

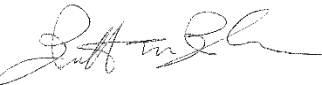


National Science Foundation • Office of Inspector General  
4201 Wilson Boulevard, Suite I-1135, Arlington, Virginia 22230

**MEMORANDUM**

**DATE:** February 19, 2016

**TO:** Jeffery M. Lupis, Director  
Division of Acquisition and Cooperative Support (DACCS)

**FROM:** Dr. Brett M. Baker   
Assistant Inspector General for Audit

**SUBJECT:** NSF OIG Report No. 16-1-005, *Independent Audit of Booz Allen Hamilton U.S. Consulting (BAH)'s Incurred Costs for Fiscal Year Ending March 31, 2008*

At the NSF Director's request, we contracted with the Defense Contract Audit Agency (DCAA) to participate in an incurred cost audit of Booz Allen Hamilton (BAH) for FY 2008 that included two NSF contracts. The attached report presents the results of the audit. However; because of the manner in which DCAA prepares their reports, we obtained further cost detail regarding these results from DCAA to specifically identify the NSF impact.

The universe of the federal BAH contract costs audited is approximately \$3.5 billion, including \$24,510,126 of costs claimed on the NSF contracts (NSF Contract No. DIS-0733650<sup>1</sup> for \$18,587,745, and NSF Contract No. DIS-0137908 for \$5,922,381).

The audit and additional information provided by DCAA disclosed \$466,446 of questioned costs on the two NSF contracts, comprised of [REDACTED] questioned direct costs and \$ [REDACTED] in questioned indirect costs. See Schedule A for a summary of questioned costs and Schedule B for the questioned direct cost detail. The questioned indirect costs were calculated by applying the DCAA auditor recommended indirect rates to the NSF claimed costs. A schedule showing the questioned indirect cost detail will be provided separately to NSF's audit resolution officials.

As a result, we recommend that the NSF Director of the Division of Acquisition and Cooperative Support:

1. Resolve the \$466,446 of NSF questioned contract costs; and

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<sup>1</sup> NSF awarded this contract under a GSA Schedule Contract No. GSOOT99ALD0202.

2. Work with the DoD cognizant audit officials to assure that any additional corrective actions applicable to NSF are taken.

To fulfill our monitoring responsibilities, the Office of Inspector General:

- Reviewed the approach and planning of the audit;
- Evaluated the qualifications and independence of the auditors;
- Monitored the progress of the audit at key points;
- Coordinated periodic meetings with DCAA and NSF officials as necessary to discuss audit progress, findings and recommendations;
- Reviewed the report and NSF-specific detailed schedules prepared by DCAA; and
- Coordinated issuance of the report.

DCAA is responsible for the attached report and the resulting conclusions.

Please coordinate with our office during the six month resolution period, as specified by OMB Circular A-50, to develop a mutually agreeable resolution of the audit findings. Also, the findings should not be closed until NSF determines that all recommendations have been adequately addressed and the proposed corrections actions have been satisfactorily implemented.

We thank you and your staff for the assistance extended to us during the audit. If you have any questions about this report, please contact Sherrye McGregor at (703) 292-5003 or Jannifer Jenkins at (703) 292-4996.

Attachment: DCAA Audit Report No. 6741-2008Q10100001; *Independent Audit of Booz Allen Hamilton U.S. Consulting (BAH)'s Incurred Costs for Fiscal Year Ending March 31, 2008.*

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**SCHEDULE A**

**FY 2008 Total Questioned Costs Identified by NSF Award**

<b>NSF Contract No. DIS-0137908</b>			
Total Questioned Direct Costs	-		
Total Questioned Indirect Costs (See Schedule C)	████████		
<b>Subtotal Questioned Costs on NSF Contract No. DIS-0137908</b>		████████	
<b>NSF Contract No. DIS-0733650</b>			
Total Questioned Direct Costs (See Schedule B)	\$ ██████		
Total Questioned Indirect Costs (See Schedule C)	████████		
<b>Subtotal Questioned Costs on NSF Contract No. DIS-0733650</b>		████████	
<b>Total Questioned Costs on NSF Contracts for FY 2008</b>			<b>\$466,446</b>

**SCHEDULE B**

**Questioned NSF Direct Costs**

To enable NSF to resolve the questioned costs, DCAA, at the OIG's request, provided this schedule of the individual transactions that were questioned. As noted on page 96 of the DCAA incurred cost audit report, BAH was unable to provide a consulting agreement, description of work, or detailed time reports for the consultant in question.

Transactions tested under GSOOT99ALD0202 - Consultant costs under Account 1050

<u>AP Voucher</u>	<u>Vendor</u>	<u>Total Claimed</u>		<u>Total Questioned</u>	
687012	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
687013	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
687014	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
		\$	[REDACTED]		[REDACTED]
759936	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
686991	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
691446	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
719165	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
716608	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
			[REDACTED]		[REDACTED]
	Total all Vouchers	\$	[REDACTED]	\$	[REDACTED]

The remainder of this report contains non-public material and is not posted.