



SEMIANNUAL REPORT TO THE CONGRESS



OFFICE OF INSPECTOR GENERAL

U.S. GENERAL SERVICES ADMINISTRATION

October 1, 2021 – March 31, 2022

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MESSAGE FROM THE IG



I am pleased to submit to Congress our Semiannual Report for the period of October 1, 2021 through March 31, 2022.

Despite the uncertainties caused by the global COVID-19 pandemic, our office continued to carry out its oversight responsibilities and provide a significant return on investment to the American people. During this reporting period, our auditors identified more than \$285 million in potential cost savings and recoveries, and our investigators recovered more than \$74 million for the federal government.

This report reflects the extensive work our auditors performed to ensure GSA-controlled facilities are operating safely. A notable audit showed that GSA's Public Buildings Service (PBS) has not taken measures to eliminate or mitigate all potential fire, safety, and health hazards stemming from high-risk use of space. Another audit showed PBS's Chet Holifield Federal Building in Laguna Niguel, California did not properly maintain a reliable asbestos inventory for the building or update the building's asbestos management plan to reflect changes in the condition of asbestos containing materials throughout the building. GSA's PBS has agreed to remediate building safety and compliance issues that we found.

Also during this period, our Office of Inspections issued a management alert to GSA reporting serious ventilation deficiencies in the Child Care Center at the GSA Headquarters Building in Washington, D.C. This report revealed the need for GSA to take immediate action to rectify the issues. We will continue to direct our resources to help ensure the health and safety of occupants in GSA facilities.

Our Office of Investigations continues its vigilant stand against fraud and corruption. Our investigators brought four individuals to justice who illegally circumvented their debarments from federal contracting. Those four individuals were collectively sentenced to over 19 years in prison for their crimes. Outstanding collaboration by our investigators and attorneys led to the largest-ever False Claims Act recovery based on allegations of small business contracting fraud. TriMark USA, LLC, agreed to pay \$48.5 million to resolve allegations they manipulated the award of federal contracts intended for small businesses. TriMark's alleged conduct deprived legitimate Service-Disabled Veteran-Owned Small Businesses and other qualified small businesses from these procurements. In addition to this exemplary work, our investigators combatted bribery by public officials, counterfeit and substandard products entering the government's supply chain, and other complex fraud schemes.

Amidst the challenges of the pandemic, we continue to provide independent and effective oversight of GSA. The institutional knowledge and technical competence of our staff, along with the continued support of the agency and Congress, helps us effectively perform our mission of promoting efficiency and combating waste, fraud, and abuse in GSA programs and operations.

A handwritten signature in black ink that reads "Carol F. Ochoa". The signature is fluid and cursive.

Carol F. Ochoa
Inspector General
March 31, 2022



Photo: The Internal Revenue Service Building, located in Washington, D.C.

OIG PROFILE

OIG PROFILE

ORGANIZATION

The General Services Administration (GSA) Office of Inspector General (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 mission 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 that provides comprehensive coverage of GSA operations through program, financial, regulatory, and system audits and assessments of internal controls. The office conducts attestation engagements to assist GSA contracting officials in obtaining 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, information technology services, and administers the OIG's records management program.
- **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 INSPECTIONS**, a multi-disciplinary organization that analyzes and evaluates 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. The office also coordinates quality assurance for the OIG, and analyzes potentially fraudulent or otherwise criminal activities in coordination with other OIG components.
- **THE OFFICE OF INVESTIGATIONS**, a statutory federal law enforcement organization that conducts nationwide criminal, civil, and administrative investigations of illegal or improper activities involving GSA programs, operations, and personnel.

OFFICE LOCATIONS

Headquarters:

Washington, D.C.

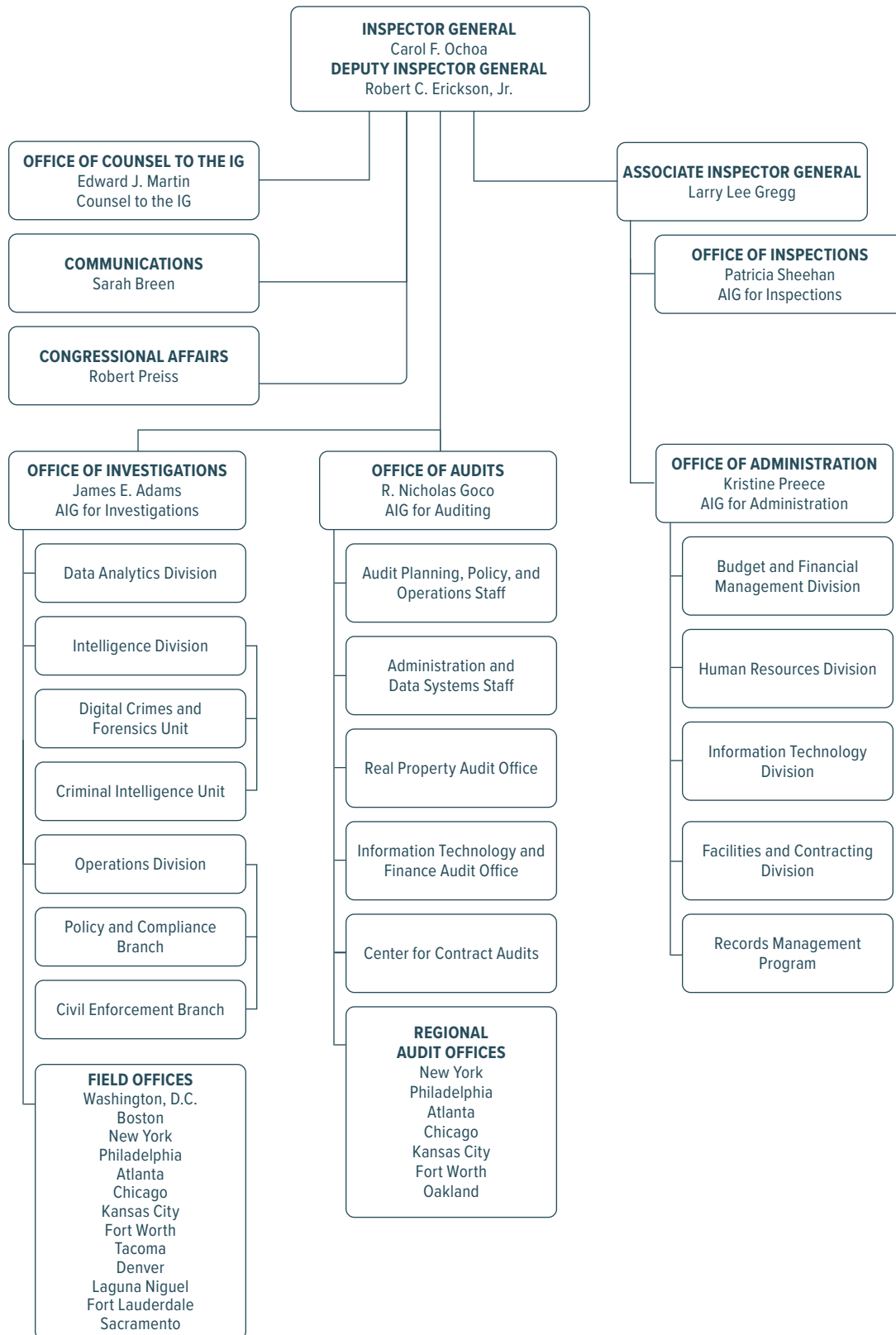
Field and Regional Offices:

Atlanta, Georgia; Tacoma, Washington; Boston, Massachusetts; Chicago, Illinois; Denver, Colorado; Fort Lauderdale, Florida; Fort Worth, Texas; Kansas City, Missouri; Laguna Niguel, California; New York, New York; Oakland, California; Philadelphia, Pennsylvania; Sacramento, California; and Washington, D.C.

STAFFING AND BUDGET

As of March 31, 2022, our on-board staffing level was 267 employees. The OIG's Fiscal Year 2022 budget was \$69 million in annual appropriated funds plus \$600,000 in reimbursable authority.

OIG ORGANIZATION CHART



GSA’S MANAGEMENT CHALLENGES

The Reports Consolidation Act of 2000, Public Law 106-531, requires the Inspectors General of major federal agencies to report on the most significant management challenges facing their respective agencies. The following table briefly describes the challenges we have identified for GSA for Fiscal Year 2022.

CHALLENGE	BRIEF DESCRIPTION OF CHALLENGE
Establishing and Maintaining an Effective Internal Control Environment	GSA continues to face significant challenges in establishing a comprehensive and effective system of internal control. Since our <i>Assessment of GSA’s Management and Performance Challenges for Fiscal Year 2019</i> , we have cited pervasive internal control weaknesses as a challenge for GSA. During Fiscal Year (FY) 2021, our long-standing concerns were amplified by GSA’s efforts to interfere with our oversight of its response to the COVID-19 pandemic.
Improving Contract Administration	GSA faces a challenge in providing appropriate oversight of its contracts and leases through its contract administration. GSA is responsible for the procurement of billions of dollars’ worth of products, services, and facilities for federal government agencies. GSA has taken action to improve contract administration by strengthening policy, addressing performance and training needs of contracting staff, and implementing contract administration process improvements. However, additional action is needed as we continue to identify deficiencies in GSA’s contract administration practices. GSA should take comprehensive and proactive steps to improve its oversight of contracts and leases to protect the Agency against the risk of undetected fraud, waste, and abuse and violations of applicable laws and regulations.
Enhancing Government Procurement	GSA continues to set the strategic goal to establish itself as the premier provider of efficient and effective acquisition solutions across the federal government. As an integral part of GSA, FAS has significant responsibility in meeting this goal. It is undertaking a number of acquisition solution initiatives intended to help it meet GSA’s strategic goal and ensure compliance with recent legislation. However, the initiatives also significantly change FAS’s processes and programs, creating challenges to FAS’s ability to meet its mission.
Maximizing the Performance of GSA’s Real Property Inventory	GSA must maximize the performance of its real property inventory in order to provide its tenant agencies with space that meets their needs at a reasonable cost to American taxpayers. To achieve this goal, PBS should plan the best approach to reduce and consolidate space, reduce leasing costs, and meet operations and maintenance needs of increasingly aging buildings. Further, GSA must properly administer the capital construction program and ensure effective management of energy and utility contracts.
Managing Agency Cybersecurity Risks	Like all federal agencies, GSA is dependent upon information technology to fulfill its mission. However, as cyber threats continue to emerge, sensitive government information and systems must be adequately secured to safeguard against internal and external threats that could compromise critical information and systems. GSA is not immune to these threats. Accordingly, GSA is challenged in effectively monitoring and efficiently identifying and responding to cyber threats against Agency systems and data. GSA will have to continuously identify technical solutions and implement controls to mitigate such threats as bad actors find new ways to penetrate and navigate government networks and systems undetected.
Safeguarding Federal Facilities and Providing a Secure Work Environment	GSA plays a significant role in providing a safe, healthy, and secure environment for federal employees and visitors at over 8,800 federally owned and leased facilities nationwide. Part of GSA’s responsibility is implementing its PBS Facility Safety and Health program to ensure compliance with safety and health requirements. Additionally, with the U.S. Department of Homeland Security, GSA is responsible for the installation, maintenance, and repair of approved security fixtures, including physical access control systems. However, there is an ongoing need for GSA management to monitor the safety and security of federal facilities. In particular, recent audits and inspections have found problems with GSA’s management of access cards and enforcement of security protocols.
Managing Presidential Initiatives	Since the presidential transition in January 2021, President Biden’s administration has issued multiple executive orders (EOs) that directly impact GSA, addressing areas such as fair contracting practices, the purchase of American-made products, and environmental and sustainability policy. These EOs will require GSA to pivot quickly and refocus purchasing strategies, both within FAS and PBS. GSA must also implement strong controls and oversight to ensure that it consistently achieves the intent of the EOs.
Managing the Impact of COVID-19	GSA faces significant challenges responding to the ongoing COVID-19 pandemic. As of March 27, 2022, there have been over 21,000 reports of suspected or confirmed COVID-19 cases in GSA-owned or GSA-leased facilities. During a pandemic emergency, a primary GSA responsibility is to protect the health and safety of its employees, tenants, contractors, and visitors at its facilities. To do so effectively, PBS must monitor evolving Centers for Disease Control and Prevention, state, and local health department guidance, and ensure that it is adhered to at GSA-owned and GSA-leased facilities. PBS must be able to track suspected and confirmed COVID-19 cases in its facilities, provide timely notification to building occupants when there are COVID-19 incidents, and conduct timely disinfection and cleaning. As GSA and tenant agencies begin to return to facilities, PBS must also ensure that heating, ventilation, and air conditioning systems are updated to increase ventilation and improve air filtration to minimize the spread of the virus. Further, PBS must ensure that potable water is available in facilities where decreased occupancy has increased the potential for water quality degradation.



Photo: Detail of recovered WPA painting "Landscape" by Theodore Polos

SIGNIFICANT AUDITS

SIGNIFICANT AUDITS

The Office of Audits conducts independent and objective audits to improve the effectiveness and efficiency of GSA's management and operations. These audits focus on GSA's programs, internal controls, IT infrastructure, and compliance with federal laws and regulations. Audits are also performed to assist GSA contracting personnel in obtaining the best value for federal customers. During this reporting period, we issued 22 audit reports, including 15 contract audits. Our contract audit work identified over \$143.2 million in potential cost savings and recoveries for the federal government.

