$63,571
TOTAL	\$1,138,380

*This total includes the FAR disclosures reported on page 22

ANNUAL REPORTING REQUIREMENTS

TRAFFICKING VICTIMS PREVENTION AND PROTECTION REAUTHORIZATION ACT

The Trafficking Victims Prevention and Protection Reauthorization Act of 2022, Public Law 117-348, January 5, 2023, 136 Stat 6211, added a requirement that all executive agencies enact a policy with the following requirements:

- (1) a prohibition from engaging in human trafficking while employed by the U.S. Government in a full-time or part-time capacity;
- (2) a requirement that all federal personnel, without regard to whether the person is stationed abroad, be sensitized to human trafficking and the ethical conduct requirements that prohibit the procurement of trafficking in persons;
- (3) a requirement that all such personnel be equipped with the necessary knowledge and tools to prevent, recognize, report, and address human trafficking offenses through a

training for new personnel and through regular refresher courses offered every 2 years; and

- (4) a requirement that all such personnel report to the applicable inspector general and agency trafficking in persons point of contact any suspected cases of misconduct, waste, fraud, or abuse relating to trafficking in persons.

This act further requires agencies to establish a code of conduct, or add to an existing code of conduct, containing those requirements. Every executive branch employee is required to sign acknowledgment of their agency's code of conduct, a copy of which must be kept in the individual's personnel file. Agencies had 18 months after enactment of Public Law 117-348 to establish or update their codes of conduct (July 5, 2024), and all employees must sign acknowledgment within 24 months of enactment (January 5, 2025). Each agency OIG must submit an annual report to Congress, which must include any violations of or investigations into violations of the code of conduct, the status and outcomes of such investigations, and recommendations on improving the programs and operations of the agency.

GSA issued its Anti-Human Trafficking Code of Conduct on June 25, 2024. GSA also implemented a Human Trafficking Awareness training course for all employees, which includes acknowledgment of the agency's code of conduct. GSA appears to be on schedule to meet all requirements of the statute. We have no recommendations for improvement at this time.

As of the end of this reporting period, no suspected violations of the act were reported to the OIG, and no investigations were initiated.

NO-KNOCK WARRANT REPORTING

Section 10(c) of Executive Order 14074, *Advancing Effective, Accountable Policing and Criminal Justice Practices to Enhance Public Trust and Public Safety* states:

The heads of Federal LEAs [law enforcement agencies] shall issue annual reports to the President—and post the reports publicly—setting forth the number of no-knock entries that occurred pursuant to judicial authorization; the number of no-knock entries that occurred pursuant to exigent circumstances; and disaggregated data by circumstances for no-knock entries in which a law enforcement officer or other person was injured in the course of a no-knock entry.

As of the end of this reporting period, zero no-knock warrant entries occurred.

GOVERNMENT-WIDE POLICY ACTIVITIES

We regularly provide advice and assistance on government-wide policy matters to GSA as well as to other federal agencies and committees of Congress.

In addition, as required by the Inspector General Act of 1978, as amended, we review existing and proposed legislation and regulations to determine their effect on the economy and efficiency of GSA's programs and operations and on the prevention and detection of fraud and mismanagement. Because of the central management role of GSA in shaping government-wide policies and programs, most of the legislation and regulations reviewed affect government-wide issues such as procurement, property management, travel, and government management and IT systems.

INTERAGENCY AND INTRA-AGENCY COMMITTEES AND WORKING GROUPS

- Council of the Inspectors General on Integrity and Efficiency. The Deputy Inspector General is a member of the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Investigations and Legislation Committees. Through CIGIE, we also participate in the following:
 - Pandemic Response Accountability Committee. The Office of Audits and the Office of Investigations both participate in CIGIE's Pandemic Response Accountability Committee. The government's coronavirus response includes \$2.6 trillion in economic relief to individual citizens, loans for businesses, and support for hospitals and other medical providers. In addition, this response includes economic relief for affected businesses; industries; and state, local, and tribal governments. The committee's mission is to promote transparency and ensure coordinated, comprehensive oversight of the government's spending and coronavirus response.
 - Federal Audit Executive Council. The Office of Audits participates in the Federal Audit Executive Council (FAEC). The FAEC's purpose is to discuss and coordinate issues affecting the federal audit community with special emphasis on audit policy and operations of common interest to FAEC members.
 - Federal Audit Executive Council Information Technology Committee. The Office of Audits participates in the FAEC IT Committee. This committee provides a forum to share information and coordinate audits of significant IT issues with the OIG community and the federal government. The committee also develops and recommends best practices to be used by OIGs in addressing IT issues.

