

GSA

Office of Inspector General
U.S. General Services Administration



Semiannual Report to the Congress

October 1, 2013 – March 31, 2014



Abbreviations

| | |
|-------------------|---|
| ARRA/Recovery Act | American Recovery and Reinvestment Act |
| ASAC | Assistant Special Agent in Charge |
| BPA | Blanket Purchase Agreement |
| CFL | Computers for Learning |
| CFO | Chief Financial Officer |
| C.F.R. | Code of Federal Regulation |
| CID | Criminal Investigation Command |
| CIO | Chief Information Officer |
| CIGIE | Council of Inspectors General on Integrity and Efficiency |
| CO | Contracting Officer |
| COTR | Contracting Officer's Technical Representative |
| CSP | Commercial Sales Practices |
| DCIS | Defense Criminal Investigative Service |
| DHS | Department of Homeland Security |
| DOD | Department of Defense |
| DOL | Department of Labor |
| FAR | Federal Acquisition Regulation |
| FAS | Federal Acquisition Service |
| FBI | Federal Bureau of Investigation |
| FISMA | Federal Information Security Management Act of 2002 |
| FMFIA | Federal Managers' Financial Integrity Act |
| FSS | Federal Supply Schedule |
| FY | fiscal year |
| GSA | General Services Administration |
| IFF | Industrial Funding Fee |
| IIP | Indian Incentive Program |
| IPA | independent public accounting firm |
| IRS | Internal Revenue Service |
| IT | Information Technology |
| MAS | Multiple Award Schedule |
| MPP | Mentor-Protégé Program |
| NCIS | Naval Criminal Investigative Service |
| NCR | National Capital Region |
| NIAF | National Intergovernmental Audit Forum |
| OCFO | Office of the Chief Financial Officer |
| OCIO | Office of the Chief Information Officer |
| OIG | Office of Inspector General |
| OMB | Office of Management and Budget |
| PBS | Public Buildings Service |
| P.L. | public law |
| R&A | repairs & alterations |
| ROTC | Reserve Officers' Training Corps |
| RWA | Reimbursable Work Authorization |
| SAC | Special Agent in Charge |
| SASP | State Agency for Surplus Property |
| SBA | Small Business Administration |
| SES | Senior Executive Service |
| TAA | Trade Agreements Act |
| UCMJ | Uniform Code of Military Justice |
| USAO | U.S. Attorney's Office |
| USC | United States Code |
| VA | Veterans Affairs |
| WPA | Works Progress Administration |

Foreword

This marks the end of another successful semiannual reporting period for the Office of Inspector General (OIG). The OIG continued its important work in detecting fraud and mismanagement within the General Service Administration's (GSA) programs and operations.

- > We issued 31 audit reports and made 245 referrals for criminal prosecution, civil litigation, administrative action, suspension, and debarment during this period (page 8).
- > We recommended over \$256 million in funds to be put to better use and in questioned costs this period (page 8).
- > Civil settlements and court-ordered and investigative recoveries totaled over \$35 million.

Our Office of Audits continued to identify deficiencies in GSA's acquisition, information technology, federal real property, and greening programs, and American Recovery and Reinvestment Act (Recovery Act) projects. We issued a special report on systemic procurement issues within GSA's National Capital Region (page 19) and a memorandum recommending that the Public Building Service (PBS) develop policies and procedures for use of Section 412 exchange authorities (page 20).

Our Office of Investigations continued to focus on major procurement fraud, resulting in an agreement by Axway, Inc., to pay \$6.2 million to resolve False Claims Act allegations that it knowingly provided GSA with defective pricing information (page 33). We also conducted investigations into various bid-rigging and bribery schemes (pages 34 and 35).

Our Office of Audits, Office of Counsel, and Office of Investigations continued its Federal Acquisition Regulation (FAR) disclosure work, resulting in \$2 million in settlements and recoveries to the government (page 30). The OIG also participated in a number of interagency committees, reviewed numerous pieces of legislation and proposed regulations, and continued our public and private sector outreach as part of an effort to detect and deter procurement fraud (page 37).

This Semiannual Report marks the end of my tenure as Inspector General of GSA. It has been my great honor to serve as Inspector General for nearly nine years. The time has now come for me to seek new challenges and opportunities, and I am resigning effective April 19, 2014. I am thankful for the opportunities to have worked closely with Members of Congress, the Office of Management and Budget (OMB), and GSA employees towards our common oversight goals.

I am especially grateful to my staff for their dedication to our mission, their hard work, and their professionalism. I leave confident that the excellent work of my office will continue under the outstanding leadership team of the Office of Inspector General, and I look forward to their future accomplishments.



Brian D. Miller
Inspector General
April 18, 2014

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OIG Profile

OIG Profile

Organization

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

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

- > The Office of Audits, an evaluative organization staffed with auditors and analysts who provide comprehensive coverage of GSA operations through program, financial, regulatory, and system audits and assessment of internal controls. The office conducts attestation engagements in support of GSA contracting officials to carry out their procurement responsibilities and obtain 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, and information technology services.
- > 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 Forensic Auditing, Evaluation, and Analysis, a multidisciplinary organization that conducts analyses and evaluations of GSA programs and operations through management and programmatic reviews intended to provide insights into issues of concern to GSA, Congress, and the American public. In addition, the office formulates, directs, and coordinates the quality assurance function of the OIG and undertakes special projects and analyses as required by the Inspector General.
- > The Office of Investigations, an investigative organization that conducts a nationwide program to prevent, detect, and investigate illegal or improper activities involving GSA programs, operations, and personnel.

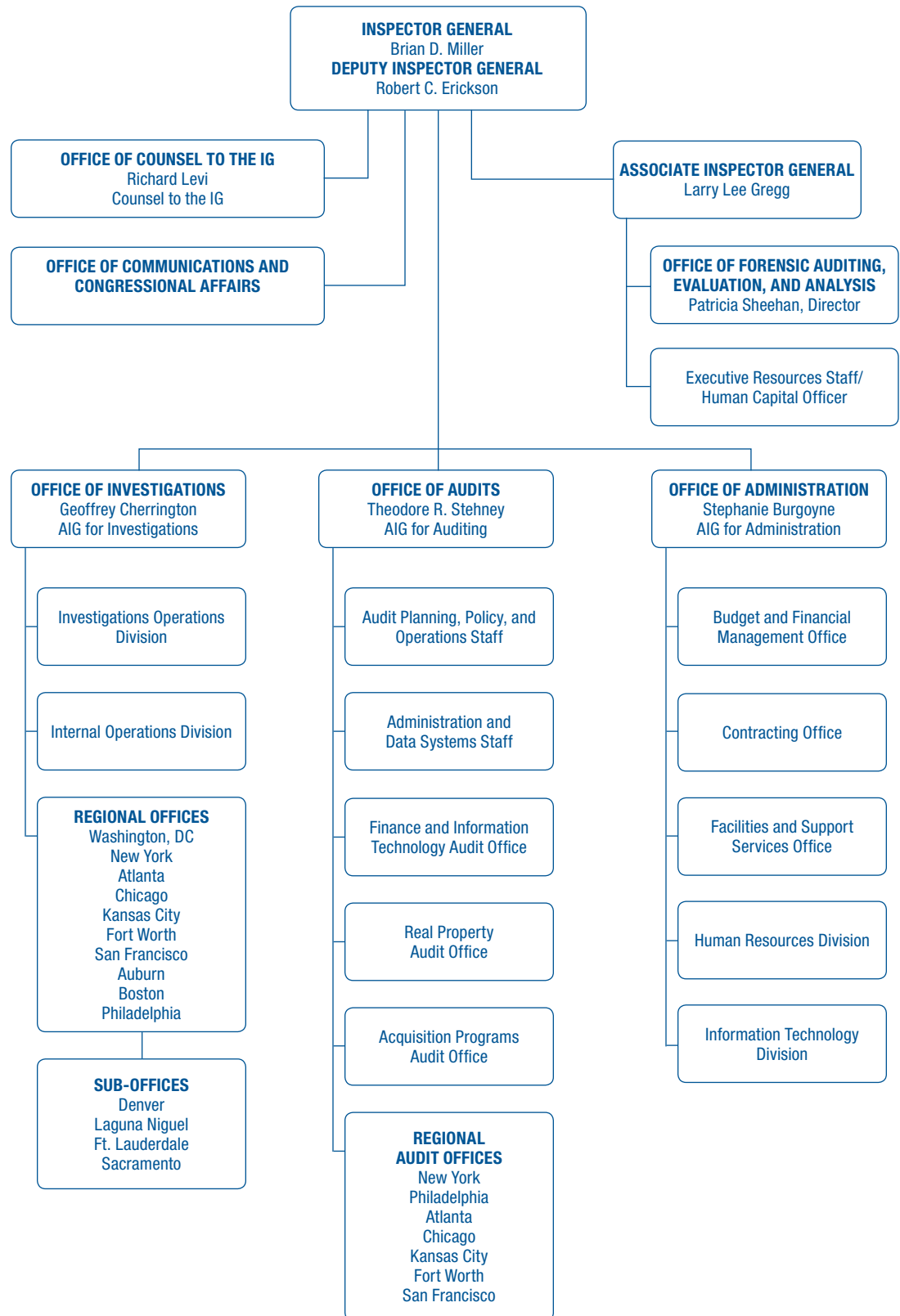
Office Locations

The OIG is headquartered in Washington, D.C., at GSA's Central Office Building. Field and regional offices are maintained in Atlanta, GA; Auburn, WA; Boston, MA; Chicago, IL; Denver, CO; Fort Lauderdale, FL; Fort Worth, TX; Kansas City, MO; Laguna Niguel, CA; New York, NY; Philadelphia, PA; Sacramento, CA; San Francisco, CA; and the Washington, D.C., area.

Staffing and Budget

As of March 31, 2014, our on-board staffing level was 260 employees. The OIG's fiscal year (FY) 2014 budget is \$65.6 million including \$2 million in no-year money and \$600 thousand in reimbursable authority.

OIG Organization Chart



OIG Offices and Key Officials

| OFFICE OF THE INSPECTOR GENERAL | | |
|--|-----------------------------|----------------|
| Inspector General | Brian D. Miller (J) | (202) 501-0450 |
| Deputy Inspector General | Robert C. Erickson (JD) | (202) 501-0450 |
| Special Assistant for Communications | Sarah Breen | (202) 219-1351 |
| Congressional Affairs Liaison | Jennifer Riedinger | (202) 501-4634 |
| OFFICE OF COUNSEL TO THE INSPECTOR GENERAL | | |
| Counsel to the IG | Richard Levi (JC) | (202) 501-1932 |
| OFFICE OF ASSOCIATE INSPECTOR GENERAL | | |
| Associate Inspector General | Larry Lee Gregg (JX) | (202) 219-1041 |
| OFFICE OF FORENSIC AUDITING, EVALUATION, AND ANALYSIS | | |
| Director | Patricia D. Sheehan (JE) | (202) 273-4989 |
| OFFICE OF ADMINISTRATION | | |
| Assistant IG for Administration | Stephanie Burgoyne (JP) | (202) 273-5006 |
| Deputy Assistant IG for Administration | Erica Kavanagh (JP) | (202) 501-4675 |
| Director, Budget and Financial Management Office | Stephanie Burgoyne (JPB) | (202) 273-5006 |
| Director, Human Resources Division | Denise McGann (JPH) | (202) 501-1734 |
| Director, Information Technology Division | William English (JPM) | (202) 273-7340 |
| Supervisor, Facilities and Services Office | Carol Mulvaney (JPF) | (202) 501-3119 |
| Contracting Officer | Brenda Reynolds (JPC) | (202) 501-2887 |
| OFFICE OF AUDITS | | |
| Assistant IG for Auditing | Theodore R. Stehney (JA) | (202) 501-0374 |
| Deputy Assistant IG for Acquisition Programs Audits | James P. Hayes (JA) | (202) 273-7321 |
| Deputy Assistant IG for Real Property Audits | Rolando N. Goco (JA) | (202) 501-2322 |
| Chief of Staff | Peter J. Coniglio (JA) | (202) 501-0468 |
| Program Manager, FAR Disclosure and False Claims Act Resolution Program | Paul J. Malatino (JA) | (202) 208-0021 |
| Director, Audit Planning, Policy, and Operations Staff | Lisa L. Blanchard (JAO) | (202) 273-7271 |
| Director, Administration and Data Systems Staff | Thomas P. Short (JAS) | (202) 501-1366 |
| DEPUTY ASSISTANT INSPECTOR GENERAL FOR AUDITING/REGIONAL INSPECTORS GENERAL FOR AUDITING/PROGRAM DIRECTORS | | |
| Northeast and Caribbean Region Audit Office | Steven D. Jurysta (JA-2) | (212) 264-8620 |
| Mid-Atlantic Region Audit Office | Thomas P. Tripple (JA-3) | (215) 446-4840 |
| Southeast Sunbelt Region Audit Office | Nicholas V. Painter (JA-4) | (404) 331-5125 |
| Great Lakes Region Audit Office | Adam R. Gooch (JA-5) | (312) 353-7781 |
| Heartland Region Audit Office | John F. Walsh (JA-6) | (816) 926-7052 |
| Greater Southwest Region Audit Office | Paula N. Denman (JA-7) | (817) 978-2571 |
| Pacific Rim Region Audit Office | Hilda M. Garcia (JA-9) | (415) 522-2744 |
| Acquisition Programs Audit Office | Barbara Bouldin (JA-A) | (202) 273-7370 |
| Finance and Information Technology Audit Office | Carolyn Presley-Doss (JA-F) | (202) 273-7323 |
| Real Property Audit Office | Marisa A. Roinestad (JA-R) | (202) 219-0088 |

| OFFICE OF INVESTIGATIONS | | |
|--|---------------------------------|----------------|
| Assistant IG for Investigations | Geoffrey Cherrington (JI) | (202) 501-1397 |
| Deputy Assistant IG for Investigations | Lee Quintyne (JID) | (202) 501-1397 |
| Director, Investigations Operations Division | Vacant | (202) 501-1397 |
| Director, Internal Operations Division | Bruce S. McLean (JII) | (202) 208-2384 |
| SPECIAL AGENTS IN CHARGE (SAC) | | |
| Mid-Atlantic Regional Office | SAC Gerald R. Garren (JI-W) | (202) 252-0008 |
| Philadelphia Regional Office | SAC James E. Adams (JI-3) | (215) 861-3550 |
| Northeast and Caribbean Regional Office | ASAC Ibrahim Arce (JI-2) | (212) 264-7300 |
| Boston Regional Office | SAC Luis A. Hernandez (JI-1) | (617) 565-6820 |
| Southeast Regional Office | SAC James Taylor (JI-4) | (404) 331-3084 |
| Ft. Lauderdale Resident Office | ASAC Floyd Martinez (JI-4M) | (954) 356-6993 |
| Central Regional Office | SAC Stuart G. Berman (JI-5) | (312) 353-7779 |
| Mid-West Regional Office | SAC John F. Kolze (JI-6) | (816) 926-7214 |
| Denver Resident Office | SA Sean Gomez (JI-8) | (303) 236-5072 |
| Southwest Regional Office | SAC Paul W. Walton (JI-7) | (817) 978-2589 |
| Western Regional Office | SAC David House (JI-9) | (415) 522-2755 |
| Laguna Niguel Resident Office | ASAC Theresa Quellhorst (JI-9L) | (949) 360-2214 |
| Northwest Regional Office | SAC Terry J. Pfeifer (JI-10) | (253) 931-7654 |

Statistics on OIG Accomplishments

Summary of OIG Performance

October 1, 2013 – March 31, 2014

| OFFICE OF AUDITS | |
|---|----------------------|
| Total financial recommendations | \$256,427,357 |
| These include: | |
| Recommendations that funds be put to better use | \$254,728,013 |
| Questioned costs | \$1,699,344 |
| Audit reports issued | 31 |
| Audit memoranda provided to GSA | 12 |
| Management decisions agreeing with audit recommendations | \$782,463,205 |
| OFFICE OF INVESTIGATIONS | |
| Referrals for criminal prosecution, civil litigation, administrative action, suspension & debarment | 245 |
| Indictments and informations on criminal referrals | 45 |
| Cases accepted for criminal prosecution | 35 |
| Cases accepted for civil action | 12 |
| Successful criminal prosecutions | 39 |
| Civil settlements | 5 |
| Contractors/individuals suspended and debarred | 99 |
| Employee actions taken on administrative referrals involving GSA employees | 9 |
| Civil settlements and court-ordered and investigative recoveries | \$35,009,423 |

Statistical Summary of OIG Accomplishments

Reports Issued

The OIG issued 31 audit reports. The 31 reports contained financial recommendations totaling \$256,427,357, including \$254,728,013 in recommendations that funds be put to better use and \$1,699,344 in questioned costs. Due to GSA's mission of negotiating contracts for government-wide supplies and services, most of the savings from recommendations that funds be put to better use would be applicable to other federal agencies.