PREAWARD AUDITS

GSA provides federal agencies with products and services through various contract types. We oversee GSA's procurement program, which generates billions of dollars in annual sales through thousands of contracts, by conducting preaward, postaward, and performance audits. Historically, for every dollar invested in our preaward audits, we achieve at least \$20 in savings from lower prices or more favorable contract terms and conditions for the benefit of the taxpayer.

The pre-decisional, advisory nature of preaward audits distinguishes them from other audit products. Preaward audits provide 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 reporting period, three of our more significant preaward audits were of schedule contracts with combined projected government sales of nearly \$860 million. Through these audits, we identified potential savings and recoveries of over \$110 million. We also found, among other things, that contractors overstated labor rates, overcharged GSA customers by assigning unqualified employees to GSA schedule task orders, and did not maintain a system to ensure proper administration of the Price Reductions Clause.

PERFORMANCE AUDITS

PBS HAS NOT IDENTIFIED ALL HIGH-RISK USES OF SPACE, RESULTING IN POTENTIAL SAFETY RISKS

Report Number A210020/P/6/R22003, dated March 24, 2022

PBS plays a significant role in providing a safe and healthy environment for tenants, contractors, and visitors at over 9,000 federally owned and leased facilities nationwide. Some tenant agencies use the space in these facilities for high-risk purposes, such as laboratories, firing ranges, and explosive material storage, which present unique fire, safety, and health hazards.

PBS's evaluation and authorization process is designed to identify, assess, and mitigate potentially high-risk uses within GSA-controlled space. This audit was included in our *Fiscal Year 2021 Audit Plan*. Our objective was to determine whether PBS is performing fire, safety, and health space evaluations for GSA-controlled (both owned and leased) space to identify all high-risk uses of space, in accordance with PBS's space evaluation policy.

We found that PBS has not identified all high-risk uses of space under GSA control because it is not effectively managing the fire, safety, and health program. As a result, PBS has not taken measures to eliminate or mitigate potential fire, safety, and health hazards arising from high-risk uses of space, or identified and addressed all incompatible occupant activities.

Based on our audit finding, we made five recommendations to the PBS Commissioner: (1) revise and strengthen the space evaluation policy by using plain language and better defining policy terms and conditions; (2) implement a centralized recordkeeping location and format for the space evaluation policy permits PBS uses to track and monitor its space evaluation process; (3) develop and implement a centralized tracking mechanism for all high-risk use space types in the PBS Real Estate Across the United States system; (4) provide formal, standardized training to PBS's Office of Facilities Management, Office of Portfolio Management and Customer Engagement, and Office of Leasing regarding the space evaluation policy and the offices' respective roles and responsibilities; and (5) develop and implement appropriate internal controls to ensure program oversight of the space evaluation process.

The PBS Commissioner agreed with our report recommendations.

AUDIT OF PBS'S MANAGEMENT OF ASBESTOS AT THE CHET HOLIFIELD FEDERAL BUILDING IN LAGUNA NIGUEL, CALIFORNIA

Report Number A190043/P/4/R22002, dated February 3, 2022

We initiated this audit after confirming the merits of a hotline complaint that identified concerns with PBS's management of asbestos at the Chet Holifield Federal Building (Holifield Building) in Laguna Niguel, California. These concerns included mismanagement of asbestos and misrepresentation of the amount of asbestos containing materials (ACM) in the building. Our objective was to determine whether PBS adhered to applicable asbestos management laws, regulations, and policies at the Holifield Building to ensure the health and safety of individuals in the building.

We found that PBS did not maintain a reliable asbestos inventory for the Holifield Building or update the building's asbestos management plan to reflect changes in the condition of ACM throughout the building. As a result, PBS could not take comprehensive and effective action to manage asbestos at the building and protect tenants, contractors, and visitors from exposure. PBS also failed to send required notifications of the presence of ACM to building occupants in accordance with federal and California regulations. Without these notifications, building occupants were unable to make informed decisions about how to prevent disturbance and protect themselves from possible ACM exposure.

Additionally, PBS had no method to measure contractor performance for asbestos work at the Holifield Building, and did not enforce operations and maintenance (O&M) service contract requirements. As a result, PBS could not ensure that the service contractor was complying with Federal Acquisition Regulation and contract requirements, including requirements critical to asbestos management at the building. Finally, we found that the PBS Asbestos Policy contained ambiguous language that in some cases conflicted with federal regulations. Without a clear national policy, PBS could not ensure that staff consistently and properly managed ACM at the Holifield Building and in other federally owned or leased properties in PBS's national portfolio.

Based on our audit findings, we recommended that the PBS Pacific Rim Regional Commissioner develop and implement internal controls to ensure adherence to federal and state regulations and PBS policy for asbestos management at the Holifield Building. We also recommended that the PBS Commissioner update the PBS Asbestos Policy to ensure that it provides clear and consistent guidance.

The PBS Commissioner and PBS Pacific Rim Regional Commissioner agreed with our report recommendations.

AUDIT OF A HOTLINE COMPLAINT: PBS GREATER SOUTHWEST REGION'S OPERATIONS AND MAINTENANCE CONTRACTS

Report Number A190054/P/4/R22001, dated December 16, 2021

In response to a GSA nationwide performance goal to reduce building operating costs by \$30 million, PBS's Greater Southwest Region (Region 7) arbitrarily established a goal in 2015 to reduce the cost of its O&M contracts between 25 and 35 percent.¹ To meet this goal, PBS Region 7 awarded three O&M contracts in 2017 at prices that were unsustainably low. Eventually, the O&M contractor defaulted on each contract. As a result, PBS Region 7 noncompetitively awarded 1-year replacement contracts in 2018 with premium pricing that erased all cost savings.

Our objectives were to determine whether PBS Region 7: (1) conducted price reasonableness, realism, and responsibility determinations for the award of the 2017 O&M contracts and the 2018 replacement O&M contracts in accordance with federal regulations and PBS national and regional policies; and (2) administered the O&M contracts in accordance with federal regulations, PBS national and regional policies, and contract terms and conditions.

A primary issue with the 2017 O&M contracts and the 2018 replacement O&M contracts was that PBS awarded these contracts with pricing based on flawed independent government estimates (IGEs) and faulty price reasonableness determinations. For the 2017 O&M contracts, the flawed IGEs and faulty price reasonableness determinations were used to support the reduced pricing for the O&M services. For the 2018 replacement O&M contracts, the flawed IGEs and faulty price reasonableness determinations were used to support premium pricing for the sole-source contracts.

PBS Region 7 also failed to properly administer the O&M contracts. We found that PBS Region 7 inconsistently applied the shared liability clause, paid the O&M contractor for unallowable costs for additional services, failed to enforce staffing requirements, and did not verify that the O&M contractor performed required services.

Based on our findings, we made three recommendations to the PBS Commissioner and PBS Greater Southwest Regional Commissioner: (1) review regional implementation of GSA's nationwide performance goals to reduce building operating costs to ensure that they do not result in arbitrary and unsustainable cost-cutting measures; (2) ensure that PBS Region 7's price reasonableness determinations are based on price analysis techniques recommended by federal regulations and that IGEs are prepared using detailed analysis of the required work; and (3) strengthen contract administration practices to consistently apply the shared liability clause, prevent payment for unallowable costs, enforce staffing requirements, and provide appropriate oversight of contractor performance.

The PBS Commissioner and PBS Greater Southwest Regional Commissioner agreed with our report recommendations.

¹ *The U.S. General Services Administration Annual Performance Plan and Report Fiscal Year 2017.*

FAS LACKS SUFFICIENT CONTROLS TO MONITOR AND PROHIBIT THE SALE OF TRADE AGREEMENTS ACT NON-COMPLIANT PRODUCTS IN SUPPORT OF THE GOVERNMENT'S COVID-19 RESPONSE

Assignment Number A201018, dated January 21, 2022

During our ongoing monitoring of GSA's activities in response to the nationwide public health emergency resulting from COVID-19, we identified two weaknesses in the Federal Acquisition Service's (FAS) controls to monitor and prohibit the sale of Trade Agreements Act (TAA) non-compliant products.

To support the government's COVID-19 response, GSA's Senior Procurement Executive (SPE) issued a Class Determination and Findings memo (SPE Memo) that provided an exception to the TAA and Buy American statutory clauses for several Federal Supply Classes that were not available in sufficient supply from TAA and Buy American statute-compliant sources. Through additional supplements, this exception was in effect until April 30, 2021.

To implement the SPE Memo, FAS issued guidance to its contracting officers on how to add TAA non-compliant products to Schedules Program contracts. As a control to ensure TAA compliance after the SPE Memo expired, this guidance required FAS contracting officers to report TAA non-compliant products into the FAS Office of Policy and Compliance's Acquisition Oversight Google Form (Google Form). Using the contracts on this Google Form, the FAS Office of Policy and Compliance would issue modifications to remove TAA non-compliant products from affected contracts when the SPE Memo expired.

We identified two weaknesses in FAS's controls to monitor and prohibit the sale of TAA non-compliant products that need to be addressed to strengthen FAS's support of federal initiatives. First, FAS contracting officers did not report some TAA non-compliant products, rendering FAS's control to monitor and roll back the use of the SPE Memo exception ineffective.

Second, we identified contracts containing TAA non-compliant products that were not in support of the government's COVID-19 response. Specifically, FAS contracting officers awarded modifications adding TAA non-compliant products prior to the SPE Memo and TAA non-compliant products outside of the excepted Federal Supply Classes. For example, we identified a contract that had been modified in 2019 and 2020 to add TAA non-compliant products, including three products with North Korea listed as the country of origin.

Our results demonstrate that FAS's controls to monitor and prohibit the sale of TAA non-compliant products are insufficient. We did not issue formal audit recommendations, but FAS should address these weaknesses in order to support recent federal initiatives and ensure future compliance with federal regulations.

AUDIT OF THE FEDERAL ACQUISITION INSTITUTE'S INTERAGENCY AGREEMENTS FOR WORKFORCE TRAINING SYSTEMS

Report Number A190106/M/T/F22002, dated November 19, 2021

The Federal Acquisition Institute (FAI) has statutory responsibilities under 41 U.S.C. 1201(a) to promote professional certification training and career development, human capital planning, and acquisition research for the civilian acquisition workforce. Until May 2021, FAI supported the training and career development needs of civilian acquisition workforce members through the Federal Acquisition Institute Training Application System (FAITAS). FAITAS was a web-based system hosted and operated by the U.S. Army. We included this audit in our *Fiscal Year 2019 Audit Plan* after FAITAS experienced multiple outages that prevented hundreds of thousands of civilian acquisition workforce members from accessing their training and certifications. In April 2020, FAI signed a 5-year, \$17 million interagency agreement with the Defense Acquisition University to replace FAITAS.

Our objectives were to determine if: (1) FAI used analysis or other decision documents when making FAITAS decisions and recommendations, and (2) FAI's interagency agreements for the use of FAITAS were executed in accordance with applicable regulations, guidance, and internal policy.

We found that FAI's recommendation to its oversight bodies to replace FAITAS was not supported by a detailed comparative analysis, omitted key information, and included erroneous data. As a result, FAI did not have assurance that its recommendation best met FAI's mission needs. Additionally, FAI did not properly execute and administer its interagency agreements for the use of FAITAS in accordance with applicable regulations, guidance, and internal policy. We found that FAI did not cite the correct statutory authority or obtain the designated GSA official's signature on its interagency agreements. FAI also failed to obtain or document internal reviews or maintain complete interagency agreement documents as required.

Based on our audit findings, we made five recommendations to the Associate Administrator of the GSA Office of Government-wide Policy and the FAI Director: (1) distribute our audit report to FAI's oversight bodies; (2) ensure that future system decisions are informed by complete and accurate information; (3) comply with all applicable requirements under the Economy Act; (4) revise FAI's operations manual; and (5) improve oversight of FAI staff's compliance with FAI's operations manual.

The Associate Administrator of the GSA Office of Government-wide Policy agreed with our report recommendations.

OVERSIGHT OF THE FISCAL YEAR 2021 INDEPENDENT AUDIT ON THE EFFECTIVENESS OF GSA'S INFORMATION SECURITY PROGRAM AND PRACTICES

Assignment Number A210040, dated December 16, 2021

The Federal Information Security Modernization Act of 2014 (FISMA) requires an annual evaluation of each agency's information security program and practices. For Fiscal Year 2021, GSA contracted with an independent public accounting firm (IPA) to conduct a performance audit for the annual evaluation. We monitored the IPA's work and reviewed its report and documentation for compliance with auditing standards and contractual requirements.

As required, the IPA conducted the audit and completed the Fiscal Year 2021 *IG FISMA Reporting Metrics*. The IPA concluded, based on the *IG FISMA Reporting Metrics* scoring model, that GSA's overall information security program was "effective." However, the IPA determined that two of nine FISMA metric domain areas had deficiencies and provided 13 recommendations. The IPA also found that GSA has opportunities to mature its information security program in FISMA domains across all five Cybersecurity Framework security functions.

AUDIT OF THE COMPLETENESS, ACCURACY, TIMELINESS, AND QUALITY OF GSA'S 2021 DATA ACT SUBMISSION

Report Number A210023/B/R/F22001, dated November 18, 2021

We performed this audit to fulfill Section 6(a) of the Digital Accountability and Transparency Act of 2014 (DATA Act). The DATA Act requires the Inspector General of each federal agency to review a statistically valid sample of agency spending data and to report on the completeness, timeliness, quality, and accuracy of the data sampled. The DATA Act also requires Inspectors General to report on their respective agency's implementation and use of data standards. This is the third and final report that is required under the DATA Act.²

The objectives of our audit were to assess: (1) the completeness, timeliness, quality, and accuracy of GSA's financial and award data submitted for publication on the USASpending.gov website for the first quarter of Fiscal Year 2019; and (2) GSA's implementation and use of the government-wide financial data standards established by the Office of Management and Budget (OMB) and the U.S. Department of Treasury.

