



Office of Inspector General

Semiannual
Report to
the Congress

April 1, 1985 to
September 30, 1985

November 1, 1985

FOREWORD

This report, which was prepared in accordance with the Inspector General Act of 1978, summarizes Office of Inspector General activity over the 6-month period ending September 30, 1985. In order to facilitate its use by the Congress and Agency management, the report is organized based on the major functional areas of the General Services Administration.

Within each of these functional areas, the report shows that the Office of Inspector General and Agency managers are making important progress in improving the economy, efficiency, and integrity of General Services Administration operations. The report also shows a commendable record of Office of Inspector General productivity, in the face of continuing personnel cutbacks necessitated by Fiscal Year 1986 budget considerations.



CHARLES R. GILLUM
Acting Inspector General

October 31, 1985

INTRODUCTION AND OVERVIEW

A. Introduction

This report, submitted pursuant to the Inspector General Act of 1978, chronicles the activities of the General Services Administration (GSA) Office of Inspector General (OIG) between April 1, 1985 and September 30, 1985. It is the fourteenth Report to the Congress since the appointment of GSA's first Inspector General.

B. Overview

This report summarizes OIG activities during the period April 1, 1985 through September 30, 1985. It has been structured to correspond with the major functional elements of GSA.

1. Audit and Investigative Coverage of GSA Programs

Public Buildings Service

The OIG devoted 45 percent of its resources this period to audits and investigations within the Public Buildings Service (PBS). This allocation reflects both the size and scope of PBS programs.

Some of the significant OIG audits issued this period assisted GSA managers in taking action with respect to:

- Excessive tax escalation payments resulting from the standard tax escalation clause in GSA leases and local taxing practices.
- A wide range of improvements needed in the buildings management program in one GSA region (discussed in Section VIII, OIG Prevention Program).
- Design deficiencies in a Federal building relating to lighting and heating systems.
- Inadequate construction inspection services obtained under contract.
- Potential cost avoidances of \$2.2 million on a lease escalation proposal.

In addition, four audit reports identified leakages of polychlorinated biphenyls (PCBs) from electrical transformers. The newly appointed GSA Administrator has initiated an aggressive nationwide program to identify, inventory, and inspect all transformers containing PCBs, and ensure that leaking transformers are properly controlled. In December 1985, the OIG will examine the results of the Agency's PCB control program.

Detailed information on these and other activities is presented in Section II.

Federal Supply and Services

OIG coverage of the Office of Federal Supply and Services (FSS) focused on multiple award schedule contracts and management reviews of GSA's supply network. Many of our internal reviews, although regional in scope, identified findings affecting supply operations nationwide. Notably, management is in the process of addressing:

- The need for additional policy direction regarding the mission and operations of Customer Supply Centers.
- Inaccurate product weight markings that were resulting in excessive freight costs on GSA's outgoing supply shipments.

Actions by management and the Department of Justice on other audits and investigations resulted in:

- The recovery of \$286,233 due to a contractor's violation of GSA's price reduction clause.
- A \$125,800 civil settlement agreement with an FSS contractor that allegedly violated the False Claims Act.
- Successful criminal prosecution of a firm and its president for submitting false statements to the Government.

Detailed information on these and other activities is presented in Section III.

Information Resources Management

The OIG's coverage of the Office of Information Resources Management (OIRM) continued to focus on its contracting function, particularly the multiple award schedule program. This emphasis stems from recognition of the fact that the Government is the major procurer of computer equipment and accessories in the marketplace today.

As a result of joint audit and investigation, three major civil settlement agreements in the amounts of \$499,999, \$560,000, and \$1,103,769, respectively, were reached with OIRM contractors this period for alleged violations of the False Claims Act. In addition, other significant OIG audits advised management of:

- Serious contract administration, task order procurement, and personnel management problems in a regional Contract Services Program.
- A potential cost avoidance of \$8 million on a procurement action for the purchase and rental of computer equipment and related software and services. The contracting officer successfully negotiated the contract and obtained pricing concessions valued at \$8 million.

Detailed information on these and other activities is presented in Section IV.

Other GSA Coverage

Within the remaining programs and operations of GSA, the OIG issued 20 internal and contract audit reports presenting findings relative to stockpile disposals, real property sales, imprest funds, cash management, commercial audit services, and GSA's use of the General Supply Fund. In response to issues raised in two of the more noteworthy internal audits:

- Management took action to continue the commercial transportation audit program.
- Procedures are being developed to ensure full and prompt reimbursements to the General Supply Fund.

Detailed information on these and other activities is presented in Section V.

2. OIG Accomplishments and Productivity

The OIG tracks its accomplishments both on an aggregate basis and, in critical areas of our performance, on the basis of actual staffyears incurred. Calculating accomplishments on this latter basis results in productivity data that are less subject to fluctuating staffing levels.

Overall OIG Accomplishments

OIG accomplishments this period included:

- 335 audit reports;
- \$59,997,846 in recommendations for more efficient use of resources and \$17,450,715 in recovery recommendations;
- \$22,602,775 in management commitments to more efficiently use resources;
- \$15,994,166 in management commitments to recover funds, court-ordered recoveries, and investigative recoveries;
- 288 investigative cases opened and 343 closed;

- 29 case referrals accepted for criminal prosecution and 6 case referrals accepted for civil litigation;
- 30 indictments/informations/complaints on criminal and civil referrals;
- 33 successful criminal prosecutions;
- 3 judgments and 6 settlements on civil referrals;
- 11 contractor suspensions and 57 contractor debarments on administrative referrals;
- 35 reprimands, 16 suspensions, and 20 terminations on administrative referrals involving GSA employees;
- 13 Inspector General subpoenas; and
- 371 legislative initiatives and 159 regulations and directives reviewed.

Detailed information on these and other activities is presented in Sections VI and VII.

OIG Productivity

As noted above, in critical areas of our performance we compute OIG productivity based on actual staffyears—full-time equivalent (FTE) positions—incurred. Since these data are less subject to fluctuating staffing levels, they are an excellent mechanism for measuring OIG performance over time.

The following table presents these productivity data for Fiscal Years 1982, 1983, 1984, and 1985. The table shows that OIG productivity, while lower this year than in Fiscal Year 1984, was consistent with the general trend toward increased productivity that has been building since Fiscal Year 1982. We attribute the declines from Fiscal Year 1984 to a variety of factors, including: the dislocations and inefficiencies that are the inevitable result of our efforts to reduce OIG staffing through attrition to meet Fiscal Year 1986 funding levels (see Section I, Budget Issues); changes in management emphasis during Fiscal Year 1985; and, most importantly, Fiscal Year 1984 output increases reflecting some exceptional audit and investigative results.

Productivity Factor	FY 82	FY 83	FY 84	FY 85
Total costs recovered/avoided* per operations employee.....	\$242,252	\$352,910	\$522,688	\$444,152
Recommended cost avoidance and recovery per auditor	\$498,533	\$587,875	\$1,357,104	\$601,564
Audit reports per auditor.....	2.4	3.2	3.1	2.7
Referrals (criminal, civil, and administrative) per investigator	2.9	5.9	8.4	7.6
Criminal referrals per investigator.....	0.8	2.2	2.3	1.9
Employee actions (reprimands, terminations, suspensions, and demotions) per investigator ..	0.9	1.2	1.6	1.5

*Includes management commitments, court-ordered recoveries, and investigative recoveries.

The OIG achieved a return of \$7.39 for every \$1 budgeted to OIG operations in Fiscal Year 1985. Returns achieved during Fiscal Years 1982, 1983, and 1984 were \$5.61, \$6.65, and \$9.93, respectively.

3. Prevention Activities

As detailed in Section VIII, the OIG's program to prevent fraud, waste, and mismanagement encompasses a wide variety of activities. Highlights of our efforts during the period include:

- Reviews of 14 buildings management field offices, 8 of which were performed concurrently in one GSA region.

- Development of a practical ethics brochure for GSA employees that will be published shortly.
- Issuance of a second Hotline poster to sustain interest in the message of the Hotline.
- Completion of 25 preaward advisory reviews of leases involving annual rentals in excess of \$200,000.
- Integrity Awareness Briefings for 817 GSA employees.
- Receipt of 411 Hotline calls/letters and referral of 139 of these complaints for further action.

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REPORTING REQUIREMENTS

The table below cross-references the reporting requirements prescribed by the Inspector General Act of 1978 to the specific pages where they are addressed. The information requested by the Congress in Senate Report

No. 96-829 relative to the 1980 Supplemental Appropriations and Rescission Bill is also cross-referenced to the appropriate page of the report.

Source	Page
Inspector General Act	
1. Section 4(a)(2)—Review of Legislation and Regulations.....	27
2. Section 5(a)(1)—Significant Problems, Abuses, and Deficiencies.....	3, 9, 13, 17
3. Section 5(a)(2)—Recommendations With Respect to Significant Problems, Abuses, and Deficiencies.....	3, 9, 13, 17
4. Section 5(a)(3)—Prior Recommendations Not Yet Implemented.....	6, 12, 15, 19
5. Section 5(a)(4)—Matters Referred to Prosecutive Authorities.....	24
6. Sections 5(a)(5) and 6(b)(2)—Summary of Instances Where Information Was Refused.....	None This Period
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Senate Report No. 96-829	
1. Resolution of Audits.....	21
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SECTION I—ORGANIZATION, STAFFING, AND BUDGET

Pursuant to the Inspector General Act of 1978, an Office of Inspector General (OIG) was established within the General Services Administration (GSA) on October 1, 1978. As currently configured, the OIG consists of four offices that function cooperatively to perform the missions legislated by the Congress.

A. Organization

The OIG utilizes a functional organizational structure to provide nationwide coverage of GSA programs and activities. As detailed in Section VIII, the OIG reorganized this period in response to the findings of an internal Management Consulting Group. The organization now consists of:

- The **Office of Audits**, a multidisciplinary unit staffed with financial and technical experts who provide comprehensive internal (management) and external (contract) audit coverage. Headquarters divisions direct and coordinate the audit program, which is performed by the 11 field audit offices.
- The **Office of Investigations**, an investigative unit that manages a nationwide program to prevent and detect illegal and/or improper activities involving GSA programs, personnel, and operations. Operations officers at headquarters coordinate and oversee the investigative activity of 11 field investigations offices and 3 resident offices.
- The **Office of Counsel to the Inspector General**, an in-house legal staff that provides opinions and advice on matters under OIG review. These attorneys also manage the civil referral system, review existing and proposed legislation and regulations, prepare OIG subpoenas as required, and assist in litigation.
- The **Office of Policy, Plans, and Management Systems**, a centralized unit that oversees the development of OIG policies and plans, evaluates the operations of the other OIG components, provides data systems support, and handles budgetary, administrative, and personnel matters.

B. Office Locations

The OIG is headquartered in Washington, D.C., at GSA's Central Office building. Field audit and investigations offices are maintained in each of GSA's regional headquarters—Boston, New York, Philadelphia, Atlanta, Chicago, Kansas City, Fort Worth, Denver, San Francisco, Auburn, and Washington, D.C. Resident investigations offices are located in Cleveland, St. Louis, and Los Angeles. A resident audit office is located in San Juan, Puerto Rico.

C. Staffing and Budget

The approved Fiscal Year (FY) 1985 budget for the GSA OIG was approximately \$21.3 million. Approximately \$10.4 million was available for obligation during the reporting period.

The OIG's approved staffing level is 444 full-time equivalent (FTE) positions. As of September 30, 1985, OIG staffing consisted of 371 permanent and 3 temporary employees.