Management Decisions on OIG Reports

Table 1 summarizes the status of the universe of audits requiring management decisions during this period, as well as the status of those audits as of March 31, 2014. There were nine reports more than six months old awaiting management decisions as of March 31, 2014. Table 1 does not include two implementation reviews that were issued during this period because they are excluded from the management decision process. Table 1 also does not include two reports excluded from the management decision process because they pertain to ongoing investigations.

Table 1. Management Decisions on OIG Reports

| | NUMBER OF REPORTS | REPORTS WITH FINANCIAL RECOMMENDATIONS* | TOTAL FINANCIAL RECOMMENDATIONS |
|---|----------------------|---|---------------------------------------|
| For which no management decision had been made as of 10/01/2013 | | | |
| Less than six months old | 18 | 14 | \$640,832,079 |
| Six or more months old | 5 | 5 | \$64,812,941 |
| Reports issued this period | 29 | 20 | \$256,427,357 |
| TOTAL | 52 | 39 | \$962,072,377 |
| For which a management decision was made during the reporting period | | | |
| Issued prior periods | 14 | 12 | \$664,406,287 |
| Issued current period | 14 | 10 | \$118,056,918 |
| TOTAL | 28 | 22 | \$782,463,205 |
| For which no management decision had been made as of 03/31/2014 | | | |
| Less than six months old | 15 | 10 | \$138,370,439 |
| Six or more months old | 9 | 7 | \$41,238,733 |
| TOTAL | 24 | 17 | \$179,609,172 |

* These totals include audit reports issued with both recommendations that funds be put to better use and questioned costs.

Management Decisions on OIG Reports with Financial Recommendations

Tables 2 and 3 present the reports identified in Table 1 as containing financial recommendations by category (funds be put to better use or questioned costs).

Table 2. Management Decisions on OIG Reports with Recommendations that Funds Be Put to Better Use

| | NUMBER OF REPORTS | FINANCIAL RECOMMENDATIONS |
|--|-------------------|---------------------------|
| For which no management decision had been made as of 10/01/2013 | | |
| Less than six months old | 11 | \$638,265,760 |
| Six or more months old | 4 | \$64,301,295 |
| Reports issued this period | 17 | \$254,728,013 |
| TOTAL | 32 | \$957,295,068 |
| For which a management decision was made during the reporting period | | |
| Recommendations agreed to by management | 17 | \$775,501,842 |
| Recommendations not agreed to by management | 1 | \$3,833,771 |
| TOTAL | 18 | \$779,335,613 |
| For which no management decision had been made as of 03/31/2014 | | |
| Less than six months old | 9 | \$137,349,654 |
| Six or more months old | 5 | \$40,609,801 |
| TOTAL | 14 | \$177,959,455 |

Management Decisions on OIG Reports with Questioned Costs

Table 3. Management Decisions on OIG Reports with Questioned Costs

| | NUMBER OF REPORTS | QUESTIONED COSTS |
|--|-------------------|--------------------|
| For which no management decision had been made as of 10/01/2013 | | |
| Less than six months old | 7 | \$2,566,319 |
| Six or more months old | 5 | \$511,646 |
| Reports issued this period | 9 | \$1,699,344 |
| TOTAL | 21 | \$4,777,309 |
| For which a management decision was made during the reporting period | | |
| Disallowed costs | 10 | \$3,127,592 |
| Cost not disallowed | 0 | \$0 |
| TOTAL | 10 | \$3,127,592 |
| For which no management decision had been made as of 03/31/2014 | | |
| Less than six months old | 5 | \$1,020,785 |
| Six or more months old | 6 | \$628,932 |
| TOTAL | 11 | \$1,649,717 |

Investigative Workload

The OIG opened 101 investigative cases and closed 123 cases during this period.

Referrals

The OIG makes criminal referrals to the Department of Justice or other authorities for prosecutive consideration, and civil referrals to the Civil Division of the Department of Justice or to U.S. Attorneys for 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.

During this period, the OIG also made three referrals to GSA officials for information purposes only.

Actions on OIG Referrals

Based on these and prior referrals, 52 subjects were accepted for criminal prosecution and 15 subjects were accepted for civil litigation. Criminal cases originating from OIG referrals resulted in 45 indictments/informations and 39 successful prosecutions. OIG civil referrals resulted in five case settlements. Based on OIG administrative referrals, GSA management debarred 45 contractors/individuals, suspended 54 contractors/individuals, and took nine personnel actions against government employees.

Table 4. Summary of OIG Referrals

| TYPE OF REFERRAL | CASES | SUBJECTS |
|--|------------|------------|
| Criminal | 45 | 74 |
| Civil | 23 | 33 |
| Administrative Referrals for Action/Response | | 53 |
| Suspension | 22 | 50 |
| Debarment | 16 | 35 |
| TOTAL | 106 | 245 |

Monetary Results

Table 5 presents the amounts of fines, penalties, settlements, recoveries, forfeitures, judgments, and restitutions payable to the U.S. government as a result of criminal and civil actions arising from OIG referrals. Table 6 presents the amount of administrative recoveries and forfeitures as a result of investigative activities.

Table 5. Criminal and Civil Results*

| | CRIMINAL | CIVIL |
|---------------------|---------------------|---------------------|
| Fines and Penalties | \$45,177 | |
| Settlements | | \$10,105,000 |
| Recoveries | | \$0 |
| Forfeitures | \$5,835,393 | |
| Seizures | \$0 | |
| Restitutions | \$6,518,809 | |
| TOTAL | \$12,399,379 | \$10,105,000 |

Table 6. Non-Judicial Recoveries

| | |
|----------------------------|---------------------|
| Administrative Recoveries* | \$12,505,043 |
| Forfeitures | \$0 |
| TOTAL | \$12,505,043 |

* Administrative Recoveries includes the FAR disclosures updated on page 30.

Management Challenges

GSA's Significant Management Challenges

The Congress requested the Inspectors General of major federal agencies to report on the most significant management challenges facing their respective agencies. Our strategic planning process commits us to addressing these critical issues. The following table briefly describes the challenges we have identified for GSA and references related work products issued by the GSA OIG and discussed in this semiannual report.

| CHALLENGE | BRIEF DESCRIPTION OF CHALLENGE |
|--|--|
| Acquisition Programs | GSA's procurement organization awards and administers government-wide contracts worth hundreds of billions of dollars. While trying to obtain quality products and services at the best available prices, attention is needed to mitigate challenges with the GSA Schedules Program that include pricing, contractor compliance, contract workload management, meeting small business goals, and proposed changes to the GSA Acquisition Regulation. |
| GSA's Organizational Structure | In FY 2012, GSA began consolidating its budget and financial management as well as other support services and administrative functions. In moving forward with the consolidation, GSA needs to reassess many aspects of its controls and systems. |
| Improving the Management and Utilization of Federal Real Property | The federal government is focusing on improving the management and use of federal real property. To meet these goals, Public Buildings Service needs to align its programs and operations to solutions that address both short and long term customer needs. Although immediate customer need often drives workload, local real property portfolios must be examined to assess whether they are suitable to meet long term goals. |
| Reducing GSA's Footprint – Managing a Mobile Workforce | Due to GSA's reduction in workspace for its central and regional offices, GSA must implement and manage a mobile workforce strategy. With increased telework and physical contact being limited, challenges will involve collaboration, management and supervision, document security, and information technology (IT) capabilities. |
| Information Technology | Improvements are needed to protect sensitive GSA information and to address emerging risks. Coordination, collaboration, and accountability across the agency are necessary to protect sensitive GSA information. GSA IT systems do not always use effective data models, business rule validation checks, or data exchange specifications to ensure data quality. GSA's continued adoption of mobile computing remains a risk that must be managed. |
| Financial Reporting | GSA continues to have weaknesses in internal controls and financial processes, including the absence of an integrated procurement and acquisition system, ineffective information and communication processes, and the lack of effective supervision over regional and operational personnel. Further, GSA is challenged with identifying the existence of environmental contamination in its properties and needs an effective process in place to determine remediation costs of environmental liabilities for its financial statement reporting. |
| Protection of Federal Facilities and Personnel | GSA plays a significant role in providing a safe, healthy, and secure environment for employees and visitors. GSA, along with the Department of Homeland Security, has been designated as being responsible for the security of federal facilities. Therefore, maintaining open, accessible, and safe public buildings remains a primary focus for GSA. At the present time, the Government Accountability Office has taken the lead in overseeing this challenge. |
| Greening Initiative – Sustainable Environmental Stewardship | With its major role in federal construction, building operations, acquisition, and government-wide policy, GSA faces challenges to achieve sustainability and environmental goals. GSA is required to increase energy efficiency, reduce greenhouse gas emissions, conserve water, reduce waste, support sustainable communities, and leverage purchasing power to promote environmentally responsible products and technologies. GSA has to develop a management framework, collect data to support goals and evaluate results, and fund specific programs. |
| American Recovery and Reinvestment Act Impact | GSA will continue to be affected through the conclusion of Recovery Act projects. Although many of these projects are completed or near completion, challenges remain, including: (1) managing projects with reduced travel, (2) preparing for the future submission of construction claims, (3) performing effective commissioning, and (4) evaluating projects for reduced energy consumption and cost savings. |

Management Challenges

Acquisition Programs

GSA provides federal agencies with billions of dollars in products and services through various contract types. As of March 31, 2014, there were over 17,900 Multiple Award Schedule (MAS) contracts under GSA's procurement program that generated over \$16.9 billion in annual sales. We oversee this program by conducting preaward, postaward, and performance audits. Historically, for every dollar invested in our preaward audits, we achieve at least \$10 in lower prices or more favorable contract terms and conditions for the benefit of the government and taxpayer.

Significant Preaward Audits

The pre-decisional, advisory nature of preaward audits distinguishes them from other audit products. This program provides 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 period, we performed preaward audits of 23 contracts with an estimated value of over \$5.1 billion and recommended more than \$254 million of funds to be put to better use. Management decisions were also made on 18 preaward audit reports, which recommended over \$779 million of funds to be put to better use. Management agreed with 99 percent of our recommended savings.

Four of our more significant audits were MAS contracts with combined projected government sales of more than \$713 million. These audits resulted in nearly \$169 million of funds to be put to better use. Some of the more significant findings within one or more of these audit reports include: (1) commercial sales practices and cost buildup information was current and complete, but not accurate; (2) non-GSA schedule customers' discounts were greater than those disclosed; (3) higher GSA schedule rates were negotiated than on a Blanket Purchase Agreement; (4) more favorable pricing was granted to largest customers and subcontractors were used at lower rates; (5) methodology for developing proposed rates was not accurate; (6) Price Reductions clause was ineffective; (7) GSA sales were overreported; (8) GSA sales were underreported resulting in underpayment of Industrial Funding Fee (IFF); (9) schedule customers were overcharged for unqualified labor; and (10) Industrial Funding Fee reporting process lacked internal controls to identify and allocate schedule sales by Special Item Number.

Audit of FAS's Greater Southwest Acquisition Center – Schedule 84 Pricing and Negotiation

Report Number A120124/Q/A/P14001, dated October 31, 2013

We identified multiple instances in which Schedule 84¹ contracting staff did not adhere to federal regulations or Federal Acquisition Service (FAS) policies throughout the negotiation process. Contracting officers should always conduct and document all required components of the negotiation process and adhere to FAS policies. Further, contracting officers should take full advantage of preaward audit assistance to achieve greater cost savings. While we found that price evaluations generally complied with federal regulations and policies, improvements should be made when documenting the price evaluation. The purpose of the price evaluation or analysis is to support the procurement decision and develop a negotiation position that enables the contracting officer to obtain a fair and reasonable price. Contracting officers should clearly depict the analysis conducted, the concluded position, and reference any supporting documentation for the analysis in preparation for negotiations. If the price analysis and negotiation procedures are not conducted diligently and documented in detail, then assurance that customer agencies are receiving best value is at risk.

We noted other observations for the contract options reviewed, including incomplete contract file documentation, invalid temporary extensions, and missing excluded parties' checks.

We recommended the FAS Commissioner:

- > Improve the strength and consistency of negotiation procedures by:
 - Implementing a risk-based approach for negotiating options.
 - Modifying existing internal contract reviews to include requirements for documenting option negotiations.
 - Using contract audit results as a key negotiation tool to achieve maximum cost savings and obtaining an understanding of circumstances when/why those results could not be achieved.
- > Issue guidance and implement changes to internal quality review procedures to ensure that price analyses are contract-specific, provide detailed reasoning, and reference supporting documentation in the contract file.
- > Revise existing temporary extension review procedures to ensure compliance with FAS Instructional Letter 2011-11 and examine the contracts with potentially invalid temporary extensions identified in this audit.
- > Issue a FAS Operational Notice to emphasize federal regulations governing the timeliness and documentation of excluded parties checks.

The FAS Commissioner agreed with the report recommendations.

¹ Schedule 84 provides total solutions for law enforcement, security, facilities management, fire, rescue, clothing, marine craft, and emergency disaster response and is the highest revenue-producing schedule within the Greater Southwest Acquisition Center. In FY 2011 and FY 2012, Schedule 84 averaged approximately 1,500 active contracts with collective annual sales greater than \$2.4 billion.

Audit of the Postpayment Audit Process, Transportation Audits Division, Federal Acquisition Service

Report Number A120169/Q/9/P14002, dated March 31, 2014

This was the second of two transportation audits included in the Office of Inspector General Audit Plan for fiscal year 2012. Our first audit focused on the Transportation Audits Division's prepayment audit process. Our objective for this audit was to determine whether the Transportation Audit Division's postpayment audit process is effective, ensuring that the maximum amount of transportation overpayments are recovered within the 3-year timeframe established under 31 U.S.C. 3726. We performed both audits at the request of the Federal Acquisition Service's Office of Travel, Motor Vehicle, and Card Services.

GSA established a Transportation Audits Division (Division) within the Travel, Motor Vehicle, and Card Services portfolio of the Federal Acquisition Service to identify and recover overcharges and other debts related to the estimated \$16.3 billion in annual transportation bills paid by federal agencies to transportation service providers. These services include shipping goods (household and commodities) and transporting individuals (via airlines, trains, and ships).

We recommended the FAS Commissioner:

- > Improve collection of overcharges before they expire by analyzing existing data to assess postpayment audit performance to reduce the significant lag between the bill pay date and the issuance of an overcharge. A reduction in lag time could improve its collection rates and amounts.
- > Address the fact that the contracting officer's technical representative is not enforcing the terms and conditions of the contract's statement of work including: deliverables, timelines, second tier audits, and contractor qualifications.
- > Adhere to GSA Information Technology Security Policy by ensuring that security provisions are notated on current and future solicitations and/or statements of work for postpayment audits.
- > Have background screenings for contractors before they access GSA's Information Technology systems so the Division is in compliance with the security policy.
- > Update its internal audit tracking system to ensure agencies are submitting paper transportation bills in a timely manner, as required by 41 CFR 102-118.425.

Given the \$16.3 billion spent in government-wide transportation expenses in fiscal year 2012, implementing the audit report's recommendations could reduce transportation overcharges that may otherwise remain uncollected.