We found GSA's data to be of "higher" quality, as defined by the *Council of the Inspectors General on Integrity and Efficiency, Federal Audit Executive Council's Inspectors General Guide to Compliance under the DATA Act* and confirmed that GSA is using the government-wide financial data standards developed by OMB and the U.S. Department of Treasury for required reporting.

² The GSA OIG's prior DATA Act reports were: (1) *Audit of the Completeness, Timeliness, Quality, and Accuracy of GSA's 2017 DATA Act Submission*, (Report Number A150150/B/R/F18001, November 8, 2017); and (2) *Audit of the Completeness, Accuracy, Timeliness, and Quality of GSA's 2019 DATA Act Submission* (Report Number A190040/B/R/F20001, November 1, 2019).

We also found data limitations totaling \$140 million in misalignments for GSA's summary-level data that were not disclosed in the Senior Accountable Official's required statement in certifying the data results for publication on USASpending.gov. These disclosures would have provided stakeholders more perspective and transparency on GSA's spending.

Based on our audit findings, we made one recommendation to the GSA Chief Financial Officer to strengthen GSA's internal controls, outlined in GSA's Data Quality Plan to align with OMB Memorandum M-17-04, *Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability*, including addressing and tracking misalignments to summary-level data.

The GSA Chief Financial Officer agreed with our report recommendation.

OVERSIGHT OF THE INDEPENDENT AUDITORS' AUDIT ON GSA'S FINANCIAL STATEMENTS FOR FISCAL YEAR 2021

Assignment Number A210034, dated November 12, 2021

As required by the Chief Financial Officers Act of 1990, Public Law 101-576, as amended, an IPA performed the audit of GSA's Fiscal Year 2021 Financial Statements. We monitored the audit for compliance with generally accepted government auditing standards and OMB Bulletin No. 21-04, *Audit Requirements for Federal Financial Statements*.

The IPA identified two significant deficiencies in internal control related to: (1) information technology general controls associated with the GSA's financial management systems and supporting infrastructure, and (2) periodic management review control over undelivered orders.

IMPLEMENTATION REVIEW OF CORRECTIVE ACTION PLAN: GSA SHOULD MONITOR AND TRACK FACILITY SECURITY ASSESSMENTS, REPORT NUMBER A160101/O/7/F18002, DECEMBER 4, 2017

Assignment Number 210074, dated October 19, 2021

On December 4, 2017, we issued an audit report, *GSA Should Monitor and Track Facility Security Assessments*, to PBS and the Office of Mission Assurance (OMA). Our audit found that GSA did not have the facility security assessment (FSA) reports for most of the buildings we sampled and as a result, was unaware of and did not take action on the recommended countermeasures. To fulfill its building protection responsibilities, GSA should ensure that it receives and uses FSA reports.

Based on our audit finding, we made two recommendations to the GSA Acting Administrator. First, we recommended that GSA implement policies and procedures to monitor and track FSA reports. This should include developing an automated methodology to track whether PBS received the FSA reports and require that PBS and OMA officials follow up with Federal Protective Service when reports are not received. Second, we recommended that GSA require training for PBS property managers on the use of FSA reports.

We conducted an implementation review to determine whether PBS and OMA completed its corrective action plan to address these recommendations. Our implementation review determined that PBS and OMA have taken appropriate corrective action to address the recommendations and that no further action was necessary.

**IMPLEMENTATION REVIEW OF CORRECTIVE ACTION
PLAN: AUDIT OF GSA’S TOTAL WORKPLACE FURNITURE
AND INFORMATION TECHNOLOGY PROGRAM,
REPORT NUMBER A170070/P/R/R20005, MARCH 31, 2020**

Assignment Number A210059, dated November 10, 2021

On March 31, 2020, we issued an audit report, *Audit of GSA’s Total Workplace Furniture and Information Technology Program*, to PBS and FAS. Our audit found that the FIT Program does not effectively and efficiently meet its mission. GSA implemented the FIT Program without clear policies and procedures to ensure the program was administered properly and run effectively. In many cases, the roles and responsibilities are unclear, undefined, and not performed. Further, where policy does exist, it is often not followed. By initiating the program without fully developed policies and procedures, GSA hindered its ability to effectively and efficiently meet the FIT Program’s mission.

Based on our audit finding, we made six recommendations to the PBS and FAS Commissioners to improve the management and performance of the FIT Program. Among other things, we recommended that management improve policy and guidance for the FIT Program, assign qualified staff to verify that projects are delivered according to agreements with customer agencies, and resolve an outstanding billing dispute.

We conducted an implementation review to determine whether PBS and FAS completed the corrective action plan to address these recommendations. Our implementation review determined that PBS and FAS have taken appropriate corrective action to address the recommendations and that no further action was necessary.

SUMMARY OF CONTRACT AUDIT REPORTS

The Office of Audits issues contract audit reports to provide assistance to contracting officials in awarding and administering GSA contracts. The two primary types of contract audits include:

- Preaward audits provide GSA contracting officials with information to use when negotiating fair and reasonable GSA contract prices; and
- Postaward audits examine GSA contractor’s adherence to contract terms and conditions.

During the period October 1, 2021, to March 31, 2022, we issued 15 contract audit reports. In these reports, we found:

- 9 contractors either overcharged GSA customers or overstated their proposed labor rates.³
- 5 contractors assigned employees who were unqualified for their billable positions to work on GSA schedule task orders.
- 4 contractors did not submit accurate, current, and complete information.
- 3 contractors either did not comply with price reduction provisions or did not have effective price reduction provisions.
- 1 contractor did not adequately accumulate and report schedule sales for Industrial Funding Fee payment purposes and/or did not correctly calculate and submit their Industrial Funding Fee payments.

We also recommended nearly \$143.2 million in cost savings. This includes funds that could be put to better use, which is the amount the government could save if our audit findings are implemented. It also includes questioned costs, which is money that should not have been spent such as overbillings and unreported price reductions.

October 1, 2021 – March 31, 2022

CONTRACT AUDIT REPORTS	
Recommendations that funds be put to better use	\$142,658,211
Questioned Costs	\$538,360

³ This includes claims that have been submitted but not yet paid.

FAR DISCLOSURE PROGRAM

The Federal Acquisition Regulation 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

Federal Acquisition Regulation 52.203-13(b) 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, certain violations of federal criminal law (within 18 U.S.C.), or a violation of the civil False Claims Act, connected to the award, performance, or closeout of a government contract performed by the government contractor or subcontractor. The rule provides for suspension or debarment of a contractor when a principal knowingly fails to disclose, in writing, such violations in a timely manner.

DISCLOSURES FOR THIS REPORTING PERIOD

As disclosures are made, our Offices of Audits, Investigations, and Counsel jointly examine each acknowledgment and make a determination as to what actions, if any, are warranted. During this reporting period, we received two new disclosures. The matters disclosed included small business determination inaccuracies and potential weaknesses in IT system controls. We concluded our evaluation of 11 disclosures, assisted on 8 disclosures referred by other agencies because of the potential impact on GSA operations, and continued to evaluate 10 existing disclosures during this reporting period. Our efforts resulted in nearly \$11.9 million in settlements and recoveries to the government.

STATISTICAL SUMMARY OF OIG AUDITS

October 1, 2021 – March 31, 2022

OFFICE OF AUDITS	
Total financial recommendations	\$143,196,571
These include:	
Recommendations that funds be put to better use	\$142,658,211
Questioned costs	\$538,360
Audit reports issued	22
Audit memoranda provided to GSA	0
GSA Management decisions agreeing with audit recommendations	\$336,627,904

Audit Reports Issued

The OIG issued 22 audit reports. These reports contained financial recommendations totaling nearly \$143.2 million, including more than \$142.6 million in recommendations that funds be put to better use and over \$538,000 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 Audit Reports

Table 1 summarizes the status of audits requiring management decisions during this period, as well as the status of those audits as of March 31, 2022. There were no reports more than 6-months old awaiting management decision as of March 31, 2022. Table 1 does not include two implementation reviews that were issued during this period because they were excluded from the management decision process. Table 1 also does not include three reports excluded from the management decision process.

Table 1. GSA 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 10/01/2021			
Less than 6 months old	19	11	\$229,082,535
Six or more months old	0	0	\$0
Reports issued this period	20	11	\$143,196,571
TOTAL	39	22	\$372,279,106
For which a management decision was made during the reporting period			
Issued prior periods	19	11	\$229,082,535
Issued current period	12	6	\$107,545,369
TOTAL	31	17	\$336,627,904
For which no management decision had been made as of 03/31/2022			
Less than 6 months old	8	5	\$35,651,202
Six or more months	0	0	\$0
TOTAL	8	5	\$35,651,202

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

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

	NUMBER OF REPORTS	FUNDS BE PUT TO BETTER USE
For which no management decision had been made as of 10/01/2021		
Less than 6 months old	9	\$227,993,915
Six or more months	0	\$0
Reports issued this period	8	\$142,658,211
TOTAL	17	\$370,652,126
For which a management decision was made during the reporting period		
Recommendations agreed to by management	13	\$335,327,961
Recommendations not agreed to by management	0	\$0
TOTAL	13	\$335,327,961
For which no management decision had been made as of 03/31/2022		
Less than 6 months old	4	\$35,324,165
Six or more months old	0	\$0
TOTAL	4	\$35,324,165

GSA Management Decisions on OIG Reports with Questioned Costs

Table 3. GSA Management Decisions on OIG Audit Reports with Questioned Costs

	NUMBER OF REPORTS	QUESTIONED COSTS
For which no management decision had been made as of 10/01/2021		
Less than 6 months old	5	\$1,088,620
Six or more months old	0	\$0
Reports issued this period	6	\$538,360
TOTAL	11	\$1,626,980
For which a management decision was made during the reporting period		
Disallowed costs	9	\$1,299,943
Costs not disallowed	0	\$0
TOTAL	9	\$1,299,943
For which no management decision had been made as of 03/31/2022		
Less than 6 months old	2	\$327,037
Six or more months old	0	\$0
TOTAL	2	\$327,037

SIGNIFICANT INSPECTIONS

SIGNIFICANT INSPECTIONS

The Office of Inspections conducts systematic and independent assessments of the Agency's operations, programs, and policies, and makes recommendations for improvement. Reviews involve on-site inspections, analyses, and evaluations to provide information that is timely, credible, and useful for Agency managers, policymakers, and others. Inspections may include an assessment of efficiency, effectiveness, impact, and sustainability of any Agency operation, program, or policy. Inspections are performed in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

During the reporting period, the office issued a management alert to notify GSA leadership of deficiencies with the ventilation in the Child Care Center at the GSA Headquarters Building.

MANAGEMENT ALERT: INADEQUATE VENTILATION IN GSA HEADQUARTERS CHILD CARE CENTER

Report Number JE22-001, dated March 10, 2022

During the course of an ongoing inspection, the Office of Inspections identified issues with ventilation in the Child Care Center at the GSA Headquarters Building in Washington, D.C., requiring the agency's immediate attention.

The management alert identified deficiencies in GSA's compliance with the American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) standard for ventilation in the Child Care Center. We found that PBS leadership was aware that it is not meeting the ASHRAE standards for ventilation in the 0 and 3 Wings of the GSA Headquarters building, which includes the Child Care Center. The current lack of ventilation means that the occupants of the Child Care Center are not provided fresh air when the outside air temperature is below 40° F. Even when fresh air is provided, the space lacks ventilation due to the absence of return vents. Furthermore, the supply vents in the infant room are essentially covered, and there are no return vents within any of the Child Care Center spaces.

Despite their awareness, PBS leadership has allowed the Child Care Center to be used without adequate ventilation to ensure safe occupancy. In light of GSA plans to fully reenter offices by the end of April 2022, and the potential for the eventual occupancy of the Child Care Center to return to pre-COVID levels, we provided this report so GSA may take immediate action to ensure the safety of the children and staff at the GSA Headquarters Child Care Center.

SIGNIFICANT INVESTIGATIONS



Photo: Fresco paintings surrounding doorway to room 5138, Department of Justice, Washington, D.C.

SIGNIFICANT INVESTIGATIONS

The Office of Investigations conducts independent and objective investigations relating to GSA programs, operations, and personnel. The office consists of special agents with full statutory law enforcement authority to make arrests, execute search warrants, serve subpoenas, and carry concealed weapons. Special agents conduct investigations that may be criminal, civil, or administrative in nature and often involve complex fraud schemes. Investigations can also involve theft, false statements, counterfeit or substandard products, embezzlement, bribery, anti-trust violations, credit card fraud, diversion of excess government property, and digital crimes. During this reporting period, the office opened 42 investigative cases, closed 58 investigative cases, referred 57 subjects for criminal prosecution, and helped obtain 15 convictions. Civil, criminal, and other monetary recoveries resulting from our investigations totaled over \$74 million.