D. Budget Issues

This period, the OIG continued to reduce expenditures associated with staffing and related administrative areas in order to meet the appropriations level set forth in the President's proposed FY 1986 budget. In terms of personnel resources, the OIG reduced staffing by 25 employees during the period, with overall staffing being reduced by a total of 48 employees or 12 percent in FY 1985. In addition, the OIG instituted measures to reduce expenditures for office space, computer services, training, external audit services, and equipment rentals.

The FY 1985 staff losses were largely responsible for significant decreases in OIG activity and output. Compared to FY 1984 levels, the OIG:

- Issued 156 fewer audit reports;
- Recommended approximately \$205 million less in cost avoidance and recovery;
- Opened 190 fewer investigations and closed 145 fewer; and
- Referred for action 125 fewer criminal, civil, and administrative cases.

It now appears that further reductions may be required, since the FY 1986 funding levels tentatively approved by the House and Senate are below the President's proposed budget level. The House version provides for \$512,000 less, while the Senate version calls for \$386,000 less. The OIG's flexibility in accommodating such further budget reductions is limited by the staff-intensive nature of our budget and the cost-cutting measures already implemented. The budget reductions would necessarily translate to additional staffing losses, which would lead to further decreases in OIG activity and output. We project, for example, that the House reduction of \$512,000 could require the loss of as many as 20 additional auditors and investigators.

E. Personnel Issues

In light of the continuing staffing reductions, the OIG intensified its efforts to enhance the skills and effectiveness of the remaining staff. During this period, we

implemented a concentrated program of training courses, conferences, seminars, and workshops directed toward entry and mid-level staff members. Many were developed and taught using in-house expertise to avoid the substantial costs associated with outside training. The body of in-house training expertise that has been established will become a critical training resource in FY 1986, when funds for outside training will be severely limited.

In total, OIG employees received 1,850 staffdays of training during the period. In addition, OIG mid-level managers attended regional miniconferences held in Fort Worth, Texas and Boston, Massachusetts. These miniconferences were designed both as training vehicles and as a way to strengthen internal OIG coordination and collaboration, by providing an opportunity for face-to-face interaction among our regional staffs.

SECTION II—PUBLIC BUILDINGS SERVICE

The Public Buildings Service (PBS) manages much of the Federal Government's real estate assets nationwide. Its responsibilities extend from constructing, purchasing, and leasing space for Government use to maintaining and protecting that space. In the second half of Fiscal Year 1985, the total available funding authority of the Federal Buildings Fund was almost \$2 billion. During the same period, PBS obligated almost \$1.6 billion of these funds.

Commensurate with this level of activity, the OIG devoted some 63,500 direct staffhours pursuing 501 audit and investigative assignments. These figures reflect 45 percent of total OIG direct staffhours and approximately 44 percent of all work assignments.

A. Overview of OIG Activity

More than half of the audit reports issued this period by the OIG addressed PBS programs and activities. In 89 internal audit reports (over 71 percent of internal GSA audits issued), we presented findings relative to leasing, buildings management, energy, construction management, fire and life safety issues, and concession activities. In 88 contract audits (almost 43 percent of the GSA contract reports issued), the OIG recommended that approximately \$18 million in Government funds be used more efficiently.

Relative to the leasing program, the OIG performed 25 preaward advisory reviews of leases involving annual rentals in excess of \$200,000 (see Section VIII, OIG Prevention Program). In addition, the OIG identified that the standard tax escalation clause contained in GSA leases, coupled with some local taxing practices, is resulting in exorbitant tax escalation payments for the Government. PBS is initiating a national study of major taxing jurisdictions to determine the need to modify the clause and/or institute internal controls as a result of our work.

OIG prevention activities, contained in Section VIII, summarize OIG efforts in the buildings management area. This program, which is considered a vulnerable area due to disclosures of fraud in the late 1970s, was subjected to six audits of individual field offices, as well as a consolidated regional review comprised of concurrent audits of eight field offices. Overall, we concluded that the program still requires strengthening.

GSA management officials and the OIG placed high priority on fire and life safety issues this period, especially relative to Federal facilities housing transformers containing polychlorinated biphenyls (PCBs). In four audit reports issued this period, the OIG advised management of leaking transformers in four GSA regions.

At the direction of the GSA Administrator, the Agency initiated efforts to identify and plan for the repair/replacement of transformers nationwide. We are assisting management in their review by providing documen-

tation and preliminary findings, as well as an audit guide that can be used to test regulatory compliance at the regional level. We will resume auditing in early December, focusing on the results of the Agency PCB control program, as well as following up on prior audit work to ensure corrective actions have been taken. We intend to perform audits in every GSA region as well as headquarters.

OIG investigators completed 164 cases involving PBS programs, operations, or employees. Most involved allegations of white collar crimes and employee misconduct.

B. Significant Audits

This section summarizes significant internal audits dealing with PBS. Significant preaward contract audits are presented in Section C.

Excessive Tax Escalation Payments

A regional review of tax escalation payments identified a significant problem relative to the standard tax clause in GSA lease contracts. Specifically, when a property is assessed below the market rate as of the lease date, the Government can make exorbitant tax escalation payments over the term of the contract. On two leases alone, GSA will pay some \$1.2 million in excess tax escalation payments. In addition, GSA had 12 prospective leasing actions under consideration on which low tax valuations could have exposed the Agency to \$465,000 in excessive tax escalation payments per annum.

Basically, GSA's tax clause shifts the tax escalation burden to the Government. It provides that the Government pays real estate tax increases over the amount paid by the lessor during the year in which the lease commences. Thus, the lessor's tax payments during the first year set the base for computing the Government's liability for tax escalation payments beyond the base year.

In one locality, taxing practices actually allowed a lessor to establish an artificially low base year. Here, lessors could appeal new assessments by using income data from their existing leases and claiming economic hardship. Typically, the appeals resulted in substantial reductions in the assessments, thereby reducing lessors' tax costs and lowering the tax base for the lease.

Later, when succeeding leases were signed, the lessors realized a full cash flow from the new lease rates, alleviating the hardship. The city then acted to restore each property to the full assessment value and, because the base year was already established, GSA became liable for tax escalation payments on both the normal increasing assessment rate and on the difference between the lower appealed tax liability paid by the lessor in the base year and the fair market assessment that should have served as the tax base. Consequently, GSA's

payments rose at a rate of 40 percent per year between 1980 and 1984, while, in a sample of buildings not leased to GSA, tax assessments rose only at the rate of 26 percent per year.

In our June 4, 1985 report, we offered seven recommendations to the Commissioner, PBS, and one recommendation to the Regional Administrator to correct these and other deficiencies identified in the report. Some of the more significant recommendations included:

- Develop an alert system based on information gathered during the appraisal process to detect artificially low property assessments at locations being considered for lease, and transmit the information to contracting officers for use during lease negotiations.
- Where circumstances indicate that a property considered for leasing has an artificially low property assessment, authorize the contracting officer to negotiate a tax base that reflects what the assessment should be, given the assessment rates on comparable properties.
- Initiate, on a time-phased basis, a national study of major taxing jurisdictions to determine if:
 - circumstances exist that can contribute to excessive tax escalation payments; and
 - additional modifications to the tax escalation clause are required.
- Take appropriate actions to ensure that any future lease contracts at the 12 locations identified in the report do not result in Government losses due to inordinate increases in tax charges.

Management submitted responsive action plans. The report was resolved on September 18, 1985.

PCB Spill at Federal Warehouse

This period, the OIG initiated an evaluation of one GSA region's actions to comply with GSA and Federal regulations governing PCBs. PCBs, which are toxic, non-biodegradable, and carcinogenic, were once widely used in electrical transformers.

As part of this review, the OIG inspected facilities housing transformers containing PCBs. One inspection, conducted on June 26, 1985, identified a PCB spill (approximately 14 ounces) in a Federal warehouse.

Closer review of the situation revealed that:

- The regional field office was not performing the required monthly inspections of transformers at this facility. Therefore, it could not be determined when the spill had occurred.
- The field office had been notified of minor leakages at this facility in January 1985, but did not perform the required daily inspections. Instead, the field office initiated actions to procure replacement transformers.

Because of the health and environmental threats arising from PCBs, the OIG immediately briefed regional of-

ficials on the finding. In addition, on July 5, 1985, the OIG issued an interim report recommending that the Assistant Regional Administrator, PBS:

- Take immediate action to clean up the PCB spill at the warehouse;
- Inspect the PCB leaks daily until the transformers are replaced; and
- Expedite action to replace leaking transformers.

Management concurred with the report recommendations and reported it had initiated cleanup and inspection actions. The action plans for full implementation are expected in October.

Design Deficiencies at a Federal Building

During a review of the mechanical maintenance contract at a Federal building, the OIG identified two major design deficiencies involving the lighting and heating systems. As a result, the general office space, especially at desk top workstations, was inadequately illuminated, and the heating system was wasting energy.

The review found that 60 percent of the lighting problems could be attributed to a faulty design by the architect/engineering (A/E) firm; the remaining 40 percent resulted from contradictory GSA contract specifications for solid state electronic ballasts. Relative to the A/E firm, it utilized incorrect values when calculating lighting levels and therefore did not specify the correct number and type of fixtures. This, coupled with the contradictory specifications, resulted in a lighting system that provides 25 to 35 foot-candles of light, rather than the 50 foot-candles specified in GSA design criteria given to the A/E firm.

The heating system inadequacies likewise resulted from faulty design by the A/E firm. Even though design criteria called for an energy efficient building, the A/E firm did not specify a temperature set-back feature for periods when the building is unoccupied. Without this feature, the heating system must be operated 24 hours a day in order to prevent serious damage to the boiler's fire box from condensation. We estimated that GSA is therefore incurring an additional \$14,000 per year in energy costs.

In the final report dated July 31, 1985, we recommended that the Assistant Regional Administrator, Office of Public Buildings and Real Property:

- Determine if the A/E design firm was negligent during design and specification development, and seek damages or take other administrative action as appropriate;
- Evaluate alternatives for increasing lighting levels in office space and implement the most cost-effective option; and
- Determine the cost effectiveness of retrofitting the building heating system so it is energy efficient.

Regional management concurred with the recommendations in our draft report. We are awaiting the action plans in response to the final report.

Construction Inspection Services

As part of a multiregional review of construction inspection services obtained under contract, the OIG inspected the ongoing construction of a Federal building and parking garage. At the time of our inspection, the project was approximately 50 percent complete.

We found that the inspection services agreement did not require contractor personnel to perform many of the customary duties associated with the administration and inspection of major construction projects. We also found that GSA on-site and regional personnel, in attempting to perform many of these functions, did not accurately verify work-in-place; misidentified materials as completed work; paid for materials without proper invoices and verification; and paid for defective work without retaining appropriate amounts to assure such work would be corrected. As a result, GSA had made premature payments and overpayments totaling \$577,000 at the time of our on-site inspection.

Our final report, dated July 30, 1985, recommended that the Assistant Regional Administrator, Office of Public Buildings and Real Property:

- Reevaluate all major categories of work and adjust payments to reflect actual "satisfactory" work-in-place;
- Require the construction contractor to comply with invoice requirements of the contract for material payments;
- Train personnel on proper progress payment procedures;
- Ensure that future inspection service agreements comply with GSA guidelines in order to take full advantage of inspection personnel; and
- Improve utilization of inspection services personnel on this project.

Regional management concurred with all the report recommendations. A responsive action plan was submitted on August 30, 1985 and subsequently accepted by the OIG.