The FAS Commissioner agreed with our report recommendations.

Major Issues from Multiple Award Schedule Audits

Memorandum Number A120050-4, dated March 25, 2014

Since FY 2010, we have issued two memoranda regarding recurring issues within the MAS program. Our FY 2012 preaward audits identified that: (1) almost half of the contractors audited had inadequate sales monitoring and billing systems to ensure proper administration of the price reduction and billing provisions of their MAS contracts; (2) contractors continue to provide commercial sales practices (CSP) disclosures that are not current, accurate, and/or complete; and (3) FAS contracting officers (CO) overwhelmingly agreed with the recommended cost avoidances identified in our audits, but only achieved 43 percent of those in actual savings.

In FY 2012, 19 of the 39 (49 percent) preaward audits identified contractors with inadequate sales monitoring and billing systems. Further, 27 (69 percent) of our preaward audits identified 51 specific sales and billing findings, resulting in approximately \$2.6 million of recommended monetary recoveries. Six of these identified unreported price reductions account for 75 percent of the recommended monetary recoveries. In addition, 14 audits reported the Price Reductions clause as ineffective. This means that any potential cost savings afforded by the clause would never be realized.

Of 39 FY 2012 preaward audits, we evaluated proposed prices for 25 contractors using the submitted CSP disclosures. The CSPs contained non-current, inaccurate, and/or incomplete information in 21 of those audits (84 percent). Using current, accurate, and complete CSP information, we calculated potential cost savings of \$188.5 million if negotiated by FAS COs. Compared to FY 2011, the occurrence of deficient CSPs increased by 15 percent.

Twenty-one of the audited contract options had been awarded as of October 21, 2013. Contracting officers agreed with the entire audit recommended cost avoidances for these contracts, but only achieved 43 percent of the amount in actual savings when the pending options were awarded. This represents marginal improvement from the FY 2011 results. In one case, we noted a flawed negotiation technique that resulted in achieving 0 percent of the agreed-to cost savings. After we brought this to management's attention, negotiations were reopened and \$49.6 million in additional savings were achieved, representing 100 percent of the recommended amount. This additional amount raised the overall savings achieved from 43 to 65 percent.

Three issues reported in our current memorandum require FAS management to focus on: (1) ensuring contractors properly administer the price reduction and billing provisions of their contracts, (2) addressing the continued prevalence of CSP issues, and (3) achieving a greater portion of recommended cost savings. While no formal recommendations were made, we provided the information so FAS can decide how to best address these issues to strengthen the integrity and cost effectiveness of the MAS Program.

Summary of Systemic Procurement Issues within GSA's National Capital Region

Memorandum Number A120171, dated November 7, 2013

We initiated this special project to examine recurring procurement issues in the National Capital Region (NCR), the largest FAS region in terms of number of customers and the largest Public Buildings Services (PBS) region in terms of rentable square feet and direct revenues. Our objectives were to summarize these ongoing issues, reported between FY 2007 and 2012, and to examine the underlying cause(s).

The reports we reviewed identified contract award, administration, funding, and documentation issues within FAS and PBS.² These issues were identified on both large and small dollar value procurements and were not only recurring, but also significant. Further, these procurement issues are impacting the ability of the Services (FAS and PBS) to effectively fulfill their missions. Weaknesses in internal control may have impaired NCR's procurement process and the effectiveness of operations, as provided in the following observations:

- > FAS leadership has been in a constant state of flux;
- > FAS has a shortage of experienced acquisition personnel;
- > PBS has experienced a number of reorganizations since FY 2007;
- > Based on the structure of PBS's organization, acquisition is not the focus;
- > Data integrity issues exist within both FAS and PBS;
- > GSA lacks an integrated acquisition system;
- > FAS and PBS do not frequently conduct risk assessments; and
- > Monitoring efforts by FAS and PBS are not sufficient.

Developing and maintaining an effective system of internal control is a fundamental responsibility of management. Recurring procurement issues within NCR demonstrate the need for management to fulfill this responsibility. While strengthening the internal control structure may not fully address all procurement issues, it may assist in preventing future occurrences and detecting other potential causes.

NCR management provided comments acknowledging our observations.

² All references to reports include work products from audits, investigations, and other internal reviews.

Improving the Management and Utilization of Federal Real Property

While the federal government is focusing on improving the management and utilization of federal real property, GSA and its customers are also facing the reality of reduced budgets. Given this environment, PBS needs to align its programs and operations to solutions that address both short and long term needs. Although immediate customer need often drives workload, local real property portfolios must be examined to assess whether they are suitable to meet long term goals, especially where vacant owned space could replace expiring leases.

PBS Needs To Develop Policies and Procedures for Use of Section 412 Authorities

Memorandum Number A130132, dated November 12, 2013

Under Section 412 of the General Services Administration General Provisions Consolidated Appropriations Act, 2005 (Section 412), PBS has proposed exchanging real property for services on multiple properties. However, the exchange of real property for services can be very complex, involving the valuation of both the real property and the services. In some cases, a combination of services and/or real property may be exchanged for another combination of services and/or real property, further complicating the valuation effort.

This memorandum conveyed our concerns regarding PBS's lack of policies and procedures to manage exchanges under Section 412. Given the complexity of these exchanges, PBS should implement the policies and procedures needed to ensure goals and objectives are achieved and that the best value is obtained for the taxpayer.

Information Technology

Improved planning, development, and implementation of information technology (IT) systems and services are needed to ensure quality data, support business decisions, and improve investments. GSA management faces challenges in meeting two strategic business goals of (1) providing effective and reliable IT systems and solutions, and (2) providing balanced stewardship of information and technology. Challenges exist because GSA systems often do not integrate with each other, resulting in duplication of business processes, cost inefficiencies, and customer dissatisfaction.

FY 2013 Office of Inspector General FISMA Audit of GSA's Information Technology Security Program

Memorandum Number A130015-1, dated March 31, 2014

GSA's IT Security Program provides guidance and oversight to protect GSA systems and data. The Federal Information Security Management Act of 2002 (FISMA) requires an annual, independent evaluation of an agency's information security program and controls for select systems. The objective of our audit was to determine if GSA developed, documented, and implemented an agency-wide IT security program that fulfills the requirements of FISMA. If not, what additional actions are needed to strengthen GSA's IT Security Program and protect the confidentiality, integrity, and availability of GSA's systems and data?

We found that the Office of the Chief Information Officer (OCIO) continues to take steps to improve the agency-wide IT Security Program. For example, the OCIO is currently consolidating the IT functions of GSA service and staff offices under the OCIO to improve leadership accountability and increase organizational effectiveness and efficiency. However, we found that additional steps are needed to strengthen GSA's IT Security Program in two key process areas: (1) security assessment and authorization, and (2) configuration management.

Two systems we reviewed did not undergo a required assessment for authorizing the system to operate. According to GSA's procedural guidance, the completion of an independent penetration test is required as part of authorizing the system to operate. We also found that for the same two systems, the authorization packages did not contain all of the required system security documentation as specified in GSA's procedural guidance. The authorization package is required to be reviewed and approved by system officials to ensure the completion of all required assessments and the inclusion of all required security documentation prior to submission to the Office of the Chief Information Security Officer for review and concurrence.

We also determined that two systems' plans of action and milestones did not include all security weaknesses identified in the security assessment report and vulnerability scanning results. GSA's procedural guidance requires all vulnerabilities identified in the information system discovered during the assessment process and vulnerability scanning be documented in the plan of action and milestones.

Finally, none of the systems reviewed fully implemented security patches to address vulnerabilities consistent with GSA's requirements. From the technical testing we performed on each system, we identified instances of vulnerabilities where patches were released but not implemented within GSA's timeframes to mitigate the identified vulnerabilities. We also determined that vulnerability scanning was not conducted on one system within the recommended timeframe and the vulnerability scanning performed did not assess for compliance with baseline configurations.

While we have previously made formal recommendations in the areas of security assessment and configuration management at the individual service and staff office levels of GSA, we determined that the recurring nature of these issues warrants management's attention at the GSA IT Security Program level. We also determined that the program level policy and procedural guidance regarding these areas has been developed and documented; however, the actual implementation of this policy and guidance remains a challenge for the GSA IT Security Program.

We did not make any formal program level recommendations due to the current restructuring of GSA's IT function. However, an OIG evaluation of GSA's IT Security Program may be warranted once the restructuring is complete.

Financial Reporting

Controls over budgetary and financial reporting are affected by the absence of an integrated procurement and acquisition system, ineffective information and communication processes, and the lack of effective supervision over regional and operational personnel. In addition, GSA does not have an effective due care process to investigate and identify properties that may contain hazardous substances. Without an effective process in place, GSA is challenged with identifying the existence of environmental contamination in its properties.

Audit of the General Services Administration's Fiscal Year 2013 Financial Statements

Report Number A130013/B/F/F14001, dated December 19, 2013

In accordance with the Chief Financial Officers Act of 1990 (P.L. 101-576), as amended, we directed the audit of GSA's FY 2013 Financial Statements. The audit was performed by an independent public accounting firm (IPA); we provided oversight and guidance. The IPA issued an unqualified opinion on the balance sheets and the related consolidated and individual statements of net cost, changes in net position, and the combined and individual statements of budgetary resources for the Agency, the Federal Buildings Fund, and the Acquisition Services Fund, for the year ended September 30, 2013.

The IPA identified the following material weaknesses related to financial management and reporting controls:

- > For controls over estimated liabilities for asbestos-related cleanup costs, GSA did not have procedures in place to gather reliable and relevant data needed to develop an effective estimation methodology. GSA developed multiple assumptions and costs factors for its estimating methodology based on data that was not relevant, reliable, or valid.
- > For controls over manual journal entries, GSA did not have in place fully developed policies and procedures that are sufficiently analyzed, vetted, and approved before recording adjusting entries. GSA continues to record transactions based on draft policies as authoritative guidance.
- > For controls over the disclosure of related future minimum lease payments, GSA did not have controls, nor a process in place, to ensure lease disclosures are presented in accordance with federal accounting and disclosure standards.

The IPA also identified the following significant deficiencies related to accounting and reporting of property plant and equipment, budgetary accounts and transactions, accounting and reporting of leases and occupancy agreements, and entity level controls:

- > For controls over accounting and reporting of property and equipment, GSA did not consistently record property disposals when they occurred and the transfers of substantially completed projects in a timely manner. Also, costs were incorrectly capitalized to lease properties, and leasehold improvements were incorrectly classified. In addition, GSA's applicable feeder and fixed asset subsidiary systems do not have the functionality to capture substantial completion dates for multi-phase or multi-asset building projects.
- > For controls over budgetary accounts and transactions, internal control deficiencies existed in GSA's accounting and business processes over undelivered orders, unfilled customer orders, and funds controls.
- > For the controls over the accounting for leases and occupancy agreements, GSA did not ensure that transactions are recorded promptly and accurately, and properly classified in accordance with federal financial accounting standards.
- > For entity level controls, GSA's ineffective control environment contributed to the deficiencies related to the accounting and reporting of property and equipment, budgetary accounts and transactions, and the accounting and reporting of leases and occupancy agreements.

The IPA issued recommendations to correct the reported material weaknesses and significant deficiencies.

GSA'S Greening Initiative – Sustainable Environmental Stewardship

With its major role in federal construction, building operations, acquisition, and government-wide policy, GSA faces challenges to achieve sustainability and environmental goals. GSA is required to increase energy efficiency, reduce greenhouse gas emissions, conserve water, reduce waste, support sustainable communities, and leverage purchasing power to promote environmentally responsible products and technologies. GSA has to develop a management framework, collect data to support goals and evaluate results and fund specific programs.

Reduction in Energy Consumption from Recovery Act Projects at the Goodfellow Federal Center Complex in St. Louis, Missouri, Is Not Apparent

Memorandum Number A090184-80, dated March 18, 2014

As part of our oversight of GSA's Recovery Act projects, we reviewed buildings with limited scope Recovery Act funding in Region 6 for their contribution to federally mandated energy conservation goals. The objective of our review was to determine whether buildings that had Recovery Act projects were contributing to the mandated goals and, if not, why. We focused our review on the Goodfellow Federal Center because energy usage on the campus was substantially higher than any of the other buildings in our sample, and it received the most Recovery Act funding in our sample.

The Goodfellow Federal Center is located outside the central business district of St. Louis, MO. The 65-acre campus contains 24 buildings that provide over 1.8 million gross square feet of office and other space. As part of the Recovery Act, Goodfellow received over \$42 million for infrastructure, building modernization, and energy-related improvements. Work on Buildings 110 and 104 was substantially complete by February 2011 and June 2011, respectively, giving PBS around two years of energy consumption data with the upgrades in place.

We found that the Goodfellow Federal Center exhibits a pattern of increased electricity usage, despite the Recovery Act projects. Goodfellow neither meets GSA's individual building goal of a 20 percent reduction in energy use, nor contributes significantly towards the mandated 24 percent agency-wide reduction in energy consumption.

In its response, GSA Region 6 officials outlined a variety of energy-related projects that were undertaken at the Goodfellow Campus after our review.

American Recovery and Reinvestment Act Impact

The Recovery Act provided GSA with a \$5.55 billion appropriation for its Federal Buildings Fund, and in accordance with the Act, PBS is using the funds to convert federal buildings into High-Performance Green Buildings, as well as to construct federal buildings, courthouses, and land ports of entry. The Recovery Act mandated that \$5 billion of the funds be obligated by September 30, 2010, and that the remaining funds be obligated by September 30, 2011. Under this mandate GSA's project teams have had to plan and contract for projects within extremely short timeframes. Although many of these projects are complete or near completion, challenges remain. Specifically: (1) managing projects with reduced travel; (2) preparing for a future inflow of construction claims; (3) performing effective commissioning; and (4) evaluating projects for reduced energy consumption and cost savings.

PBS Did Not Follow Internal Guidance for Congressional Notification and Violated Competition Requirements When Supplementing Funding of Recovery Act Projects

Report Number A120111/P/R/R14001, dated March 17, 2014

As a part of our oversight responsibilities of the projects funded by the Recovery Act, we reviewed modernization projects for instances where PBS supplemented the projects with non-Recovery Act funding. These projects consisted of full and partial building modernizations that included the replacement of mechanical, electrical, and plumbing systems; fire and life safety systems; and interior and exterior finishes. The objective of our audit was not only to determine whether PBS supplemented the funding of Recovery Act projects with non-Recovery Act funds, but, also, to determine if the funds were used in compliance with applicable laws, regulations, and policies.

We identified two deficiencies: PBS supplemented Recovery Act projects with non-Recovery Act funds without notifying Congress, and PBS awarded contract modifications in violation of competition requirements.

We recommended the PBS Commissioner should take the following actions:

- > Notify Congress of the use of Minor Repairs and Alterations (R&A) funds to supplement Recovery Act projects;
- > Perform an internal review to identify Recovery Act projects that were supplemented with non-Recovery Act funding without Congressional notification; and
- > Ensure that changes outside the scope of the contract are handled in accordance with FAR Part 6.

The PBS Commissioner agreed with the report recommendations.

Security and Pricing Concerns on the Recovery Act Projects at the Byrne Courthouse and Green Federal Building

Memorandum Number A090184-77, dated February 6, 2014

PBS awarded a contract to provide design and construction for the replacement of air handler units with high performance equipment and the installation of a vegetative roof at the Green Federal Building; as well as the installation of a rooftop crystalline photovoltaic system at the Byrne Courthouse. Both buildings are located in Philadelphia, PA. Our objective was to determine if PBS awarded and administered contracts for limited scope and small construction projects in accordance with prescribed criteria and Recovery Act mandates.

We identified three contract administration issues. First, several subcontractor employees worked onsite without evidence of appropriate security clearances, including one who worked onsite without a favorable preliminary adjudication. Second, the prime contractor applied excessive overhead and profit factors to subcontractor work, resulting in overcharges of \$45,859. Third, for one significant modification, the CO could not rely on the Independent Government Estimate for assuring price reasonableness.