CRIMINAL INVESTIGATIONS

FAYETTEVILLE WOMAN SENTENCED TO NINE YEARS IN PRISON FOR MULTI-MILLION DOLLAR CONTRACT FRAUD SCHEMES

A GSA OIG investigation determined that Stephanie Elliott, who was debarred from getting U.S. Government contracts due to prior misconduct, created multiple companies in SAM using fictitious names in order to circumvent her previous debarment. Elliott obtained more than 1,000 U.S. Government contracts valued at more than \$2.2 million. As a part of the scheme, Elliott defrauded the government by obtaining contract payments from the DoD for supplies that were never provided. Elliott submitted false certifications to the DoD indicating her contracts were properly fulfilled, including falsely certifying that products were shipped when, in fact, the goods were not shipped and never received. Elliott also committed fraud schemes in connection with contracts with the State of North Carolina and other state governments. On March 23, 2022, Elliott was sentenced to nine years in prison, three years' supervised release, and ordered to forfeit \$4.4 million and pay \$2.9 million in restitution. GSA OIG investigated the case with DCIS.

FORMER GOVERNMENT CONTRACTORS PLEADED GUILTY AND FORFEITURE ORDERED IN BRIBERY SCHEME

GSA OIG initiated an investigation into allegations that Keith Seguin, a former U.S. Air Force employee; Rubens Fiuza Lima, the owner of Impex, Inc.; and David J. Bolduc, Jr., one of the owners of QuantaDyn Corporation; conspired in a bribery scheme that spanned more than a decade and involved GSA contracts valued at over \$400 million. In October 2019, a federal grand jury in San Antonio returned an indictment charging QuantaDyn, Bolduc, Seguin, and Fiuza Lima with conspiracy to defraud the U.S., conspiracy to commit wire fraud, and conspiracy to commit money laundering. Specifically, from 2007 to 2018, Bolduc and QuantaDyn allegedly paid more than \$2.3 million in bribes to Seguin, who administered GSA and DoD contracts. In return, Seguin used his federal position to steer government contracts for military training simulators to QuantaDyn. The indictment further alleges that a portion of the bribe money paid to Seguin was laundered through Fiuza Lima's company, Impex, Inc.

In November 2021, Karen Paulsen and John Hancock, former program managers with a defense contractor, self-surrendered to the U.S. Marshals Service, subsequent to an indictment and summons to appear for their involvement in the conspiracy. On March 1, 2022, Paulsen pleaded guilty to conspiracy to defraud the government. As part of her plea, Paulsen agreed the financial losses attributed to her activities were over \$8 million. Paulsen is scheduled to be sentenced in October 2022.

On March 4, 2022, Seguin was ordered to forfeit two vehicles and \$362,515 in proceeds from the combined sales of two real estate properties and was ordered to pay a \$2.3 million forfeiture money judgment. Seguin previously pleaded guilty to conspiracy to commit wire fraud, tax fraud, and making false statements for his involvement in the scheme. Seguin also pleaded guilty to additional relevant conduct for his involvement in stealing \$239,388 worth of government-owned simulator parts that he sold online. Seguin is scheduled to be sentenced in April 2022.

QuantaDyn previously pleaded guilty to conspiracy to commit wire fraud and was sentenced to five years' probation. QuantaDyn was also ordered to pay \$37.7 million in restitution, a \$6.3 million fine, forfeit \$7.1 million in seized assets, and pay a \$22.8 million forfeiture money judgment.

GSA OIG continues to investigate this case with IRS-CI, DCIS, Army CID, and AFOSI.

DEBARRED CONTRACTOR SENTENCED IN SCHEME TO DEFRAUD THE GOVERNMENT

A GSA OIG investigation found that Craig Klund, owner of Rogue Applied Sciences Corp., fraudulently received over \$4 million from DoD contracts by hiding his true identity and not disclosing that he was debarred from doing business with the federal government. Klund created various shell companies under fake identities in an attempt to engage in bid rigging by using the shell companies to bid on the same government contracts to make it look like DoD was receiving multiple bids. He then supplied parts to the DoD that did not conform to contract specifications. On January 20, 2022, Klund was sentenced to 10 years' incarceration, three years' supervised release, and was ordered to pay \$435,823 in restitution. Klund previously pleaded guilty to wire fraud, money laundering, and identity theft. GSA OIG investigated this case with DCIS, AFOSI, Army CID, IRS-CI, and NCIS.

FORMER GSA OFFICIAL PLEADED GUILTY TO RECEIVING ILLEGAL GRATUITY

A GSA OIG investigation determined that Kevin Richards, former Director of Real Estate Acquisition in PBS, held an outside position as a licensed real estate agent for a real estate company for three years. Without disclosing his relationship with the company owner to GSA, Richards notified that person about a job opening within his purview, substantively edited the applicant's resume, provided confidential GSA interview questions, and hired this person. Richards also recommended and obtained approval from other GSA officials for this new employee to receive an above-normal salary and an increased accrual rate for annual leave. Although Richards received no commissions from his outside employment at the real estate company for almost two years, shortly after the company owner began working for GSA, this person chose Richards to be a listing agent for two different properties and paid Richards a \$10,250 commission when one of the properties sold. Additionally, when Richards filed his financial disclosure report for 2020 with GSA, he falsely stated that he had not held any positions outside GSA that year. The investigation found when Richards filed his 2020 federal tax returns, he reported a net loss of \$14,592 working for the real estate company. On March 29, 2022, Richards pleaded guilty to information charging him with receiving an illegal gratuity as a public official and making false statements to a federal agency.

GUILTY PLEA BY AN EXECUTIVE OF A COMPANY THAT MASQUERADED AS A WOMAN-OWNED BUSINESS WHILE SELLING CHINESE GEAR WITH CYBER VULNERABILITIES

A GSA OIG investigation revealed officers and employees of Aventura Technologies, Inc. sold Chinese-made equipment with known cybersecurity vulnerabilities to government and private customers while falsely representing that the equipment was made in the United States and concealing that the products were manufactured in China. In addition, the officers and employees falsely certified in SAM that the company was a Woman-Owned Small Business in order to obtain access to valuable set-aside government contracts they were otherwise ineligible to receive.

Seven officers and employees of the company were indicted for their involvement in the scheme. On December 6, 2021, Eduard Matulik, Director of International Sales, pleaded guilty to conspiracy to commit wire fraud and agreed to forfeit \$200,000. Previously, Wayne Marino, Network Specialist, pleaded guilty to conspiracy to commit wire fraud and agreed to forfeit \$40,000; Christine Lazarus, Director of Business Development, pleaded guilty to conspiracy to commit wire fraud and agreed to forfeit \$50,000; and Jonathan Lasker, Director of Operations, pleaded guilty to conspiracy to commit wire fraud and unlawful importation and agreed to forfeit \$100,000. GSA investigated this case with Army CID, CBP, DCIS, DOE OIG, IRS-CI, NCIS, TIGTA, AFOSI, USMS, and the FBI.

CONTRACTORS SENTENCED IN SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS AND 8(A) FRAUD SCHEME

A GSA OIG investigation determined that Stephon Ziegler, owner of Zieson Construction Company (Zieson), acted as a figurehead and allowed Matthew McPherson and his co-conspirators to run the business and perform almost all of its daily functions. This allowed Zieson to fraudulently obtain \$335 million in federal contracts set aside for veteran and disadvantaged businesses that it was ineligible to receive. The investigation also found that Rusty Simon, owner of Simcon Corp., whose company was eligible for Small Business Administration (SBA) 8(a) disadvantaged business set-aside contracts, received payments from Michael Dingle to allow Dingle, McPherson, and Matt Torgeson to use Simcon's name and status to fraudulently obtain \$11.3 million in such contracts.

On January 5, 2022, McPherson was sentenced to 28 months' incarceration with three years of supervised release, and Simon was sentenced to five years of probation with 12 months' home confinement. Previously, the court ordered five forfeitures totaling more than \$12.2 million from the alleged co-conspirators and their affiliated companies, and Dingle, Ziegler, McPherson, and Simon all pleaded guilty to crimes associated with their roles in the scheme. GSA OIG investigated this case with DCIS, VA OIG, SBA OIG, IRS-CI, USDA OIG, USSS, DOL OIG, Army CID, AFOSI, and NCIS.

BUSINESS OWNER SENTENCED FOR MAIL FRAUD AND VIOLATING THE CONDITIONS OF SUPERVISED RELEASE WHILE SERVING A FEDERAL SENTENCE FOR FRAUD CHARGES

A GSA OIG investigation revealed that while serving a 60-month federal prison sentence for a mail fraud scheme involving federal contracts, Keith Fisher registered Atlantic Safety Corp. (Atlantic) in SAM to bid on federal contracts through Unison Marketplace, a reverse online auction operated under a GSA contract. Upon submitting a winning bid, Atlantic was awarded a contract to provide goods to a government agency. Fisher used an alias to subcontract with a third-party vendor to provide goods directly to the government agency. Fisher prompted the third-party vendor to ship the goods to the government agency on credit by falsely promising to pay the vendor for the goods. Fisher also made fraudulent representations to other potential subcontractor vendors about the creditworthiness and financial status of Atlantic. Pursuant to his previous conviction, Fisher was prohibited from bidding on federal contracts and accessing SAM. On March 23, 2022, Fisher was sentenced to 99 months in prison for attempting to defraud businesses in connection with government contracting, and for violating his supervised release. In addition to the prison term, Fisher was sentenced to 54 months of supervised release. Fisher previously pleaded guilty to mail fraud and violating the conditions of his supervised release. GSA OIG investigated this case with NCIS and DOS OIG.

INDIVIDUALS SENTENCED IN CONSPIRACY TO RESTRAIN TRADE IN GOVERNMENT AUCTION BID SCHEME

A GSA OIG investigation revealed that Allan Gaines, Marshall Holland, Igor Yurkovetsky, and others colluded to eliminate competition and obtain computers through GSA Auctions at suppressed prices. On October 28, 2021, Gaines was sentenced to 30 days of home detention and one year of probation, and he was ordered to pay \$6,732 in restitution to GSA and \$3,300 in fines. On December 16, 2021, Yurkovetsky was sentenced to one year of probation, and he was ordered to pay \$2,557 in restitution to GSA and \$1,200 in fines. On February 24, 2022, Holland was sentenced to 30 days' probation and was ordered to pay \$6,725 in restitution to GSA. Gaines, Holland, and Yurkovetsky previously pleaded guilty to conspiracy to restrain trade in violation of the Sherman Act.

GUILTY PLEA FOR SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS FRAUD

A GSA OIG investigation determined that Valerie Gonzalez, owner of Primus Group, acted as a figurehead and lent her name and service-disabled veteran status to a scheme that allowed another contractor to fraudulently obtain \$4.2 million in federal contracts set aside for serviced-disabled veterans that the contractor was ineligible to receive. On November 16, 2021, Gonzalez pleaded guilty to wire fraud. Gonzalez was previously indicted for wire fraud and false statements. GSA OIG investigated this case jointly with VA OIG and DOL OIG.

GSA CONTRACTOR SENTENCED AND ANOTHER PLEADED GUILTY TO PREVAILING WAGE SCHEME WITH ARRA MONEY

A GSA OIG investigation determined that Jeffrey and Andrea Street, co-owners of Street's Landscape & Lawn Care, Inc., falsified certified payrolls for work performed on a GSA construction project at the Margaret Chase Smith Federal Building and Courthouse funded by the American Recovery and Reinvestment Act. Payroll records were submitted and certified as prevailing wages when employees were actually paid a discounted hourly rate in cash for overtime hours. On December 29, 2021, Andrea Street was sentenced and ordered to pay a \$3,500 fine after previously pleading guilty to knowingly and willfully making a false record regarding overtime wages. On January 3, 2022, Jeffrey Street pleaded guilty to making false statements to the government. GSA OIG investigated this case with DOL OIG.

VICE PRESIDENT OF GSA SUBCONTRACTOR SENTENCED FOR INVOLVEMENT IN KICKBACK SCHEME

As previously reported, Alutiiq International Solutions, LLC (Alutiiq), signed a non-prosecution agreement with the Department of Justice and agreed to pay GSA over \$1.25 million to resolve allegations that the company's former Project Manager Elmer "Butch" Baker engaged in a kickback and fraud scheme on a U.S. government construction contract administered by GSA. During the investigation, it was determined that in or around 2015, Baker began demanding kickbacks from Alutiiq's subcontractor, Capital Contracting, Inc. The kickbacks came in the form of meals, golf sessions, vacations, and other things of value that equated to approximately 10 percent of the amount of each subcontract modification that he awarded to them. Additionally, after receiving subcontract estimates from Capital Contracting, Baker illegally inflated the estimates prior to submitting them to GSA. Over the course of several subcontract modifications, he defrauded GSA out of approximately \$1.25 million between 2015 and 2018. Baker was previously sentenced to 30 months' incarceration, followed by 36 months' supervised release, and was ordered to forfeit \$309,000. On October 28, 2021, John Przybyla, Vice President, Capital Contracting, was sentenced to 24 months of probation and 500 hours of community service, and was ordered to pay a \$30,000 fine for his involvement. GSA OIG investigated this case with DOS OIG, the FBI, and Army CID.

INDIVIDUAL PLEADED GUILTY TO WIRE FRAUD AND AGGRAVATED IDENTITY THEFT

A GSA OIG investigation found that Kentey R. Fielder, owner of Clean Contracting Services, Inc., fraudulently registered his company in SAM by falsely claiming that he was not presently debarred from doing business with the U.S. Government. Fielder was subsequently awarded a U.S. Army contract for janitorial services, and he caused another company to believe that it had been awarded the same contract. He collected over \$14,000 on the contract while the other company performed the work. On December 8, 2021, Fielder pleaded guilty to wire fraud and aggravated identity theft, and he is currently awaiting sentencing. GSA OIG investigated this case with AFOSI, Army CID, Department of Commerce OIG, DCIS, DHS OIG, DOJ OIG, DOS OIG, EPA OIG, HHS OIG, IRS-CI, NCIS, SBA OIG, and VA OIG.