Administration of Cafeteria Contracts

An OIG review of one GSA region's administration of ten cafeteria contracts found that the region deviated from Central Office procedures for calculating contractor payments to the Government. Although the region contended that it was granted approval for deviating from procedures, we found no evidence to support this contention.

The region employs a competitive fee method, based on a fixed annual operating fee (independent of gross revenue) plus a percentage of monthly gross revenues, to calculate contractor payments. Central Office procedures require calculation of monthly fees equal to one and one-half percent of gross operating revenues to defray Government expenses for depreciation of equipment, heating, lighting, etc. While the regional method has yielded higher revenues to the Government over

the short term, Central Office officials have expressed doubt as to whether it will successfully defray Government expenses over the long term.

In addition, we found that the region did not always perform or document feasibility studies on existing cafeterias in accordance with prescribed Central Office procedures. Six of ten files reviewed did not contain a GSA Form 1889, which is used to record survey findings. As a result, the region had no method for evaluating the need, size, type, and number of food service and vending machines required in a building.

In our September 25, 1985 report, we offered five recommendations to regional officials to correct these and other deficiencies. Two of the more significant recommendations were addressed to the Regional Administrator and the Assistant Regional Administrator, Public Buildings and Real Property, respectively. They recommended that:

- A position paper be prepared and forwarded to Central Office to document the advantages of the region's competitive fee concept and request a waiver from Central Office procedures.
- Feasibility studies be performed and documented as required by the Concessions Management Handbook.

In reply to the draft report, management took exception to both of these recommendations; we reaffirmed them in our final report. Management concurred with the remaining three recommendations.

We are awaiting action plans for implementation of the report recommendations.

C. Significant Preaward Audits

The OIG's preaward audit program provides information to contracting officers for use in negotiating contracts. The pre-decisional, advisory nature of preaward audits distinguishes them from other audits.

\$2.2 Million of Proposed Rent Increase Questioned

An OIG audit of a \$1.9 million lease escalation proposal determined that the proposed escalation did not fully comply with the terms of the lease. In our report dated July 17, 1985, we advised the contracting officer that the proposal included operating costs not subject to escalation and did not credit the Government for direct reimbursements. We further advised that using more current cost data and historical rates (rather than estimates) yielded significantly lower figures. In total, we recommended adjustments equaling some \$2.2 million—meaning that GSA's total rent payments over the 5-year period covered by the proposal should be \$286,270 less than paid over the previous 5-year period.

Negotiations with the lessor are currently underway.

1.3 Million Avoided on Contractor Claim

The OIG audited a contractor claim for increased costs allegedly due to Government-caused delays on the construction of a Federal building. The contractor claimed that change orders extended the contract work period by 486 days, resulting in increased costs of \$3,175,856.

In our July 29, 1983 audit report, we advised the contracting officer that costs contained in the contractor's proposal were overstated and/or unallowable. Recommended reductions of \$2,578,290 primarily involved the following cost categories: extended job and corpo-

rate overhead, extended equipment, extended form-work, and wage escalation.

On April 12, 1985, the report was resolved. Due to the efforts of the contracting officer, assisted by General Counsel, management made a commitment to avoid \$1.3 million.

D. Statistical Highlights

The following table compares OIG activity and accomplishments within PBS to the overall GSA totals for the period.

Activity	PBS	All GSA
Audit Reports Issued	177	330
Recommended Cost Avoidance	\$19,285,211	\$59,969,230
Recommended Cost Recovery	\$579,737	\$17,450,715
Management Commitments to Avoid Costs	\$10,459,831	\$22,602,775
Management Commitments to Recover Funds	\$1,535,541	\$14,708,636
Percentage of Recommended Cost Avoidance Agreed to by Management	55%	56%
Percentage of Recommended Cost Recovery Agreed to by Management	100%	98%
Unresolved Audits Older Than 6 Months (Excluding Preawards)	3	4
Implementation Reviews Finding Unimplemented Recommendations	1	1
New Investigative Cases	145	288
Criminal Referrals (Subjects)	64	147
Civil Referrals (Subjects)	9	19
Administrative Referrals (Subjects)	171	305
Suspension/Debarment Referrals (Subjects)	24	66
Indictments/Informations/Complaints	7	30
Successful Criminal Prosecutions	11	33
Civil Settlements/Judgments	1	9

E. Significant Audits From Prior Reports

Under GSA's audit resolution system, the OIG is responsible for ensuring resolution of audit recommendations, while the Office of Audit Resolution, Office of Policy and Management Systems, is responsible for ensuring implementation of resolved audit recommendations. That office therefore furnished the status information on implementation presented herein.

Fourteen audits highlighted in prior Reports to the Congress require action by PBS management before they are fully implemented. Two reports are unresolved, four are not being implemented in accordance with established milestones, and the remaining eight are being implemented in accordance with established milestones.

I. Unresolved Significant Audits

Inspection of the Lease Construction of a Laboratory Facility

Period First Reported: October 1, 1982 to March 31, 1983

This March 31, 1983 review disclosed that inadequate contract administration and a lack of technical input in the conceptual, design, and construction phases of a laboratory facility has resulted and/or will result in Government losses of over \$1.5 million. As of September 30, 1985, this audit was still unresolved.

Twelve of the 18 recommendations in the report have been resolved; however, formulation of action plans on

the remaining recommendations had been deferred pending the outcome of Grand Jury proceedings. These recommendations had been removed from the audit resolution process because of the Grand Jury involvement.

On August 7, 1985, the U.S. Attorney declined criminal prosecution. On August 30, 1985, the OIG notified the Regional Administrator of the declination and requested updated action plans. We are awaiting receipt of the revised action plans.

Improvements to the Building Delegations Program

Period First Reported: April 1, 1984 to September 30, 1984

This September 26, 1984 review disclosed the need to improve GSA's program for delegating buildings management responsibilities to occupying agencies. As reported last period, 14 of the 32 recommendations had been resolved, but resolution of 11 recommendations had been deferred pending the outcome of a Task Force on Delegations intended to provide program direction. The OIG agreed to defer final resolution action on the remaining 7 recommendations in order to obtain one comprehensive package for all unresolved recommendations.

On September 6, 1985, the GSA Administrator signed policy direction for the expansion of the building delegations program. We are therefore awaiting the Commissioner's action plans.

2. Significant Audits Not Being Implemented According to Established Milestones

Fire and Life Safety Systems

Period First Reported: October 1, 1983 to March 31, 1984

A series of seven OIG reviews identified deficiencies in fire and life safety systems in GSA-controlled space. As of September 30, 1985: implementation had been completed on two reports; implementation was overdue on one report; and implementation was proceeding according to established milestones on the remaining four reports. This section discusses the overdue audit. The four audits being implemented in accordance with established milestones are discussed in the next section.

The overdue report has one outstanding recommendation; it involves determining the extent of contractor liability for boiler damage and holding the contractor responsible for the damage. The recommendation had an implementation date of December 31, 1984.

On April 9, 1985, the Regional Administrator provided information to the Office of Audit Resolution indicating that action had been taken on the recommendation. However, the OIG later determined that the action was

not responsive. On July 31, 1985, the OIG recommended, through the Office of Audit Resolution, that the region file a new action plan. As of September 30, 1985, no action plan had been received.

In the interim, the contractor filed suit against the Government.

Opportunities for Savings Exist Through Energy Conservation

Period First Reported: October 1, 1983 to March 31, 1984

Two OIG reviews identified annual savings of \$477,000, mostly available through simple modifications to equipment and operating procedures at three Federal buildings. All of the recommendations in one report are implemented. The other report contained 16 recommendations; 9 are implemented.

The seven unimplemented recommendations generally involve specific actions to reduce energy consumption and better manage energy costs. Implementation action was scheduled for completion as follows: one recommendation was due on July 1, 1985; five recommendations were due on September 30, 1985; and one recommendation is due on March 31, 1986. On September 24, 1985, the OIG received a request to extend all of the implementation dates to May 1, 1986. The OIG is currently evaluating this request.

Application of the ICB System Concept

Period First Reported: October 1, 1982 to March 31, 1983

This review of the mandatory use of Integrated Ceiling and Background (ICB) systems in Federal facilities found that this policy created customer dissatisfaction and wasted millions of dollars. The report contained six recommendations; five are implemented.

The remaining recommendation involves development of guidelines for decisions on partitioning open-space areas. The recommendation was originally scheduled for implementation in March 1984. The date was renegotiated to May 1984.

In April 1984, PBS requested revisions to the action plan. The OIG reached an informal agreement with PBS in August 1984 that was to be formalized in a revised action package. Despite numerous assurances by PBS, neither the OIG nor the Office of Audit Resolution has been able to obtain an acceptable revised action plan. Therefore, as of September 30, 1985, PBS is overdue on implementation of this recommendation based on the May 1984 due date.

More Improvements Needed in Lease Award Procedures

Period First Reported: October 1, 1984 to March 31, 1985

This consolidated report identified significant problems adversely affecting lease awards in spite of recent pro-

gram improvements implemented by PBS. The report contained 20 recommendations; 14 are implemented.

Three of the remaining six recommendations were scheduled for implementation by September 1985. As of September 30, 1985, the Office of Audit Resolution had not received documentation confirming that any of the three recommendations had been implemented.

The remaining three recommendations are to be implemented by November 1985, December 1985, and January 1986, respectively.

3. Significant Audits Being Implemented According to Established Milestones

Effective Lease Enforcement Efforts Are Needed

Period First Reported: April 1, 1984 to September 30, 1984

This audit disclosed a series of deficiencies, including Government payments for utilities and rent on space contracted to a private concern and for overtime services that were neither needed nor provided. The report contained 16 recommendations to correct the identified deficiencies; 15 are implemented.

The remaining recommendation, requiring determination and recovery of lease escalation overpayments, is scheduled for completion by December 1, 1985.

Excessive Energy Consumption

Period First Reported: April 1, 1984 to September 30, 1984

This review of the heating and cooling operations at a Federal office building identified an estimated \$203,000 in wasted energy annually. The report contained ten recommendations; nine are implemented.

The remaining recommendation involves restoration of the elevator control program. The recommendation was originally scheduled for completion by October 1, 1984. A series of extensions was granted and completion is now scheduled for August 30, 1986.

Fire and Life Safety Systems

Period First Reported: April 1, 1984 to September 30, 1984

This consolidated report identified the need for GSA action to ensure the proper functioning of fire and life

safety systems in Federal buildings throughout the country. The report contained ten recommendations; six are implemented.

Implementation of the remaining four recommendations is proceeding according to schedule. Scheduled completion for the three recommendations requiring action by the regions varies by region from October 1985 to January 1986. The other recommendation, requiring replacement of a fire alarm system, is scheduled for implementation by November 1987.

Fire and Life Safety Systems

Period First Reported: October 1, 1983 to March 31, 1984

A series of seven OIG reviews identified deficiencies in fire and life safety systems in GSA-controlled space. Two reports were fully implemented as of September 30, 1985; one report, as previously reported, contains a recommendation that is not being implemented in accordance with the established milestone. The remaining four reports contained 14 recommendations; 9 are implemented.

Implementation of the other five recommendations is generally proceeding in accordance with the action plans, although delays have been experienced and revised implementation dates have been granted. Full implementation is now scheduled for various dates between May 1986 and June 1987.

Implementation of the Public Buildings Cooperative Use Act

Period First Reported: October 1, 1982 to March 31, 1983

Our review disclosed a number of problems associated with GSA's implementation of the Public Buildings Cooperative Use Act of 1976. The report contained 18 recommendations; 15 are implemented.