- **Federal Audit Executive Council Contracting Committee.** The Office of Audits participates in the FAEC Contracting Committee. This committee is involved with addressing contract, program, and acquisition management issues that have common interest throughout the OIG community. The committee shares information on audit topics, successful audits, and related techniques.
- **Enterprise Risk Management Working Group.** The Office of Audits participates in CIGIE's Enterprise Risk Management (ERM) Working Group. This working group's mission is to contribute to the promotion and implementation of ERM principles in accordance with OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, within OIGs and their respective agencies. The Office of Audits participates in the working group as part of a collaborative effort with other OIGs to oversee the sharing of processes and best practices used to analyze, prioritize, and address risks identified and relevant to implementing ERM in the federal government.
- **Geospatial Data Act Working Group.** The Office of Audits participates in the Geospatial Data Act (GDA) Working Group. This working group's mission is to assist the OIG community in understanding and meeting its GDA oversight requirements by: (1) consulting with the Federal Geospatial Data Committee, (2) developing a common review approach and methodology, and (3) coordinating key communications with other stakeholders. The Office of Audits participates to stay abreast of the latest GDA developments to monitor GSA's compliance with GDA requirements.
- **Infrastructure Working Group.** The Office of Audits participates in CIGIE's Infrastructure Working Group. This working group was established to share information and coordinate oversight of the Infrastructure Investment and Jobs Act. The Infrastructure Investment and Jobs Act provided \$1.2 trillion in funding for infrastructure programs across the transportation, energy, and water sectors through a combination of grants and loans. The working group shares information on oversight and audit issues.
- **Legislative Priorities Working Group.** The Office of Counsel participates in the CIGIE Legislation Committee's Legislative Priorities Working Group. The working group's mission is to establish a standardized operating procedure for the Committee's Legislative Priorities Letter to Congress for the 119th Congress and beyond.
- **Blue Book Working Group.** The Office of Inspections participates in the CIGIE Blue Book Working Group. This working group is comprised of Inspection and Evaluation (I&E) professionals from the IG community who worked to review, update, and revise the CIGIE *Quality Standards for Inspection and Evaluation* issued in December 2020. The working group continues to provide advisement on the revised Blue Book standards.
- **I&E Peer Review Working Group.** The Office of Inspections participates in the I&E Peer Review Working Group. This working group is comprised of I&E professionals from the IG community who are responsible for promulgating and interpreting the *Guide for Conducting Peer Reviews of Inspection and Evaluation Organizations of Federal Offices* along with administering the 3-year cycle of peer reviews. The working group continues to provide education and instruction on the external peer review process.

- **I&E Roundtable.** The Office of Inspections participates in the I&E Roundtable. The I&E Roundtable provides a forum to share information and coordinate issues of importance within the OIG I&E community.
- **Data Analytics Working Group.** The Office of Investigations participates in the CIGIE Data Analytics Working Group. This working group's projects include identifying new data analytics methods and techniques, sharing information about data and data sources available to the OIG community, and identifying crosscutting initiatives, such as using data analytics to detect fraud.
- **Investigations Training Subcommittee.** The Office of Investigations participates in the CIGIE Investigations Training Subcommittee. The subcommittee establishes and promotes training resources for investigative staff throughout the OIG community.
- **Investigations Undercover Review Committee.** The Office of Investigations participates in the CIGIE Undercover Review Committee. This committee provides recommendations and approvals on the suitability of undercover operations involving sensitive circumstances in accordance with CIGIE and the Attorney General guidelines.
- **DOJ Civil Cyber-Fraud Initiative Working Group.** GSA OIG investigators, attorneys, and auditors participate in the OIG's partnership with the Civil Cyber-Fraud Initiative Working Group. This working group leverages the False Claims Act to hold accountable entities or individuals that put U.S. information or systems at risk by knowingly providing deficient cybersecurity products or services, misrepresenting their cybersecurity practices or protocols, or violating obligations to monitor and report cybersecurity incidents and breaches.
- **DOJ Antitrust Division's Procurement Collusion Strike Force.** The Office of Investigations is a partner agency of the Procurement Collusion Strike Force (PCSF). The PCSF leads a coordinated national response to combat antitrust crimes and related schemes in government procurement, grant, and program funding at federal, state, and local levels of government.

APPENDIXES

APPENDIX I: ACRONYMS AND ABBREVIATIONS

AAS	Assisted Acquisition Services	I&E	inspection and evaluation
ACM	Asbestos Containing Material	IG	Inspector General
AFOSI	Air Force Office of Special Investigations	IIJA	Infrastructure Investment and Jobs Act
CICA	Competition in Contracting Act of 1984	IT	information technology
CID	Criminal Investigation Division	LPOE	Land Port of Entry
CIGIE	Council of the Inspectors General on Integrity and Efficiency	MAS	Multiple Award Schedule
Commerce	Department of Commerce	NCIS	Naval Criminal Investigative Service
COVID-19	Coronavirus disease 2019	NCR	National Capital Region
CSP	Commercial Sales Practices	O&M	Operations and Maintenance
DCIS	Defense Criminal Investigative Service	OGC	Office of General Counsel
DOI	Department of the Interior	OIG	Office of Inspector General
DOJ	Department of Justice	OMB	Office of Management and Budget
ERM	Enterprise Risk Management	OSHA	Occupational Safety and Health
FAEC	Federal Audit Executive Council	PBS	Public Buildings Service
FAP	Fine Arts Program	PCSF	Procurement Collusion Strike Force
FAR	Federal Acquisition Regulation	RPA	Robotic Process Automation
FAS	Federal Acquisition Service	SAM	System for Award Management
FDA	Food and Drug Administration	SBA	U.S. Small Business Administration
FY	Fiscal Year	SDVOSB	Service-Disabled Veteran-Owned Small Business
GDA	Geospatial Data Act	TAA	Trade Agreements Act
GSA	General Services Administration	TDR	Transactional Data Reporting
GSAM	General Services Administration Acquisition Manual	TTS	Technology Transformation Services
HIS	Homeland Security Investigations	U.S.C.	United States Code
HQ	Headquarters	VA	Department of Veterans Affairs
HVAC	Heating, Ventilation, and Air Conditioning	WIP	Wapato Irrigation Project