INDIVIDUAL SENTENCED FOR BRIBERY AND ANOTHER SENTENCED FOR OBSTRUCTION OF JUSTICE

A GSA OIG investigation found that Yalonda Moore, bookkeeper for Veteran Ability, LLC, obstructed a federal investigation when she informed Donald Garner, owner of Veteran Ability, LLC, about her cooperation with the government in the investigation of Garner and his co-conspirators. The investigation found that Garner paid bribes to a government contracting official in exchange for preferential treatment in the awarding of \$1.5 million in federal contracts and \$194,000 in government purchase card payments. On January 10, 2022, after pleading guilty to obstruction of justice, Moore was sentenced to three years of probation and ordered to pay \$52,000 in restitution. Garner previously pleaded guilty to bribery and was sentenced on January 13, 2022, to 366 days of confinement and three years of probation. GSA OIG investigated this case with the FBI, VA OIG, and SBA OIG.

CONTRACTOR SENTENCED FOR CIRCUMVENTING DEBARMENT TERMS

A GSA OIG investigation determined that Billy Sermons intentionally concealed his debarment from federal contracting by creating a new company, Franklin Southern Manufacturing (FSM), and he continued bidding on and obtaining government contracts. As part of the scheme, Sermons used the identity of another individual to fraudulently certify in SAM that neither FSM nor any of its principals were presently debarred. On January 27, 2022, Sermons was sentenced to 90 days' home confinement, four years of probation, and ordered to pay \$100,000 in restitution. Sermons previously pleaded guilty to false statements based on FSM's false certifications in SAM. GSA OIG investigated the case with DCIS.

FORMER TRIBAL CHIEF FINANCIAL OFFICER FOUND GUILTY FOR FAILURE TO ACCOUNT FOR OR PAY PAYROLL TAXES

A GSA OIG investigation determined that executives and controllers of the Alabama-Quassarte Tribal Town (AQTT), Wetumka, Oklahoma, participated in a fraud scheme to falsely certify in SAM that AQuate Corporation was an SBA 8(a) company, and that it complied with the performance requirements of the set-aside government contracts it received. Additionally, the investigation found evidence of employment tax fraud and nefarious activities related to company accounting practices. During his employment as an executive at AQTT-owned companies, Aaron Terry utilized federal assistance funds from several company subsidiaries for his personal benefit. Additionally, a co-conspirator, Timothy Reavis, fraudulently misrepresented adjusted gross income amounts on Terry's official tax filings.

Previously, Terry pleaded guilty to theft and conspiracy charges. He was sentenced to four years' imprisonment, three years' supervised release, and was ordered to pay \$1.25 million in restitution. Terry was also sentenced to three years' imprisonment, one year of supervised release, and ordered to pay \$105,000 in restitution related to federal tax law violations.

Reavis pleaded guilty to aiding and assisting in the preparation and presentation of a false tax return and was sentenced to three months' imprisonment, one year of supervised release, and was ordered to pay \$40,860 in restitution.

On October 22, 2021, a jury convicted Christina Anglin, Chief Financial Officer for AQTT-owned companies, of failing to account for or pay payroll taxes, which included Social Security, Medicare, and federal income taxes. During 2018, Anglin did not pay the IRS \$920,000 in payroll taxes, which were withheld from employees' wages. At the same time these taxes were not paid to the IRS, Anglin approved thousands of dollars of business expenditures, including salary and bonuses for herself and other executives.

George P. Tiger, the former Chairman of the Economic Development Authority Board on behalf of the AQTT, pleaded guilty to accepting bribes while serving as Chairman of the board and was sentenced to one year of imprisonment, two years' supervised release, and was ordered to pay a \$10,000 fine for bribery concerning programs receiving federal funds. GSA OIG investigated this case with DCIS, SBA OIG, IRS-CI, Army CID, and NCIS.

FORMER U.S. ARMY SUPPLY OFFICER AND HIS WIFE'S COMPANY SENTENCED IN A FICTITIOUS GOVERNMENT PURCHASE ORDER SCHEME

A GSA OIG investigation determined that John Meier, former U.S. Army Supply Officer, assisted in steering six government purchase card (GPC) orders, in the amount of \$24,995 each, to his wife's company, White Board Solutions, LLC (WBS). His wife registered the company under her maiden name. WBS promised to provide five soldiers, who already had their commercial driver's license (CDL), a three-week training session that included CDL workshops and practical training exercises. Prior to each payment, Meier or one of his subordinates signed the required GPC purchase request form. In total, WBS received approximately \$149,970 and never provided any of the training listed in the contractual agreement. On March 9, 2022, both John Meier and WBS were sentenced to 3 years' probation each and ordered to pay \$82,845 in restitution jointly. Previously, Meier pleaded guilty to conflict of interest and WBS pleaded guilty to theft of government property. GSA OIG investigated this case with DCIS and Army CID.

CIVIL SETTLEMENTS

TRIMARK USA, LLC, AGREED TO LARGEST-EVER SETTLEMENT RELATED TO ALLEGATIONS OF SMALL BUSINESS CONTRACT FRAUD

On February 23, 2022, GSA contract holder TriMark USA, LLC, agreed to pay \$48.5 million to the United States to resolve allegations that its subsidiaries, TriMark Gill Marketing and Gill Group, Inc. (collectively, TriMark), improperly manipulated federal small business set-aside contracts intended for Service-Disabled Veteran-Owned Small Businesses, and other small businesses, in violation of the False Claims Act. TriMark provides kitchen and food service equipment to government customers around the world. Kimberley Rimsza, former Executive Vice President, agreed to pay an additional \$100,000 as an individual civil penalty. As part of the agreement, TriMark and Rimsza admitted their conduct between 2011 and 2021 caused federal agencies to award set-aside contracts to three small businesses. These companies served as the face of the contract, billing the government for the work, and using their small business status to obtain the set-aside contracts, but TriMark performed the work. TriMark admitted that it identified federal set-aside contract opportunities for the small businesses to bid on using their set-aside status, instructed them regarding how to prepare their bids and what prices to propose, and “ghostwrote” emails for those companies to send to government officials to make it appear as though the small businesses were performing work that TriMark Gill Marketing was performing. The settlement obtained in this case constitutes the largest-ever False Claims Act recovery based on allegations of small business contracting fraud.

NIGHTINGALE CORPORATION AGREED TO PAY \$970,000 TO RESOLVE PROCUREMENT FRAUD ALLEGATIONS

On February 17, 2022, Nightingale Corporation, a GSA contract holder headquartered in Mississauga, Ontario, Canada, agreed to pay \$969,609 to the United States to resolve allegations of government procurement fraud arising under the False Claims Act. Allegedly, Nightingale was awarded a GSA contract based upon false certifications that it would manufacture chairs in Tonawanda, New York, when in fact the chairs were made in Canada.

WORLD WIDE TECHNOLOGY, INC. AGREED TO PAY \$1,173,749 TO RESOLVE FALSE CLAIMS ALLEGATIONS

On February 28, 2022, World Wide Technology, Inc., agreed to pay \$1,173,749, including \$742,208 in restitution, to resolve allegations under the False Claims Act. Allegedly, it submitted false claims for payment in connection with its GSA contract with Walter Reed Medical Center and paid improper gratuities to Walter Reed Medical Center employees.

MULTIPLE AWARD SCHEDULE CONTRACTOR AGREED TO PAY \$100,000 TO RESOLVE FALSE CLAIMS ALLEGATIONS

On October 26, 2021, Jim A. Meron, owner of WOW Imaging Products, LLC (WOW), agreed to pay \$100,000 to resolve allegations under the False Claims Act. WOW allegedly substituted compatible toner cartridges for new, genuine original equipment manufacturer cartridges ordered by government customers through the GSA Advantage online ordering system.

COMPANY OWNER AGREED TO PAY \$26,650 TO RESOLVE FALSE CLAIMS ALLEGATIONS

On February 2, 2022, Robert Bland, the proprietor of Motive Magic, a windshield repair business, agreed to pay \$26,650 to resolve allegations under the False Claims Act that Bland knowingly submitted false claims for services that he did not complete. Bland previously pleaded guilty to wire fraud and theft of government property for fraudulently billing GSA for approximately 400 windshield repairs he did not provide. He was sentenced in 2020 to 12 months' imprisonment and ordered to pay \$75,000 in restitution.

ADMINISTRATIVE MISCONDUCT

GSA EMPLOYEE RECEIVED 60-DAY SUSPENSION FOR MULTIPLE INFRACTIONS OF GSA POLICIES AND PROBATIONARY EMPLOYEE TERMINATED

On February 24, 2022, a GSA employee received a 60-day suspension for multiple infractions related to his use of GSA devices, email, and time to pursue financial enrichment through a personally owned business. In a related matter, a probationary employee was terminated for failure to demonstrate an acceptable level of conduct.

FLEET CARD FRAUD

The Office of Investigations collaborates with GSA's Fleet Loss Prevention Team to prevent, detect, and investigate fraud involving GSA's government-wide Fleet Program. These investigations have uncovered unauthorized personal use of GSA Fleet credit cards, fraudulent charges by vehicle repair and maintenance facilities for work not rendered, and complex credit card skimming operations led by organized criminal groups.

During this reporting period, GSA OIG Fleet card fraud investigations resulted in 22 arrests and one pretrial diversion agreement. One investigation has led to the arrest of 14 individuals during this reporting period, who were involved in a complex skimming operation in which the subjects placed skimming devices on gas station fuel pumps to obtain commercial and GSA Fleet credit card information. The individuals used the stolen credit card information to purchase diesel fuel, which they then sold to illegal fuel yards and commercial motor vehicle operators at a discounted rate. GSA OIG is investigating this case with the USSS and the Miami-Dade Police Department.

OTHER SIGNIFICANT WORK

SUSPENSION AND DEBARMENT INITIATIVE

The Federal Acquisition Regulation (FAR) authorizes federal agencies 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 refer to GSA instances of misconduct by individuals and companies so GSA can take appropriate suspension and debarment actions and protect the government from fraud, waste, and abuse.

During this reporting period, the OIG made 36 referrals for consideration of suspension or debarment to the GSA Office of Acquisition Policy or other federal debarment officials. There were 69 actions issued based on current and previous OIG referrals.

INTEGRITY AWARENESS

The OIG presents Integrity Awareness Briefings nationwide to educate GSA employees on prevention of fraud, waste, and abuse. This period, we presented 32 briefings attended by 462 GSA employees, other government employees, and government contractors. 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.

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 hotline also allows internet submission of complaints. During the reporting period, we received 795 hotline contacts. Of these, 29 were referred to GSA program officials for review and appropriate action, 9 were referred to other federal agencies, 39 were referred to the OIG Office of Audits, 1 was referred to the OIG Office of Counsel, 1 was referred to the OIG Office of Human Resources, and 45 were referred to investigative field offices for investigation or further review.

WPA ART INVESTIGATIONS

As a direct result of the cooperative efforts between the OIG and the GSA Office of the Chief Architect’s Fine Arts Program Office (FAP), one lost piece of Works Progress Administration (WPA) artwork, “Hollyhocks” by Pedro Cervantez, was recovered during this reporting period. WPA artwork is not subject to public sale, but the comparative value of this piece is \$10,000. Additionally, a GSA OIG investigation determined that Armin Rodriguez Callo listed a WPA work of art, *Political Editorial* by Mitchell Siporin, on eBay and subsequently donated it to an unknown charity. The painting is still missing. On November 5, 2021, the Government entered into a civil settlement with Rodriguez Callo in the amount of \$18,000, which also specified that the United States has a continuing right to ownership and possession of the artwork, wherever it may be located. Since cooperative efforts between the OIG and FAP began in 2001, 791 WPA pieces have been recovered, with a comparative value of \$8,741,850.*



Hollyhocks, 1938,
Artist Pedro Cervantez



Political Editorial, 1938,
Artist Mitchell Siporin

* This number includes all pieces of artwork recovered through the joint publicity/recovery efforts of the OIG and FAP. Not all recoveries require direct intervention by the OIG; some are direct “turn ins” to the FAP as result of our combined public information campaigns and/or internet searches which reveal the claim of ownership by the government.

STATISTICAL SUMMARY OF OIG INVESTIGATIONS

October 1, 2021 – March 31, 2022

OFFICE OF INVESTIGATIONS	
Referrals for criminal prosecution, civil litigation, administrative action, suspension & debarment	126
Indictments and informations on criminal referrals*	31
Subjects accepted for criminal prosecution	32
Subjects accepted for civil action	4
Convictions	15
Civil settlements/judgments	9
Contractors/individuals suspended and debarred	69
Employee actions taken on administrative referrals involving government employees	5
Investigative Reports**	6
Number of subpoenas	21
Civil settlements and court-ordered and investigative recoveries	\$74,642,213

* The total number of criminal indictments and criminal informations include all criminal charging documents resulting from any prior referrals to prosecutive authorities.

** The total number of investigative reports include reports of investigations and letterhead reports, which summarize the results of an official investigation and were referred to GSA officials for a response in consideration of taking administrative action or for information only.

Investigative Workload

The OIG opened 42 investigative cases and closed 58 cases during this period.

Referrals

The OIG makes criminal and civil referrals to the DOJ or other authorities for prosecutive and 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.

