



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

**INTERIM COSTS CLAIMED BY COASTAL
ENVIRONMENTAL GROUP,
UNDER CONTRACT Nos.
INF13PC00214 AND INF13PC00195
WITH THE U.S. FISH AND WILDLIFE
SERVICE**



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

Memorandum

MAY 04 2016

To: Vincent Chua
Contracting Officer, U.S. Fish and Wildlife Service

From: Chris Stubbs *Chris Stubbs*
Director, Office of Financial and Contract Audits

Subject: Final Audit Report – Interim Costs Claimed by Coastal Environmental Group,
Under Contract Nos. INF13PC00214 and INF13PC00195 With the U.S. Fish and
Wildlife Service
Report No. X-CX-FWS-0002-2014

This report presents the results of our audit of interim costs claimed by Coastal Environmental Group (CEG), under Contract Nos. INF13PC00214 and INF13PC00195. These contracts were awarded from the U.S. Fish and Wildlife Service's (FWS) Super Storm Sandy funds to support debris removal and disposal efforts at two wildlife refuges. We identified \$564,750 in unsupported costs for the Long Island National Wildlife Refuge in New York (Contract No. INF13PC00214) and \$1,444,286 in unsupported costs for the Edwin B. Forsythe National Wildlife Refuge in New Jersey (Contract No. INF13PC00195), for a total of \$2,009,036 in questioned costs, and we make one recommendation to FWS to resolve these costs. In accordance with the Federal Acquisition Regulation (FAR), specifically 48 C.F.R. § 31.201-2(d), "Determining Allowability," these unsupported costs are all unallowable costs.

Background

FWS awarded the two contracts to CEG in September 2013, for work on Long Island National Wildlife Refuge and Edwin B. Forsythe National Wildlife Refuge. The two contracts were to provide equipment and personnel to remove, recycle, and properly dispose of debris at appropriate waste collection facilities at each wildlife refuge. According to the contracts, much of the debris was best accessed via airboat, motorboat, flat-bottom john boat, or low ground pressure amphibious equipment, and the contractor had to remove all debris in an environmentally sensitive and lawful manner. Figure 1 summarizes the period of performance and total costs for each contract.

Contract No.	Refuge	Period of Performance	Contract Value	Interim Costs
INF13PC00214	Long Island National Wildlife Refuge	Sept. 16, 2013 – Nov. 28, 2014	\$2,679,626	\$1,707,200
INF13PC00195	Edwin B. Forsythe National Wildlife Refuge	Sept. 11, 2013 – Aug. 15, 2014	3,739,461	3,665,954
Total			\$6,419,087	\$5,373,154

Figure 1. Period of performance, contract value, and interim costs claimed between September 2013 and July 2014 on CEG contracts for work at two wildlife refuges.

Objective

The objective of our audit was to determine whether the interim costs claimed by CEG, totaling \$5,373,154, were allowable under applicable Federal laws and regulations; allocable to the contract and incurred in accordance with its terms and conditions; and reasonable and supported by the contractor’s records. Attachment 1 provides our audit scope and methodology.

Results of Audit

We determined that CEG billed FWS for labor hours for CEG personnel and subcontractors, lodging and meals, material and miscellaneous charges, and equipment rental without providing sufficient supporting documentation, including timesheets, daily records, crew cards, subcontractor invoices with support documents, equipment rental support documents, lodging and meals receipts and justifications, and material and miscellaneous receipts. This led us to question as unsupported \$564,750 in costs for the Long Island National Wildlife Refuge and \$1,444,286 in costs for the Edwin B. Forsythe National Wildlife Refuge, for a total of \$2,009,036 in unsupported costs associated with the two contracts.¹ See Figure 2 for a breakdown of the questioned costs. In accordance with the FAR (as previously noted, 48 C.F.R. § 31.201-2(d), “Determining Allowability”), these unsupported costs are all unallowable costs.

¹ We based our determination of the questioned costs on our review and evaluation of the contractor’s costs. We reviewed the contract details, the supporting documentation, and the Federal Acquisition Regulation to determine our questioned costs. We identified costs as unsupported when sufficient documentation related to the costs was not available for review.