APPENDIX II: UNIMPLEMENTED RECOMMENDATIONS

Section 405(b)(2) of the Inspector General Act of 1978, as amended, requires that this report include an identification of each recommendation made before the reporting period for which corrective action has not been completed and include the potential costs savings associated with the recommendation. Additionally, this appendix includes a list of significant recommendations unimplemented due to agency disagreement.

Recommendations Issued During Prior Periods for Which Agency Corrective Action Has Not Been Completed

CHILD CARE CENTERS IN GSA-CONTROLLED BUILDINGS HAVE SIGNIFICANT SECURITY VULNERABILITIES (A170119/P/6/R20001, JANUARY 30, 2020)

We recommend that the PBS Commissioner:

- Address the specific vulnerabilities we identified for the child care centers [redacted].
- Conduct a comprehensive assessment to identify security vulnerabilities at each child care center located in a GSA-controlled building and expedite action to upgrade these buildings to the minimum security standards. If PBS cannot address vulnerabilities identified in these buildings, the child care centers should be moved to safer locations.

PBS'S NATIONAL CAPITAL REGION IS FAILING TO ADEQUATELY MANAGE AND OVERSEE THE BUILDING SERVICES CONTRACTS AT THE FDA'S WHITE OAK CAMPUS (A190021/P/5/R21003, MAY 17, 2021)

We recommend that the PBS Regional Commissioner for the National Capital Region:

- Take appropriate action to address the issues associated with oversight of the O&M building services contract. At a minimum, PBS NCR should:
 - Ensure that the "After-Hours Labor Estimate" contains valid, reliable data and that it reflects actual cost and schedule conditions; require Honeywell to provide an updated estimate based on actual performance and renegotiate the contract; and perform a procurement contract review to evaluate the effectiveness of its policies and make improvements.
 - Conduct an assessment to: (1) identify staff required to be present during the after-hours shift, (2) enforce the statement of work, and (3) monitor staffing of the after-hours shift.
 - Perform a comprehensive review of the after-hours staffing from August 2015 to the present, determine the total amount of overpayment for shifts that were understaffed and inadequately staffed, recover the overpayment from Honeywell, and return any overpayment to FDA.

EVALUATION OF THE GENERAL SERVICES ADMINISTRATION'S USE OF AN AD HOC APPRAISAL PROCESS FOR AN EXECUTIVE (JE21-002, SEPTEMBER 14, 2021)

We recommend that the GSA Administrator should:

- Take appropriate action to remedy the harm caused [Redacted] by a tainted performance review process that resulted in an unsatisfactory rating and in [Redacted] removal from the [Redacted], as well as the loss of any opportunity for a FY 2017 performance period pay increase or bonus.

We recommend that the GSA General Counsel and Chief Human Capital Officer should:

- Review current processes and procedures to ensure sufficient oversight of employee misconduct and disciplinary reviews, including timely referral to the OIG.

GSA'S FISCAL YEAR 2020 TRANSACTIONAL DATA REPORTING PILOT EVALUATION PROVIDES AN INACCURATE ASSESSMENT OF THE PROGRAM (A210081/Q/3/P23001, MAY 1, 2023)

We recommend that the GSA Administrator, FAS Commissioner, and Associate Administrator of the Office of Government-wide Policy:

- Address the problems with the TDR data and usage as described in this report within 1 year of report issuance. To do so, GSA should, at a minimum:
 - Conduct a comprehensive assessment of all TDR data;
 - Verify the accuracy and completeness of all TDR data;
 - Implement a verification process to ensure that TDR data is accurate and complete when it is submitted by MAS contractors;
 - Require the contractors that are not submitting complete and accurate data to correct their data or suspend their contract;
 - Make the data accessible to all MAS contracting personnel; and
 - Develop a methodology for pricing using TDR data that will ensure that customer agencies meet the Competition in Contracting Act for orders placed through MAS contracts.