Actions on OIG Referrals

Based on these and prior referrals, 32 subjects were accepted for criminal prosecution and 4 subjects were accepted for civil litigation. Criminal cases originating from OIG referrals resulted in 31 indictments or informations and 15 convictions. OIG civil referrals resulted in nine subject settlements/judgments. Based on OIG administrative referrals, GSA management debarred 32 contractors or individuals, suspended 37 contractors or individuals, and took 5 personnel actions against government employees.

Table 4. Summary of OIG Referrals

TYPE OF REFERRAL	CASES	SUBJECTS
Civil	3	4
Criminal (DOJ)*	23	37
Criminal (State/Local)**	6	20
Administrative Referrals for Action/Response		29
Suspension	3	20
Debarment	7	16
TOTAL	42	126

* The total number of persons referred to DOJ for criminal prosecution includes both individuals and companies which have been referred to DOJ for criminal prosecutorial consideration.

** The total number of persons referred to state and local authorities includes both individuals and companies which have been referred to authorities, other than DOJ, for criminal prosecution. Referrals to military authority for prosecution under the Uniform Code of Military Justice are also included in this metric.

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. Criminal, civil, and other monetary recoveries arising from our work totaled more than \$74 million.

Table 5. Criminal and Civil Results

	CRIMINAL	CIVIL
Fines and Penalties	\$40,100	
Settlements		\$50,922,000
Recoveries/Forfeitures	\$7,584,118	
Restitutions	\$4,121,843	
TOTAL	\$11,746,061	\$50,922,000

Table 6. Non-Judicial Recoveries*

Administrative Recoveries	\$11,974,152
Forfeitures/Restitution	
TOTAL	\$11,974,152*

* This total includes the FAR disclosures reported on page 18.



Photo: John Minor Wisdom U.S. Court of Appeals Building, New Orleans, LA

GOVERNMENT-WIDE POLICY ACTIVITIES

GOVERNMENT-WIDE POLICY ACTIVITIES

We regularly provide advice and assistance on government-wide policy matters to GSA, as well as to other federal agencies and committees of Congress.

In addition, as required by the Inspector General Act of 1978, as amended, we review existing and proposed legislation and regulations to determine their effect on the economy and efficiency of GSA's programs and operations and on the prevention and detection of fraud and mismanagement. Because of the central management role of GSA in shaping government-wide policies and programs, most of the legislation and regulations reviewed affect government-wide issues such as procurement, property management, travel, and government management and IT systems.

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 Budget, Investigations, and Legislation Committees. Through CIGIE, we also participate in the following:
 - **Pandemic Response Accountability Committee.** The Office of Audits and the Office of Investigations both participate in CIGIE's Pandemic Response Accountability Committee. The government's coronavirus response includes \$2.6 trillion in economic relief to individual citizens, loans for businesses, and support for hospitals and other medical providers, as well as economic relief for affected businesses; industries; and state, local, and tribal governments. The Pandemic Response Accountability Committee's mission is to promote transparency and ensure coordinated, comprehensive oversight of the government's spending and coronavirus response.
 - **Federal Audit Executive Council Information Technology Committee.** The Office of Audits participates in the Federal Audit Executive Council (FAEC) IT Committee. This committee provides a forum to share information and coordinate audits of significant IT issues with the OIG community and the federal government. The committee also develops and recommends best practices to be used by OIGs in addressing IT issues.

- **Federal Audit Executive Council Digital Accountability and Transparency Act Working Group.** The Office of Audits participates in the FAEC Digital Accountability and Transparency Act (DATA Act) working group. The working group’s mission is to assist the OIG community in understanding and meeting its DATA Act oversight requirements by: (1) serving as a working level liaison with the Department of the Treasury, (2) consulting with the GAO, (3) developing a common review approach and methodology, and (4) coordinating key communications with other stakeholders. The Office of Audits participates to stay abreast of the latest DATA Act developments in order to monitor GSA’s implementation of the DATA Act.
- **Federal Audit Executive Council Contracting Committee.** The Office of Audits participates in the FAEC Contracting Committee. The committee is involved with addressing contract, program, and acquisition management issues that have common interest throughout the OIG community. The committee shares information on audit topics, successful audits, and related techniques.
- **Diversity, Equity, Inclusion, and Accessibility Working Group.** The Inspector General participates in the CIGIE Diversity, Equity, Inclusion, and Accessibility (DEIA) Working Group, which seeks to promote DEIA throughout the OIG community. This work group serves as an important resource and informs our own strategy of engaging our workforce and enhancing our work place environment to deliver maximum value to the diverse public we serve.
- **Enterprise Risk Management Working Group.** The Office of Audits participates in CIGIE’s Enterprise Risk Management (ERM) working group. The working group’s mission is to contribute to the promotion and implementation of ERM principles in accordance with OMB Circular A-123 within OIGs and their respective agencies. The Office of Audits participates in the working group as a part of a collaborative effort with other OIGs to oversee the sharing of processes and best practices used to analyze, prioritize, and address risks identified and relevant to implementing ERM in the federal government.
- **Geospatial Data Act Working Group.** The Office of Audits participates in the Geospatial Data Act of 2018 (GDA) working group. The working group’s mission is to assist the OIG community in understanding and meeting its GDA oversight requirements by: (1) consulting with the Federal Geospatial Data Committee, (2) developing a common review approach and methodology, and (3) coordinating key communications with other stakeholders. The Office of Audits participates to stay abreast of the latest GDA developments in order to monitor GSA’s compliance with GDA requirements.

- **Data Analytics Working Group.** The Office of Investigations participates in the CIGIE Data Analytics Working Group. The working group’s projects include identifying new data analytics methods and techniques, sharing information about data and data sources available to the OIG community, and identifying crosscutting initiatives using data analytics to detect fraud.
- **Blue Book Working Group.** The Office of Inspections participates in the Blue Book Working Group. The working group is composed of inspection and evaluation (I&E) professionals from the IG community who worked to review, update, and revise the CIGIE *Quality Standards for Inspection and Evaluation* (Blue Book) issued in December 2020. The working group continues to provide education and instruction on the revised Blue Book standards.
- **Collaboration Working Group.** The Office of Inspections participates in the Collaboration Working Group. The working group is comprised of I&E professionals from the IG community who are working to enhance the I&E collaboration site. The working group continues to identify best practices, templates, and other items to encourage collaboration.
- **Inspection and Evaluation Peer Review Working Group.** The Office of Inspections participates in the I&E Peer Review Working Group. The working group is comprised of I&E professionals from the IG community responsible for circulating and interpreting the *Guide for Conducting Peer Reviews of Inspection and Evaluation Organizations of Federal Offices*, along with administering the 3-year cycle of peer reviews. Currently, the working group is updating the Guide to coincide with the new Blue Book published in December 2020, and continuing to provide education and instruction on the external peer review process.
- **Inspection and Evaluation Roundtable.** The Office of Inspections participates in the I&E Roundtable. The Roundtable provides a forum to share information and coordinate issues of importance within the OIG inspections and evaluations community.
- **Investigations Training Subcommittee.** The Office of Investigations participates in the CIGIE Investigations Training Subcommittee. The subcommittee establishes and promotes training resources for investigative staff throughout the OIG community.
- **Investigations Undercover Review Committee.** The Office of Investigations participated in the CIGIE Undercover Review Committee. This committee provides recommendations and approvals on the suitability of undercover operations involving sensitive circumstances in accordance with CIGIE and Attorney General’s guidelines.

- **DOJ Antitrust Division’s Procurement Collusion Strike Force (PCSF).** The Office of Investigations is a partner agency of the PCSF. The PCSF leads a coordinated national response to combat antitrust crimes and related schemes in government procurement, grant, and program funding at all levels of government-federal, state, and local.
- **DOJ Civil Cyber-Fraud Initiative Working Group.** The Office of Investigations, Office of Counsel, and Office of Audits represent the OIG as a partner agency of the Civil Cyber- Fraud Initiative Working Group. The working group’s mission is to utilize the False Claims Act to hold accountable entities or individuals that put U.S. information or systems at risk by knowingly providing deficient cybersecurity products or services, knowingly misrepresenting their cybersecurity practices or protocols, or knowingly violating obligations to monitor and report cybersecurity incidents and breaches.



Photo: East lobby decorative door, EPA East and West, located on 12th and Constitution Avenue, N.W., Washington, D.C.

APPENDIXES

APPENDIX I

ACRONYMS AND ABBREVIATIONS

ACM	Asbestos Containing Materials	FIT Program	Furniture and Information Technology Program
AFOSI	U.S. Air Force Office of Special Investigations	FY	Fiscal Year
Army CID	U.S. Army Criminal Investigation Division	GAO	Government Accountability Office
ASHRAE	American Society of Heating, Refrigerating, and Air-Conditioning Engineers	GDA	Geospatial Data Act of 2018
CBP	U.S. Customs and Border Protection	GPC	Government purchase card
CDL	Commercial driver's license	GSA	General Services Administration
CIGIE	Council of the Inspectors General on Integrity and Efficiency	HHS	Department of Health and Human Services
COR	Contracting Officer Representative	I&E	Inspection and evaluation
COVID-19	Coronavirus disease of 2019	IGE	Independent Government Estimates
DATA Act	Digital Accountability and Transparency Act of 2014	IPA	Independent Public Accounting Firm
DCIS	Defense Criminal Investigative Service	IRS-CI	Internal Revenue Service Criminal Investigations
DEIA	Diversity, Equity, Inclusion, and Accessibility Working Group	IT	Information Technology
DHS	Department of Homeland Security	ITP	Insider Threat Program
DoD	Department of Defense	LAM	Lease Administration Manager
DOE	Department of Energy	NCIS	Naval Criminal Investigative Service
DOJ	Department of Justice	NCR	National Capital Region
DOL	Department of Labor	O&M	Operations and maintenance
DOS	Department of State	OCFO	Office of the Chief Financial Officer
EOs	Executive Orders	OHRM	Office of Human Resource Management
EPA	Environmental Protection Agency	OIG	Office of Inspector General
ERM	Enterprise Risk Management	OMA	Office of Mission Assurance
FAEC	Federal Audit Executive Council	OMB	Office of Management and Budget
FAI	Federal Acquisition Institute	PBS	Public Buildings Service
FAITAS	Federal Acquisition Institute Training Application System	PCSF	Procurement Collusion Strike Force
FAP	Fine Arts Program	SAM	System for Award Management
FAR	Federal Acquisition Regulation	SBA	Small Business Administration
FAS	Federal Acquisition Service	SPE	Senior Procurement Executive
FASPP	Federal Aggregated Solar Procurement Pilot	TAA	Trade Agreements Act
FBI	Federal Bureau of Investigation	TDR	Transactional Data Reporting
FDA	Food and Drug Administration	TIGTA	U.S. Treasury Inspector General for Tax Administration
FISMA	Federal Information Security Modernization Act of 2014	USDA	U.S. Department of Agriculture
		USMS	U.S. Marshals Service
		USSS	United States Secret Service
		VA	U.S. Department of Veterans Affairs
		WPA	Works Progress Administration

APPENDIX II

SIGNIFICANT RECOMMENDATIONS FROM PRIOR REPORTS

The GSA Office of the Chief Financial Officer, Office of Audit Management and Accountability is responsible for tracking the implementation of audit and inspection recommendations after a management decision has been reached, and thus furnished the following status.

Prior Semiannual Reports to the Congress included ten reports with recommendations that have not yet been fully implemented. These recommendations are currently being implemented in accordance with established milestones.

AUDIT OF PBS LEASE ADMINISTRATION

Period First Reported: April 1, 2021, to September 30, 2021

Our objective was to determine if PBS administers lease contracts in accordance with GSA policies and regulations, oversees the completion of required annual inspections, and ensures that lessors comply with lease terms and conditions. We made three recommendations, which have not been implemented.

The recommendations involve: (1) providing effective oversight over lease administration managers (LAMs) by: (a) ensuring lease contracting officers issue LAMs the contracting officer's representative delegation of authority letters when assigned to a new lease and (b) requiring LAMs' supervisors to verify that deficiencies identified in the tenant satisfaction survey are fully addressed in the action plans; (2) reviewing, updating, and providing adequate LAM training by: (a) updating the Lease Management Desk Guide chapter on training to require annual training for LAMs in inspections and lease management and (b) ensuring training addresses the importance of obtaining and maintaining required documentation for proper lease administration; and (3) enhancing efforts to ensure an effective and efficient LAM workforce by addressing recruitment and retention for the LAM workforce. The recommendations are scheduled for completion by October 31, 2022.

FAS'S INADEQUATE OVERSIGHT OF CONTRACTUAL AND SECURITY REQUIREMENTS PLACES THE USACCESS PROGRAM AT RISK

Period First Reported: April 1, 2021, to September 30, 2021

Our audit objective was to determine whether the Federal Acquisition Service (FAS) has effective oversight and safeguards in place to ensure the contractor fulfills federal and Agency security and contractual requirements as part of the USAccess identity and credential management services contract. We made three recommendations, which have not been implemented.

The recommendations involve: (1) strengthening the USAccess contractual requirements to ensure timely remediation of USAccess IT security vulnerabilities by consulting with GSA's Office of the Chief Information Security Officer to: (a) identify and address possible disincentives for untimely contractor performance and (b) develop performance standards that comply with IT security requirements; (2) increasing contractor accountability and ensuring quality performance by revising the USAccess quality assurance surveillance plan to better reflect key aspects of contractor performance, including, but not limited to, timely security vulnerability remediation; and (3) ensuring USAccess security requirements are appropriately and properly implemented by: (a) making risk-level determinations for USAccess contractor employees on a position-by-position basis; (b) clearly, comprehensively, and accurately delineating all personnel security and other security-related contractual requirements, as well as the roles and responsibilities for implementing those requirements; and (c) establishing controls that ensure GSA personnel are cognizant of security-related roles, responsibilities, and requirements as prescribed by GSA policy and guidance. The recommendations are scheduled for completion by May 25, 2022.