In her response, the Mid-Atlantic Regional Administrator agreed with our assessment of the issues and provided the corrective actions being taken. With regard to the security issues, she stated that Region 3 was reviewing its procedures to make changes as needed to prevent future incidents and had already added the Security Program Manager to the distribution list of newly-awarded projects and hired another Security Manager to increase the oversight of projects. With regard to the excessive overhead and profit, she stated that PBS had begun providing training on contractor markups to the region's acquisition workforce. Finally, with regard to the need for documentation to support pricing, she stated that the Region instituted a review of Pre- and Post-Negotiation Memorandums to ensure that contract actions are properly supported and documented.

IRS Service Center Modernization Modifications Were Initially Invalid

Memorandum Number A120174-3, dated November 4, 2013

As part of the corrective action plan for a prior audit report, PBS officials stated that they would review Recovery Act projects to identify potential funding concerns.³ The PBS officials committed to take corrective actions where necessary to correct improper obligations, record proper obligations, or de-obligate improperly obligated funds. As part of our limited scope review of corrective actions to determine if PBS corrected improperly obligated funds prior to the December 31, 2012, funds rescission deadline, we identified a project at the IRS Service Center Modernization in Andover, MA, with both an invalid obligation and an unprocessed proper upward adjustment. These issues were not detected during PBS's own internal reviews but have since been corrected.

We also found two modifications to contracts under the IRS Service Center Modernization project that had insufficient scopes of work and prices to create valid obligations. PBS cancelled one of the modifications and removed the funding from the project. The other modification was partially definitized by the time Recovery Act funding expired, September 30, 2011. PBS has since processed the remaining funds as a valid upward adjustment.

As our review of PBS's corrective actions was limited in scope, we are unable to provide full assurance that all invalid obligations were corrected. Although PBS made corrections to the modifications cited in this memorandum, PBS should ensure that all necessary accounting transactions are made so that GSA Recovery Act reporting and financial statements are accurate.

PBS and the Office of the Chief Financial Officer agreed with the memorandum.

³ Alert Report, Number A120174/P/R/W13001, dated October 24, 2012.

Award and Administration of Task Order GS-P-05-10-SC-0004 for Renovations at the Senator Paul Simon Federal Building, Carbondale, Illinois, Recovery Act Project

Memorandum Number A090184-19, dated November 1, 2013

PBS awarded a task order for services to provide “design, shop drawings, manufacturing and installation services including but not limited to existing field investigations, design and installation services necessary to accomplish” a flexible building integrated photovoltaic system at the Senator Paul Simon Federal Building in Carbondale, IL (Carbondale). This consisted of a new roof system, solar array modules, and a roof membrane replacement.

Our objective was to determine if PBS awarded and administered contracts for limited scope and small construction projects in accordance with prescribed criteria and Recovery Act mandates.

We identified two areas of concern related to the award and administration of this task order. First, price reasonableness for the project is not assured because of the improper use of a Multiple Award Schedule contract. Second, subcontractor employees did not receive required security clearances.

Region 5 PBS management disagreed with our findings, stating that: (1) the roof replacement and installation of a photovoltaic system was a routine, noncomplex project and therefore could have been procured using schedules; (2) regardless of the number of bids received, PBS sent bid requests to five contractors; and (3) although the lump pricing could not be tied to the GSA schedule contract, the pricing was supported by the schedule contract.

We responded that: (1) a roof replacement is not a routine project and should not have been procured using schedules; (2) PBS received fewer than three quotes and did not prepare a written justification; and (3) the pricelist supplied by the contractor did not tie to any of the pricing, therefore none of it was supported by the schedule contract.

Contract Administration Issues on the Recovery Act Project at the Bonneville Power Administration and Federal Buildings in Portland, Oregon

Memorandum Number A090184-51, dated November 20, 2013

GSA awarded a task order for energy efficiency upgrades and general construction services at the Bonneville Power Administration and GSA federal buildings located in Portland, OR. Our objective was to determine if PBS awarded and administered contracts for limited scope and small construction projects in accordance with prescribed criteria and Recovery Act mandates.

We identified three issues related to the award and administration of construction services at the subject federal buildings: (1) security clearance requirements were not followed, (2) foreign-manufactured construction material was incorporated into the project, and (3) Davis-Bacon Act requirements were not followed.

In its response, Region 10 PBS officials concurred with our findings and provided a comprehensive action plan to correct the deficiencies noted in this memorandum.

Other Initiatives

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

Effective December 12, 2008, the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council agreed on a final rule amending the FAR. The final rule 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, credible evidence of a violation of federal criminal law (within 18 U.S.C.) involving fraud, conflicts of interest, bribery, or the offering or acceptance of gratuities connected to the award, performance, or credible evidence of a violation of the Civil False Claims Act, connected to the award, performance, or closeout of a government contract performed by the contractor or subcontractor. The rule provides for suspension or debarment when a principal knowingly fails to disclose, in writing, such violations in a timely manner.

Disclosures for this Reporting Period

As disclosures are made, the Offices of Audits, Investigations, and Counsel jointly examine each acknowledgment and determine what actions, if any, are warranted. During this reporting period, we received seven new disclosures. The matters disclosed include: employee fraud; unqualified labor; and failure to comply with contract requirements related to: commercial sales practices disclosures, billings, price reduction monitoring, and the Trade Agreements Act (TAA). We concluded our evaluation of eight existing disclosures resulting in \$2 million in settlements and recoveries to the government, and assisted on two disclosures referred by another agency because of their potential impact on GSA operations. Finally, we continued to evaluate 41 existing disclosures during this reporting period.

Government Contractor Significant Report Findings

The National Defense Authorization Act for FY 2008, P. L. 110–181, requires each IG appointed under the Inspector General Act of 1978 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 were no audit reports that met these requirements.

Significant Investigations

Significant Investigations

GSA is responsible for providing working space for one million federal employees. The Agency also manages the transfer and disposal of excess and surplus real and personal property and operates a government-wide services and supply system. To meet the needs of the customer agencies, GSA contracts for billions of dollars' worth of equipment, supplies, materials, and services each year. We conduct reviews and investigations in all these areas to ensure the integrity of the Agency's financial statements, programs, and operations, and that taxpayers' interests are protected. In addition to detecting problems in these GSA programs and operations, the OIG is responsible for initiating actions and inspections to prevent fraud, waste, and abuse and to promote economy and efficiency. When systemic issues are identified during investigations, they are shared with GSA management for appropriate corrective action. During this period, civil, criminal, and other monetary recoveries totaled over \$35 million (see Tables 5 and 6).

Civil Settlements

Axway, Inc. Agrees To Pay \$6.2 Million To Resolve False Claims Allegations

In October of 2013, Axway, Inc. agreed to pay \$6,200,000 to resolve allegations under the False Claims Act that it and its predecessors knowingly provided GSA with defective pricing information in order to inflate the prices of software licenses and related services in Axway's GSA Federal Supply Schedule contract, number GS-35F-0009M. The investigation began based on a qui tam alleging that Tumbleweed Communications Corporation (Axway's predecessor) violated the False Claims Act. GSA originally awarded the contract to Valicert, Inc. on October 3, 2001. In October 2003, Valicert merged with Tumbleweed, and in December 2008, Tumbleweed merged with Axway. In 2007, when the MAS contract was renewed, Tumbleweed again failed to provide accurate and complete commercial pricing disclosures. Tumbleweed and Axway also failed to comply with the contract's price reduction clause.

Iron Bow Technologies, LLC Agrees To Pay \$500,000 To Resolve False Claims Allegations

Based upon a qui tam filed under seal on August 18, 2010, in the U.S. District Court for the District of Columbia, the GSA OIG undertook an investigation into Apptis, Inc.'s compliance with the terms of its GSA Federal Supply Schedule (FSS) contract. The complaint alleged violations of the False Claims Act in that Apptis knowingly sold products under its FSS contract, number GS-35F-4460G, that were not in compliance with the Trade Agreements Act (TAA). Apptis, now known as Iron Bow Technologies, LLC, agreed to pay \$500,000 to settle the allegations.

Qui Tam Complaint Leads to \$300,000 Recovery

GIGA, Inc. agreed to pay \$300,000 to resolve allegations under the False Claims Act that it knowingly sold certain products under its GSA FSS contract, GS-07F-0403M, that were not in compliance with the TAA. A qui tam filed in U.S. District Court for the District of Columbia in 2011 claimed that GIGA had sold non-TAA compliant boots to government agencies in violation of the terms of its FSS contract.

Former COTR Agrees To Pay \$105,000 To Resolve Qui Tam Alleging False Information

In June 2009, GSA OIG received a qui tam complaint alleging contract irregularities related to a Blanket Purchase Agreement (BPA) awarded to SAIC in 2006. During the investigation, federal agents learned that GSA had established a memorandum of understanding with Steve Stallings, Director of Trusted Agent (TAgent), to act as the independent agency administrator of the BPA. Stallings had represented that TAgent was an independent U.S. government agency under DOD, and Stallings was its Director. In fact, TAgent is not a federal agency, and Stallings was a retired Air Force Lt. Colonel employed by a state institution in New Mexico, not a federal employee. The investigation also determined that SAIC personnel were aware that Stallings was not eligible to serve as an independent authority for a federal contract. A joint effort of GSA OIG, Army CID, DCIS, U.S. Air Force Office of Special Investigations, the U.S. Attorney's Office for the Middle District of Florida, and the Commercial Litigation Branch of the Department of Justice's Civil Division resulted in a settlement agreement with SAIC, and, more recently, a settlement agreement with Stallings, under which he agreed to pay \$105,000.

Criminal Investigations

Conspirators in Bid-Rigging Scheme Sentenced

A joint GSA OIG, Department of Homeland Security (DHS) OIG, Small Business Administration (SBA) OIG, and Veterans Affairs OIG investigation revealed that Thomas Flynn and Anthony Bilby participated in a scheme whereby employees at Four Points Technology (where Flynn was the vice president of sales) and Thundercat Technology (where Bilby was an outside sales representative) created the appearance of competition by alternately inflating bids to steer contracts toward the other company. Flynn and Bilby pled guilty to conspiracy, and on January 24, 2014, Flynn was sentenced to three months of imprisonment and two years of supervised release, and was required to forfeit \$80,000 and pay a \$500 fine. On February 21, 2014, Bilby was sentenced to 16 months of imprisonment and two years of supervised release, and was required to forfeit \$1,065,103, and perform 500 hours of community service.

Unauthorized Purchases Result in 15 Months in Federal Prison and Three Years' Probation

After an Army audit revealed unauthorized purchases from GSA Advantage, the GSA OIG, the Federal Bureau of Investigation (FBI), and the Army CID Major Procurement Fraud Unit began a joint investigation, which revealed that Sikander and Husein Kermali fraudulently obtained and sold products from GSA Advantage on the open market. Among other steps, the GSA OIG and the FBI conducted undercover purchases and controlled deliveries. As part of the scheme, items valued at over \$10 million were shipped to various addresses across the country by a cooperating defendant. On March 5, 2014, Sikander Kermali was sentenced to 15 months in federal prison and three years' probation for wire fraud, and ordered to pay restitution in the amount of \$6,200,000 and forfeiture in the amount of \$4,579,956. On February 6, 2014, Husein Kermali pled guilty to wire fraud.

Contractor Sentenced after Paying Bribes to GSA Employee

A GSA OIG investigation revealed that Darold Patterson, who owned and operated a general construction company located in Rockville, MD, had paid a cooperating defendant (a GSA employee) at least two cash bribe payments in exchange for contracts for work to be completed at GSA facilities. Following a November 8, 2013, guilty plea to bribery of public officials, Patterson was sentenced to eight months of home confinement, 14 months of probation, and 100 hours of community service, and was ordered to pay a \$3,000 fine, forfeit \$1,800, and pay a \$100 special assessment.

Contractor Pled Guilty to Bribery

An investigation by the GSA OIG revealed that Daryl Kitchen, who owned and operated a general construction company located in Upper Marlboro, MD, paid a (former) GSA building manager at least five cash bribes totaling approximately \$1,000 in exchange for work to be completed at GSA facilities in Maryland. On September 5, 2013, Kitchen was arrested by GSA OIG Special Agents, and has now pled guilty to bribery of public officials.

Contractor Pled Guilty to Bribery

An investigation by the GSA OIG revealed that Robert Hales, a general construction contractor, paid a GSA employee at least two cash bribes in exchange for work to be completed at GSA facilities in Maryland. On September 5, 2013, Hales was arrested by GSA OIG Special Agents, and he has now pled guilty to bribery of public officials.

Two Contractors Pled Guilty to Bribery

An investigation by the GSA OIG revealed that Carl Roberts and Ronald Wilkinson, general construction contractors, paid a GSA employee at least two cash bribe payments in exchange for work to be completed at GSA facilities in Maryland. GSA OIG agents arrested Wilkinson on September 5, 2013, and Roberts on September 10, 2013. Both have since pled guilty to bribery of public officials.

Seven People and Two Companies Pled Guilty in Bribery Investigation in Southern California

A joint investigation by the GSA OIG, the FBI, Defense Criminal Investigative Service (DCIS), Naval Criminal Investigative Service (NCIS), IRS Criminal Investigation (CI), SBA OIG, and the U.S. Attorney's Office (USAO) San Diego, California, discovered that GSA and Department of Defense (DOD) subcontractors paid kickbacks to prime contractors and at least one government official in order to receive GSA and DOD subcontracts. The recipients then structured bank deposits under \$10,000 to avoid detection by authorities, in violation of money laundering statutes. The scheme impacted the award of multiple federal contracts worth several million dollars.

Recently, Hugo Alonso, the Owner of Hugo Alonso, Inc., a Southern California construction company; Bayani Abueg, the owner MBR Associates, a Southern California construction contractor; Gerardo Mercado and Raul Mercado, co-owners of Blue Ocean Construction; Paul Kay, the owner of PKI Construction; Manuel Ramirez, Owner of MRN Construction; and Natividad Cervantes, a former U.S. Navy employee, all pled guilty to bribery and conspiracy charges. Hugo Alonso, Inc. and MBR Associates pled guilty as corporations. A tenth subject, Minh Nguyen, the owner of MBN Group, pled not guilty and will proceed to trial at a later date.

Former Owner of Taunton Forms and Construction Pled Guilty to Conspiracy and False Statements

After the GSA OIG received a Hotline complaint alleging violations of the Davis-Bacon Act, it began an investigation which determined that from December 2007 to July 2010, the owner of Taunton Forms and Construction, of Lakeville, MA, and one of the company's project managers devised a scheme to pay workers less than the federally required prevailing wage and to avoid making contractually required fringe benefit payments to labor union benefit plans. Taunton was a subcontractor on a GSA project. As a further part of the scheme, the owner and project manager conspired to recruit unionized cement masons from another company to work on the GSA project and to pay them under the table, using money paid to the project manager under false names. They also conspired to falsify to the Massachusetts Department of Unemployment Assistance that employees had been laid off or their hours reduced, permitting those employees to supplement their reduced wages with unemployment benefits while they worked on the GSA project and other projects. The owner and project manager pled guilty to one count each of conspiracy to commit mail fraud and false statements.

Two Convicted in 8(a) Disadvantaged Business Investigation in Maryland

A joint investigation conducted by the GSA OIG, DCIS, SBA OIG, and IRS CI disclosed that Vernon J. Smith III conspired with Anthony Wright to create a fraudulent 8(a) disadvantaged minority owned business, Platinum One Contracting, Inc. (Platinum), of Hyattsville, MD, with Wright listed as the president and owner. In reality, Wright was merely a figurehead used to obtain 8(a) status, and Smith was the individual who controlled the day-to-day management and finances of Platinum. Platinum submitted false documents to the SBA in order to gain 8(a) status and obtained over \$50 million in 8(a) set-aside contracts with GSA, DOD, and other agencies. The investigation also determined that Smith filed false tax returns in connection with the 8(a) scheme. On March 28, 2014, Smith pled guilty to conspiracy to defraud the United States. Wright had already pled guilty to making false statements in June of 2013.