Refuge	CEG Labor	Subcontractor Labor	Lodging & Meals	Equipment	Material & Misc.	Total
Long Island	\$203,266	\$80,104	\$24,996	\$166,528	\$89,856	\$564,750
Edwin B. Forsythe	688,097	109,596	106,422	339,839	200,332	1,444,286
Total	\$891,363	\$189,700	\$131,418	\$506,367	\$290,188	\$2,009,036

Figure 2. Questioned costs under the Long Island National Wildlife Refuge and Edwin B. Forsythe National Wildlife Refuge contracts.

Unsupported Costs of \$564,750 for the Long Island National Wildlife Refuge

In our testing of direct costs billed by CEG for work on the Long Island National Wildlife Refuge, we found deficiencies in documentation related to costs for labor, lodging and meals, equipment rental, and material and miscellaneous charges, as summarized in Figure 3 and described in further detail in the sections that follow.

Type of Direct Cost	Amount Claimed	Amount Questioned
CEG labor	\$927,709	\$203,266
Subcontractor labor	299,688	80,104
Lodging and meals	24,996	24,996
Equipment rental	266,480	166,528
Material and miscellaneous charges	188,328	89,856
Total	\$1,707,200	\$564,750

Figure 3. Claimed and questioned costs for the Long Island National Wildlife Refuge contract.

CEG Labor Hours

The contractor could not provide supporting documentation for all payroll costs. CEG charged the Government for employee time without having any timesheets to support the claimed costs. We received some documentation from CEG and FWS in the form of daily logs and crew timesheets, but CEG and FWS did not have all timesheets associated with all payroll labor costs. Specifically, 18 out of 18 invoices did not include timesheets for every employee, and 5 out of 18 invoices did not include any support documentation for payroll costs. CEG did not provide timesheets indicating time in and time out for employees. For example, many invoices would show only the total hours per day, without time in, time out, and supervisor signatures. In addition, CEG did not bill the correct rates for some employees per the contract. We therefore questioned \$203,266 claimed for CEG labor that was not documented with timesheets.

Subcontractor Labor Hours

The contractor could not provide supporting documentation for subcontractor work. CEG charged the Government for subcontractor time without having timesheets to support the claimed costs. We received some documentation from CEG in the form of subcontractor invoices and timesheets, but CEG did not have all invoices and timesheets associated with all payroll costs for subcontractors. CEG provided only partial invoices and timesheets to support one subcontractor's labor hours, but CEG billed an incorrect hourly rate. Also for this subcontractor, CEG could not provide any support for the first five invoices. All other subcontractor invoices for this contract did not have timesheets to support the claimed labor hours. We therefore questioned \$80,104 claimed for subcontractor work that was not documented with invoices and timesheets.

Lodging and Meals

The contractor could not provide supporting documentation for any of the costs claimed for lodging and meals. CEG charged the Government for lodging and meals without proper documentation required by the FAR, specifically 48 C.F.R. § 31.205-46(a)(7), "Travel Costs." Costs are allowable only if the contractor documents the following: date and place, purpose of the trip, and name and title of the person taking the trip. We therefore questioned \$24,996 claimed for lodging and meals that was not documented with adequate support.

Equipment Rental

The contractor could not provide supporting documentation for equipment expenses. CEG charged the Government for equipment expenses without proper documentation required by the FAR, specifically 48 C.F.R. § 31.201-2(d), "Determining Allowability." CEG could not provide a master list of equipment that included serial numbers and invoices from subcontractors to support the equipment charges. CEG also could not provide documentation that identified equipment as assets for the contractor or subcontractor. We therefore questioned \$166,528 claimed for equipment charges that was not documented with adequate support.

Material and Miscellaneous Charges

The contractor claimed profit on third-party invoices in different amounts, from 18.43 percent to 21.80 percent. The contract proposal stated a 10 percent profit and 9.9 percent general and administrative (G&A) fee, but the proposal did not have any dollar amount associated with these costs. Across invoices, there is no consistent profit percentage, and the amounts charged are not approved in the contract. We questioned all markup on all 18 invoices that included profit because the contractor did not provide the support documents for each calculation. Further, 14 out of 18 invoices did not include support documentation for miscellaneous charges. For example, mobilization charges totaled \$61,038, without supporting documentation to justify that amount. We therefore questioned \$89,856 claimed for material and miscellaneous charges that was not documented with adequate support.

Unsupported Costs of \$1,444,286 for the Edwin B. Forsythe National Wildlife Refuge

In our testing of direct costs billed by CEG for work on the Edwin B. Forsythe National Wildlife Refuge, we found deficiencies in documentation related to costs for labor, lodging and meals, equipment rental, and material and miscellaneous charges, as summarized in Figure 4 and described in further detail in the sections that follow.