AUDIT OF THE PUBLIC BUILDINGS SERVICE'S EFFECTIVENESS IN MANAGING DEFERRED MAINTENANCE

Period First Reported: April 1, 2021, to September 30, 2021

Our audit objectives were to determine whether PBS: (1) accurately reports deferred maintenance estimates for its building inventory in GSA's fiscal year Agency Financial Report and (2) has information systems in place to accurately plan and track the remediation of immediate building liabilities from year to year. We made four recommendations, and three have not been implemented.

The remaining recommendations involve: (1) establishing a national policy and training program that provides personnel with guidance on how to conduct building surveys, accurately enter results into the Building Assessment Tool system, and account for interim remediation of building liabilities; (2) updating the Building Assessment Tool pricing module to generate estimates more closely aligned to external and regional cost estimates; and (3) correcting the duplicate entries identified in the report and reviewing PBS's deferred maintenance reports to identify and correct any additional errors. The recommendations are scheduled for completion by September 30, 2022.

OPPORTUNITIES FOR PBS TO IMPROVE MANAGEMENT AND OVERSIGHT OF ITS FEDERAL AGGREGATED SOLAR PROCUREMENT PILOT CONTRACTS

Period First Reported: April 1, 2021, to September 30, 2021

Our audit objective was to determine whether PBS’s selection and oversight of Federal Aggregated Solar Procurement Pilot (FASPP) sites maximize energy savings and comply with applicable laws, regulations, policies, safety standards, and contract requirements. We made 12 recommendations, and 10 have not been implemented.

The remaining recommendations involve: (1) identifying methods, if any, to mitigate overpaying for energy at the Carson City Federal Building; (2) determining the most cost-effective approach for removing the U.S. Geological Survey Menlo Park Campus from the FASPP during the disposition process of the campus; (3) ensuring PBS selects future sites for renewable energy projects with solar energy rates that are less than local utility rates and that can achieve the expected savings for the life of the project; (4) implementing controls to ensure the solar energy contractor complies with contract requirements for minimum solar energy production and remediation for insufficient power production; (5) recovering the \$8,866 due from NextEra for not meeting the minimum energy production requirements for the U.S. Geological Survey Menlo Park Campus and Leo J. Ryan Federal Records Center during the second performance year; (6) recovering money due from Tesla for its noncompliance with the Buy American Act and Trade Agreements Act; (7) implementing controls to ensure compliance with the Buy American Act and Trade Agreements Act requirements for all FASPP projects going forward; (8) collaborating with the U.S. Department of Energy to perform a feasibility study for installing a solar battery storage system at the Robert F. Peckham Federal Building, and install the system, if appropriate; (9) coordinating with PBS’s Office of Facilities Management, Energy Division, to evaluate and implement the most economical and appropriate use of the solar renewable energy certificates, including considering granting ownership to the solar energy contractor in exchange for lower electricity rates; and (10) ensuring the solar energy contractor consistently maintains and washes the solar panels and repairs the bent racking system at the Robert F. Peckham Federal Building. The recommendations are scheduled for completion by September 30, 2022.

PBS’S NATIONAL CAPITAL REGION IS FAILING TO ADEQUATELY MANAGE AND OVERSEE THE BUILDING SERVICES CONTRACTS AT THE FDA’S WHITE OAK CAMPUS

Period First Reported: April 1, 2021, to September 30, 2021

Our audit objective was to determine whether PBS’s National Capital Region (PBS NCR) is administering and managing the building services contracts at the U.S. Food and Drug Administration’s (FDA’s) White Oak campus in accordance with applicable regulations and policies. We made 12 recommendations, and 5 have not been implemented.

The remaining recommendations involve the PBS NCR Commissioner:

- (1) taking appropriate action to address the issues associated with oversight of the operations and maintenance building services contract by: (a) ensuring that the “After-Hours Labor Estimate” contains valid, reliable data and that it reflects actual cost and schedule conditions, requiring Honeywell to provide an updated estimate based on actual performance and renegotiate the contract, and performing a procurement contract review to evaluate the effectiveness of its policies and make improvements; (b) conducting an assessment to identify staff required to be present during the after-hours shift, enforce the statement of work, and monitor staffing of the after-hours shift; and (c) performing a comprehensive review of the after-hours staffing from August 2015 to the present, determining the total amount of overpayment for shifts that were understaffed and inadequately staffed, recovering the overpayment from Honeywell, and returning any overpayment to FDA;
- (2) taking appropriate action to address building security vulnerability concerns by conducting a risk assessment of the security vulnerabilities at the White Oak campus;
- (3) improving the oversight of the fire services contract and preventative maintenance of backflow preventers by providing training to the PBS NCR building managers, contracting officers’ representatives, and the contracting officer to ensure adherence to contract provisions and communicate these requirements throughout the organization;
- (4) addressing the improper destruction of contract file documentation identified in the report by conducting a review to identify all missing contract file documentation and replace, at a minimum, contract file documents necessary for providing oversight of contract performance; and
- (5) performing a comprehensive assessment to identify contractors that can meet the clinical cleaning requirements needed at the child care center and expedite action to hire a new contractor that is able to handle the requirements of the contract. The recommendations are scheduled for completion by May 31, 2022.

EVALUATION OF GSA'S USE OF AN AD HOC APPRAISAL PROCESS FOR AN EXECUTIVE

Period First Reported: April 1, 2021 - September 30, 2021

Our objective was to examine the circumstances that resulted in an outside third-party disciplinary report used to determine a senior executive final summary rating for FY2017. We made two recommendations, which have not been implemented.

The recommendations included that the Administrator should take appropriate action to remedy the harm caused to the senior executive by a tainted performance review process that resulted in an unsatisfactory rating and in their removal from the Associate Administrator position, as well as the loss of any opportunity for a FY 2017 performance period pay increase or bonus. In addition, the GSA General Counsel and Chief Human Capital Officer should review current processes and procedures to ensure sufficient oversight of employee misconduct and disciplinary reviews, including timely referral to the OIG. The recommendations are scheduled for completion by September 14, 2022.

UNRESTRICTED SUMMARY: FACILITY INSPECTION OF A HIGH-RISK GSA BUILDING

Period First Reported: April 1, 2021 - September 30, 2021

Our objective was to determine whether GSA had assessed, prioritized, and implemented facility security controls of a high-risk GSA building. We made two recommendations, which have not been fully implemented.

The recommendations address issues categorized as physical security information under GSA Order *Security for Sensitive Building Information Related to Federal Buildings, Grounds, or Property*, PBS 3490.3 CHGE 1, March 22, 2021. Therefore, the recommendations require safeguarding and dissemination controls and are not available to the public. However, the recommendations are scheduled for completion by September 30, 2022.

AUDIT OF GSA'S INSIDER THREAT PROGRAM

Period First Reported: October 1, 2020, to March 31, 2021

Our objective was to assess whether GSA's Insider Threat Program (ITP) has controls in place to prevent, deter, detect, and mitigate actions by trusted insiders who represent a potential threat to Agency personnel, facilities, operations, and resources. We made two recommendations, which have not been implemented.

The recommendations involve establishing effective controls to: (1) enhance cross-organizational communication and collaboration with the ITP by: (a) re-establishing consistent group collaboration with the Office of Human Resource Management (OHRM), Office of GSA IT, the Office of the Chief Financial Officer (OCFO), the Office of Mission Assurance (OMA), and other relevant offices to consult on broader, non-case-specific, insider-threat-related issues and (b) establishing a method for the ITP to proactively and consistently receive insider threat information from OHRM, Office of GSA IT, OCFO, OMA, and other relevant offices; and (2) enhance oversight of the employee separation and termination process by: (a) establishing procedures that ensure the ITP is informed and aware of insider threat risks posed by separated and terminated employees and (b) enhancing procedures to monitor separated and terminated employees' IT account activity prior to and after the last day of employment and consult with the Office of General Counsel as needed. The recommendations are scheduled for completion by April 29, 2022.

GSA'S NATIONAL CAPITAL REGION INTERNAL FLEET IS UNDERUTILIZED

Period First Reported: October 1, 2020 - March 31, 2021

Our objective was to determine whether GSA managed its National Capital Region (NCR) internal fleet throughout fiscal year 2019 in accordance with federal and GSA requirements. We made four recommendations, and two have not been implemented.

The remaining recommendations involve the Office of Administrative Services (OAS) Chief Administrative Services Officer evaluating the Executive Driver Program current usage against commercially available transportation sources and rates to balance needs and achieve cost savings beneficial to the Government; and creating procedures to identify GSA employees who are authorized to operate vehicles and ensure compliance with federal requirements for authorized operators, including the OAS employee servicing as an Executive Driver Program driver. The recommendations are scheduled for completion by October 31, 2022.

THE FEDERAL ACQUISITION SERVICE’S REPORTING OF SMALL BUSINESS PROCUREMENTS CONTAINED SIGNIFICANT INACCURACIES

Period First Reported: April 1, 2020, to September 30, 2020

Our objective was to determine if FAS properly identifies and reports small business procurements in accordance with the Federal Acquisition Regulation. We made two recommendations, and one has not been implemented.

The remaining recommendation involves addressing the Federal Procurement Data System-Next Generation’s limitations to ensure that contracting officers can accurately identify—and the data will accurately reflect—small business procurements. The recommendation is scheduled for completion by September 30, 2022.

APPENDIX III

AUDIT AND INSPECTION REPORT REGISTER

DATE OF REPORT	REPORT NUMBER	TITLE	FINANCIAL RECOMMENDATIONS	
			FUNDS BE PUT TO BETTER USE	QUESTIONED 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 PERFORMANCE AUDITS				
10/19/2021	A210074	Implementation Review of Corrective Action Plan: GSA Should Monitor and Track Facility Security Assessments, Report Number A160101/O/7/F18002, December 4, 2017		
11/10/2021	A210059	Implementation Review of Corrective Action Plan: Audit of the GSA's Total Workplace Furniture and Information Technology Program, Report Number A170070/P/R/R20005, March 31, 2020		
12/16/2021	A190054	Audit of a Hotline Complaint: PBS Greater Southwest Region's Operations and Maintenance Contracts		
02/03/2022	A190043	Audit of PBS's Management of Asbestos at the Chet Holifield Federal Building in Laguna Niguel, California		
03/24/2022	A210020	PBS Has Not Identified All High-Risk Uses of Space, Resulting in Potential Safety Risks		
PBS CONTRACT AUDITS				
12/17/2021	A220001	Independent Review of a Cost Accounting Standards Board Disclosure Statement: Consigli Construction Co., Inc., Solicitation Number 47PC0320R0002		
01/14/2022	A220021	Independent Review of a Cost Accounting Standards Board Disclosure Statement: Brasfield & Gorrie, LLC, Contract Number 47PD0121C0005		
03/03/2022	A210054	Independent Examination of a Claim: Desbuild EG Management Services JV, LLC, Contract Number GS-11-P-17-MK-C-0016		

DATE OF REPORT	REPORT NUMBER	TITLE	FINANCIAL RECOMMENDATIONS	
			FUNDS BE PUT TO BETTER USE	QUESTIONED COSTS
FAS CONTRACT AUDITS				
10/19/2021	A210025	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Vari Sales Corporation, Contract Number GS-27F-007GA		\$11,243
11/05/2021	A210043	Independent Preaward Examination of Multiple Award Schedule Contract Extension: NetImpact Strategies, Inc., Contract Number GS-35F-0206Y		\$78,926
11/19/2021	A201037	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Booz Allen Hamilton, Inc., Contract Number GS-35F-386DA		\$113,978
11/29/2021	A210028	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Markon, Inc., Contract Number GS-00F-0012Y		
11/30/2021	A210063	Independent Limited Scope Postaward Examination of Multiple Award Schedule Contract: One Federal Solution Corporation, Contract Number GS-35F-0470W		
12/13/2021	A210026	Independent Preaward Examination of Multiple Award Schedule Contract Extension: UltiSat, Inc., Contract Number GS-35F-0068Y		
12/16/2021	A210031	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Global Tech, Inc., Contract Number GS-35F-0183T		
01/25/2022	A210036	Independent Preaward Examination of Multiple Award Schedule Contract Extension: PeopleTec, Inc., Contract Number GS-10F-0114T		\$256,969
02/17/2022	A210048	Independent Preaward Examination of Multiple Award Schedule Contract Extension: NuAxis, LLC, Contract Number GS-35F-0361T		\$7,176
02/23/2022	A210071	Independent Preaward Examination of Multiple Award Schedule Contract Extension: E-volve Technology Systems, Inc., Contract Number GS-35F-0546Y		\$70,068
03/21/2022	A210072	Independent Preaward Examination of Multiple Award Schedule Contract Extension: ASM Research, LLC, Contract Number GS-35F-611GA		
03/30/2022	A210066	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Koniag Technology Solutions, Inc., Contract Number GS-35F-0461Y		
OTHER PERFORMANCE AUDITS				
11/08/2021	A210023	Audit of the Completeness, Accuracy, Timeliness, and Quality of GSA's 2021 DATA Act Submission		
11/19/2021	A190106	Audit of the Federal Acquisition Institute's Interagency Agreements for Workforce Training Systems		
INSPECTION REPORTS				
03/10/2022	JE22-001	Management Alert: Inadequate Ventilation in GSA Headquarters Child Care Center		

APPENDIX IV OIG REPORTS OVER 12 MONTHS OLD, FINAL AGENCY ACTION PENDING

Section 6009 of the Federal Acquisition Streamlining Act of 1994, Public Law 103-355, as amended by Section 810 of 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.