AUDIT OF PBS BASIC REPAIRS AND ALTERATIONS PROJECT: WILLIAM AUGUSTUS BOOTLE FEDERAL BUILDING AND U.S. COURTHOUSE (A210076/P/4/R23009, SEPTEMBER 29, 2023)

We recommend that the PBS Regional Commissioner for PBS Southeast Sunbelt Region:

- Review current repairs and alterations contracts to ensure contractor and subcontractor employees possess appropriate security clearances to comply with the contract and Homeland Security Presidential Directive 12 requirements.
- Review the performance of PBS personnel involved in the award and administration of the Bootle Building HVAC modernization contract, including their supervisory chains of command, and take appropriate action to address deficiencies identified in this report.

AUDIT OF SECURITY CONTROLS FOR MOBILE TECHNOLOGIES USED BY GSA (A220055/I/T/F23004, SEPTEMBER 29, 2023)

This audit report and its recommendations are restricted from public release due to the sensitivity of its contents.

AUDIT OF PBS'S LEASE AWARD AND ADMINISTRATION FOR THE BUREAU OF LAND MANAGEMENT FIELD OFFICE IN BAKER CITY, OREGON (A230021/P/9/R24001, DECEMBER 8, 2023)

We recommend that the PBS Regional Commissioner for the PBS Northwest/Arctic Region:

- Enforce the Bureau of Land Management field office lease terms requiring onsite or locally available maintenance personnel, and recover rent paid to the lessor equivalent to the period that the maintenance personnel were not provided since November 2019.

GSA PURCHASED CHINESE-MANUFACTURED VIDEOCONFERENCE CAMERAS AND JUSTIFIED IT USING MISLEADING MARKET RESEARCH (A220070/A/6/F24002, JANUARY 23, 2024)

We recommend that the GSA Administrator:

- Ensure that GSA no longer purchases TAA-noncompliant cameras if there are TAA-compliant cameras that meet the Agency's requirements.
- Strengthen controls to ensure that:
 - TAA-compliant products are prioritized during future procurements;
 - TAA contracting officer determinations are adequately reviewed prior to approval, including any comparisons or market research performed;
 - Head of contracting activity non-availability determinations are obtained prior to procuring TAA-noncompliant products; and
 - Information technology equipment is being updated in a timely manner to reduce the risk of overlooking identified vulnerabilities.

PBS IS NOT ASSESSING HIGH-RISK USES OF SPACE BY FEDERAL LAW ENFORCEMENT AGENCIES, RAISING SAFETY AND SECURITY ISSUES (A220077/P/6/R24002, FEBRUARY 14, 2024)

We recommend that the PBS Commissioner:

- Address the specific safety and security risks we identified by ensuring, in coordination with the federal law enforcement agencies, that:
 - Detainees are transported through secure pathways to minimize safety and security threats to building tenants and visitors;
 - Seized drugs are stored in an area that prevents the drug particles from becoming airborne; and
 - Roles and responsibilities are established for notifying emergency responders of the location of armories during fire emergencies.
- Conduct a comprehensive assessment to identify and expedite actions to mitigate safety and security risks at each GSA-controlled space that federal law enforcement agencies occupy.
- Expand GSA Order PBS 1000.4B, High Risk Operations, to identify, assess, and mitigate risks associated with transporting detainees, storing seized drugs, and storing ammunition in GSA-controlled space.

Recommendations Unimplemented Due to Agency Disagreement

GSA'S DECISIONS TO VACATE AND RENOVATE THE LEASED FEDERAL COURTHOUSE IN PENSACOLA ARE BASED ON FAULTY PREMISES (A150132/P/4/R17001, OCTOBER 25, 2016)

We recommend that the GSA Administrator direct PBS to:

- Reanalyze options for housing the tenants of the 1 North Palafox Street courthouse. As part of this analysis, PBS should:
 - Ensure an equal comparison of the options is reflected;
 - Ensure that the designs for the renovation, new, and leased construction options meet current building standards;
 - Ensure the designs for the new and leased construction options comply with the U.S. Courts Design Guide;
 - Ensure the estimated reversion values of the new and leased courthouse options are developed by an independent appraiser;
 - Ensure lease-buyout and other potential settlement costs are incorporated; and
 - Develop and incorporate realistic project schedules into the financial analysis that are based on historical performance of projects with similar scope or scale.
- Suspend all contracts and procurements for the prospectus project until PBS secures ownership of the 1 North Palafox Street courthouse, if PBS's revised analysis demonstrates that ownership is in the best interest of the government.

PBS NATIONAL CAPITAL REGION'S \$1.2 BILLION ENERGY SAVINGS PERFORMANCE CONTRACT FOR WHITE OAK WAS NOT AWARDED OR MODIFIED IN ACCORDANCE WITH REGULATIONS AND POLICY (A150009/P/5/R17006, AUGUST 24, 2017)

We recommend that the Regional Commissioner, PBS NCR:

- Take immediate action to expedite the procurement of a new O&M contract that adheres to competition requirements specified in the Competition in Contracting Act of 1984 and the FAR;
- Determine and implement the appropriate corrective action needed for PBS NCR personnel's non-compliance with competition requirements; and
- Once the procurement of a new O&M contract is secured, as stated in *Finding 1*, include the Limitation of Government Obligation clause on all non-ESPC O&M services.