The remaining three recommendations involve: (1) development of policy on outleasing; (2) assignment of qualified experts on outleasing projects involving commercial malls; and (3) development of policy and procedures for outleasing of commercial malls. Recommendation (1) was originally due for implementation in August 1983. Successive extensions to December 1983, June 1984, August 1984, December 1984, February 1985, March 1985, and October 1985 have been granted.

The second and third recommendations were originally scheduled for completion in May and September 1983, respectively. Both dates have been successively renegotiated to October 1983, April 1984, October 1984, December 1984, March 1985, and October 1985.

SECTION III—FEDERAL SUPPLY AND SERVICES

The Office of Federal Supply and Services (FSS) operates a Government-wide service and supply system that contracts for and distributes billions of dollars worth of supplies, materials, and services for customer agencies each year. FSS also controls GSA's personal property program. In the second half of Fiscal Year 1985, FSS obligated approximately \$79.2 million in direct operating expense appropriations. Estimated sales through the General Supply Fund during the same period were over \$1.4 billion.

Consistent with this level of activity, the OIG expended some 34,177 direct staffhours pursuing 375 audit and investigative assignments. These statistics reflect 24 percent of total OIG direct staffhours and approximately 34 percent of all work assignments.

A. Overview of OIG Activity

This period, the OIG's internal audit coverage of FSS emphasized various aspects of GSA's supply network. In a series of audits issued this period, we presented findings relative to customer supply centers, supply distribution facilities, quality assurance programs, self-service stores, and procurement offices. Several findings relative to customer supply centers and supply distribution centers were especially noteworthy:

- Review of a supply distribution facility disclosed that outgoing freight was being shipped based on product weights 1.64 percent higher than actual product weights, thus resulting in excessive freight costs. The problem resulted principally from reliance on erroneous contractor weight markings.
- In separate regional reviews, we found common operational problems at customer supply centers, which are GSA's relatively new innovation in the small order supply area. We attributed these problems in large part to inadequate operational guidance from Central Office FSS.

In addition, 51 contract audits, most of multiple award schedule contracts, identified recommended cost avoidances of over \$11.7 million and potential cost recoveries of over \$1.7 million.

Relative to OIG investigative activity, our investigators completed 120 cases involving the programs, operations, or employees of FSS. A majority of these involved white collar crimes related to supply, procurement, contract, and quality assurance programs. One of these cases, involving a contractor to both GSA and the Defense Logistics Agency, resulted in a civil settlement of \$125,800.

Another case, conducted jointly with the Naval Investigative Service, identified contractor overbillings of \$112,404. Both the firm and its president pled guilty to the charge of submitting false statements and were sentenced.

B. Significant Audits and Investigations

This section summarizes significant internal and postaward audits and investigations dealing with FSS. Significant preaward contract audits are presented in Section C.

Excessive Freight Costs

An OIG review at a supply distribution facility (SDF) disclosed that GSA was incurring excessive freight costs on its outgoing shipments of supplies. Moreover, the OIG determined that the major underlying problems were nationwide in scope, affecting freight costs at all SDFs.

The excessive charges primarily resulted from reliance on erroneous contractor-prepared weight data. On average, the weights were 1.64 percent higher than the actual product weights of the 100 items sampled. The inaccuracies resulted because:

- The weights supplied by some contractors on their product cartons were inaccurate and GSA quality assurance specialists (QAS) did not pick up these inaccuracies.
- The contractor-supplied weights were accepted as correct and entered into the computer system.
- The computer files were not updated, as required, allowing erroneous weights to remain in the system.

Variables in the shipping process, such as the number and weight of items per shipment, precluded OIG quantification of the exact monetary impact of this finding. However, the finding gains significance in light of the volume of outgoing shipments handled by the SDF. In FY 1984, this SDF alone shipped 62 million pounds of freight at an approximate cost of \$3.9 million.

In our May 6, 1985 report, we recommended that the Assistant Regional Administrator for FSS:

- Emphasize to QAS the significance of the weight marking requirement and instruct them to enforce the requirement;
- Institute periodic weight verification checks in conjunction with inventory surveillance activities; and
- Correct the computer file errors identified by the OIG.

Regional management provided a responsive action plan for implementing these and other recommendations. Resolution was achieved on August 28, 1985. In conjunction with the resolution process, FSS issued a memorandum to all zonal Contract Management Divisions advising them of the problem with the weight markings

on contractor cartons and instructing them to implement the report recommendations.

\$286,233 Recovery Achieved Through Postaward Audit

On July 11, 1985, an FSS contracting officer negotiated the recovery of \$286,233 from a multiple award schedule supplier of photographic equipment. The recovery resulted from an OIG postaward audit disclosing that the contractor violated the price reduction clause of its GSA contract.

OIG auditors found that during the contract period the firm sold contract items to its commercial customers at discounts higher than those disclosed to GSA during negotiations. GSA contracts specifically provide that the Government is entitled to equivalent price reductions if, after negotiations, the contractor reduces its prices or grants special discounts to other customers.

OIG auditors originally recommended a cost recovery of \$344,252, based on contract sales of \$1.8 million.

Procedures Needed at Customer Supply Centers

Separate OIG reviews of two Customer Supply Centers (CSCs) found that CSCs have been operating without formal operating procedures since their inception in 1982. Although the CSCs have generally met their mission of supplying customers with common-use, high-demand items, the OIG identified several operational areas where formal guidance would enhance the efficiency and effectiveness of operations.

The OIG found, for example, that CSCs commonly receive bulk sales orders, yet no formal policy exists on whether such orders should be filled. Processing bulk sales orders quickly depletes inventories, hindering prompt service and decreasing product availability for a wider range of customers. Further, by filling bulk orders, CSCs essentially operate as mini-depots, thereby jeopardizing their original mission as small quantity retail outlets. Conversely, CSCs are also accepting many small orders that may not be economical to process.

We also found that specific guidance was needed in areas such as physical inventory adjustments and order processing. Notably, current procedural controls over physical inventory adjustments did not provide assurances that the automated inventory is correct. Moreover, we also identified that CSCs are bypassing order processing procedures and filling customer orders without completing the necessary documentation.

In two reports issued June 20, 1985 and August 19, 1985, the OIG directed recommendations to the cognizant Regional Administrators to correct these and other deficiencies. Some of the more significant recommendations included:

- Obtain formal guidance from FSS Central Office regarding the issues of making bulk sales and the exact mission of the CSC;

- Take action to ensure that all inventory adjustments are rechecked for accurate input processing;
- Take action to ensure that customer sales are not completed prior to receipt of a completed customer order ticket; and
- Ensure that the acceptance of uneconomical small orders is discouraged, possibly through establishing minimum order requirements.

Management generally concurred with the recommendations in the draft reports, although disagreeing on the need for a minimum order requirement. We reaffirmed this recommendation in the June 20, 1985 report.

We are awaiting the action plans for implementing the recommendations in the final reports.

\$125,800 Civil Settlement

On June 26, 1985, the Government entered into a civil settlement agreement with a GSA medical equipment contractor and its president. Under the terms of the settlement, the contractor will pay the Government approximately \$125,800 over a 4-year period.

The GSA OIG, the U.S. Customs Service, and the Defense Criminal Investigative Service jointly investigated allegations that the contractor supplied unsafe medical equipment. The investigation substantiated these allegations and found that the contractor had:

- Falsely certified that foreign-made medical instruments were domestically produced; and
- Violated the Buy American Act provisions of its GSA and Defense Logistics Agency (DLA) contracts.

Relative to criminal charges, the company and its president were convicted of making false statements to the Government and of false advertising in October 1983. The firm was fined \$15,000 and the president sentenced to 2 years imprisonment (suspended), 2 years probation, and fined \$20,000. DLA debarred both parties from conducting business with the Government for approximately 2 years, effective June 15, 1984.

False Statement Convictions

An OIG investigation conducted jointly with the Naval Investigative Service disclosed that a contractor had overbilled the U.S. Navy in the amount of \$112,404. The firm, which repaired and rehabilitated heavy equipment under GSA contracts, fraudulently charged non-Government work hours to Government jobs and transferred work hours among Government jobs in order to avoid ceiling billing limitations.

On September 6, 1985, the company and its president entered guilty pleas in Federal Court to a one-count information charging them with submitting false statements. Shortly thereafter, the company was fined \$1,000; the firm's president was fined \$5,000 and given a 2-year suspended sentence with 2 years probation.

Acting on the OIG's recommendation, GSA has proposed debarment of the firm and its president. Civil efforts to recover the funds are also being pursued.

C. Significant Preaward Audits

The OIG's preaward audit program provides information to contracting officers for use in negotiating contracts. The pre-decisional, advisory nature of preaward audits distinguishes them from other audits.

\$3.2 Million Avoidance Through Preaward Audit

Based on a request from the GSA General Counsel, the OIG audited a proposal for alleged damages arising from GSA's termination of a contract for default. The audit questioned \$3.2 million of the \$3.3 million claimed by the contractor.

The June 13, 1984 report advised General Counsel that \$2.8 million, which the firm claimed as anticipatory profits, was not allowable under the Federal Procurement Regulation. In addition, the auditors advised that an additional \$.4 million in contractor claims were either unsupported, not applicable to the terminated contract, or erroneously computed.

General Counsel utilized this information in negotiating an agreement whereby the company would receive

\$86,025 in full settlement of its \$3.3 million claim.

Preaward Questions \$4.7 Million in Proposed Cost

The OIG evaluated a pricing proposal submitted in response to a GSA solicitation for the purchase, rental, maintenance, and repair of copying equipment. Estimated sales under the contract are \$19.4 million.

In our September 20, 1985 audit report, we advised the contracting officer of commercial discounts not disclosed in the firm's offer. These pricing concessions resulted in more favorable terms than those offered to GSA. We further advised the contracting officer that the rental rates offered the Government were not based on commercial market rates. Therefore, the auditors recommended total cost avoidances of \$4.7 million.

We are awaiting the contracting officer's response to the audit report.

D. Statistical Highlights

The following table compares OIG activity and accomplishments within FSS to the overall GSA totals for the period.

Activity	FSS	All GSA
Audit Reports Issued	67	330
Recommended Cost Avoidance	\$11,722,934	\$59,969,230
Recommended Cost Recovery	\$1,709,745	\$17,450,715
Management Commitments to Avoid Costs	\$7,130,846	\$22,602,775
Management Commitments to Recover Funds	\$793,895	\$14,708,636
Percentage of Recommended Cost		
Avoidance Agreed to by Management	50%	56%
Percentage of Recommended Cost		
Recovery Agreed to by Management	47%	98%
Unresolved Audits Older Than 6 Months (Excluding Preawards)	—	4
Implementation Reviews Finding		
Unimplemented Recommendations	—	1
New Investigative Cases	105	288
Criminal Referrals (Subjects)	73	147
Civil Referrals (Subjects)	4	19
Administrative Referrals (Subjects)	91	305
Suspension/Debarment Referrals (Subjects)	40	66
Indictments/Informations/Complaints	19	30
Successful Criminal Prosecutions	16	33
Civil Settlements/Judgments	2	9

E. Significant Audits From Prior Reports

According to GSA's audit resolution system, the Office of Audit Resolution, Office of Policy and Management Systems, is responsible for ensuring implementation of resolved audit recommendations. Therefore, that office furnished the status information on implementation presented herein.

Two significant audits from prior Reports to the Congress are unimplemented. One report is not being implemented in accordance with established milestones; the other report is being implemented in accordance with established milestones.

