

Summary: Unsupported Costs and Alleged Price Gouging on Hurricane Sandy Recovery Contracts

Report Date: January 5, 2016

The Office of Inspector General (OIG) investigated unsupported costs and possible price gouging identified during an OIG audit. The audit reviewed claimed costs under three contracts the National Park Service (NPS) issued to assist with Hurricane Sandy recovery operations at numerous Gateway National Recreation Area sites. NPS paid the contractor \$4,551,942 for heavy equipment rental (with operators), lowboy trailers to transport the equipment, and dumpsters to dispose of debris.

During our investigation, we identified \$89,542 in charges that had no supporting documentation, and a \$900 charge for equipment that was broken on the day the contractor claimed it was used. We also confirmed an audit finding that contractor invoices substantiated an instance of double-billing. The contractor admitted to OIG and NPS that it inadvertently double-billed two equipment items, resulting in an overpayment of \$24,604. Our investigation found no evidence of price gouging, false claims, false statements, or fraud.

We referred the \$24,604 in double-billed charges and \$90,442 in unsupported charges to the United States Attorney's Office in the Eastern District of New York, which declined to pursue the matter.

We referred this investigation to NPS for information only.

This is a summary of an investigative report that was issued internally to the U.S. Department of the Interior. This summary was posted to the web on March 10, 2016.