EVALUATION OF GSA NONDISCLOSURE POLICY (JE18-002, MARCH 8, 2018)

We recommend that GSA's leadership should:

- Clarify GSA's policy on communications with Members of Congress in GSA's order on congressional and intergovernmental inquiries and relations.

EVALUATION OF GSA'S MANAGEMENT AND ADMINISTRATION OF THE OLD POST OFFICE BUILDING LEASE (JE19-002, JANUARY 16, 2019)

We recommend that before continuing to use the language, GSA:

- Determine the purpose of the Interested Parties provision;

- Conduct a formal legal review by OGC that includes consideration of the Foreign and Presidential Emoluments Clauses; and
- Revise the language to avoid ambiguity.

GSA'S TRANSACTIONAL DATA REPORTING PILOT IS NOT USED TO AFFECT PRICING DECISIONS (A140143/Q/6/P21002, JUNE 24, 2021)

We recommend that the FAS Commissioner:

- Take immediate action to mitigate the risks associated with the TDR pilot by restricting additional contractors from opting into the TDR pilot and restricting access to, and use of, the TDR pilot data; and
- Develop and implement an exit strategy for the TDR pilot and transition participating contractors out of the TDR pilot.

FAS CANNOT PROVIDE ASSURANCE THAT MAS CONTRACT PRICING RESULTS IN ORDERS ACHIEVING THE LOWEST OVERALL COST ALTERNATIVE (A200975/Q/3/P22002, SEPTEMBER 30, 2022)

We recommend that the FAS Commissioner:

- Cancel the TDR pilot in accordance with FAS Policy and Procedures 2016-11, *Transactional Data Reporting – Federal Supply Schedule Program Implementation*, Paragraph 8(G), Pilot Cancellation. We recognize that FAS rejected recommendations made in GSA's Transactional Data Reporting Pilot Is Not Used to Affect Pricing Decisions, Report Number A140143/Q/6/P21002, including that FAS develop and implement an exit strategy for the TDR pilot and transition participating contractors out of the TDR pilot. However, we continue to conclude that the TDR pilot should be canceled. After 6 years, the TDR pilot still has not resulted in a viable pricing methodology that ensures compliance with CICA's requirement for orders to result in the lowest overall cost alternative to meet the government's needs.
- Inform customer agencies that they should perform separate and independent price determinations because relying on MAS contract pricing and following the ordering procedures in FAR 8.405, *Ordering procedures for Federal Supply Schedules*, may not ensure compliance with the CICA requirement that orders and contracts result in the lowest overall cost alternative. This should continue until the requirements and controls outlined in Recommendation 3 are set in place to ensure compliance with CICA.
- Establish requirements and controls to ensure that FAS contracting personnel adequately analyze CSP information to negotiate pricing consistent with CICA, FAR, and GSAR 538.270-1, *Evaluation of offers* without access to transactional data and to clearly identify and support the determination of most favored customer pricing.
 - FAS should ensure that offerors provide its contracting personnel with detailed information about the sales volumes, terms and conditions of pricing agreements, and any additional transactional discounts or pricing terms offered to individual commercial customers that receive the best pricing for the products and services proposed for the MAS contract.

- FAS should establish protocols that require offerors to submit other than certified cost or pricing data to support proposed pricing when offerors do not have comparable sales to customers outside of its MAS contract.
- FAS should cancel FAS Policy and Procedures 2017-02, *Updated Procedures for Exercising the Option to Extend the Term of a Federal Supply Schedule Contract*, and develop and implement policy and procedures directing FAS's contracting personnel to perform price analyses of CSP disclosures provided by the offeror for MAS contract option extensions.

APPENDIX III: AUDIT AND INSPECTION REPORT REGISTER

DATE OF REPORT	REPORT NUMBER	TITLE	DECISION DATE	FINANCIAL RECOMMENDATIONS	
				FUNDS TO BE PUT TO BETTER USE	QUESTIONED COSTS
Note: Because some audits pertain to contract awards or actions that have not yet been completed, the financial recommendations related to these reports are not listed in this Appendix.					
PBS PERFORMANCE AUDITS					
04/12/2024	A240042	Implementation Review of Corrective Action Plan: Audit of PBS's Approval Process for Minor Repair and Alteration Projects, Report Number A190100/P/5/R22005, May 9, 2022	N/A		
05/01/2024	A230046	Audit of PBS National Capital Region's Asbestos Management in Building 40 of the St. Elizabeths West Campus	08/27/2024		
05/03/2024	A230032	Building Maintenance Contracts Are Not Complying with Their GSA Contracts Due to Poor Performance and Ineffective Oversight	07/10/2024		
07/11/2024	A240053	Implementation Review of Correction Action Plan: Audit of PBS NCR's Metropolitan Service Center Reimbursable Work Authorizations, Report Number A210039/P/R/R22007, September 23, 2022	N/A		
07/22/2024	A201018	Audit of GSA’s Response to COVID-19: PBS Faces Challenges to Ensure Water Quality in GSA-Controlled Facilities			
08/09/2024	A230043	Basic Repairs and Alterations Project for the Central Heating Plant in Washington, D.C., Was Not Effectively Managed			
08/12/2024	A240018	Fire Safety and Accessibility Deficiencies at the GSA Headquarters Building in Washington, D.C.			
09/17/2024	A240019	Implementation Review of Corrective Action Plan: Child Care Centers in GSA-Controlled Buildings Have Significant Security Vulnerabilities, Report Number A170119/P/6/R20001, January 30, 2020	N/A		
09/24/2024	A220036	Oversight of PBS’s Projects Funded by the Infrastructure Investment and Jobs Act: Audit of Paving Project at New York State’s Northern Border			
FAS PERFORMANCE AUDITS					
08/23/2024	A240055	Implementation Review of Corrective Action Plan: FAS’s Inadequate Oversight of Contractual and Security Requirements Places the USAccess Program at Risk, Report Number A190067/Q/T/P21003, September 24, 2021	N/A		
09/16/2024	A230065	FAS’s Office of Assisted Acquisition Services Should Improve Its Oversight and Administration of Classified Contracts			