1. Significant Audits Not Being Implemented According to Established Milestones

Quality Assurance

Period First Reported: April 1, 1984 to September 30, 1984

Two OIG reviews identified defective material entering the supply system without detection by contractor quality control systems or FSS plant surveillances. All of the recommendations in one report are implemented; one of the two recommendations in the second report is implemented.

The other recommendation in the second report, involving improvements in surveillance inspections, was originally scheduled for completion by September 30, 1984. The action plan date was renegotiated to Septem-

ber 30, 1985. As of September 30, 1985, documentation supporting its implementation had not been received by the Office of Audit Resolution.

2. Significant Audits Being Implemented According to Established Milestones

Stronger Internal Controls Needed in Customer Supply Center Automated System

Period First Reported: October 1, 1984 to March 31, 1985

This review of the Customer Supply Center automated system identified internal control weaknesses that could result in improper and undetected changes to master files, unauthorized entry to the system, and inadequate inventory control. The report contained eight recommendations; five are implemented.

The remaining recommendations require: (1) preparation and approval of a systems development plan; (2) development and implementation of physical security procedures; and (3) finalization of system documentation. The first recommendation is due for implementation by November 1985. Full implementation of the remaining two recommendations is contingent upon issuance of a handbook. Although originally scheduled for issuance in September 1985 (dependent upon availability of printing funds), only three chapters were issued. A request for an extension to March 1986 is currently being considered by the OIG.

SECTION IV—INFORMATION RESOURCES MANAGEMENT

The Office of Information Resources Management (OIRM) coordinates and directs a comprehensive Government-wide program for managing and procuring automated data processing (ADP) and telecommunications equipment and services. In the second half of Fiscal Year 1985, OIRM obligated over \$17.2 million in direct operating expense appropriations. Estimated sales through the Federal Telecommunications Fund and the ADP Fund during the same period exceeded \$427 million.

Collectively, the OIG expended some 30,521 direct staffhours pursuing 134 audit and investigative assignments. These figures reflect 21 percent of total OIG direct staffhours and some 12 percent of total work assignments.

A. Overview of OIG Activity

The OIG's audit coverage of OIRM continued to focus on its contracting function, particularly the multiple award schedule program. This emphasis stems from recognition of the fact that the Government is the major procurer of computer equipment and accessories in the marketplace today.

We issued 63 contract audit reports this period, recommending cost avoidances of over \$28.6 million and cost recoveries of over \$5.2 million. Most comprised preaward audits designed to ensure that the Government receives prices commensurate with its standing in the marketplace. Notably, one preaward highlighted this period accounts for \$8 million of our recommended cost avoidance.

This period, OIG audit and investigative work resulted in three substantial civil fraud settlements with OIRM contractors:

- Two of the settlements, which totaled \$1,059,999, involved issues raised by OIG audit then developed by OIG investigation. The full amounts of these settlements have been paid to the Government.
- The third settlement, which amounted to \$1,103,769, stemmed from a firm's voluntary disclosure of contract violations by a subsidiary of the firm. OIG audit and investigation enabled quantification of losses suffered by the Government as the result of these contract violations. The full amount of this settlement has been paid to the Government.

In addition to these efforts, the OIG completed a comprehensive internal audit of the Contract Services Program in one region. The review disclosed that the program, which procures ADP technical support services for Federal agencies, suffered from serious contract administration, task order procurement, and personnel management problems.

B. Significant Audits and Investigations

This section summarizes significant internal and postaward audits and investigations dealing with OIRM operations. Significant preaward contract audits are presented in Section C.

\$499,999 Civil Settlement

On July 18, 1985, a GSA contractor agreed to pay the Government \$499,999 to settle potential civil fraud issues against the firm. The full amount has been paid to the Government.

Joint OIG audit and investigative effort disclosed that the firm supplied incomplete and inaccurate data in its price proposals to GSA. These price proposals were ultimately relied upon by GSA in negotiating three contracts for the purchase of modems and other ADP support equipment.

The civil case against the firm alleged that Federal agencies were overcharged for products and services between 1979 and 1981 due to the incomplete price and discount information. The Department of Justice, in conjunction with GSA and OIG officials, handled the negotiations leading to the settlement agreement.

Contract Services Program

At the request of the Regional Administrator, the OIG reviewed a regional Contract Services Program (CSP). The CSP procures ADP technical support services for customer agencies. Within this particular region, CSP functions are handled by FSS contracting officers and the Technical Services Branch (TSB), OIRM. Our review, which focused on TSB procurements valued at \$9.3 million between December 1981 and November 1984, identified serious contract administration, task order procurement, and personnel management problems. Most of these problem instances arose from non-compliance with laws, regulations, and GSA policies and procedures.

Relative to contract administration, the OIG found that, contrary to the Federal Procurement Regulation and GSA policy, two contract renewal options were exercised without first determining that this was the most advantageous course for the Government. The OIG estimated that the competitive award of a new contract, rather than exercising the renewal options, could have resulted in Government savings of up to \$622,000.

Relative to the procurement and personnel management problems, the audit concluded that unwarranted program costs of some \$250,000 annually resulted from: task order procurements exceeding both the scope and authority of the CSP and pertinent contract limitations, and overstaffing of the TSB.

In the July 10, 1985 final report, the OIG recommended that the Assistant Regional Administrators for OIRM and FSS:

- Establish management controls to ensure that contracting officers can make economical decisions on contract renewal options; and
- Direct that all laws, regulations, policies, and contract terms be complied with prior to issuing any new CSP task orders.

We also recommended that the Regional Administrator:

- Request that the Office of Project Control and Oversight conduct comprehensive procurement management reviews of the CSP;
- Authorize the Office of Project Control and Oversight to perform contract clearance reviews of CSP task order procurements; and
- Take action to reduce the size of the TSB technical staff to the level necessary for mission accomplishment.

The Regional Administrator generally concurred with the recommendations in the draft report and indicated that corrective actions had been initiated in many instances. We are awaiting the action plans for implementing the recommendations in the final report.

\$560,000 Civil Settlement

On July 25, 1985, a firm agreed to pay the Government \$560,000 to settle civil charges that it violated the False Claims Act when negotiating for its GSA contracts. The firm, a supplier of computer software, refunded the full amount to the Government at the time of settlement.

Joint OIG audit and investigation determined that the firm submitted false, incomplete, and/or misleading pricing and marketing data relative to the GSA contracts it held between 1979 and 1981. Approximate sales under the contracts totaled \$5.3 million; OIG auditors recommended a refund of \$1.5 million.

The matter was referred to the Department of Justice for criminal prosecution, but the referral was declined. The Department of Justice pursued the matter civilly, resulting in this settlement agreement.

\$1.1 Million Civil Settlement

On August 16, 1985, a contractor entered into a settlement agreement with the Government providing for payment of more than \$1.1 million in connection with allegations of fraudulent overbillings by a wholly-owned subsidiary of the firm. The overbillings took place under a series of contracts that the subsidiary held with OIRM between 1976 and 1983; the subsidiary was acquired by the firm in December 1982.

The firm voluntarily disclosed the contract violations of its subsidiary. Subsequently, the OIG was asked to quantify the loss. After comprehensive audit and investigation, the case was referred to the Department of Justice.

The settlement agreement provides for payment of \$1,103,769, as follows: approximately \$680,000 for overbillings; approximately \$330,000 for lost interest thereon; and approximately \$90,000 for the cost of the OIG audit and investigation. On August 22, 1985, the full settlement amount was deposited in the U.S. Treasury.

The Department of Justice did not regard punitive monetary damages as appropriate because of the firm's cooperation throughout the audit and investigative process. However, the OIG is investigating potential criminal violations in connection with this matter, and the Government has reserved the right to pursue criminal and administrative action, as well as civil action against individuals.

C. Significant Preaward Audits

The OIG's preaward audit program provides information to contracting officers for use in negotiating contracts. The pre-decisional, advisory nature of preaward audits distinguishes them from other audits.

\$8 Million Cost Avoidance Recommended

The OIG audited a firm's \$175 million pricing proposal submitted in response to a solicitation for the purchase and rental of ADP equipment, related software, and repair and maintenance services. The audit concluded that the firm's discount and sales information was acceptable for negotiations purposes, but inadequate in certain respects.

Specifically, the August 28, 1985 report advised the contracting officer of commercial selling practices not disclosed in the firm's data. These practices resulted in more favorable terms than those offered to GSA, which is contrary to contract provisions entitling GSA to discounts at least equal to the firm's best commercial customer in the same category. In addition, we recommended that the contracting officer seek even higher discounts, due to the Government's high volume of purchases and rentals. Accordingly, the auditors recommended a cost avoidance of \$8 million.

The contracting officer successfully negotiated the contract and obtained \$8 million in pricing concessions.

(Note: The \$8 million management commitment is not included in our data for this period because of notification delays; it will be included in our next Report to the Congress.)

D. Statistical Highlights

The following table compares OIG activity and accomplishments within OIRM to the overall GSA totals for the period.

Activity	OIRM	All GSA
Audit Reports Issued	66	330
Recommended Cost Avoidance	\$28,631,082	\$59,969,230
Recommended Cost Recovery	\$5,261,233	\$17,450,715
Management Commitments to Avoid Costs	\$4,894,808	\$22,602,775
Management Commitments to Recover Funds	\$1,979,201	\$14,708,636
Percentage of Recommended Cost		
Avoidance Agreed to by Management	68%	56%
Percentage of Recommended Cost		
Recovery Agreed to by Management	86%	98%
Unresolved Audits Older Than 6 Months (Excluding		
Prewards)	1	4
Implementation Reviews Finding		
Unimplemented Recommendations	—	1
New Investigative Cases	12	288
Criminal Referrals (Subjects)	3	147
Civil Referrals (Subjects)	4	19
Administrative Referrals (Subjects)	12	305
Suspension/Debarment Referrals (Subjects)	2	66
Indictments/Informations/Complaints	1	30
Successful Criminal Prosecutions	2	33
Civil Settlements/Judgments	3	9

E. Significant Audits From Prior Reports

According to GSA's audit resolution system, the OIG is responsible for ensuring resolution of audit recommendations, while the Office of Audit Resolution, Office of Policy and Management Systems, is responsible for ensuring implementation of resolved audit recommendations. That office therefore furnished the status information on implementation presented herein.

Three OIRM audits highlighted in prior Reports to the Congress are unimplemented. One report is not being implemented in accordance with established milestones; the remaining two are being implemented in accordance with established milestones.

1. Significant Audits Not Being Implemented According to Established Milestones

Inactive Telephone Lines

Period First Reported: October 1, 1984 to March 31, 1985

This review of the Telephone Inventory Accounting System (TIAS) disclosed inaccuracies in the telephone main line inventory requiring immediate corrective action. Accordingly, we made four recommendations to correct the identified deficiencies; two are implemented.

The remaining recommendations require that: (1) OIRM conduct similar reviews for other regions where possible and feasible; and (2) customer agency responses be monitored and appropriate followup action be taken for nonrespondents. The first recommendation was scheduled for completion by September 30, 1985. As of

September 30, 1985, documentation supporting its implementation had not been received by the Office of Audit Resolution. The other recommendation has an indefinite completion date since GSA monitoring and followup activities cannot guarantee the timeliness of responses from other Federal agencies.

2. Significant Audits Being Implemented According to Established Milestones

Improvements Needed in Computer Security Program

Period First Reported: October 1, 1983 to March 31, 1984

This March 30, 1984 review found that GSA computer systems are highly susceptible to loss through fraud, misuse, and disaster, especially fire. Accordingly, we made 20 recommendations for corrective action; 19 are implemented.