The Office of Administrative Services provided the following list of reports with action items open beyond 12 months:

DATE OF REPORT	REPORT NUMBER	TITLE
CONTRACT AUDITS		
03/30/2017	A150001	Preaward Examination of Multiple Award Schedule Contract Extension: Noble Sales Co., Inc., Contract Number GS-06F-0032K
04/20/2018	A170046	Preaward Examination of Multiple Award Schedule Contract Extension: Enlightened, Inc., Contract Number GS-35F-0703M
02/21/2019	A180052	Examination of a Termination Settlement Proposal: Honeywell International Inc., Contract Number GS-P-08-16-JE-7081
04/22/2020	A200987	Independent Examination of a Claim: WSSA Birmingham, LLC, Contract Number GS-04P-LAL60443
05/27/2020	A190070	Independent Postaward Examination of Multiple Award Schedule Contract: KPaul Properties, LLC, Contract Number GS-21F-0095U
05/29/2020	A190108	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Evolver, Inc., Contract Number GS-35F-0879R
06/02/2020	A200959	Independent Postaward Examination of Multiple Award Schedule Contract: Exponent, Inc., Contract Number GS-23F-0390K
07/31/2020	A190091	Independent Postaward Examination of Multiple Award Schedule Contract: The RAND Corporation, Contract Number GS-10F-0275P
09/29/2020	A190088	Independent Preaward Examination of Multiple Award Schedule Contract Extension: United Rentals, Inc., Contract Number GS-06F-0068R
09/30/2020	A201015	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Geneva Software, Inc., Contract Number GS-35F-248DA
10/29/2020	A190089	Independent Examination of a Request for Equitable Adjustment: Hensel Phelps Construction Company, Contract Number 47PE0318C0003
11/02/2020	A180025	Independent Limited Scope Postaward Examination of Multiple Award Schedule Contract Extension: CSP Enterprises, LLC, Contract Number GS-35F-045BA

DATE OF REPORT	REPORT NUMBER	TITLE
02/11/2021	A200986	Independent Examination of a Claim: Balfour Beatty Construction, LLC, Contract Number GS-11-P-17-MM-C-0002
03/31/2021	A201040	Independent Preadward Examination of Multiple Award Schedule Contract Extension: Invictus International Consulting, LLC, Contract Number GS-35F-305DA

DATE OF REPORT	REPORT NUMBER	TITLE	PROJECTED FINAL ACTION DATE
INTERNAL AUDITS			
09/14/2020	A170121	The Federal Acquisition Service's Reporting of Small Business Procurements Contained Significant Inaccuracies	09/30/2022
02/17/2021	A190016	Audit of GSA's Insider Threat Program	04/29/2022

DATE OF REPORT	REPORT NUMBER	TITLE	PROJECTED FINAL ACTION DATE
INSPECTION REPORTS			
02/26/2021	JE21-001	GSA's National Capital Region Internal Fleet is Underutilized	10/31/2022

APPENDIX V OIG REPORTS WITHOUT MANAGEMENT DECISION

Section 5(a)(10)(A) of the Inspector General Act of 1978, 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.

There are no OIG reports that meet this requirement this reporting period.

APPENDIX VI MANAGEMENT DECISIONS REVISED OR WITH WHICH THE INSPECTOR GENERAL IS IN DISAGREEMENT

Section 5(a)(11) of the Inspector General Act of 1978, as amended, requires a description and explanation of the reasons for any significant revised management decision made during the reporting period. Section 5(a)(12) of the Act requires information concerning any significant management decision with which the Inspector General is in disagreement. There was one decision during this reporting period with which the Inspector General disagrees.

GSA'S TRANSACTIONAL DATA REPORTING PILOT IS NOT USED TO AFFECT PRICING DECISIONS

Report Number A140143/Q/6/P21002

On June 24, 2021, the Office of Audits issued *GSA's Transactional Data Reporting Pilot Is Not Used to Affect Pricing Decisions*. Our audit found that GSA's Transactional Data Reporting (TDR) pilot is not meeting its intended purpose of improving taxpayer value. We found that the FAS's collection of TDR data is not being used to make decisions that affect pricing and that the TDR pilot has introduced additional risks associated with the potential use of inaccurate and unreliable TDR data and reliance on flawed pricing tools.

To address the audit finding, we issued two recommendations to the FAS Commissioner: (1) take immediate action to mitigate the risks associated with the TDR pilot, including restricting additional contractors from opting into the TDR pilot and restricting access to, and use of, the TDR pilot data; and (2) develop and implement an exit strategy for the TDR pilot and transition participating contractors out of the TDR pilot.

In May 2021, the FAS Commissioner responded to our draft report agreeing with several of our report conclusions, but disagreeing with both of our report recommendations. In August 2021, he submitted the decision record that disagreed with the report recommendations and thus did not provide a corrective action plan addressing those recommendations.

In October 2021, we met with FAS officials to discuss their areas of disagreement. The FAS Commissioner informed us that FAS would not be implementing the audit report recommendations, disagreeing with our position that the TDR pilot is not improving taxpayer value. Therefore, we were unable to achieve audit resolution.

In November 2021, we provided a Decision Paper for Resolution Action to the GSA Deputy Administrator, requesting a resolution of the disagreement. In December 2021, the GSA Deputy Administrator responded that FAS has initiated a corrective action plan to address concerns expressed in the audit report, specifically as they relate to data integrity and contractor use of that data. However, in response to both report recommendations, the GSA Deputy Administrator stated, “GSA respectfully disagrees with OIG’s view that the TDR program must end.”

We acknowledge, yet disagree with the GSA Deputy Administrator’s decision and remain concerned about FAS’s plans to expand the TDR pilot since it has yet to accomplish its intended purpose after collecting data for more than 5 years. Moreover, while the Agency’s proposed corrective action plan intends to address data integrity and contractor use of that data, it is not responsive to the report recommendations. Therefore, we consider both recommendations to be unimplemented.

APPENDIX VII

PEER REVIEW RESULTS

Section 5(a) (14)-(16) of the Inspector General Act of 1978, as amended, requires each Inspector General to submit an appendix containing the results of any peer review conducted by another Office of Inspector General (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 2021, the GSA OIG Office of Audits underwent a peer review by the Department of Labor OIG. On September 30, 2021, the Office of Audits received a peer review rating of “pass.” The peer review team found that the Office of Audits’ system of quality control is suitably designed and complies to provide it with reasonable assurance of performing and reporting in conformity with the quality standards established by CIGIE in all material aspects. No outstanding recommendations exist from any peer review conducted by another OIG.

In FY 2021, the GSA OIG Office of Inspections underwent a peer review by the Library of Congress OIG and Architect of the Capital OIG. The peer review team found the Office of Inspections’ policies and procedures generally met the selected seven standards established in the January 2012 CIGIE Quality Standards for Inspection and Evaluation. The peer review team also found the selected report generally met the quality standards and complied with the Office of Inspections’ internal policies and procedures. No outstanding recommendations exist for the Office of Inspections.

In FY 2020, the GSA OIG Office of Investigations underwent a peer review by the Department of Education OIG and received a passing rating. The peer review team found that the systems of internal safeguards and management procedures for the Office of Investigations complied with the standards established for investigations by the Attorney General Guidelines and CIGIE. There were no outstanding recommendations from prior peer reviews.

APPENDIX VIII

GOVERNMENT CONTRACTOR SIGNIFICANT AUDIT FINDINGS

The National Defense Authorization Act for FY 2008, Public Law 110-181, Section 845, requires each IG appointed under the Inspector General Act of 1978, as amended, 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 OIG reports that met these requirements.

APPENDIX IX

UNIMPLEMENTED RECOMMENDATIONS

UNIMPLEMENTED RECOMMENDATIONS FROM REPORTS ISSUED BEFORE THE COMMENCEMENT OF THIS SEMI-ANNUAL REPORTING PERIOD

The table below provides a summary of each audit, inspection, or evaluation report issued before the commencement of the reporting period for which there are any outstanding unimplemented recommendations, including the aggregate potential cost savings of those recommendations.

RECOMMENDATIONS UNIMPLEMENTED THAT ARE IN PROCESS			
FISCAL YEAR	TITLE	NUMBER OF UNIMPLEMENTED RECOMMENDATIONS	POTENTIAL COST SAVINGS
2020	The Federal Acquisition Service's Reporting of Small Business Procurements Contained Significant Inaccuracies	1	\$0
2021	Audit of GSA's Insider Threat Program	2	\$0
2021	PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus	5	\$0
2021	Audit of PBS Lease Administration	3	\$0
2021	FAS's Inadequate Oversight of Contractual and Security Requirements Places the USAccess Program at Risk	3	\$0
2021	Opportunities for PBS to Improve Management and Oversight of Its Federal Aggregated Solar Procurement Pilot Contracts	10	\$128,126
2021	Audit of the Public Buildings Service's Effectiveness in Managing Deferred Maintenance	3	\$0
2021	GSA's National Capital Region Internal Fleet is Underutilized	2	\$2,073,129
2021	Evaluation of the General Service Administration's Use of an Ad Hoc Appraisal Process for an Executive	2	\$0
2021	Unrestricted Summary: Facility Inspection of a High-Risk GSA Building	2	\$0
Totals:	10	33	\$2,201,255

RECOMMENDATIONS UNIMPLEMENTED DUE TO AGENCY MANAGEMENT DISAGREEMENT

The table below provides a summary of each audit, inspection, or evaluation report for which there are any outstanding unimplemented recommendations due to an Agency management decision with which the Inspector General is in disagreement.

RECOMMENDATIONS UNIMPLEMENTED DUE TO DISAGREEMENT			
FISCAL YEAR	TITLE	NUMBER OF UNIMPLEMENTED RECOMMENDATIONS	POTENTIAL COST SAVINGS
2017	GSA's Decisions to Vacate And Renovate the Leased Federal Courthouse in Pensacola Are Based on Faulty Premises	2	\$0
2017	PBS National Capital Region's \$1.2 Billion Energy Savings Performance Contract for White Oak was Not Awarded or Modified in Accordance with Regulations and Policy	3	\$0
2018	Evaluation of GSA Nondisclosure Policy	1	\$0
2019	Evaluation of GSA's Management and Administration of the Old Post Office Building Lease	1	\$0
2021	GSA's Transactional Data Reporting Pilot Is Not Used to Affect Pricing Decisions	2	\$0
Totals:	5	9	\$0

APPENDIX X

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 required by the National Defense Authorization Act for Fiscal Year 2008 and the Federal Acquisition Streamlining Act of 1994, as amended, are also cross-referenced to the appropriate pages of the report.

REQUIREMENTS INSPECTOR GENERAL ACT OF 1978, AS AMENDED		PAGE
SECTION		
4(a)(2)	Review of Legislation and Regulations	46
5(a)(1)	Significant Problems, Abuses, and Deficiencies	5
5(a)(2)	Recommendations with Respect to Significant Problems, Abuses, and Deficiencies	8-22
5(a)(3)	Prior Recommendations Not Yet Implemented	53-59
5(a)(4)	Matters Referred to Prosecutive Authorities	41-42
5(a)(5) and 6(c)(2)	Summary of Instances Where Information Was Refused	none
5(a)(6)	List of OIG Reports	60-61
5(a)(7)	Summary of Each Particularly Significant Report	8-17, 24
5(a)(8)	Statistical Tables on Management Decisions on Questioned Costs	17, 19-20, 22, 60-61
5(a)(9)	Statistical Tables on Management Decisions on Recommendations That Funds Be Put to Better Use	17, 19-21, 60-61
5(a)(10) (A)	Summary of OIG Reports Issued Before the Commencement of the Reporting Period Which No Management Decision Has Been Made	none
5(a)(10) (B)	Summary of OIG Reports Issued Before the Commencement of the Reporting Period Which No Agency Comment was Returned within 60 Days	none
5(a)(10) (C)	Summary of OIG Reports Issued Before the Commencement of the Reporting Period for Which there are Unimplemented Recommendations	69-70
5(a)(11)	Description and Explanation for Any Significant Revised Management Decision	none
5(a)(12)	Information on Any Significant Management Decisions with Which the Inspector General Disagrees	65-66
5(a)(13)	Compliance with Federal Financial Management Improvement Act	none
5(a)(14)-(16)	Peer Review Results	67
5(a)(17)	Statistical Tables of Investigation Metrics	41-43
5(a)(18)	Description of Investigation Metrics	41-42
5(a)(19)	Investigations of Senior Employees where Misconduct was Substantiated	none
5(a)(20)	Description of any Instance of Whistleblower Retaliation	none
5(a)(21)	Description of any Attempt by the Agency to Interfere with OIG Independence	none
5(a)(22)(A)	Description of each Inspection, Evaluation and Audit Not Publicly Disclosed	60-61
5(a)(22)(B)	Description of Investigations involving a Senior Government Employee Not Publicly Disclosed	none
OTHERS		
PL 103-355, Sec 6009	Management Decisions and Implementation of Audit Recommendations	62
PL 110-181, Sec. 845	Government Contractor Significant Findings	68



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Photo: Staircase alcove in former General Post Office, Tariff Building; now the Monaco Hotel, Washington, D.C.



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