Type of Direct Cost	Amount Claimed	Amount Questioned
CEG labor	\$1,893,502	\$688,097
Subcontractor labor	297,514	109,596
Lodging and meals	106,422	106,422
Equipment rental	993,875	339,839
Material and miscellaneous charges	374,641	200,332
Total	\$3,665,954	\$1,444,286

Figure 4. Claimed and questioned costs for the Edwin B. Forsythe National Wildlife Refuge contract.

CEG Labor Hours

The contractor could not provide supporting documentation for all payroll costs. CEG charged the Government for employee time without having any timesheets to support the claimed costs. All 20 invoices did not include adequate timesheets (timesheets for every employee) associated with the payroll labor costs, and 2 of the 20 invoices did not have any support documentation for payroll costs. We received some documentation from CEG and FWS in the form of daily logs and crew timesheets, but CEG and FWS did not have all timesheets associated with all payroll costs. CEG did not provide timesheets indicating time in and time out for employees. For example, many invoices would show only the total hours per day, without time in, time out, and supervisor signatures. In addition, CEG did not bill the correct rates for many employees per the contract. We therefore questioned \$688,097 claimed for CEG labor that was not documented with timesheets.

Subcontractor Labor Hours

The contractor could not provide supporting documentation for subcontractor work. CEG charged the Government for subcontractor time without having timesheets to support the claimed costs. CEG did not provide invoices and support documentation for two out of three subcontractors, totaling \$86,086. For the other subcontractor, we received some documentation from CEG in the form of subcontractor invoices and timesheets, but CEG did not have all invoices and timesheets associated with all payroll costs for that subcontractor. We therefore questioned \$109,596 claimed for subcontractor work that was not documented with invoices and timesheets.

Lodging and Meals

The contractor could not provide supporting documentation for any of the costs claimed for lodging and meals. CEG charged the Government for lodging and meals without having the proper documentation required by the FAR (as previously noted, 48 C.F.R. § 31.205-46(a)(7)). Costs are allowable only if the contractor documents the following: date and place, purpose of the trip, and name and title of the person taking the trip. We therefore questioned \$106,422 claimed for lodging and meals that was not documented with adequate support.

Equipment Rental

The contractor could not provide supporting documentation for equipment expenses. CEG charged the Government for equipment expenses without proper documentation required by the FAR (as previously noted, 48 C.F.R. § 31.201-2(d)). CEG could not provide a master list of equipment providing serial numbers and invoices from subcontractors to support the equipment charges. CEG could not provide support documentation for 33 percent of the total equipment costs; the contractor only provided documentation for equipment that was rented from one subcontractor. CEG also could not provide documentation that identified equipment as assets for the contractor or subcontractor. We therefore questioned \$339,839 claimed for equipment charges that was not documented with adequate support.

Material and Miscellaneous Charges

The contractor claimed profit on third-party invoices in different amounts, from 18.80 percent to 24.11 percent. The contract proposal stated a 10 percent profit and 9.9 percent G&A fee, but the proposal did not have any dollar amount associated with these costs. Across invoices, there is no consistent profit percentage and the amounts charged are not approved in the contract. We questioned markup on all 19 invoices that included profit because the contractor did not provide the support documents for each calculation. Further, we questioned \$165,584 in miscellaneous charges that were missing support documentation. For example, in a period of less than a year, there were two bonding company charges, with no invoices. Also, 4 out of 20 invoices included billing errors; on these invoices, the individual amounts did not equal the overall total when added together. We therefore questioned \$200,332 claimed for material and miscellaneous charges that was not documented with adequate support.

Conclusion and Recommendation

We identified areas with significant deficiencies throughout our testing of CEG's claimed costs. In our draft report/fatal flaw review, we recommended that FWS resolve the total unsupported costs of \$2,009,036. FWS responded to all five cost categories in which we questioned costs for both contracts—CEG labor, subcontractor labor, lodging and meals, equipment rental, and materials and miscellaneous charges (see Attachment 2).