Action has been initiated to implement the last recommendation, involving inclusion of concise security requirements in all contractual agreements for ADP services. Final implementation action is scheduled for completion by October 31, 1986.

TIAS Inventory Not Being Reconciled

Period First Reported: October 1, 1984 to March 31, 1985

This regional review of TIAS found that it contained inaccurate data that could have resulted in incorrect payments and inaccurate customer billings. The report contained six recommendations; four are implemented.

The remaining recommendations require that: (1) all TIAS customer inventories be validated annually and TIAS officials follow up to ensure compliance, and (2) a utilization study be performed on GSA telephone equip-

ment. The first recommendation is due for implementation by October 31, 1985. The second recommendation was originally due for implementation by June 30, 1985; an extension was granted to October 1, 1985.

SECTION V—OTHER GSA COVERAGE

Other GSA services and staff offices, such as the Office of Comptroller and the Office of Policy and Management Systems, comprised the focus for the remainder of the OIG's efforts this period. These other offices generally support the administrative and management functions of GSA.

The OIG devoted approximately 14,305 direct staffhours pursuing 117 audit and investigative assignments within these other areas of GSA. These figures reflect 10 percent of total OIG direct staffhours and approximately 10 percent of all work assignments.

A. Overview of OIG Activity

OIG coverage of the remaining GSA services and staff offices consisted primarily of internal management reviews. In the resulting reports, we presented findings and recommendations relative to areas such as real property sales, stockpile disposals, imprest funds, cash management, transportation audits, and the General Supply Fund.

In two areas, audit work during this and previous periods produced especially noteworthy results:

- OIG review of the transportation audit program disclosed that GSA's FY 1986 budget request did not include funding for contractor audit services, with the result that net Government revenues could decrease by \$9.9 million in FY 1986. A provision was subsequently incorporated into the FY 1985 Supplemental Appropriations Act authorizing contractor payment from overcharges collected through September 30, 1989.
- An OIG audit this period supplemented previous audit work in reviewing GSA's use of the General Supply Fund to finance acquisitions of operating and administrative equipment. As of September 30, 1984, GSA's practice of amortizing reimbursements to the Fund had resulted in an unamortized balance of \$25.4 million. GSA is now developing procedures to ensure full and prompt reimbursement to the Fund for new equipment purchases.

B. Significant Audits

This section summarizes significant internal audits involving the programs and operations of the remaining GSA services and staff offices.

Funding for Commercial Audit Services

During a review of GSA's Transportation Audit Division (TAD), the OIG found that GSA's FY 1986 budget request did not include funding for commercial transportation audit contracts. Since 1983, GSA has contracted with audit firms to supplement the TAD in

reviewing transportation bills paid by Government agencies. These audits ensure that the Government paid the lowest appropriate tariff or tender rate for transportation services and identify refunds due the Government.

In FY 1984, contractors reviewed approximately 1.5 million transportation bills and identified \$5.4 million in carrier overcharges. This represented recoveries of some \$3.40 for every \$1 expended for commercial audit services. GSA currently estimates that contractors can identify \$13.9 million in carrier overcharges in FY 1986 at a cost of approximately \$4 million.

In addition to reducing FY 1986 refunds, the OIG was concerned that suspension of the program would result in the permanent loss of some refunds, since there is a 3 year statute of limitations governing the recovery of carrier overcharges. As of December 1984, TAD was auditing transportation bills that were 14 to 18 months old.

In an interim report dated July 9, 1985, we recommended that the Comptroller take immediate action to develop a funding method for the contract audit program that provides for contractor payment from collected overcharges, rather than the current method of funding the program through the General Management and Administration Fund. We further recommended that the Comptroller consider requesting modifications to FY 1986 appropriations language, and enactment of authorizing legislation for FY 1987 and subsequent years.

A provision was subsequently incorporated into the FY 1985 Supplemental Appropriations Act that authorizes transportation audit contractors to be paid from overcharges collected from carriers through September 30, 1989. The Comptroller further indicated that the need for future legislation (due to the expiration date) will be considered when and as appropriate. These actions satisfied the intent of our recommendations, and resolution was thus achieved on September 6, 1985.

General Supply Fund Equipment Acquisitions

The General Supply Fund (GSF), with a current appropriated capital balance of \$500 million, was established by the Congress in 1949 to procure personal property for the use of Federal agencies. The fund's authorizing legislation specifies reimbursement to the fund within 45 days from the delivery of goods or the incurring of a liability. This period, an OIG evaluation of GSA's use of the GSF to finance acquisitions of operating and administrative equipment reported that, as of September 30, 1984, GSA had an unamortized balance of \$25.4 million.

In two previous audits, the OIG had expressed concern over GSA's practice of procuring equipment with GSF funds and then amortizing payments over the useful life of the equipment. Our position was that such purchases must be charged in full to the appropriations in the fiscal year in which the obligation was incurred. The GSA management position, presented in a General Counsel opinion, was that ". . .the GSF is available for the purchase of . . .equipment and that the incremental reimbursement is appropriate so long as Congress is informed as to the method by which the equipment is being purchased." To resolve the matter, the OIG requested a Comptroller General decision.

The Comptroller General decision, issued July 10, 1984, stated that GSA possessed no legal authority to use the fund in the manner described and was bound by the same prompt reimbursement requirement applicable to other requisitioning agencies. GSA requested a reconsideration of the Comptroller General position. On April 1,

1985, the Comptroller General reaffirmed his position but stated that "our decision should be prospectively applied to new equipment purchases made by GSA through the GSF beginning in Fiscal Year 1987."

In our report dated April 25, 1985, we reviewed the audit, Agency, and Comptroller General positions on this issue and recommended that the GSA Comptroller develop procedures, beginning in Fiscal Year 1987, to ensure prompt reimbursement to the GSF. Management submitted a responsive action plan and resolution was achieved on June 13, 1985.

C. Statistical Highlights

The following table compares OIG activity and accomplishments in other GSA areas to the overall GSA totals for the period.

Activity	Other GSA	All GSA
Audit Reports Issued	20	330
Recommended Cost Avoidance	\$330,003	\$59,969,230
Recommended Cost Recovery	\$9,900,000	\$17,450,715
Management Commitments to Avoid Costs	\$117,290	\$22,602,775
Management Commitments to Recover Funds	\$10,399,999	\$14,708,636
Percentage of Recommended Cost		
Avoidance Agreed to by Management	100%	56%
Percentage of Recommended Cost		
Recovery Agreed to by Management	96%	98%
Unresolved Audits Older Than 6 Months (Excluding Preawards)	—	4
Implementation Reviews Finding		
Unimplemented Recommendations	—	1
New Investigative Cases	26	288
Criminal Referrals (Subjects)	7	147
Civil Referrals (Subjects)	2	19
Administrative Referrals (Subjects)	31	305
Suspension/Debarment Referrals (Subjects)	—	66
Indictments/Informations/Complaints	3	30
Successful Criminal Prosecutions	4	33
Civil Settlements/Judgments	3	9

D. Significant Audits From Prior Reports

According to GSA's audit resolution system, the OIG is responsible for ensuring resolution of audit recommendations, while the Office of Audit Resolution, Office of Policy and Management Systems, is responsible for ensuring implementation of resolved audit recommendations. That office therefore furnished the status information on implementation presented herein.

With regard to GSA services and staff offices other than PBS, FSS, and OIRM, two significant audits from prior Reports to the Congress are unimplemented. One report is being implemented according to established milestones; the other is not.

1. Significant Audits Not Being Implemented According to Established Milestones

Implementation of the Federal Managers' Financial Integrity Act

Period First Reported: April 1, 1984 to September 30, 1984

This review of GSA's 1982-1983 effort to satisfy the Federal Managers' Financial Integrity Act requirements disclosed that it generally fell short of its intended goal.

We therefore made 12 recommendations to improve the overall evaluation process; seven are implemented.

Of the five unimplemented recommendations, one, establishing standards for the review process, was scheduled for implementation by June 1985. As of September 30, 1985, the recommendation had not been implemented and no extension had been granted. Three of the remaining four recommendations are now scheduled for completion by October 1985; the fourth is scheduled for completion by December 1986.

2. Significant Audits Being Implemented According to Established Milestones

Accounting for Stockpile Sales Receipts

Period First Reported: April 1, 1984 to September 30, 1984

A review of the accounting methods for stockpile receipts, coupled with a legal opinion rendered by GSA's Office of General Counsel, disclosed that at least \$19.9 million in stockpile receipts were incorrectly deposited in the U.S. Treasury. The report contained two recommendations; one is implemented.

The remaining recommendation, reviewing other stockpile sales contracts to identify other incorrect deposits, is to be implemented by November 30, 1985.

SECTION VI—STATISTICAL SUMMARY OF OIG ACCOMPLISHMENTS

The previous sections of this report presented OIG activity and accomplishments by GSA service and staff office. In the pages that follow, overall OIG accomplishments are comprehensively reported. To facilitate cross-referencing, the GSA organizational orientation is maintained in these summary statistics. However, there is not a one-to-one correspondence between the data reported by GSA organization and the overall statistics, because a portion of our work involved non-GSA operations.

A. OIG Accomplishments

During the reporting period, the OIG issued 335 reports, including 23 audits performed for the OIG by another agency. These reports contained financial recommendations totaling \$77,448,561, including \$59,997,846 in recommendations for more efficient use of resources (cost avoidance) and \$17,450,715 in recommendations for the recovery of funds.

Based on audit reports issued in this and prior periods, management committed itself to use \$22,602,775 more efficiently and to recover \$14,708,636. This latter figure includes \$2,163,768 resulting from civil settlements that involved OIG audit, investigative, and legal collaboration.

The OIG opened 288 investigative cases and closed 343. We referred 83 cases (147 subjects) for criminal prosecution, 9 cases (19 subjects) for civil litigation, and 18 cases for further investigation by other Federal or State agencies. Based on these and prior referrals, 29 cases (56 subjects) were accepted for criminal prosecution and 6 cases (7 subjects) were accepted for civil litigation.

Criminal cases originating from OIG referrals resulted in 27 indictments/informations/complaints and 33 successful prosecutions. Civilly, OIG referrals resulted in 3 civil complaints. Judgments were entered in 3 cases (3 subjects) and settlements were reached in 6 cases (6 subjects). These actions resulted in determinations that \$2,381,523 is owed the Government. This figure includes \$2,163,768 also reported as a management commitment to recover funds, since it resulted from collaborative effort involving OIG auditors, investigators, and attorneys.

We referred 254 cases to GSA management for administrative action. This total includes 23 case referrals (66 subjects) for suspension/debarment and 231 case referrals (305 subjects) for other administrative actions. Based on these and prior referrals, management debarred 57 contractors, suspended 11 contractors, reprimanded 35 employees, suspended 16 employees, and terminated 20 employees.

The following subsection presents detailed information on these and other quantifiable accomplishments.

B. Summary Statistics

1. Audit Reports Issued

Table 1 summarizes OIG audit reports issued this period by GSA program area. The table includes 23 audits, recommending a total cost avoidance of \$7,274,356, performed for the GSA OIG by the Defense Contract Audit Agency.

2. Audit Reports Resolved

Table 2 summarizes the universe of audits to be resolved by the OIG and GSA management during this period, as well as the status of those audits as of September 30, 1985. Fifty-seven audits more than 6 months old were unresolved as of September 30, 1985; but 53 were pre-award audits, which are not subject to the 6-month resolution requirement. Thus, only 4 audits were actually overdue—a statistic that reflects creditably on GSA's audit resolution efforts.