White House Electrician Resigns after Misuse of Government Telephone

A GSA electrician assigned to the White House Service Center retired from federal service following a GSA OIG investigation that revealed he used his government-issued cell phone to make unauthorized personal calls to the Dominican Republic and to information services. The total loss to the government is approximately \$2,000, which GSA OGC is seeking to recoup.

GSA Employee Suspended for Violation of Anti-Nepotism Laws

A GSA employee was suspended for seven days for nepotism. The employee had successfully advocated for GSA to hire her daughter. Both a GSA Reviewing Official and a GSA Selecting Official who acknowledged being influenced by the referral received a letter of reprimand for their respective personnel files.

Army Corporal and Wife Sentenced to Federal Prison for Theft

After a GSA employee reported the suspicious delivery of items ordered through the GSA Advantage, GSA OIG and Army CID began a joint investigation, which determined that former Army Corporal Bo Dukes placed orders through GSA Advantage for \$150,000 worth of property, billed to the Army, which Dukes then pawned or sold. GSA OIG Special Agents were able to recover some of the items and return them to the Army. On October 4, 2013, Dukes was sentenced to 27 months in federal prison and three years' probation for conspiracy to steal. He was also ordered to pay restitution in the amount of \$134,328. Dukes's co-conspirator, his wife Emily Irene Dukes, was sentenced on the same date to six months in federal prison and three years' probation.

Director of Small Business Development at Caddell Construction Pays \$2 Million Settlement

While Caddell Construction was working as the prime contractor on the GSA's Zorinsky Federal Building Renovation Project in Omaha, NE, it had one of its subcontractors pretend to be Mountain Chief Management Services, a Native-owned minority contractor. Caddell reported this as compliance with the minority subcontracting goals in its government contract. The investigation later discovered that Caddell falsely claimed Mountain Chief Management Services as a subcontractor on other contracts as well, in order to receive money under the DOD Indian Incentive Program (IIP) and the Mentor-Protégé Program (MPP). Caddell fraudulently obtained approximately \$1.3 million dollars in federal funds.

Mark Hill, Caddell's Director of Small Business Development, was in charge of administering Caddell's MPP program and also worked on its IIP projects. On July 30, 2013, Hill was found guilty of making false statements to the federal government. He was sentenced to one year of probation and ordered to pay a \$100 special assessment. Caddell subsequently paid a criminal settlement of \$2 million and a civil settlement of \$1.5 million.

U.S. Army Official Pleads Guilty to Conversion of Public Property

A civilian Army employee in Utah pled guilty to conversion of public property for illegally receiving gratuities, including a 42-inch flat-screen television, a Bowflex home gym, and a television surround sound system. The defendant was sentenced to one year of bench probation and 20 hours of community service, and ordered to pay a \$50 assessment to the court and return the gratuities.

Two City Officials Plead Guilty to Illegally Converting Federal Excess Property

A joint investigation by the GSA OIG and the FBI revealed that two city officials in Alaska stole approximately \$1 million in federal property that was acquired through GSA's Federal Excess Personal Property Utilization Program on behalf of the municipality that employed the two officials. The two pled guilty in the United States District Court for the District of Alaska (Fairbanks) to wire fraud and theft. They will be sentenced in June 2014.

California Man Pleads Guilty to Defrauding GSA's CFL Program

A joint investigation by the GSA OIG and IRS CI, Department of Transportation OIG, VA OIG, Department of Energy OIG, Department of Justice OIG, and the FBI revealed that a California resident fraudulently acquired computer equipment with a total acquisition value of approximately \$30 million through GSA's Computers for Learning (CFL) program. The CFL program allows government agencies to transfer excess computer equipment to schools and educational nonprofit organizations. The defendant created multiple fictitious charitable entities, and then falsely certified to GSA that these entities were eligible recipients under the CFL program. He pled guilty to wire fraud, aggravated identity theft, and filing a false tax return, and will be sentenced in April 2014.

Former Alaska State Official Pled Guilty to Defrauding GSA's Property Donation Program

A joint investigation by the GSA OIG, the FBI, and IRS CI determined that Kenneth Browning, the Federal Property Allocation Officer for the Alaska State Agency for Surplus Property (SASP), illegally diverted over \$25 million in surplus property that was transferred to the SASP for donation and sold it for his own profit. Browning was responsible for allocating surplus federal property donated through GSA's Federal Surplus Property Donation Program to eligible state recipients. He concealed the theft by falsifying compliance records and failing to accurately account for donated property. Special agents were able to trace the sales of stolen items and find the locations where Browning stored many of the items. Browning pled guilty to six counts of wire fraud and four counts of filing a fraudulent tax return in the United States District Court for the District of Alaska (Anchorage).

U.S. Army Colonel Ordered To Forfeit \$6,000 after Being in Violation of Article 107 of the UCMJ

Following a referral by GSA's Loss Prevention Team, GSA OIG Special Agents determined that Colonel David Chase, who was assigned to the Army's ROTC cadre at Virginia Polytechnic Institute and State University, submitted a false memorandum regarding the loss of his assigned vehicle log in an attempt to disguise his personal use of a GSA government fleet credit card. On December 17, 2013, he was ordered to forfeit \$6,000 in pay after being charged with making false statements in violation of Article 107 of the Uniform Code of Military Justice (UCMJ). Following the sentence, on January 6, 2014, Chase voluntarily retired from military service.

17 Army Soldiers Involved in Fort Story GSA Government Fleet Credit Card Scheme

In December 2012, after the GSA Loss Prevention Team reported suspicious odometer entries and back-to-back over-tank gasoline purchases made from a single fleet card, GSA OIG Special Agents (in collaboration with the Army CID) began an investigation into government fleet card use at Fort Story, VA. They determined that 17 soldiers were involved in a systemic fraud ring. In the past six months, the following developments occurred in the case:

- > On October 3, 2013, Army Sergeant Christopher M. Taylor pled guilty to theft and conspiracy.
- > On November 4, 2013, eight soldiers made their initial court appearance after being charged with theft. They all agreed to enter the pre-trial diversion program.
- > On December 12, 2013, Army Specialist Shaniqua Westmoreland pled guilty to theft and was sentenced to one year of probation, and ordered to pay restitution, a fine, and a special assessment.
- > On January 7, 2014, Sergeant Taylor was sentenced to two months of imprisonment, two months of home confinement, and three years' supervised release, and ordered to pay \$7,496 in restitution.
- > On January 16, 2014, Army Specialist Yasser Tarka and Army Sergeant Tony Ballard pled guilty to federal misdemeanor theft violations. Each was sentenced to six months' probation and ordered to pay restitution, a fine, and a special assessment.

DHS Driver Arrested for Misuse of GSA Government Fleet Credit Card

On February 26, 2014, GSA OIG and DHS OIG Special Agents arrested a DHS contract driver for fraud involving a GSA fleet credit card. Investigation had revealed that the driver, assigned to DHS's Nebraska Avenue Center, was using the fleet card to fuel his personal vehicle. After special agents confronted the contractor, he admitted to using fleet cards for personal use on several occasions over the past year. The loss to the government was determined to be \$3,930.

U.S. Army Soldier Received UCMJ Punishment for GSA Government Fleet Credit Card Fraud

An Army Sergeant stationed at Moffet Field, CA, was punished under to the UCMJ after he admitted he used a GSA fleet credit card to purchase fuel for his privately owned vehicles. The estimated loss to the government was approximately \$2,249.

U.S. Department of Labor Employee with Over 29 Years of Government Service Arrested for GSA Government Fleet Credit Card Fraud

After the GSA Loss Prevention Team identified suspicious transactions associated with three fleet cards assigned to the Department of Labor (DOL) in Philadelphia, PA, a joint investigation by the GSA OIG and DOL OIG determined that a 29-year DOL employee used her position to steal fleet cards and provide them to a family friend, who then used them to make fraudulent purchases of fuel for private use. After the fleet cards were fraudulently used by her co-conspirator, the DOL employee would return them to the DOL office to avoid suspicion. The total loss was estimated at \$4,100. The DOL employee was recently arrested on theft and conspiracy charges.

U.S. Department of Labor Employee Arrested for GSA Government Fleet Credit Card Fraud

After the GSA Loss Prevention Team identified suspicious transactions associated with fleet cards assigned to several GSA vehicles leased to the DOL in upstate New York, a joint investigation by the GSA OIG and the DOL OIG disclosed that a DOL employee used the fleet cards to purchase fuel for personal vehicles (and for associates in exchange for cash), resulting in a loss to the government of approximately \$1,378. On December 5, 2013, the DOL employee was arrested for fraudulently using multiple GSA government fleet credit cards to purchase fuel for his personal vehicles. The employee was charged with theft and fraud under New York state law.

Amtrak Engineering Department Involved in Misuse of the GSA Government Fleet Credit Card

GSA OIG received information from the GSA Loss Prevention Team regarding suspicious fleet card transactions for a GSA leased vehicle assigned to the Amtrak Engineering Department's Electric Traction Division in Guilford, CT. An investigation revealed that Amtrak personnel misused the fleet card for purchases other than for the vehicle assigned. Therefore, on March 21, 2014, GSA billed Amtrak \$5,597 for misuse of the card.

Air Force Recruiter Found Guilty of Fraudulent Use of the GSA Government Fleet Credit Card

The GSA Loss Prevention Team reported that two GSA government fleet credit cards assigned to a U.S. Air Force recruiting squadron had been used for suspicious purchases. A GSA OIG investigation revealed that Senior Airman Chad Hill, a recruiter in the squadron, unlawfully used the fleet cards on numerous occasions to purchase fuel for his personal vehicle. Hill was convicted by a court martial of Larceny and Failure to Obey Regulations, and sentenced to three months of confinement and a forfeiture of pay in the amount of \$3,032.

Tribal Employee Sentenced for Theft

On March 12, 2014, an employee of the Pascua Yaqui Health Department in Tucson, AZ, was sentenced to probation and restitution in the amount of \$27,620 for using a GSA government fleet credit card to purchase fuel for his privately owned vehicles.

Other Recoveries

During this reporting period, the GSA OIG conducted several investigations which resulted in multiple significant non judicial recoveries. Our investigative efforts successfully included a \$1.2 million recovery with a GSA contractor that provided insufficient commercial sales practices data to the GSA during the renewal of their GSA MAS contract. GSA OIG also successfully recovered \$1.2 million and \$725,000, respectively, from two GSA contractors for violations of the price reduction clause of their GSA MAS contract. Our investigative work also led to a \$645,000 recovery from a GSA contractor for falsely billing the government for unqualified labor hours. Other recoveries included a significant investigation in which our investigative efforts led to the recovery of \$7.3 million dollars of military aircraft equipment.

WPA Era Art Recovery Efforts

As a direct result of the cooperative efforts between the GSA OIG and the GSA, Office of the Chief Architect, Fine Arts Division, a total of fourteen lost pieces of Works Progress Administration (WPA) artwork were recovered during this reporting period. These pieces of American history are not subject to public sale, but their comparative value totals \$1,084,800. Their historic value is immeasurable. Twelve pieces have been put on a long-term loan with the City of Monterey, CA, where they are on public display as originally intended. Since the inception of cooperative recovery efforts, 201 WPA pieces have been recovered, with a total value of \$3,762,150.

Suspension and Debarment Initiative

GSA has a responsibility to ascertain whether the people or companies it does business with are eligible to participate in federally-assisted programs and procurements, and that they are not considered “excluded parties.” Excluded parties are declared ineligible to receive contracts by a federal agency. The FAR authorizes an agency 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 process and forward referrals to GSA so GSA can ensure that the government does not award contracts to individuals or companies that lack business integrity or honesty.

During this reporting period, the OIG made 85 referrals for consideration of suspension/debarment to the GSA Office of Acquisition Policy. GSA issued 99 actions based on current and previous OIG referrals.

Integrity Awareness

The OIG presents Integrity Awareness Briefings nationwide to educate GSA employees on their responsibilities for the prevention of fraud and abuse. This period, we presented 19 briefings attended by 253 regional and central office employees. 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 thus help to prevent their recurrence. GSA employees are the first line of defense against fraud, abuse, and mismanagement. They are a valuable source of successful investigative information.

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 FraudNet electronic reporting system also allows internet submission of complaints. During this reporting period, we received 1402 Hotline contacts. Of these, 35 were referred to GSA program officials for review and appropriate action, 43 were referred to other federal agencies, two were referred to the OIG Office of Audits, and 33 were referred internally for investigation or further review.

Forensic Auditing, Evaluation, and Analysis

The Office of Forensic Auditing, Evaluation and Analysis provides the Inspector General with the means to independently and objectively analyze and evaluate 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; review and evaluate presumptive and/or current fraudulent and criminal activities through the use of forensic auditing skills, tools, techniques, and methodologies; and formulate, direct, and coordinate the quality assurance function of the OIG, to include the OIG's Federal Managers' Financial Integrity Act (FMFIA) program, encompassing the Annual Assurance Statement and cyclical Internal Control Reviews. Finally, the office houses the OIG Records Officer, providing guidance and assistance OIG-wide on records management issues.

During this reporting period, operations included providing assistance on six Office of Investigations cases, as well as technical expertise on the Office of Audits 2013 FISMA vulnerability scanning. The office initiated one new evaluation, and continued evaluative and proactive work focusing on data analysis of potentially fraudulent activity.

Government-Wide Policy Activities

Government-Wide Policy Activities

We regularly provide advice and assistance on government-wide policy matters to the Agency, as well as to other federal agencies and committees of Congress. In addition, as required by the IG Act of 1978, we review existing and proposed legislation and regulations to determine their effect on the economy and efficiency of Agency's programs and operations and on the prevention and detection of fraud and mismanagement. Because of the central management role of the Agency in shaping government-wide policies and programs, most of the legislation and regulations reviewed invariably affect government-wide issues such as procurement, property management, travel, and government management and IT systems. To ensure the auditors' independence when performing subsequent audit work, we participate in Agency task forces, committees, and working groups in an observer or advisor capacity.

Legislation, Regulations, and Subpoenas

During this reporting period, the OIG reviewed numerous legislative matters and proposed regulations. We also responded to requests from Members of Congress on behalf of their constituents as well as Congressional committees. The OIG also made substantive comments on several proposed laws and regulations. Additionally, we issued 47 subpoenas in support of our audit, inspection, evaluative, and investigative work.

Interagency and Intra-agency Committees and Working Groups

- > **Council of the Inspectors General on Integrity and Efficiency (CIGIE).** The IG is a member of the Investigations Committee and Homeland Security Roundtable. The IG is also the liaison between CIGIE and the Federal Chief Acquisition Officers Council.
 - **CIGIE Disaster Assistance Working Group.** On January 29, 2013 the President signed into law the Disaster Relief Appropriations Act of 2013 (P.L. 113–2), which provides fiscal year 2013 supplemental appropriations to respond to and recover from the damage caused by Hurricane Sandy. It provides funds to eighteen federal agencies (GSA received \$7M) and directs their OIGs to oversee the use of these funds. As a member, the GSA OIG will work with the Group to develop and use information technology resources and oversight mechanisms to detect and remediate waste, fraud, and abuse as these appropriated funds are obligated and expended.
 - **Federal Audit Executive Council Information Technology Committee.** The Office of Audits participates in the Federal Audit Executive Council Information Technology Committee. This Committee provides a forum to share information and coordinate audits of significant IT issues to the OIG community and the federal government. The committee also develops and recommends best practices to be used by OIGs in addressing IT issues.