CEG Labor Hours

FWS partially concurred with the CEG labor deficiency we identified. CEG provided timesheets and payroll registers for CEG staff; however, CEG did not have the payroll validated and it was missing pay dates. FWS received additional support documents for the Long Island National Wildlife Refuge in the amount of \$94,365.05. FWS has also received certified payrolls, registers, and timesheets for the questioned labor hours for the Edwin B. Forsythe National Wildlife Refuge in the amount of \$472,938.28. FWS did not provide us with additional support documentation for these CEG labor costs. We could not provide any additional analysis on the CEG labor costs. We consider this issue unresolved and not implemented.

Subcontractor Labor Hours

FWS partially concurred with the subcontractor labor deficiency we identified. CEG provided timesheets, invoices, and payroll for the subcontractors. FWS requested more documents to validate all unsupported costs. FWS received support documents for the Long Island National Wildlife Refuge in the amount of \$117,593.54 and for the Edwin B. Forsythe National Wildlife Refuge in the amount of \$49,166.18. FWS did not provide us with additional support documentation for these subcontractor labor costs. We could not provide any additional analysis on the subcontractor labor costs. We consider this issue unresolved and not implemented.

Lodging and Meals

FWS partially concurred with the lodging and meals deficiency we identified. The contracting officer indicated that the contractor's use of the General Services Administration (GSA) per diem rate for lodging and meals would be allowed without requiring the submission of actual receipts (per 41 C.F.R. §§ 300–304 and 265 FW 1). FWS, however, subsequently requested lodging receipts from CEG and the subcontractors. FWS did not provide us with additional support documentation for the lodging and meals costs. We assessed the FWS response and determined that the lodging and meals are authorized by the contract. We emphasize that the requirements of FAR § 31.205–46(a)(7) should be followed, which require the contractor to document and authorize employee travel, even in circumstances where lodging and meals are authorized by the contract. We consider this issue resolved and not implemented.

Equipment Rental

FWS did not concur with the equipment deficiency we identified. FWS stated that all equipment rates were based on CEG's established price schedule, which was negotiated before award of both contracts. FWS was to reimburse the lease/rental rate for equipment costs identified in the negotiated rate. FWS stated that any equipment not in the work plan was given approval by either the contracting officer or the contracting officer's representative. FWS has invoices for equipment, fuel, and repair receipts from the subcontractors. FWS did not provide us with additional support documentation for the equipment costs. We could not provide any

additional analysis on the equipment costs. We consider this issue unresolved and not implemented.

Material and Miscellaneous Charges

FWS partially concurred with the materials and miscellaneous charge deficiency we identified. FWS stated that CEG is entitled to the markups identified in the contract. FWS cannot determine the actual amount allowable to match up with the payment requests. CEG still needs to give support documents to FWS for miscellaneous charges such as mobilization and demobilization costs. We consider this issue unresolved and not implemented.

FWS Followup Actions

FWS indicated that it will send another demand letter to CEG for missing invoices and support documentation, and will file a claim against CEG after costs are verified for reimbursement of unallowable costs or overcharges. FWS did not provide target completion dates for these actions.

We will be referring our recommendation and related monetary amount to the Assistant Secretary for Policy, Management and Budget for resolution and subsequent tracking of implementation. We consider the recommendation unresolved because FWS has not made a final management decision on the unsupported costs to be disallowed or provided a target date for implementation.

If you have any questions regarding this report, please call me at 202-208-5755.

The legislation creating the Office of Inspector General requires that we report to Congress semiannually on all audit, inspection, and evaluation reports issued; actions taken to implement our recommendations; and recommendations that have not been implemented.

Attachments (2)

Scope and Methodology

Our audit of interim costs focused on the \$5,373,154 in costs claimed by Coastal Environmental Group (CEG) on Contract Nos. INF13PC00214 and INF13C00195 between September 2013 and July 2014. Our audit included compliance with applicable Federal regulations, U.S. Fish and Wildlife Services (FWS) policies and procedures, and contract terms and conditions. We conducted our audit fieldwork from March 2014 through November 2014.

We conducted this audit 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.

To accomplish our objectives, we—

- interviewed the FWS contracting officer, the contractor's personnel, and other appropriate individuals;
- reviewed the Federal Acquisition Regulation for regulations pertaining to claimed costs;
- reviewed the support for the contractor's claimed costs: direct costs, third-party invoices, general and administrative expenses, and profit;
- reviewed and analyzed the contractor's accounting records (computer-generated data) pertaining to claimed costs for reasonableness;
- reviewed the contractor's explanation of its information controls over computer-generated data relevant to the audit;
- reviewed the contractor's response to an internal control questionnaire sent by our office;
- reviewed the contractor's invoices to familiarize ourselves with how amounts were being billed on the contracts; and
- conducted site visits in Long Island and New Jersey.