It should be noted that Table 2 does not include: reports issued by the OIG to other agencies (5 this period); and reports excluded from the resolution system because they pertain to on-going investigations. As of September 30, 1985, 12 audits (6 issued this period, 6 issued in prior periods) had been excluded from the resolution system for this reason.

**Table 1.
Summary of OIG Audits**

GSA Program	Reports Issued	Percentage of Total Audits	Recommended Cost Avoidance	Recommended Cost Recovery
PBS				
—Internal	89		\$ 1,330,100	\$ 287,281
—Contract	<u>88</u>		<u>17,955,111</u>	<u>292,456</u>
	177	53	\$19,285,211	\$ 579,737
FSS				
—Internal	16		\$ —	\$ —
—Contract	<u>51</u>		<u>11,722,934</u>	<u>1,709,745</u>
	67	20	\$11,722,934	\$ 1,709,745
OIRM				
—Internal	3		\$ —	\$ —
—Contract	<u>63</u>		<u>28,631,082</u>	<u>5,261,233</u>
	66	20	\$28,631,082	\$ 5,261,233
Other GSA				
—Internal	17		\$ —	\$ 9,900,000
—Contract	<u>3</u>		<u>330,003</u>	<u>—</u>
	20	6	\$ 330,003	\$ 9,900,000
Non-GSA				
—Internal	2		\$ —	\$ —
—Contract	<u>3</u>		<u>28,616</u>	<u>—</u>
	5	1	\$ 28,616	\$ —
TOTAL.....	335	100	\$59,997,846	\$17,450,715
TOTAL COSTS RECOMMENDED				\$77,448,561

**Table 2.
Resolution of OIG Audits**

	No. of Reports	Reports With Financial Recommendations	Total Financial Recommendations
Reports To Be Resolved as of 4/1/85			
—Less than 6 months old	128	80	\$ 25,209,248
—More than 6 months old	43	40	22,188,437
Reports Issued This Period	<u>324</u>	<u>163</u>	<u>73,032,170</u>
TOTAL TO BE RESOLVED	495	283	\$120,429,855
Reports Resolved			
—Issued prior periods	114	74	\$ 31,451,018
—Issued current period	<u>180</u>	<u>65</u>	<u>23,196,873</u>
TOTAL RESOLVED	294	139	\$ 54,647,891
Unresolved as of 9/30/85			
—Less than 6 months old	144	98	\$ 49,835,297
—More than 6 months old			
—Preaward	53	45	15,925,668
—Internal	<u>4</u>	<u>1</u>	<u>20,999</u>
TOTAL UNRESOLVED	201	144	\$ 65,781,964

3. Resolution Decisions on Financial Recommendations

Table 3 provides detailed information on the 139 audits involving financial recommendations of \$54,647,891 identified in Table 2 as being resolved this period. Notably, \$43,475,877 or approximately 80 percent was upheld in the audit resolution process.

In accordance with GSA Order ADM 2030.2A, resolution decisions on financial recommendations contained in contract audit reports result in resolved cost avoidance or recovery. Management commitments occur subsequently, at the time of contract settlement. For internal audits, management commitments occur at the time of resolution.

**Table 3.
Resolution Decisions on OIG Audits**

GSA Program	Recommended Cost Avoidance	Resolved Cost Avoidance	Recommended Cost Recovery	Resolved Cost Recovery
PBS				
—Internal	\$ 747,210	\$ 2,000	\$ 406,997	\$ 163,989
—Contract	<u>17,071,462</u>	<u>11,497,474</u>	<u>620,431</u>	<u>1,902,431</u>
	\$17,818,672	\$11,499,474	\$ 1,027,428	\$ 2,066,420
FSS				
—Internal	\$ 7,920	\$ —	\$ 1,026	\$ —
—Contract	<u>14,457,067</u>	<u>11,176,739</u>	<u>283,545</u>	<u>268,004</u>
	\$14,464,987	\$11,176,739	\$ 284,571	\$ 268,004
OIRM				
—Internal	\$ 2,000,000	\$ —	\$ —	\$ —
—Contract	<u>6,668,815</u>	<u>6,721,148</u>	<u>2,366,128</u>	<u>1,726,802</u>
	\$ 8,668,815	\$ 6,721,148	\$ 2,366,128	\$ 1,726,802
Other GSA				
—Internal	\$ —	\$ —	\$ 9,900,000	\$ 9,900,000
—Contract	<u>117,290</u>	<u>117,290</u>	<u>—</u>	<u>—</u>
	\$ 117,290	\$ 117,290	\$ 9,900,000	\$ 9,900,000
TOTAL.....	\$41,069,764	\$29,514,651	\$13,578,127	\$13,961,226
TOTAL RESOLVED COSTS	\$43,475,877			

4. Contract Audit Settlements

Table 4 compares contract audit recommendations resolved in the audit resolution process with management

commitments achieved in negotiations with contractors. Overall, management commitments on GSA audits represented 78 percent of the resolved amounts.

Table 4.
Summary of Contract Audit Settlements

GSA Program	No. of Reports	Avoidance		Recovery	
		Costs Resolved	Management Commitment	Costs Resolved	Management Commitment
PBS					
—Prior	52	\$11,939,055	\$ 9,318,213	\$1,315,106	\$1,364,258
—Current	19	982,208	1,139,618	7,294	7,294
	71	\$12,921,263	\$10,457,831	\$1,322,400	\$1,371,552
FSS					
—Prior	38	\$10,428,988	\$ 6,949,140	\$1,649,477	\$ 790,963
—Current	5	541,200	181,706	—	2,932
	43	\$10,970,188	\$ 7,130,846	\$1,649,477	\$ 793,895
OIRM					
—Prior	7	\$ 4,761,187	\$ 4,558,061	\$ —	\$ 315,432
—Current	10	475,663	336,747	1,663,769	1,663,769
	17	\$ 5,236,850	\$ 4,894,808	\$1,663,769	\$1,979,201
Other GSA					
—Prior	2	\$ 117,290	\$ 117,290	\$ 988,233	\$ 499,999
—Current	—	—	—	—	—
	2	\$ 117,290	\$ 117,290	\$ 988,233	\$ 499,999
TOTAL	133	\$29,245,591	\$22,600,775	\$5,623,879	\$4,644,647*

TOTAL
MANAGEMENT
COMMITMENTS \$27,245,422*

*Includes \$2,163,768 also reported under monetary results of civil actions.

Drawing upon the information presented in Tables 3 and 4, OIG audits involving GSA programs resulted in total management commitments to avoid \$22,602,775 and to recover \$14,708,636.

5. Recoveries

The General Accounting Office (GAO) recommended that OIG Reports to the Congress include data on actual monetary recoveries, in addition to management commitment information. Although such a requirement has not yet been instituted, the GSA OIG requested data on actual audit recoveries from GSA's Office of Audit Resolution.

In the past, the OIG reported these data for the periods July through December and December through July due to our understanding that more current data were not available at the time of publication of this report. The Office of Audit Resolution recently advised that 6-month data corresponding to our reporting periods are available. Therefore, in order to bridge the gap between this and our last Report to the Congress, we are providing recovery data for the periods December 31, 1984 through

September 30, 1985 and April 1, 1985 through September 30, 1985.

Between December 31, 1984 and September 30, 1985, Agency records show that \$4,525,004 was recovered as a result of OIG contract audits and deposited in the Treasury. Between April 1, 1985 and September 30, 1985, Agency records show that \$3,108,647 was recovered and deposited in the Treasury.

6. Audit Followup

GSA Order ADM 2030.2A places primary responsibility for followup on the implementation of resolved audit recommendations with the Audit Followup Official. The Office of Audit Resolution, Office of Policy and Management Systems, acts as staff to the Audit Followup Official in this function.

The OIG performs its own independent reviews of implementation actions on a test basis. This period, the OIG performed 2 implementation reviews of PBS audits. Management had successfully implemented the recommendations contained in one of these reviews. In the other instance, our recommendations were not fully implemented.

7. Investigative Workload

Table 5 presents detailed information on investigative workload by case category. The OIG opened 288 cases and closed 343 cases; only 10 of these cases were administratively closed without referral.

In addition to these cases, the OIG received and evaluated 180 complaints/allegations from sources other than the Hotline that involved GSA employees and programs. Based upon an analysis of these allegations, OIG investigations were not warranted.

Table 5.
Investigative Workload

Case Category	Cases Open 4/1/85	Cases Opened	Cases Closed	Cases Open 9/30/85
White Collar Crimes.....	281	127	148	260
Other Crimes in GSA-Controlled Space.....	82	37	63	56
Contractor Suspension/Debarment.....	35	24	31	28
Employee Misconduct.....	69	63	75	57
Other.....	21	37	26	32
TOTAL.....	488	288	343	433

Table 6 distributes the 288 new investigative cases opened this period (Table 5) by case category and GSA program area. Notably, over 44 percent of the cases

opened fell within the white collar crime category. Most of the new cases (87 percent) involved PBS and FSS programs.

Table 6.
Distribution of Cases Opened This Period

Case Category	PBS	FSS	OIRM	Other GSA
White Collar Crimes.....	55	50	9	13
Other Crimes in GSA-Controlled Space.....	25	11	—	1
Contractor Suspension/Debarment.....	9	13	2	—
Employee Misconduct.....	47	13	—	3
Other.....	9	18	1	9
TOTAL.....	145	105	12	26

8. Referrals

The OIG makes three types of referrals to officials outside GSA: criminal, civil, and investigative. During this period, we referred 83 cases involving 147 subjects to the Department of Justice or other authorities for criminal prosecutive consideration. The status of OIG criminal referrals is as follows:

The OIG also referred 9 cases involving 19 subjects to either the Civil Division of the Department of Justice or a U.S. Attorney for civil fraud litigation consideration. The status of OIG civil referrals is as follows:

	Cases	Subjects
Pending Prosecutive Decision as of 4/1/85.....	34	71
Referrals.....	83	147
Declinations.....	42	68
Accepted for Prosecution.....	29	56
Pending Prosecutive Decision as of 9/30/85.....	46	94

	Cases	Subjects
Pending Litigation Decision as of 4/1/85.....	7	7
Referrals.....	9	19
Declinations.....	3	6
Accepted for Litigation.....	6	7
Pending Litigation Decision as of 9/30/85.....	7	13

The OIG made 18 case referrals to other Federal or State agencies for further investigation or other action.

9. Administrative Referrals and Actions Involving GSA Employees

Frequently, OIG investigations disclose nonprosecutable wrongdoing on the part of GSA employees, contractors, or private individuals doing business with the GSA. The OIG refers these cases to GSA officials for administrative action.

During the period, we referred 231 cases involving 305 subjects for administrative action. In addition, we referred 145 cases involving 182 subjects to GSA officials for informational purposes only.

The status of OIG administrative referrals is as follows:

	Cases	Subjects
Pending Decision as of 4/1/85.....	72	101
Referrals.....	231	305
Actions Completed.....	252	340
Pending Decision as of 9/30/85.....	51	66

Of the 231 cases referred for administrative action this period, 130 cases (156 subjects) involved GSA employees. As a result of these and prior referrals, management took the following actions against GSA employees:

Reprimands.....	35
Suspensions.....	16
Terminations.....	20

10. Contractor Suspensions and Debarments

The OIG continued its efforts to make the suspension and debarment process a more effective and more readily used administrative procedure. This period, the OIG referred 4 cases involving 12 subjects for suspension and 19 cases involving 54 subjects for debarment. As a result of these and prior referrals, management imposed 11 suspensions and 57 debarments. Management disapproved 3 suspensions.