- **CIGIE Professional Development Committee’s Leadership Development Subcommittee.** The Office of Counsel participates in the Leadership Development Subcommittee, which serves as the liaison between the CIGIE Professional Development Committee and the CIGIE Training Institute’s Leadership and Mission Support Academy. The subcommittee is a working group that promotes high quality leadership and mission support training, education, and professional development throughout the CIGIE community.
- **CIGIE Investigation Committee’s Suspension and Debarment Working Group.** The Office of Investigations participates in the CIGIE Suspension and Debarment working group which promotes the use of suspension and debarment within the CIGIE community and provides educational opportunities.
- > **Public and Private Sector Outreach.** During this reporting period, the IG continued to reach out to both the public and private sectors as part of an effort to prevent, detect, and deter procurement fraud. This outreach has promoted communication, coordination, and cooperation among accountability professionals to foster effectiveness and efficiency of government oversight. Organizations that the IG made presentations to or had discussions with include the American Bar Association, Coalition for Government Procurement, Ethics Resource Center, Association of Certified Fraud Examiners, Compliance Week, Boston Federal Executive Board, and the City and County of San Francisco. During this reporting period, OIG senior staff members met with officials from the Japanese government and embassy to discuss the role and work of the OIG.
- > **TeamMate Technical Support Group.** As part of our mission to address some of the complex integration and security issues surrounding E-Gov and the use of information technology, the TeamMate Technical Support Group participates in the TeamMate Federal Users Group and the Commerce Clearing House TeamMate Users Group to discuss concerns and challenges facing TeamMate users. TeamMate is an automated audit workpaper management system that strengthens the audit process, increases the efficiency and effectiveness of our auditors and audits, and ultimately leads to more robust, quality audit products.
- > **Information Assurance Committee.** The Office of Audits participates in the Office of the Chief Information Officer’s Information Assurance Committee. This committee oversees the development and implementation of enterprise security policy and makes recommendations on GSA’s IT security policies. The committee is comprised of representatives with information security responsibilities from the PBS, FAS, and staff offices. The OIG participates to monitor the progress of the Agency in meeting its information security performance metrics and goals.

Appendices

Appendix I – Significant Audits from Prior Reports

Under the Agency audit management decision process, the GSA Offices of Administrative Services and the Chief Financial Officer are responsible for tracking the implementation of audit recommendations after a management decision has been reached. These offices furnished the following status information.

Eight audits identified in prior reports to the Congress include recommendations that have not yet been fully implemented. These recommendations are being implemented in accordance with currently-established milestones.

Audit of GSA's Controls over the National Capital Region's Reimbursable Work Authorization

Period First Reported: April 1 to September 30, 2013

The objective was to determine if GSA's controls over Reimbursable Work Authorizations (RWAs), as implemented by the National Capital Region (NCR), ensure compliance with applicable polices and laws. The report contained two recommendations, which have not been implemented.

The recommendations involve: (1) developing and implementing a plan to ensure existing controls are consistently applied at all NCR service centers and identifying internal control system weaknesses to improve RWA management; and (2) clarifying and actively managing the policy regarding RWAs to ensure that the service centers apply the policy consistently, and that RWAs are authorized at the appropriate levels throughout the NCR service centers. The recommendations are scheduled for completion by January 15, 2015.

Audit of GSA's Award and Administration Center of Excellence Task Orders, Pacific Rim Region, Federal Acquisition Service

Period First Reported: April 1 to September 30, 2013

The objective was to determine whether GSA adequately awarded and administered the two Center of Excellence task orders in accordance with the Federal Acquisition Regulation and internal procedures and policies. The report contained nine recommendations; one has not been implemented.

The remaining recommendation involves obtaining supporting documentation to validate that all task order subtasks were addressed by the contractor and attempt to recoup funds for subtasks not performed. The recommendation is scheduled for completion by May 15, 2014.

Audit of GSA's Mobile Computing Initiatives

Period First Reported: April 1 to September 30, 2013

The objective was to determine whether GSA's implementation of initiatives for mobile devices and mobile applications was consistent with its information technology strategic goal for access to GSA systems from Any Location, Anytime, and Any Device and the White House's Digital Government Strategy. The report contained four recommendations; one has not been implemented.

The remaining recommendation involves ensuring that currently deployed mobile applications meet the updated standards. The recommendation is scheduled for completion by July 15, 2014.

Follow-up Audit of GSA's Acquisition of Services for the International Trade Center at the Ronald Reagan Building: PBS's Oversight of Contract Requirements

Period First Reported: October 1, 2012, to March 31, 2013

The objective was to determine if the Public Buildings Service (PBS) performed effective oversight of the requirements related to minimum revenue guarantees and deliverables in the contract for management and operation of the International Trade Center at the Ronald Reagan Building. The report contained four recommendations; one has not been implemented.

The remaining recommendation involves PBS acting in accordance with PBS's plan to address preaward competition concerns. The recommendation is scheduled for completion by November 15, 2014.

Audit of the General Services Administration's FY 2012 Financial Statements

Period First Reported: October 1, 2012, to March 31, 2013

The objective was to conduct an audit of GSA's consolidated balance sheet, the individual balance sheets of the Federal Buildings Fund and the Acquisition Services Fund, the related consolidated and individual statement of net cost, the changes in net position, and the combined and individual statements of budgetary resources for fiscal year 2012. The report contained 98 recommendations; 11 have not been implemented.

The 11 remaining recommendations involve: (1) implementing a review process to ensure that the system Funding and Spending controls are turned off for a valid reason and turned back on after processing; (2) continuing the assessment of the Agency's financial information technology infrastructure with the objective of improving the effectiveness of information technology controls, both general and application and of timely and accurate financial reporting; (3) instituting policies and procedures to ensure that the delivery date or period of performance is stated on all obligation documents; (4) training the contracting officers to understand the need and the requirement to obtain the proper certifications of funds availability from the certifying official before signing any obligation; (5) implementing the Accounting for Environmental Guidelines in fiscal year 2013; (6) providing additional training to reinforce existing policies and procedures, which require proper authorization and approval of contracts prior to recording the obligations in the financial management system; (7) performing regular verification of the assets listing in the Fixed Asset subsidiary ledger; (8) developing and delivering training on an ongoing basis to ensure appropriate asset classification codes are used for each building entered into the Real Estate Across the United States (REXUS) system; (9) performing regular verifications of the assets listed in the Fixed Assets subsidiary ledger; (10) enforcing policies with the regions to ensure that all RWAs are recorded in the RWA Entry and Tracking Application (RETA) timely and accurately; and (11) recommending the OCFO General Support System (GSS) owner develop and document procedures to require that operating system logs are periodically reviewed for inappropriate activity. The recommendations are scheduled for completion by August 30, 2014.

Audit of PBS's Major Construction and Modernization Projects, Modifications at 50 UN Plaza Renovation Project

Period First Reported: October 1, 2012, to March 31, 2013

The objective of the Office of Inspector General's Recovery Act oversight is to determine if PBS is planning, awarding, and administering contracts for major construction and modernization projects in accordance with prescribed criteria and Recovery Act mandates. The report contained four recommendations; three have not been implemented.

The remaining recommendations involve: (1) notifying Congress and the Office of Management and Budget (OMB) of inaccurate Recovery Act financial reporting on the 50 UN Plaza project caused by an invalid obligation; (2) notifying Congress and OMB of the use of Minor R&A funds to supplement the 50 UN Plaza project; (3) and obtaining funding from other GSA components for the cost of tenant-requested improvements. The recommendations are scheduled for completion by April 30, 2014.

Limited Scope Audit of Invalid Obligations and Contingency Funding for Recovery Act Projects

Period First Reported: October 1, 2012, to March 31, 2013

The objective of this audit was to alert GSA management that Recovery Act funds were being invalidly obligated on multiple projects through contract modifications being used for contingency and, as a result, Recovery Act reporting has been inaccurate and the invalidly obligated funds have expired and will be rescinded. The report contained three recommendations; two have not been implemented.

The remaining recommendations involve: (1) notifying OMB that Recovery Act funds have been invalidly obligated and that past reporting of obligations has been inaccurate; and (2) notifying Congressional Committees with jurisdiction as appropriate. The recommendations are scheduled for completion between by May 15, 2014.

Audit of the General Services Administration's FY 2011 Financial Statements

Period First Reported: October 1, 2011, to March 31, 2012

The objective was to conduct an audit of GSA's consolidated balance sheet, the individual balance sheets of the Federal Buildings Fund and the Acquisition Services Fund, the related consolidated and individual statement of net cost, the changes in net position, and the combined and individual statements of budgetary resources for fiscal year 2011. The report contained 146 recommendations; one has not been implemented.

The remaining recommendation involves reviewing management's acceptance of risk for database vulnerabilities to assess the risks posed to the organization on an individual and cumulative basis. The recommendation is scheduled for completion by March 31, 2014.

Appendix II – Audit Report Register

| DATE OF REPORT | REPORT NUMBER | TITLE | FINANCIAL RECOMMENDATIONS | |
|---|---------------|---|----------------------------|--------------------------------|
| | | | FUNDS BE PUT TO BETTER USE | QUESTIONED (UNSUPPORTED) 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 INTERNAL AUDITS | | | | |
| 03/17/14 | A120111 | PBS Did Not Follow Internal Guidance for Congressional Notification and Violated Competition Requirements When Supplementing Funding of Recovery Act Projects | | |
| 03/28/14 | A130130 | Implementation Review of Corrective Action Plan: Contract Administration for Group 10 Recovery Act Limited Scope and Small Construction Projects Report Number A090184/P/R/R12008, June 13, 2012 | | |
| PBS CONTRACT AUDITS | | | | |
| 01/17/14 | A130104 | Examination of a Final Settlement Proposal: Howard S. Wright Companies, Oregon Joint Venture, Contract Number GS-10P-09-LT-C-0052 | | |
| 03/06/14 | A140106 | Examination of a Claim: Skanska USA Building, Inc. Contract Number GS-04P-09-EX-C-0076 | | |
| 03/24/14 | A130099 | Examination of a Claim: HCBeck, Ltd., Contract Number GS-07P-09-UY-C-0007 | | |
| FAS INTERNAL AUDITS | | | | |
| 10/31/13 | A120124 | Audit of FAS's Greater Southwest Acquisition Center - Schedule 84 Pricing and Negotiation | | |
| 02/05/14 | A130113 | Implementation Review of Corrective Action Plan: Audit of Management Controls Within the Network Services Division, Pacific Rim Region, Federal Acquisition Service, Report Number A110100/Q/9/P12009, Dated May 30, 2012 | | |
| 03/31/14 | A120169 | Audit of the Postpayment Audit Process: Transportation Audits Division Federal Acquisition Service | | |
| FAS CONTRACT AUDITS | | | | |
| 10/24/13 | A130074 | Preaward Examination of Multiple Award Schedule Extension: Salient Federal Solutions, Inc. Contract Number GS-35F-4704G | | |
| 10/24/13 | A130086 | Preaward Examination of Multiple Award Schedule Contract Extension: Sea Box, Inc. Contract Number GS-02F-0024P | | \$3,032 |
| 10/24/13 | A130087 | Preaward Examination of Multiple Award Schedule Contract Extension: Accenture Federal Services LLC, Contract Number GS-10F-0608N | | |
| 10/29/13 | A130077 | Preaward Examination of Multiple Award Schedule Contract Extension: Intuitive Research and Technology Corporation, Contract Number GS-23F-0343N | | \$162 |
| 10/31/13 | A120117 | Limited Scope Examination of Multiple Award Schedule Contract: Hewlett-Packard Company, Contract Numbers GS-35F-4663G and GS-35F-0066N | | \$640,986 |

| DATE OF REPORT | REPORT NUMBER | TITLE | FINANCIAL RECOMMENDATIONS | |
|------------------------------|---------------|---|----------------------------|--------------------------------|
| | | | FUNDS BE PUT TO BETTER USE | QUESTIONED (UNSUPPORTED) COSTS |
| 11/04/13 | A130090 | Preaward Examination of Multiple Award Schedule Contract Extension: Environmental Systems Research Institute, Contract Number GS-35F-5086H | | |
| 11/13/13 | A130075 | Examination of a Claim: Booz Allen Hamilton, Inc. Task Order GST0311DS7078 | | |
| 12/12/13 | A130096 | Preaward Examination of Multiple Award Schedule Contract Proposal: Rodco-Brandt Solicitation Number 3QSA-JB-100001-B | | |
| 12/12/13 | A130079 | Preaward Examination of Multiple Award Schedule Contract Extension: Allsteel Inc., Contract Number GS-28F-0001V | | |
| 12/20/13 | A130073 | Preaward Examination of Multiple Award Schedule Contract Extension: Torch Technologies, Inc., Contract Number GS-23F-0321N | | \$34,379 |
| 12/20/13 | A130088 | Preaward Examination of Multiple Award Schedule Contract Extension: Provengo LLC, Contract Number GS-07F-0049V | | |
| 12/23/13 | A130100 | Preaward Examination of Multiple Award Schedule Contract Extension: Cellco Partnership d/b/a Verizon Wireless, Contract Number GS-35F-0119P | | |
| 01/24/14 | A130080 | Preaward Examination of Multiple Award Schedule Contract Extension: Intelsat General Corporation, Contract Number GS-35F-0478U | | |
| 01/27/14 | A120143 | Preaward Examination of Multiple Award Schedule Contract: Centra Technology, Inc., Contract Number GS-00F-0020Y | | |
| 01/30/14 | A130084 | Preaward Examination of Multiple Award Schedule Contract Extension: BAE Systems Information Solutions, Inc., Contract Number GS-10F-0007P | | \$60,565 |
| 01/31/14 | A130071 | Preaward Examination of Multiple Award Schedule Contract Extension: Industries for the Blind, Inc., Contract Number GS-02F-0208N | | \$306,596 |
| 02/03/14 | A130105 | Preaward Audit of Multiple Award Schedule Contract Extension: Rockwell Collins, Inc., Contract Number GS-35F-5926H | | |
| 02/18/14 | A130137 | Preaward Examination of Multiple Award Schedule Contract Extension: HomeTelos, L.P., Contract Number GS-23F-0024V | | |
| 02/24/14 | A130046 | Preaward Examination of Multiple Award Schedule Contract Extension: General Dynamics Advanced Information Systems, Inc., Contract Number GS-35F-0717N | | \$82,488 |
| 03/12/14 | A130048 | Postaward Audit of Multiple Award Schedule Contract: Intirion Corporation, Contract Number GS-21F-0091H | | \$569,834 |
| 03/31/14 | A130049 | Preaward Examination of Multiple Award Schedule Contract Extension: SimplexGrinnell LP, Contract Number GS-06F-0054N | | |
| 03/31/14 | A130114 | Preaward Examination of Multiple Award Schedule Contract Extension: Ricoh USA, Inc., Contract Number GS-03F-0085U | | \$1,302 |
| OTHER INTERNAL AUDITS | | | | |
| 12/19/13 | A130013 | Audit of the General Services Administration's Fiscal Year 2013 Financial Statements | | |

Appendix III – OIG Reports over 12 Months Old, Final Agency Action Pending

Public Law 104–106 requires the head of a federal agency to complete final action on each management decision required with regard to a recommendation in an Inspector General’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 Inspector General shall identify the matter in the semiannual report until final action is complete.

In GSA, the Offices of Administrative Services and the Chief Financial Officer are responsible for monitoring and tracking open recommendations. While we continue to assist the Agency in resolving these open items, various litigative proceedings, continuing negotiations of contract proposals, and corrective actions needed to undertake complex and phased-in implementing actions often delay timely completion of the final action.

