



Office of Audits  
Office of Inspector General  
U.S. General Services Administration

# Audit of GSA's Management of Excess Personal Property in the Northeast and Caribbean Region

Report Number A160043/Q/2/P20002  
February 21, 2020



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## Office of Audits Office of Inspector General U.S. General Services Administration

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We performed an audit of GSA’s management of excess personal property in the Northeast and Caribbean Region. During the audit, we issued a memorandum dated July 7, 2017, to inform GSA regional management of several efficiency and vulnerability concerns that warranted immediate attention.<sup>1</sup> GSA remedied those concerns during the audit, and we have no further recommendations.

This audit was included in the GSA Office of Inspector General’s *Fiscal Year 2016 Audit Plan*. Our objectives were to: (1) determine the effectiveness of GSA’s effort to ensure excess personal property resulting from the relocation of several tenants to One World Trade Center is effectively inventoried, transferred to authorized recipients, and disposed of in accordance with the Federal Management Regulation; and (2) evaluate whether mechanisms are in place to safeguard property and monitor the inflow and outflow of excess personal property.

See **Appendix A** – Scope and Methodology for additional details.

### Background

In the first quarter of 2016, GSA, the U.S. Department of Homeland Security’s Customs and Border Protection, and the Federal Emergency Management Agency, relocated from 26 Federal Plaza, 290 Broadway, and 1 Penn Plaza, respectively, to One World Trade Center (all located in New York, New York) to support the government’s initiative to reduce its real property footprint. An extensive amount of excess personal property, including among other things, computer monitors, desk phones, and office furniture, was left behind as a result of these relocations—particularly at 26 Federal Plaza. GSA was responsible for the disposition of this excess personal property.

On July 7, 2017, at the end of our audit survey work, we issued an audit memorandum to inform GSA regional management of audit concerns that warranted immediate action. We found that:

- GSA did not have a formal plan to dispose of excess property at 26 Federal Plaza before the planned relocation of tenant agencies and renovation of the space;

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<sup>1</sup> *Audit of GSA’s Management of Excess Personal Property in the Northeast and Caribbean Region* (Audit Memorandum Number A160043, July 7, 2017).

- GSA's effort to dispose of excess property due to the relocation to One World Trade Center was hampered by inaccurate inventory records; and
- The security measures and policies in place to safeguard excess property needed improvement.

In response, the Acting Regional Administrator at the time detailed various planned steps and procedures to alleviate our concerns. We suspended the audit to give GSA the opportunity to implement these actions and dispose of the remaining excess personal property. After restarting the audit in June 2019, we reviewed the effectiveness of these steps and procedures as part of our fieldwork.

## Results

During this audit, we identified several efficiency and vulnerability concerns regarding GSA's management of its excess property. In a memorandum dated July 7, 2017, we brought these concerns to GSA. GSA remedied our concerns during the audit as discussed below and we have no further recommendations. Overall, GSA disposed of excess personal property in accordance with the Federal Management Regulation.

- GSA transferred responsibility of the disposal project from the Federal Acquisition Service to the Office of Administrative Services (OAS) through a GSA Order dated August 7, 2018.<sup>2</sup> OAS already had responsibility over the functions, authorities, funding, personnel, and resources related to personal property policy, which made it better suited to perform this type of work.<sup>3</sup>
- After the transfer, OAS improved the reliability of personal property inventory records, aiding in the accountability and effective disposal of excess personal property. OAS prepared new inventory spreadsheets that we were able to use to request and examine transfer, sale, and abandonment and destruction documents. OAS provided all requested forms, supporting documents, and justifications and approvals.
- GSA properly addressed the physical security vulnerabilities we identified. GSA limited access to screening areas by providing a single key to OAS personnel, which was held by the Public Buildings Service field office senior property manager. In addition, door lock codes were changed more frequently and individuals who requested a screening of

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<sup>2</sup> GSA Order OAS 7800.13 codified the transfer of responsibility over the disposal procedures for excess personal property.

<sup>3</sup> GSA Order ADM 5440.640A. This 2011 order transferred a variety of functions to the recently formed OAS, including authority over the personal property policy.

excess property were required to be accompanied by an OAS workplace services specialist.

- We conducted a walk-through of the abandonment and destruction process for personal property that had not been claimed, donated, or sold. We found that this process does not pose any significant security risks. Once property is designated for abandonment and destruction, GSA is largely uninvolved with the process. The property (mostly furniture) is deemed either worthless or not cost effective to retain and is left for the moving contractor to dismantle and remove from the building.

### **GSA Comments**

GSA elected not to comment on the report.

### **Audit Team**

This audit was managed out of the Northeast and Caribbean Region Audit Office and conducted by the individuals listed below:

Arthur Maisano	Acting Regional Inspector General for Auditing
Gregory Ventola	Audit Manager
Michael Vaccarelli	Auditor-In-Charge
Yuliya Guz	Auditor

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## **Appendix A – Scope and Methodology**

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We audited GSA’s management of excess personal property in the Northeast and Caribbean region. After completing our survey work and issuing an audit memorandum to GSA, we suspended this audit to allow management time to implement corrective actions and dispose of the remaining excess inventory. We restarted the audit in June 2019.

To accomplish our objectives, we:

- Held discussions with GSA management to discuss the audit process, understand their concerns, and become familiar with the personal property disposal process;
- Reviewed the Federal Management Regulation and GSA guidance for excess personal property disposal requirements;
- Selected a judgmental sample of inventory from 10 rooms, spanning seven floors, in 26 Federal Plaza for physical observation to test the accuracy of the master inventory list;
- Obtained and reviewed inventory lists for GSA and the Federal Emergency Management Agency and annotated GSA floor plans in order to identify and track inventory through the disposal process;
- Reviewed supporting documentation authorizing the transfer, sale, or abandonment and destruction of excess personal property;
- Observed and evaluated the physical security measures taken to safeguard inventory for 7 of the 10 rooms noted above;
- Reviewed the Computers for Learning donation process, confirmed eligibility of donees, and physically observed donated laptops and other information technology equipment for two donees;
- Interviewed Agency staff to evaluate the adequacy of staffing levels for this disposal project; and
- Evaluated the effectiveness of the steps taken by GSA in response to the concerns stated in our audit memorandum.

We conducted the audit between December 2015 and September 2019 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

### **Internal Controls**

Our assessment of internal controls was limited to those necessary to address the objectives of the audit.

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## ***Appendix B – Report Distribution***

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GSA Administrator (A)  
GSA Deputy Administrator (AD)  
Regional Administrator (2A)  
Regional Commissioner (2P)  
Regional Commissioner (2Q)  
Commissioner (P)  
Commissioner (Q)  
Acting Deputy Commissioner (P)  
Acting Deputy Commissioner (Q1)  
Deputy Commissioner (Q2)  
Acting Chief of Staff (WPB)  
Acting Chief of Staff (Q0A)  
Assistant Commissioner, Office of Policy and Compliance (QV)  
Financial Management Officer, FAS Financial Services Division (BGF)  
PBS Audit Liaison (PT)  
Director of Financial Management (BG)  
Chief Administrative Services Officer (H)  
Audit Management Division (H1EB)  
Assistant Inspector General for Auditing (JA)  
Director, Audit Planning, Policy, and Operations Staff (JAO)