We used invoices, timesheets, third-party invoices, and other supporting documentation, but relied little on computer-generated data. We did use computer-generated data for labor costs during our payroll review. For these labor costs, we reviewed hours and rates against timesheets and other supporting documentation. We did not perform reliability assessments of the quality of the data because doing so was outside the scope of our review. Based on our test results, we either accepted the data or performed additional testing.

Bureau's Response to Draft Report

The U.S. Fish and Wildlife Service's response to our draft report follows on the next page of this attachment.



United States Department of the Interior

FISH AND WILDLIFE SERVICE

300 Westgate Center Drive

Hadley, MA 01035



January 14, 2016

Memorandum

To: Christopher Stubbs
Eastern Region Manager for Audits, Inspections, and Evaluations

From: Vincent Chua, Contracting Officer, U.S. Fish and Wildlife Service

Subject: "Fatal Flaw Review" Final Audit Report-Interim Costs Claimed by Coastal Environmental Group, Under Contract No's F13PC00214 and F13PC00195 with the U.S. Fish and Wildlife Service

This letter is in reply to your Memorandum regarding the Final Audit Report on Interim Costs Claimed by Coastal Environmental Group (CEG) for the debris removal contracts. The Contracting Officer has the following comments regarding the progress of actions taken since the receipt of your audit report:

1. On December 3, 2015, the US Fish and Wildlife, Hurricane Sandy Division sent a demand letter to CEG directing them to provide all necessary supporting documents to validated unsupported costs identified by the DOI OIG audit. The letter outlined \$ 564,750 in unsupported costs for the Long Island Refuge-(Contract-F13PC00214) and \$1,444,286 for the EB Forsythe Refuge (Contract F13PC00195).
2. On December 18, 2016, USFWS began to receive random disordered support documents. To date, we have been able to verify a significant amount of the CEG unsupported charges, however, we still do not have all of the requested items and our validation is ongoing. Based on our preliminary findings, we have support documents for Long Island in the amount of \$302,487.74 and EB Forsythe in the amount of \$ 553,588.62.
3. Support documents will be provided to the Office of the Inspector General once we completed our thorough review.

With regard to:

CEG Labor Hours

The contractor could not provide supporting documentation for all payroll costs. CEG charged the Government for employee time without having any timesheets to support the claimed costs. We received

some documentation from CEG and FWS in the form of daily logs and crew timesheets, but CEG and FWS did not have all timesheets associated with all payroll labor costs. Specifically, 18 out of 18 invoices did not include timesheets for every employee, and 5 out of 18 invoices did not include any support documentation for payroll costs. CEG did not provide timesheets indicating time in and time out for employees. For example, many invoices would show only the total hours per day, without time in, time out, and supervisor signatures. In addition, CEG did not bill the correct rates for some employees per the contract. We therefore questioned \$203,266 claimed for CEG labor that was not documented with timesheets.

IAW FAR 52.232-7 (a)(5) (i)(ii)(iii), Daily timesheets, Daily inspector logs, and daily equipment logs were used to substantiate and track the onsite personnel and equipment at the job site. As of Jan 7, 2016, CEG has provided time sheets and payroll registers for most of the CEG staff members, however, they have not all been validated and we are finding some missing pay dates. For Long Island NWR, the labor rates were based on CEG revised proposal dated 9/13/13. To date, we have additional support documents for Long Island in the approximate amount of \$ 94,365.05. We have also received certified payrolls, registers and timesheets for the questioned labor for EB Forsythe in the amount of \$472,938.28.

Subcontractor Labor Hours

The contractor could not provide supporting documentation for subcontractor work. CEG charged the Government for subcontractor time without having timesheets to support the claimed costs. We received some documentation from CEG in the form of subcontractor invoices and timesheets, but CEG did not have all invoices and timesheets associated with all payroll costs for subcontractors. CEG provided only partial invoices and timesheets to support one subcontractor's labor hours, but CEG billed an incorrect hourly rate. Also for this subcontractor, CEG could not provide any support for the first five invoices. All other subcontractor invoices for this contract did not have timesheets to support the claimed labor hours. We therefore questioned \$80,104 claimed for subcontractor work that was not documented with invoices and timesheets.