The Offices of Administrative Services and the Chief Financial Officer provided the following list of reports with action items open beyond 12 months:

| DATE OF REPORT | REPORT NUMBER | TITLE |
|------------------------|---------------|--|
| CONTRACT AUDITS | | |
| 12/29/08 | A090042 | Postaward Audit Report on Direct Costs Incurred on Trilogy Project: Computer Sciences Corporation, Contract Number GS00-T99-ALD204 |
| 1/20/09 | A080136 | Preaward Review of Multiple Award Schedule Contract Extension: Dynamic Decisions, Inc., Contract Number GS-35F-5879H |
| 4/27/09 | A080210 | Preaward Review of Multiple Award Schedule Contract Extension: ImmixTechnology, Inc., Contract Number GS-35F-0330J |
| 8/6/09 | A090145 | Preaward Review of Multiple Award Schedule Contract Extension: BTAS, Inc., Contract Number GS-35F-0546J |
| 8/19/09 | A090106 | Preaward Review of Multiple Award Schedule Contract Extension: Perot Systems Government Services, Inc., Contract Number GS-00F-0049M |
| 8/21/09 | A080030 | Preaward Review of Multiple Award Schedule: Hewlett-Packard Company, Solicitation Number FCIS-JB-980001-B |
| 8/21/09 | A090090 | Preaward Review of Multiple Award Schedule Contract Extension: Ezenia, Inc., Contract Number GS-35F-0475P |
| 9/4/09 | A090254 | Report on Audit of Parts of a Firm Fixed Price Proposal for Architectural and Engineering Services on the New St. Elizabeth's West Campus of the U.S. Department of Homeland Security Headquarters and Consolidated National Operations Center: Greenhorne & O'Mara, Inc., Solicitation Number GS11-P08-MKC0080 |
| 9/9/09 | A090232 | Report on Audit of Parts of a Firm Fixed Price Proposal for Architectural and Engineering Services on the new St. Elizabeth's West Campus of the United States Department of Homeland Security Headquarters and Consolidated National Operations Center in Washington, DC: Haley & Aldrich, Inc., Solicitation Number GS11-P08-MKC0079 |
| 9/10/09 | A090234 | Report on Audit of Direct Labor Rates, Indirect Rates, and Other Direct Costs Portion of Subcontract Proposal: HDR Architecture, Inc., Solicitation Number GS11-P08-MKC0079 |

| DATE OF REPORT | REPORT NUMBER | TITLE |
|----------------|---------------|--|
| 11/9/09 | A090202 | Preaward Review of Multiple Award Schedule Contract Extension: Computech, Inc., Contract Number GS-35F-0108K |
| 12/10/09 | A090159 | Preaward Review of Multiple Award Schedule Contract Extension: RCF Information Systems, Inc., Contract Number GS-35F-0613J |
| 6/23/10 | A090222 | Preaward Review of Multiple Award Schedule Contract Extension: Force 3, Inc., Contract Number GS-35F-0785J |
| 6/24/10 | A090108 | Preaward Review of Multiple Award Schedule Contract Extension: Integrated Data Services, Inc., Contract Number GS-35F-0272J |
| 7/6/10 | A080070 | Preaward Review of Multiple Award Schedule Contract Extension: Accenture, LLP, Contract Number GS-35F-4692G |
| 8/16/10 | A090130 | Limited Review of Multiple Award Schedule for the Period January 8, 2002 to November 7, 2005: Cort Business Furniture, Contract Number GS-28F-7018G |
| 8/24/10 | A090140 | Postaward Review of Multiple Award Schedule Contract: Systems Research and Applications Corporation, Contract Number GS-35F-0735J |
| 9/15/10 | A080124 | Limited Scope Postaward Review For the Period July 1, 2003 to December 29, 2008: ASAP Software Express, Inc., Contract Number GS-35F-4027D |
| 9/16/10 | A100148 | Examination of a Change Order Proposal: Alutiiq International Solutions, LLC, Contract Number GS-08P-08-JF-C-0005 |
| 10/7/10 | A100117 | Preaward Examination of Multiple Award Schedule Contract Extension: Dun & Bradstreet, Inc., Contract Number GS-22F-9614D |
| 10/12/10 | A100156 | Examination of a Claim: Acousti Engineering Company of Florida, Subcontractor to Dick Corporation, Contract Number GS-04P-01-EXC-0044 |
| 10/27/10 | A090133 | Limited Scope Postaward Review of Multiple Award Schedule For the Period July 29, 2002 to September 9, 2008: SeaArk Marine, Inc., Contract Number GS-07F-0012J |
| 11/24/10 | A090192 | Preaward Review of Multiple Award Schedule Contract Extension: SHI International Corporation, Contract Number GS-35F-0111K |
| 11/24/10 | A100193 | Postaward Audit of Multiple Award Schedule Contract Extension: The Stratix Corporation, Contract Number GS-35F-0805R |
| 12/27/10 | A100172 | Preaward Examination of Multiple Award Schedule Contract Extension: New England Woodcraft, Inc., Contract Number GS-27F-0005L |
| 1/27/11 | A100075 | Preaward Review of Multiple Award Schedule Contract Extension: Cort Business Services Corporation, Contract Number GS-28F-7018G |
| 1/27/11 | A100213 | Examination of a Claim: Cobb Mechanical Contractors, Subcontractor to Caddell Construction Company, Incorporated, Contract Number GS-07P-05-UEC-3003 |
| 2/2/11 | A100171 | Examination of a Claim: Layton Construction Company, Inc., Contract Number GS-08P-07-JFC-0016 |
| 3/29/11 | A100114 | Preaward Review of Multiple Award Schedule Contract Extension: Ahura Scientific, Inc., Contract Number GS-07F-6099R |
| 5/10/11 | A110073 | Preaward Examination of Multiple Award Schedule Contract Extension: PPS Infotech, LLC, Contract Number GS-35F-0372L |
| 5/12/11 | A100221 | Preaward Examination of Multiple Award Schedule Contract Extension: Mainline Information Systems, Inc., Contract Number GS-35F-0216L |
| 5/12/11 | A110044 | Preaward Examination of Multiple Award Schedule Contract Extension: Vaisala, Inc., Contract Number GS-25F-6029D |

| DATE OF REPORT | REPORT NUMBER | TITLE |
|----------------|---------------|--|
| 5/16/11 | A110063 | Postaward Examination of Multiple Award Schedule For the period January 1, 2008 to December 31, 2010: IntelliDyne, LLC, Contract Number GS-35F-0554K |
| 5/17/11 | A100183 | Examination of a Claim: Moshe Safdie and Associates, Inc., Contract Number GS-01P-99-BWC-0016 |
| 6/1/11 | A110070 | Examination of a Claim: Bergelectric Corporation, Subcontractor to Caddell Construction Co., Inc., Contract Number GS-07P-05-UEC-3003 |
| 6/1/11 | A110087 | Preaward Examination of Multiple Award Schedule Contract Extension: National Interest Security Company, LLC, Contract Number GS-25F-0032L |
| 6/7/11 | A090112 | Postaward Review of Multiple Award Schedule Contract for the Period March 20, 1998, through April 30, 2008: ITS Services, Inc., Contract Number GS-35F-5518H |
| 6/10/11 | A110115 | Preaward Examination of Multiple Award Schedule Contract Extension: Pacific Star Communications, Inc., Contract Number GS-35F-0031L |
| 6/13/11 | A110108 | Preaward Examination of Multiple Award Schedule Contract Extension: Protective Products Enterprises, Contract Number GS-07F-9029D |
| 6/30/11 | A090045 | Limited Scope Postaward Review of Multiple Award Schedule for the Period January 01, 2005 to July 31, 2007: C-Tech Industries, Inc., Contract Number GS-07F-0496T |
| 7/6/11 | A110098 | Examination of a Claim: KenMor Electric Company, L.P., Subcontractor to W.G. Yates & Sons Construction Company, Contract Number GS-07P-05-URC-5007 |
| 7/7/11 | A100140 | Preaward Review of Multiple Award Schedule Contract Extension: Veterans Imaging Products, Inc., Contract Number GS-14F-0005L |
| 7/8/11 | A110132 | Preaward Examination of Architect-Engineer Proposal: R.A. Heintges & Associates, Subcontractor to Smith-Miller & Hawkinson Architects, LLP, Solicitation Number GS-11P-10-MKC-0050 |
| 7/8/11 | A110132 | Preaward Examination of Architect-Engineer Proposal: Smith-Miller & Hawkinson Architects, LLP, Solicitation Number GS-11P-10-MKC-0050 |
| 7/14/11 | A110140 | Preaward Examination of Architect/Engineering Proposal: Lehman Smith McLeish, PLLC, Subcontractor to Smith-Miller & Hawkinson Architects LLP, Solicitation Number GS-11P-10-MKC-0050 |
| 7/27/11 | A100170 | Examination of a Claim: Caddell Construction Company, Incorporated, Contract Number GS-07P-05-UEC-3003 |
| 7/27/11 | A110109 | Preaward Examination of Multiple Award Contract Extension: Security Consultants Group Incorporated, Contract Number GS-07F-0267L |
| 7/28/11 | A110088 | Postaward Examination of Multiple Award Schedule for the Period January 1, 2009, to December 31, 2010: Global Protection USA, Inc., Contract Number GS-07F-6028P |
| 8/3/11 | A100119 | Preaward Review of Multiple Award Schedule Contract Extension: Noble Sales Co., Inc., Contract Number GS-06F-0032K |
| 8/3/11 | A100182 | Preaward Examination of O&M Services Contract: Security Construction Services, Inc., Solicitation Number GS-01P-10-BW-C-0026 |
| 8/4/11 | A110133 | Preaward Examination of Architect Engineer Proposal: Arup USA, Inc., Subcontractor to Smith-Miller & Hawkinson Architects, LLP, Solicitation Number GS-11P-10-MKC-0050 |
| 8/10/11 | A110102 | Examination of a Claim: W.G. Yates & Sons Construction Company, Contract Number GS-07P-05-URC-5007 |

| DATE OF REPORT | REPORT NUMBER | TITLE |
|----------------|---------------|---|
| 8/15/11 | A110180 | Examination of Architect and Engineering Services Contract: RTKL Associates, Inc., Contract Number GS-11P-11-MK-C-0045 |
| 8/19/11 | A110111 | Preaward Examination of Multiple Award Schedule Contract Extension Options Number 3, 5, and 6: Thermo Electron North America, LLC, Contract Number GS-24F-0026L |
| 8/22/11 | A090196 | Review of Construction Management Services Contract: Bovis Lend Lease LMB, Inc., Contract Number GS-02P-04-DTC-0028 |
| 8/25/11 | A110136 | Preaward Examination of Multiple Award Schedule Contract Extension: Konica Minolta Business Solutions U.S.A., Inc., Contract Number GS-25F-0030M |
| 9/8/11 | A110021 | Examination of a Claim: Myrex Industries, Subcontractor to Caddell Construction Company, Incorporated, Contract Number GS-07P-05-UEC-3003 |
| 9/9/11 | A110067 | Preaward Examination of Multiple Award Schedule Contract Extension: Clifton Gunderson, LLP, Contract Number GS-23F-0135L |
| 9/12/11 | A110146 | Examination of Conversion Proposal: White Construction Company, Contract Number GS-07P-06-UEC-0059 |
| 9/14/11 | A110122 | Preaward Examination of Multiple Award Schedule Contract: Agilent Technologies, Incorporated, Contract Number GS-26F-5944A |
| 9/15/11 | A110174 | Postaward Examination of Multiple Award Schedule for the Period March 5, 2010, to July 31, 2011: Protective Products Enterprises, Contract Number GS-07F-9029D |
| 10/13/11 | A100210 | Preaward Examination of Multiple Award Schedule Contract Extension: Labat-Anderson, Inc., Contract Number GS-25F-0028L |
| 11/15/11 | A110197 | Preaward Examination of Multiple Award Schedule Contract Extension: KDH Defense Systems, Inc., Contract Number GS-07F-0249T |
| 12/7/11 | A110176 | Preaward Examination of Multiple Award Schedule Contract Extension: Fontaine Trailer Company, Incorporated, Contract Number GS-30F-0018T |
| 12/19/11 | A110153 | Examination of a Claim: Letsos Company, Subcontractor to W.G. Yates & Sons Construction Company, Contract Number GS-07P-05-URC-5007 |
| 12/22/11 | A110178 | Preaward Examination of Multiple Award Schedule Contract Extension: Sharp Electronics Corporation, Contract Number GS-25F-0037M |
| 12/27/11 | A110191 | Preaward Examination of Multiple Award Schedule Contract Extension: Paradigm Technologies, Inc., Contract Number GS-23F-0023T |
| 12/27/11 | A110198 | Preaward Examination of Multiple Award Schedule Contract Extension: Scott Technologies Incorporated, Contract Number GS-07F-9563G |
| 1/19/12 | A110152 | Preaward Examination of Multiple Award Schedule Contract Extension: Technology Associates International Corporation, Contract Number GS-35F-0474L |
| 1/23/12 | A110186 | Preaward Examination of Multiple Award Schedule Contract Extension: BRSI, L.P., Contract Number GS-23F-0186L |
| 1/31/12 | A110177 | Examination of a Claim: Way Engineering Ltd., Subcontractor to W.G. Yates & Sons Construction Company, Contract Number GS-07P-05-URC-5007 |
| 2/3/12 | A120065 | Examination of a Claim: Bergelectric Corporation, Subcontractor to Caddell Construction Company, Inc., Contract Number GS-07P-05-UEC-3003 |
| 2/8/12 | A120075 | Examination of a Claim: Enola Contracting Services, Inc., Contract Number GS-04P-07-EX-C-0167 |

| DATE OF REPORT | REPORT NUMBER | TITLE |
|----------------|---------------|---|
| 2/22/12 | A110089 | Preaward Examination of Multiple Award Schedule Contract Extension: Quality Software Services, Inc., Contract Number GS-35F-0308L |
| 3/1/12 | A110097 | Preaward Examination of Multiple Award Schedule Contract Extension: Dell Marketing, L.P., Contract Number GS-35F-4076D |
| 3/2/12 | A120021 | Preaward Examination of Multiple Award Schedule Contract Extension: Presidio Networked Solutions, Inc., Contract Number GS-35F-4554G |
| 3/7/12 | A110200 | Preaward Examination of MAS contract Extension: Deco, Inc., Contract Number GS-07F-0103M |
| 3/27/12 | A120074 | Preaward Examination of Multiple Award Schedule Contract: Kimball International, Inc., Contract Number GS-29F-0177G |
| 3/28/12 | A120070 | Examination of a Claim: Cobb Mechanical, Subcontractor to Caddell Construction Co., Inc., Contract Number GS-07P-05-UEC-3003 |
| 4/10/12 | A120090 | Preaward Examination of Multiple Award Schedule Contract Extension: Mine Safety Appliances Company, Contract Number GS-07F-9628G |
| 4/12/12 | A110143 | Preaward Examination of Multiple Award Schedule Contract Extension: The J. Diamond Group, Inc., Contract Number GS-07F-0305L |
| 4/23/12 | A120086 | Preaward Examination of Multiple Award Schedule Contract Extension: The Analysis Corporation, Contract Number GS-35F-0344L |
| 5/1/12 | A110213 | Preaward Examination of Multiple Award Schedule Contract Extension: Miami Air International, Incorporated, Contract Number GS-33F-0016T |
| 5/9/12 | A120069 | Examination of a Claim: Cleveland Construction, Inc., Subcontractor to Caddell Construction Co., Inc., Contract Number GS-07P-05-UEC-3003 |
| 5/31/12 | A120059 | Preaward Examination of Multiple Award Schedule Contract Extension: The MIL Corporation, Contract Number GS-35F-4670G |
| 6/29/12 | A110169 | Postaward Examination of Multiple Award Schedule Contract for the Period October 1, 2006, through March 31, 2011: Oce North America, Inc., Contract Number GS-25F-0060M |
| 7/5/12 | A110166 | Preaward Examination of Multiple Award Schedule Contract Extension: Pitney Bowes, Inc., Contract Number GS-25F-0010M |
| 7/6/12 | A120126 | Preaward Examination of Multiple Award Schedule Contract: Hamilton Products Group, Inc., Solicitation Number 3QSA-JB-100001-B |
| 7/17/12 | A120136 | Examination of a Claim: Lenex Steel Company, Contract Number GS-05P-02-GB-C-0089 |
| 8/9/12 | A120063 | Examination of a Claim: Caddell Construction Co., Inc., Contract Number GS-07P-05-UEC-3003 |
| 8/9/12 | A120084 | Preaward Examination of Multiple Award Schedule Contract Extension: Raytheon Company, Contract Number GS-35F-4097G |
| 8/15/12 | A110209 | Preaward Audit of Multiple Award Schedule Contract Extension: Proper International Sales, Inc., Contract Number GS-07F-0228M |
| 8/17/12 | A120119 | Preaward Examination of Multiple Award Schedule Contract Extension: Spectrum Systems, Inc., Contract Number GS-35F-5192G |
| 8/21/12 | A120083 | Examination of a Change Order Proposal: M.A. Mortenson Company, Contract Number GS-08P-09-JFC-0010 |