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DATE OF REPORT	REPORT NUMBER	TITLE	DECISION DATE	FINANCIAL RECOMMENDATIONS	
				FUNDS TO BE PUT TO BETTER USE	QUESTIONED COSTS
09/30/2024	A230040	FAS Should Strengthen Its Price Analyses When Consolidating Multiple Award Schedule Contracts			
PBS CONTRACT AUDITS					
07/09/2024	A220073	Independent Examination of a Cost Accounting Standards Board Disclosure Statement: Turner Construction Company	08/21/2024		
FAS CONTRACT AUDITS					
04/05/2024	A230055	Independent Preaward Examination of Multiple Award Schedule Contract: Myers and Stauffer, LC, Contract Number GS-23F-0058V	06/03/2024		\$16,496
05/20/2024	A230042	Independent Preaward Examination of Multiple Award Schedule Contract: Avaya Federal Solutions, Inc., Contract Number GS-35F-0156V	06/20/2024		\$201,131
05/22/2024	A230077	Independent Preaward Examination of Multiple Award Schedule Contract: IDSC Holdings, LLC, Contract Number 47QSHA19D005N	07/16/2024		
05/23/2024	A230060	Independent Preaward Examination of Multiple Award Schedule Contract: BAM Technologies, LLC, Contract Number GS-35F-0489V	06/12/2024		
05/23/2024	A230061	Independent Preaward Examination of Multiple Award Schedule Contract: Sustainable Modular Management, Inc., Contract Number GS-07F-0383V	07/16/2024		
06/06/2024	A230073	Independent Preaward Examination of Multiple Award Schedule Contract: RE Tech Advisors, LLC, Contract Number GS-10F-216BA	08/05/2024		\$281,805
07/02/2024	A240017	Independent Preaward Examination of Multiple Award Schedule Contract: Synergist JV LLC, Contract Number 47QTCA20D0012	08/20/2024		
07/23/2024	A240032	Independent Preaward Examination of Multiple Award Schedule Contract: Yes & Federal, LLC, Contract Number 47QRAA20D003A	09/04/2024		
07/26/2024	A240015	Independent Preaward Examination of Multiple Award Schedule Contract: Millenium Products, Inc., Contract Number GS-07F-0031W			\$8,272
08/16/2024	A240016	Independent Preaward Examination of Multiple Award Schedule Contract: Flexion Inc., Contract Number GS-35F-523BA			\$71,874
08/30/2024	A230049	Independent Preaward Examination of Multiple Award Schedule Contract: Fisher Scientific Company L.L.C., Contract Number GS-07F-161BA			
09/03/2024	A230066	Independent Preaward Examination of Multiple Award Schedule Contract: The Boeing Company, Contract Number 47QTCA19D00G3	09/24/2024		

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DATE OF REPORT	REPORT NUMBER	TITLE	DECISION DATE	FINANCIAL RECOMMENDATIONS	
				FUNDS TO BE PUT TO BETTER USE	QUESTIONED COSTS
09/13/2024	A230078	Independent Preaward Examination of Multiple Award Schedule Contract: Pyramid Systems, Incorporated, Contract Number 47QTCA19D00LJ			\$1,084,667
09/30/2024	A190088	Independent Limited Scope Postaward Examination of Multiple Award Schedule Contract: United Rentals, Inc., Contract Number GS-06F-0068R			\$12,134,718
OTHER PERFORMANCE AUDITS					
05/22/2024	A240001	GSA Complied with the Payment Integrity Information Act for Fiscal Year 2023	05/22/2024		
08/06/2024	A230020	GSA Should Strengthen the Security of Its Robotic Process Automation Program			
09/24/2024	A240031	Audit of GSA's Fiscal Year 2023 Travel Card Program			
09/30/2024	A240028	Audit of GSA's Compliance with the Geospatial Data Act of 2018			
INSPECTIONS AND EVALUATIONS					
04/18/2024	JE24-001	GSA Lacks Adequate Control Over Foreign Gifts and Decorations	06/13/2024		
07/30/2024	JE24-002	Public Buildings Service is Not Effectively Administering the Fuel Storage Tank Management Program	09/03/2024		

APPENDIX IV: OIG REPORTS OVER 12 MONTHS OLD, FINAL AGENCY ACTION PENDING

Section 6009 of the Federal Acquisition Streamlining Act of 1994, Public Law 103-55, as amended by Section 810 of Public Law 104-106, requires the head of a federal agency to complete final action on each management decision required regarding a recommendation in an IG's report within 12 months after the date of the report. If the head of the agency fails to complete final action within the 12-month period, the IG shall identify the matter in the semiannual report until final action is complete.