We have received a substantial number of time sheets, invoices, and payrolls for the subcontractors who worked for CEG on these two contracts. We continue to request documents so that we can validate all unsupported costs identified. To date, we have received support documents for Long Island in the approximate amount of \$ 117,593.54 and for EB Forsythe in the amount of \$49,166.18.

Lodging and Meals

The contractor could not provide supporting documentation for any of the costs claimed for lodging and meals. CEG charged the Government for lodging and meals without proper documentation required by the FAR, specifically 48 C.F.R. § 31.205-46(a)(7), "Travel Costs." Costs are allowable only if the contractor documents the following: date and place, purpose of the trip, and name and title of the person taking the trip. We therefore questioned \$24,996 claimed for lodging and meals that was not documented with adequate support.

Regarding lodging and meals, the awarding Contracting Officer agreed that the GSA per diem rate for lodging and meals would be allowed without requiring the submission of actual receipts (see letter submitted by CEG dated 1/6/16. This is allowable under 41 CFR Chapter 300 to 304 and 265 FW Temporary Duty Travel – Definitions and Responsibilities. We have, however requested lodging receipts

from CEG's and their subs and have been able to validate \$10,833.35 for Long Island and \$31,484.16 for EB Forsythe. Actual meal receipts for individuals on approved travel are not required as long as they do not exceed the stated per diem per FTR. We do have some questions with regard to some individuals who expensed their lodging and meals to the contract and we will continue to pursue those questions with CEG.

Equipment Rental

The contractor could not provide supporting documentation for equipment expenses. CEG charged the Government for equipment expenses without proper documentation required by the FAR, specifically 48 C.F.R. § 31.201-2(d), "Determining Allowability." CEG could not provide a master list of equipment that included serial numbers and invoices from subcontractors to support the equipment charges. CEG also could not provide documentation that identified equipment as assets for the contractor or subcontractor. We therefore questioned \$166,528 claimed for equipment charges that was not documented with adequate support.

Equipment used in the project was accounted for by a daily log of equipment on site. All equipment rates were based on CEG established price schedule which was negotiated before award of both contracts. Discussions were held to determine if equipment was to be leased, purchased, or rented before award. FWS was to reimburse the leased/rental rate for equipment costs identified in the negotiated rate from the schedule of values (see enclosed the approved work plan). For equipment that was not in the work plan, an approval will be given by either the CO or the COR. For example, in LINWR, the additional ARGO equipment was approved by the COR. The US Fish and Wildlife has paid receipts from the subcontractor for repairs and equipment, however, they were not listed by serial number. The FWS is in possession of invoices for equipment, fuel, and repair receipts from the subcontractors which is under examination.

Material and Miscellaneous Charges

The contractor claimed profit on third-party invoices in different amounts, from 18.43 percent to 21.80 percent. The contract proposal stated a 10 percent profit and 9.9 percent general and administrative (G&A) fee, but the proposal did not have any dollar amount associated with these costs. Across invoices, there is no consistent profit percentage, and the amounts charged are not approved in the contract. We questioned all markups on all 18 invoices that included profit because the contractor did not provide the support documents for each calculation. Further, 14 out of 18 invoices did not include support documentation for miscellaneous charges. For example, mobilization charges totaled \$61,038, without supporting documentation to justify that amount. We therefore questioned \$89,856 claimed for material and miscellaneous charges that was not documented with adequate support.

CEG was entitled to the markups identified in the contract. Without all receipts, it is not possible to determine if the actual amount allowable was charged to match up with payment requests. We are still in process in getting support documents for miscellaneous charges, such as mobilization and demobilization costs.

In summary, The FWS is taking the following actions:

- 1) We will follow up with another demand letter directing that CEG provide missing invoices and/or support documents.

- 2) We will file a claim against CEG after costs are verified requesting reimbursement of unallowable costs or overcharges.
- 3) We will keep your office informed of our progress over the next few months as we move through the steps outlined above.

If there is further question or comments regarding the report or this reply, please contact Vincent Chua, Contracting Officer at (404)679-4059.

Sincerely

Vincent Chua
Contracting Officer

Report Fraud, Waste, and Mismanagement



Fraud, waste, and mismanagement in Government concern everyone: Office of Inspector General staff, departmental employees, and the general public. We actively solicit allegations of any inefficient and wasteful practices, fraud, and mismanagement related to departmental or Insular Area programs and operations. You can report allegations to us in several ways.



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