| DATE OF REPORT | REPORT NUMBER | TITLE |
|----------------|---------------|--|
| 8/23/12 | A120061 | Preaward Examination of Multiple Award Schedule Contract Extension: Schneider Electric USA, Inc., Contract Number GS-07F-9462G |
| 9/12/12 | A120103 | Preaward Examination of Multiple Award Schedule Contract Extension: ManTech Advanced Systems International, Inc., Contract Number GS-35F-4660G |
| 9/18/12 | A120121 | Examination of a Termination Settlement Proposal: Alutiq International Solutions, LLC, Contract Number GS-08P-08-JF-C-0005 |
| 9/20/12 | A120141 | Examination of a Claim: Turner Construction Company, Contract Number GS-07P-11-HHC-0003 |
| 10/16/12 | A120071 | Preaward Examination of Multiple Award Schedule Contract Extension: ICF Z-Tech, Inc., Contract Number GS-35F-0102M |
| 10/17/12 | A120148 | Examination of Change Order Proposal: Siemens Industries, Inc., Subcontractor to Whiting-Turner/Walsh JV, Contract Number GS-11P-10-MKC-0025 |
| 11/2/12 | A120066 | Preaward Examination of Multiple Award Schedule Contract Extension: Life Fitness, Inc., Contract Number GS-07F-9380G |
| 11/5/12 | A110138 | Preaward Audit of Multiple Award Schedule Contract Extension: United Parcel Service, Inc., Contract Number GS-23F-0282L |
| 11/14/12 | A120110 | Preaward Audit of Multiple Award Schedule Contract Extension: BlueScope Construction, Inc., Contract Number GS-07F-9665G |
| 11/20/12 | A120158 | Examination of a Change Order Proposal: Turner Construction Company, Contract Number GS-07P-11-HH-C-0003 |
| 11/21/12 | A120155 | Preaward Examination of Multiple Award Schedule Contract Extension: Avion Solutions, Inc., Contract Number GS-00F-0082N |
| 12/6/12 | A110147 | Preaward Audit of Multiple Award Schedule Contract Extension: Xerox Corporation, Contract Number GS-25F-0062L |
| 12/6/12 | A120078 | Preaward Examination of Multiple Award Schedule Contract Extension: Computer Sciences Corporation, Contract Number GS-35F-4381G |
| 12/20/12 | A120107 | Preaward Examination of Multiple Award Schedule Contract: Hewlett-Packard Company, Solicitation Number FCIS-JB-980001-B |
| 1/15/13 | A120179 | Examination of a Claim: Braithwaite Construction Company, LLC, Contract Number GS-07P-99-HHD-0100 |
| 1/18/13 | A120093 | Preaward Examination of Multiple Award Schedule Contract Extension: Reed Elsevier, Inc., Contract Number GS-02F-0048M |
| 1/24/13 | A120150 | Preaward Examination of Multiple Award Schedule Contract Extension: Grant Thornton, LLP, Contract Number GS-23F-8196H |
| 1/30/13 | A120165 | Examination of a Conversion Proposal: Skanska USA Building, Inc., Contract Number GS-04P-09-EX-C-0078 |
| 2/8/13 | A120177 | Preaward Examination of Multiple Award Schedule Contract Extension: ASI Government, Inc., Contract Number GS-10F-0308N |
| 2/21/13 | A110181 | Preaward Examination of Multiple Award Schedule Contract Extension: Softchoice Corporation, Contract Number GS-35F-0196M |
| 2/28/13 | A120095 | Preaward Examination of Multiple Award Schedule Contract Extension: Military Personnel Services Corporation, Contract Number GS-10F-0234M |
| 3/1/13 | A120098 | Preaward Examination of Multiple Award Schedule Contract Extension: Dynamics Research Corporation, Contract Number GS-35F-4775G |

| DATE OF REPORT | REPORT NUMBER | TITLE |
|----------------|---------------|--|
| 3/5/13 | A120178 | Preaward Examination of Multiple Award Schedule Contract Extension: VT Aepeco, Inc., Contract Number GS-23F-0191N |
| 3/14/13 | A130036 | Preaward Examination of Multiple Award Schedule Contract Extension: The Centech Group, Inc., Contract Number GS-35F-5440H |
| 3/19/13 | A100161 | Limited Scope Postaward Examination of Multiple Award Schedule Contract: Smartronix, Inc., Contract Number GS-35F-0362J |
| 3/20/13 | A120147 | Preaward Examination of Multiple Award Schedule Contract Extension: Harris Corporation, RF Communications Division, Contract Number GS-35F-0163N |
| 3/21/13 | A120109 | Preaward Examination of Multiple Award Schedule Contract Extension: ICF Macro, Inc., Contract Number GS-23F-9777H |
| 3/28/13 | A120142 | Preaward Examination of Multiple Award Schedule Contract Extension: Science Applications International Corporation, Contract Number GS-23F-8006H |
| 3/28/13 | A130034 | Examination of Claim: Caddell Construction Co., Inc., Contract Number GS-05P-02-GBC-0089 |
| 3/29/13 | A120127 | Preaward Examination of Multiple Award Schedule Contract Extension: General Dynamics Information Technology, Inc., Contract Number GS-23F-8049H |

| DATE OF REPORT | REPORT NUMBER | TITLE | PROJECTED FINAL ACTION DATE |
|------------------------|---------------|---|-----------------------------|
| INTERNAL AUDITS | | | |
| 3/31/11 | A110072 | Review of the Federal Acquisition Service's National Customer Service Center | 05/15/14 |
| 8/19/11 | A090172 | Recovery Act Report - GT "Mickey" Leland Federal Building Renovation Project: Construction Contract Audit of PBS's Major Construction and Modernization Projects Funded by The American Recovery and Reinvestment Act of 2009 | 06/15/14 |
| 9/30/11 | A110095 | FY 2011 Office of Inspector General Information Technology Security Audit of the SmartPay - Citibank System | 05/15/14 |
| 9/30/11 | A110096 | FY 2011 Office of Inspector General Information Technology Security Audit of the AT&T Operational Support System | 07/15/14 |
| 11/10/11 | A110103 | Audit of the General Services Administration's Fiscal Year 2011 Financial Statements | 03/31/14 |
| 5/30/12 | A110100 | Audit of Management Controls Within the Network Services Division Pacific Rim Region, Federal Acquisition Service | 03/15/14 |
| 10/24/12 | A120174 | OIG Alert Report - Limited Scope Audit of Invalid Obligations and Contingency Funding for Recovery Act Projects | 05/15/14 |
| 11/8/12 | A120101 | Audit of the General Services Administration's Fiscal Year 2012 Financial Statements | 08/30/14 |
| 12/17/12 | A110217 | Follow-up Audit of GSA's Acquisition of Services for the International Trade Center at the Ronald Reagan Building: PBS's Oversight of Contract Requirements | 11/15/14 |
| 3/27/13 | A090172 | Recovery Act Report - Funding for Modifications 50 UN Plaza Renovation Project Audit of PBS's Major Construction and Modernization Projects Funded by the American Recovery and Reinvestment Act of 2009 | 04/30/14 |

Appendix IV – OIG Reports Without Management Decision

Section 5(a)(10) of the Inspector General Act, as amended, requires a summary of each report issued before the commencement of the reporting period for which no management decision has been made by the end of the reporting period. GSA has a system in place to track reports and management decisions. Its purpose is to ensure that recommendations and corrective actions indicated by the OIG and agreed to by management are addressed as efficiently and expeditiously as possible. There are nine OIG reports that meet this requirement in this reporting period; five have been resolved since March 31, 2014.

Reports that were six months old as of March 31, 2014 and remain unresolved.

Preaward Review of Multiple Award Schedule Contract Extension: BlueScope Construction, Inc., Contract Number GS-07F-9665G, dated November 14, 2012

We performed this audit to determine whether BlueScope Construction, Inc. (BlueScope) submitted current, accurate, and complete CSP information; maintained sales monitoring and billing systems that ensure proper administration of the price reduction provisions and billing terms of the contract; and adequately accumulated and reported schedule sales for IFF payment purposes. We concluded that BlueScope's GSA and non-GSA pricing methodologies differ, and each BlueScope sale is so unique that these sales cannot be priced using Multiple Award Schedule processes. Ordering procedures under the contract are inconsistent with the Federal Acquisition Regulation, and GSA sales are inconsistent with the General Services Administration Acquisition Manual's direction for procuring construction as a commercial item. The contract does not afford effective price reduction protection due to inadequate Maximum Order Threshold levels, insufficient BlueScope monitoring, and an invalid price/discount relationship with the basis of award customer.

After multiple meetings to resolve the contracting officer's (CO) disagreement with our findings, we are going to escalate the issues to agency management.

Preaward Examination of Multiple Award Schedule Contract Extension: Ernst & Young, LLP, Contract Number GS-23F-8152H, dated May 8, 2013

Our objectives in this audit were to determine whether Ernst & Young, LLP (E&Y) submitted CSP information that is current, accurate, and complete; maintained sales monitoring and billing systems that ensure proper administration of the price reduction provisions and billing terms of the contract; adequately accumulated and reported schedule sales for IFF payment purposes; assigned employees qualified for their billable positions to work on task orders placed under the GSA schedule; and adequately segregated and accumulated labor hours, material costs, and other direct costs on time and material task orders.

We could not complete our objectives due to multiple refusals from E&Y to provide full and complete access to records and data, as contractually required. Without complete access to its commercial sales we could not determine whether prices and discounts offered to commercial customers, who account for over 99 percent of E&Y's revenue, are accurately disclosed. Therefore, we could not complete the audit work and recommended the contracting officer should not award the 5-year option.

Despite E&Y's refusal to provide the supporting data to substantiate these disclosures, the CO awarded the option citing the determination that E&Y's "...prices offered to the Government are fair and reasonable as they are less than what is charged to its best customers." We escalated the issue to agency management.

Preaward Examination of Multiple Award Schedule Contract Extension: Danya International, Incorporated, Contract Number GS-10F-0484N, dated May 31, 2013

We performed this audit to determine whether Danya International, Incorporated (Danya) submitted CSP information that is current, accurate, and complete; maintained sales monitoring and billing systems that ensure proper administration of the price reduction provisions and billing terms of the contract; adequately accumulated and reported schedule sales for IFF payment purposes; assigned employees qualified for their billable positions to work on task orders placed under the GSA schedule; and adequately segregated and accumulated labor hours, material costs, and other direct costs on time and material task orders.

Danya's CSP is current but not complete or accurate because the commercial mapping submitted in support of its proposed GSA rates was inadequate. Therefore, Danya submitted cost buildup data in support of its GSA schedule rates. The rates in Danya's cost buildup proposal are overstated and require adjustment because the contractor: (1) did not include frequently used lower cost consultant and subcontractor labor when computing its proposed labor rates; and (2) applied overstated fringe, overhead, and general and administrative rates. In addition, Danya's Price Reductions clause is ineffective because the company does not have significant non-GSA sales comparable to GSA labor categories.

After multiple meetings to resolve the CO's disagreement with our findings, we are escalating the issues to agency management.

Preaward Audit of Multiple Award Schedule Contract Extension: Technical Communities, Inc. dba Testmart, Contract Number GS-24F-0066M, dated July 16, 2013

We performed this audit to determine whether Testmart disclosed and submitted current, accurate, and complete CSP information; maintained sales monitoring and billing systems that ensure proper administration of the price reduction and billing provisions of the GSA contract; and adequately accumulated and reported GSA schedule sales for IFF payment purposes. We concluded that Testmart's contract should not be extended until the company provides CSP information that is current, accurate, and complete. Testmart's current and proposed basis of award customer does not provide adequate protection to the government. We found that Testmart did not properly administer its GSA contract. The administrative issues included overbillings, non-compliant products, and the omission of the contract number on GSA invoices. However, Testmart adequately accumulates and reports schedule sales for IFF purposes.

After multiple meetings to resolve the CO's disagreement with our findings, we are escalating the issues to agency management.

Reports that were six months old as of March 31, 2014, but have since been resolved.

Preaward Examination of Multiple Award Schedule Contract Extension: Spectrum Systems, Inc., Contract Number GS-35F-5192G, dated August 17, 2012

Resolved on April 1, 2014.

Preaward Examination of Multiple Award Schedule Contract Extension: Grant Thornton, LLP, Contract Number GS-23F-8196H, dated January 24, 2013

Resolved on April 2, 2014.

Preaward Examination of Multiple Award Schedule Contract Extension: The Centech Group, Contract Number GS-35F-5440H, dated March 14, 2013

Resolved on April 2, 2014.

Preaward Audit of Multiple Award Schedule Contract Extension: Kforce Government Solutions, Inc., Contract Number GS-23F-9837H, dated April 17, 2013

Resolved on April 8, 2014.

Improper Management Intervention in Multiple Award Schedule Contracts, Federal Supply Schedule 70 – Information Technology Contracts, Federal Acquisition Service, dated June 4, 2013

Resolved on April 21, 2014.

Appendix V – Peer Review Results

The Dodd-Frank Wall Street Reform Act requires each Inspector General 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 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 recommendation, and an explanation why the recommendation is not complete; and a list of any peer reviews conducted by the OIG of another Office of Inspector General 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 2012, the Office of Audits underwent a peer review by the Department of Justice. On December 20, 2012, the GSA OIG received a peer review rating of “pass.” The peer review team found that the GSA OIG’s system of quality control is suitably designed and complied with to provide reasonable assurance of performing and reporting in conformity with applicable standards in all material respects. No outstanding recommendations exist from any previous peer review conducted by another OIG.

The Office of Audits did not conduct any peer reviews of another OIG during this reporting period. As such, no outstanding recommendations exist from previous peer reviews that have not been fully implemented.

On July 26, 2013, the Small Business Administration OIG stated that the system of internal safeguards and management procedures for the GSA OIG Office of Investigations was in full compliance with the standards promulgated for investigations by the Attorney General Guidelines and the CIGIE.

Appendix VI – 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 requested by the Congress in Senate Report No. 96-829 relative to the 1980 Supplemental Appropriations and Rescission Bill, the National Defense Authorization Act, and the Dodd-Frank Wall Street Reform Act are also cross-referenced to the appropriate page of the report.

| REQUIREMENT | PAGE |
|---|-------|
| INSPECTOR GENERAL ACT | |
| Section 4(a)(2) – Review of Legislation and Regulations | 47 |
| Section 5(a)(1) – Significant Problems, Abuses, and Deficiencies | 14–30 |
| Section 5(a)(2) – Recommendations with Respect to Significant Problems, Abuses, and Deficiencies | 14–30 |
| Section 5(a)(3) – Prior Recommendations Not Yet Implemented | 51 |
| Section 5(a)(4) – Matters Referred to Prosecutive Authorities | 11 |
| Sections 5(a)(5) and 6(b)(2) – Summary of Instances Where Information Was Refused | none |
| Section 5(a)(6) – List of OIG Reports | 55 |
| Section 5(a)(7) – Summary of Each Particularly Significant Report | 14–30 |
| Section 5(a)(8) – Statistical Tables on Management Decisions on Questioned Costs | 10 |
| Section 5(a)(9) – Statistical Tables on Management Decisions on Recommendations That Funds Be Put to Better Use | 10 |
| Section 5(a)(10) – Summary of OIG Reports Issued Before the Commencement of the Reporting Period for Which No Management Decision Has Been Made | 64 |
| Section 5(a)(11) – Description and Explanation for Any Significant Revised Management Decision | none |
| Section 5(a)(12) – Information on Any Significant Management Decisions with Which the Inspector General Disagrees | none |
| SENATE REPORT NO. 96-829 | |
| Resolution of Audits | 11 |
| NATIONAL DEFENSE AUTHORIZATION ACTS | |
| Public Law 104-106, 5 U.S.C. app. 3, § 5 note | 57 |
| Public Law 110-181 | 30 |
| DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT | |
| Peer Review Results | 67 |

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