The Office of Audit Management and Accountability provided the following list of reports with action items open beyond 12 months:

DATE OF REPORT	REPORT NUMBER	TITLE	
CONTRACT AUDITS			
09/29/2020	A190088	Independent Preaward Examination of Multiple Award Schedule Contract Extension: United Rentals, Inc., Contract Number GS-06F-0068R	
02/11/2021	A200986	Independent Examination of a Claim: Balfour Beatty Construction, LLC, Contract Number GS-11-P-17-MM-C-0002	
06/09/2021	A201000	Independent Examination of a Claim: Berkel & Company Contractors, Inc., Subcontractor to Balfour Beatty Construction, LLC, Contract Number GS-11-P-17-MM-C-0002	
08/27/2021	A200997	Independent Examination of a Claim: Kirlin Design Build, LLC, Subcontractor to Balfour Beatty Construction, LLC, Contract Number GS-11-P-17-MM-C-0002	
03/03/2022	A210054	Independent Examination of a Claim: Desbuild EG Management Services JV, LLC, Contract Number GS-11-P-17-MK-C-0016	
09/15/2022	A220021	Independent Examination of a Cost Accounting Standards Board Disclosure Statement: Brasfield & Gorrie, LLC, Contract Number 47PD0121C0005	
12/13/2022	A210075	Independent Preaward Examination of Multiple Award Schedule Contract: CommunicateHealth, Inc., Contract Number GS-07F-0517Y	
07/14/2023	A201027	Independent Limited Scope Postaward Examination of Multiple Award Schedule Contract: Ad Hoc, LLC, Contract Number GS-35F-392DA	
PERFORMANCE AUDITS, INSPECTIONS, AND EVALUATIONS			
01/30/2020	A170119	Child Care Centers in GSA-Controlled Buildings Have Significant Security Vulnerabilities*	PROJECTED FINAL ACTION DATE
05/17/2021	A190021	PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus*	TBD**
09/14/2021	JE21-002	Evaluation of the General Services Administration's Use of an Ad Hoc Appraisal Process for an Executive	03/31/2025
05/01/2023	A210081	GSA's Fiscal Year 2020 Transactional Data Reporting Pilot Evaluation Provides an Inaccurate Assessment of the Program	10/21/2024
			9/30/2025

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DATE OF REPORT	REPORT NUMBER	TITLE	
09/29/2023	A220055	Audit of Security Controls for Mobile Technologies Used by GSA	3/31/2025
09/29/2023	A210076	Audit of PBS Basic Repairs and Alterations Project: William Augustus Bootle Federal Building and U.S. Courthouse	11/29/2024

*Audit reopened based on the results of an implementation review.

**Corrective action plan or revised corrective action plan is in the approval process.

APPENDIX V: MANAGEMENT DECISIONS

Section 405(b)(6) of the Inspector General Act of 1978, as amended, requires each semiannual report to include information regarding any management decision made during the reporting period with respect to any audit, inspection, or evaluation issued during a previous reporting period. The table presented below lists all such decisions.

REPORT TITLE	REPORT DATE	DECISION DATE	OIG RECOMMENDATION		GSA DECISION	
			FUNDS TO BE PUT TO BETTER USE	QUESTIONED COSTS	FUNDS TO BE PUT TO BETTER USE	QUESTIONED COSTS
GSA Purchased Chinese-Manufactured Videoconference Cameras and Justified It Using Misleading Market Research	01/23/2024	05/22/2024				
PBS Is Not Assessing High-Risk Uses of Space by Federal Law Enforcement Agencies, Raising Safety and Security Issues	02/14/2024	07/23/2024				
Independent Limited Scope Postaward Examination of Multiple Award Schedule Contract: NTT DATA Federal Services, Inc., Contract Number GS-35F-518GA	02/29/2024	04/11/2024		\$4,751,372		\$4,751,372
TOTALS				\$4,751,372		\$4,751,372

APPENDIX VI: PEER REVIEW RESULTS

Section 405(b)(8)-(10) of the Inspector General Act of 1978, as amended, requires each IG to submit an appendix containing the results of any peer review conducted by another OIG during the reporting period or—if no peer review was conducted—a statement identifying the date of the last peer review that was conducted; a list of any outstanding recommendations—from any peer review conducted by another OIG—that have not been fully implemented, the status of the recommendations, and an explanation as to why the recommendations have not been completed; and a list of any peer reviews conducted by the OIG of another OIG during the reporting period, including a list of any outstanding recommendations made from any previous peer review that have not been fully implemented.

In FY 2020, the GSA OIG Office of Investigations underwent a peer review by the Department of Education OIG and received a passing rating. The peer review team found that the systems of internal safeguards and management procedures for the Office of Investigations complied with the standards established for investigations by the Attorney General Guidelines and CIGIE. There are no outstanding recommendations from prior peer reviews. The Federal Deposit Insurance Corporation OIG is scheduled to perform a peer review of the Office of Investigations in the winter of 2024.

The U.S. Agency for International Development OIG started its peer review of the GSA OIG Office of Audits in April 2024. The review is currently ongoing. In the last peer review dated September 30, 2021, the GSA OIG Office of Audits received a peer review rating of “pass”. That rating indicates that the office’s system of quality control is suitably designed and complied with to provide it with reasonable assurance of performing and reporting in conformity with the quality standards established by CIGIE in all material aspects. No outstanding recommendations exist from any peer review conducted by another OIG.

In FY 2023, the GSA OIG Office of Inspections underwent a peer review by the AmeriCorps OIG. The peer review team determined that the Office of Inspections' policies and procedures were consistent with the January 2012 and December 2020 CIGIE Quality Standards for Inspection and Evaluation (Blue Book). The peer review team also found that the selected reports complied with the Office of Inspections' internal policies and procedures and applicable Blue Book standards. No outstanding recommendations exist for the Office of Inspections.

APPENDIX VII: GOVERNMENT CONTRACTOR SIGNIFICANT AUDIT FINDINGS

The National Defense Authorization Act for FY 2008, Public Law 110-181, Section 845, requires each IG appointed under the Inspector General Act of 1978, as amended, to submit an annex on final, completed contract audit reports issued to the contracting activity as part of its Semiannual Report to the Congress.

The annex addresses significant audit findings—unsupported, questioned, or disallowed costs in excess of \$10 million—or other significant contracting issues. During this reporting period, there are no OIG reports that met these requirements.

We initiated a limited scope postaward examination of an equipment rental contractor based on significant issues identified in our 2020 preaward examination of the contractor's extension proposal for a GSA contract. Our limited scope postaward examination focused on identifying additional questioned costs beyond the preaward examination period related to these findings.

Our postaward examination found that the contractor owes the government a refund of more than \$12.1 million due to overbillings related to noncompliance with the price reduction provision and charging GSA customers at rates higher than the GSA schedule rates.

APPENDIX VIII: REPORTING REQUIREMENTS

The table below cross-references the reporting requirements prescribed by the Inspector General Act of 1978, as amended, to the specific pages where they are addressed. The information required by the National Defense Authorization Act for Fiscal Year 2008 and the Federal Acquisition Streamlining Act of 1994, as amended, are also cross-referenced to the appropriate pages of the report.

REQUIREMENTS		
INSPECTOR GENERAL ACT OF 1978, AS AMENDED (5 U.S.C. CHAPTER 4) ⁵		
SECTION		PAGE
404(a)(2)	Legislative and Regulatory Recommendations	38-40
405(b)(1)	Significant Problems, Abuses and Deficiencies	i, 6-37
405(b)(2)	Unimplemented Prior Period Recommendations	43-48
405(b)(3)	Significant Investigations Closed	34-35
405(b)(4)	Total Convictions Number	34
405(b)(5)	Report Listing with Dollar Values	49-51
405(b)(6)	Management Decisions Made on Prior Period Recommendations	54
405(b)(7)	Federal Financial Management Improvement Milestones	none
405(b)(8)-(10)	Peer Review Information and Results	55
405(b)(11)	Investigative Statistical Tables	34-35
405(b)(12)	Investigative Table Metrics	34-35
405(b)(13)	Investigations of Senior Employees with Substantiated Misconduct	30
405(b)(14)	Whistleblower Retaliation	none
405(b)(15)	Agency Interference with OIG Independence	none
405(b)(16)(A)	Non-public Audit, Evaluation or Inspection Reports	none
405(b)(16)(B)	Non-public Investigations of Senior Government Employees	none
OTHERS		
Pub. L. 106-531, Sec. 3	Most Significant Management Challenges	4-5
Pub. L. 103-355, Sec. 6009	Reports Over a Year with Final Agency Action Pending	52-53
Pub. L. 110-181, Sec. 845	Government Contractor Significant Audit Findings	56
Pub. L. 117-348, 136 Stat. 6211	Trafficking Victims Prevention and Protection Reauthorization Act	36

⁵ Pub. L. 117-263, “James M. Inhofe National Defense Authorization Act for Fiscal Year 2023,” section 5273, “Semiannual Reports.” As the National Defense Authorization Act (NDAA) amendments to section 5 modifying the reporting requirements in the Inspector General Act are not yet codified in 5 U.S.C. § 405, all section 5 citations are to the requirements as amended by the NDAA. Updated codification is pending H.R. 7326.