The status of OIG suspension and debarment referrals is as follows:

Suspensions	Cases	Subjects
Pending as of 4/1/85.....	1	3
Referrals.....	4	12
Action Completed.....	4	14
Pending as of 9/30/85.....	1	1
Debarments	Cases	Subjects
Pending as of 4/1/85.....	17	40
Referrals.....	19	54
Action Completed.....	19	57
Pending as of 9/30/85.....	17	37

11. Summary of Referrals by GSA Program Area

Table 7 summarizes OIG referrals this period by type of referral and GSA program area. Notably, 452 subjects were referred on criminal and administrative matters.

Table 7.
Summary of OIG Subject Referrals

GSA Program	Criminal	Civil	Administrative	Suspension/Debarment
PBS.....	64	9	171	24
FSS.....	73	4	91	40
OIRM.....	3	4	12	2
Other GSA.....	7	2	31	—
TOTAL.....	147	19	305	66

12. Criminal and Civil Actions

Cases accepted for criminal prosecution during this and prior periods resulted in 27 indictments/informations/complaints and 33 successful prosecutions. Civil referrals from this and prior periods resulted in civil fraud complaints involving 3 individuals. In addition, settle-

ments were reached in 6 cases involving 6 subjects, while judgments were entered in 3 cases involving 3 subjects.

Table 8 summarizes individual criminal and civil actions by GSA program area. In addition, there were 5 unsuccessful civil cases against 8 subjects and 4 unsuccessful criminal cases against 4 subjects.

**Table 8.
Summary of Criminal and Civil Actions**

GSA Program	Indictments/ Informations/ Complaints	Successful Prosecutions	Settlements/ Judgments
PBS.....	7	11	1
FSS.....	19	16	2
OIRM.....	1	2	3
Other GSA.....	3	4	3
TOTAL	30	33	9

13. Monetary Results

Table 9 presents the amounts determined to be owed the Government as a result of criminal and civil actions.

The amounts do not necessarily reflect actual monetary recoveries.

In addition, the OIG identified for recovery \$1,067,775 in money and/or property during the course of its investigations.

**Table 9.
Criminal and Civil Recoveries**

	Criminal	Civil	Total
Fines and Penalties	\$ 8,000	\$ -	\$ 8,000
Settlements and Judgments.....	-	2,348,685	2,348,685
Restitutions	24,838	-	24,838
TOTAL	\$32,838	\$2,348,685*	\$2,381,523*

*Includes \$2,163,768 also reported as a management commitment to recover funds.

14. OIG Subpoenas

During the period, 13 OIG subpoenas were issued. Also, the OIG, in conjunction with local U.S. Attorney offices,

instituted three subpoena enforcement actions. U.S. District Courts ordered two of the subpoenas enforced; the other action is pending.

SECTION VII—REVIEW OF LEGISLATION AND REGULATIONS

Section 4(a)(2) of the Inspector General Act of 1978 requires the OIG to review existing and proposed legislation and regulations relating to the programs and operations of GSA. In order to fulfill this legislated responsibility, the OIG maintains a clearance system that ensures OIG review of all proposed legislation, regulations, and internal directives having impact on any aspect of GSA operations.

A. Legislation/Regulations Reviewed

During the period, the OIG reviewed 371 legislative matters and 159 proposed regulations and directives. We provided substantive comments on 31 legislative matters and 30 regulations and directives.

The OIG legal staff primarily performed the legislative reviews, seeking input from the other components as appropriate. All OIG staff offices participated in reviewing the proposed regulations and directives.

B. Significant Comments

The OIG provided significant comments on the following legislative matters:

- *S. 1135, a bill to amend 31 U.S.C. 3729 to increase the civil penalty authorized for false claims.* We strongly supported this bill because inflation has substantially eroded the impact of the present \$2,000 penalty and diminished its effectiveness as a deterrent.
- *H.R. 2441, the Procurement Integrity Act of 1985.* We strongly supported this bill to clarify and strengthen existing civil and criminal provisions governing the submission of false claims to the Government. We noted that the bill corrects certain weaknesses in present law by permitting civil actions against contractors' chief executive officers, where they knew or should have known that false cost or pricing data were being submitted.
- *S. 1047, the Former Presidents Facilities and Services Reform Act of 1985.* We expressed general support for this bill, noting that the provisions governing GSA-provided services and facilities included additional controls to help assure that such expenditures are proper. We also:

—Suggested revision of the delay/Congressional review provision relating to the Archivist's acceptance of gifts for Presidential archival depositories, in order to preclude inadvertent loss (due to the mandatory delay period) of an otherwise desirable donation;

—Questioned the elimination of limitations and waiver requirements in the provisions relating to pensions for spouses of deceased former Presidents; and

—Suggested the addition of a requirement to apportion expenses to help assure that funds for facilities and services are not expended for prohibited purposes.

- *H.R. 2452, a bill to amend the Federal criminal code to impose a criminal penalty for unjustified physical injury by a Federal law enforcement officer.* We indicated that the language in this bill needed additional clarification. Specifically, we expressed concern that certain key terms were too vague, particularly the phrase "greater force than is necessary."
- *H.R. 1201, the Revolving Door Reform Act of 1985, and S. 385, the Federal Acquisition Officers Ethical Conduct Act of 1985.* We opposed these bills as being too broad in terms of their coverage of employees (encompassing individuals exercising no real discretion in the procurement process), and too rigid in their approach to covered activities. We feel that existing legislation (i.e., 18 U.S.C. 207) adequately protects the Government's interests without imposing undue post-employment restrictions upon former Government employees.
- *Draft Bill No. 56, amendments to the Ethics in Government Act of 1978.* We supported this draft bill, subject to suggested revisions. We recommended changes to:
 - Assure against a possible inadvertent weakening of existing law; and
 - Make confidential reports filed under the Act available to the Attorney General, U.S. Attorneys, Inspectors General, or other appropriate officials for Federal law enforcement, investigative, or other lawful purposes.
- *Draft Bill entitled Program Integrity Act.* We strongly supported this draft bill providing Government-wide authority for imposing civil monetary penalties via administrative action against individuals or entities defrauding the Government. We noted that the current draft is an improvement over prior versions in that it imposes liability when a person "knows or has reason to know" that a claim is false. It also drops the requirement of proof of actual damages, and allows an assessment of twice the amount claimed, thus facilitating proof of that element. We recommended that the bill include an explicit statute of limitations of 6 years from the time the false claim or statement was made, and that the standard for referral to a hearing be changed from "probable cause" to "reasonable belief." We feel that the proposed administrative system is a much needed alternative, supplementing criminal and civil fraud prosecutions by the Department of Justice. In our experience, numerous meritorious cases have been declined for civil prosecution for a variety of reasons unrelated to the substantive merits of the case.

- *S. 1165, a bill to limit the employment of former Federal Government procurement personnel by certain contractors.* While noting that this bill corrects some of the overbreadth problems of similar legislative proposals, we expressed concern regarding the provisions establishing, under certain circumstances, an irrebuttable presumption of conflict of interest and an absolute 3-year prohibition on contractors employing Federal workers who performed specified procurement functions (broadly defined). We reported that existing legislation adequately protects the Government's interests, without imposing undue restrictions on former Government employees.
- *H.R. 1975, the Government Contract Reform and Waste Prevention Act of 1975.* We supported the intent of this bill, but felt that a number of important revisions were necessary before we could support its enactment. The areas in which we proposed specific changes were:
 - The prior notice and 6 month delay provisions (some of the bill's provisions would have left the statute internally inconsistent);
 - The expansion of permissible *qui tam* actions (we generally supported the notion of some expansion, but opposed the total relinquishment of Government authority to determine which cases should be pursued); and
 - The revision of recovery limits (we supported addition of the new discretionary provision, but opposed the proposed percentage limitations as decreasing the incentive for potential *qui tam* plaintiffs).
- *S. 917, a bill to amend the Omnibus Crime Control and Safe Streets Act of 1960.* We strongly supported this bill to clarify existing law governing death benefits payable to public safety officers. The bill improves coverage for deaths proximately caused by official duties by clearly covering deaths resulting from extreme physical stress on a single occasion (or during a single event).
- *Draft Bill 62, Department of Justice draft bill concerning procurement fraud.* We strongly supported the objectives of this bill that would, among other things, provide a comprehensive system for administratively imposing and adjudicating penalties and assessments relative to false claims and false statements made to Executive agencies.
- *Cabinet Council on Management and Administration (CCMA) Proposed Legislation.* We supported this proposed legislation and suggested two changes:
 - Amend the final clause of the proposed amendment to Section 322 of the Economy Act of 1932 to eliminate the 15 percent of Fair Market Value limitation on rentals; and
 - Raise the threshold necessitating the submission of explanatory statements to Congress for personal property disposals by negotiation.
- *H.R. 1178, Equity in Small Business Size Standards.* We opposed this bill, because it provides for size determination only at the time of bid submission and self-certification. We suggested that certification should also be required at the time of award.
- *H.R. 1459, a bill to prohibit the award of Federal contracts to persons who have violated certain judicial or National Labor Relations Board orders.* We generally supported this bill, but suggested that the "no other source" exception to the prohibition be replaced by the "compelling reason" standard employed in the debarment regulation of the Federal Acquisition Regulation.
- *OMB Draft Bill, Simplified Competitive Acquisition Technique (SCAT) Act of 1985, a bill to streamline the procurement process in purchases of less than \$5 million.* Overall, we expressed strong disapproval of the proposed legislation, as presently drafted. We strongly objected to the provision prohibiting pre-award audits. In addition, we regarded the accompanying OMB Policy Statement as being overly rigid.
- *Draft Bill No. 72, a bill to revise the time requirement for payment of transportation services provided the Government, to authorize the Department of Defense to conduct audits of transportation services, and for other purposes.* We strongly supported the principal concept of the bill: authorizing audits of invoices for transportation services prior to payment (presently prohibited by law). We reserved comment on those provisions that would authorize the Department of Defense to conduct transportation audits.
- *H.R. 3077, the Inspector General Amendments of 1985.* We strongly supported the sections of this bill that would: (1) establish new offices of Inspector General under the IG Act within the Departments of Energy, Health and Human Services, Justice, and Treasury, and the Federal Emergency Management Agency; and (2) provide oath administration authority to Inspector General officials. We expressed reservations about Sections 3 and 4 of the bill, which would, respectively, extend IG Act protections and requirements to virtually all "audit units" in all Federal establishments, and establish new requirements with respect to reports of the Inspectors General. In our detailed comments, we noted that:
 - It is at least questionable that every audit/investigative unit in every agency ought properly assume the full authorities and responsibilities of a statutory OIG. We suggested that such determinations should be made on a case by case basis, rather than in the blanket fashion contemplated by the present bill.
 - Using audit references to cover both audit and investigative functions may be inconsistent with existing and past practices, and lead to confusion and potential abuses.
 - Definitions proposed for uniform application to OIGs and IG reports, particularly in the area of audit resolution, represent marked changes from existing practice and may create problems not present under the current system.
 - The bill needs to be amended to more clearly address cost avoidance issues and define cost avoid-

ance ineligible costs, unsupported costs, disallowed costs, and other cost avoidance data and terminology.

—The proposed reporting requirements may be duplicative and require information tracking and reporting that would, in fact, be of little utility to Congress. Instead, we recommended that OIG reporting occur on an exception basis, with IGs informing Congress of problem cases within given areas.

- *S. 1587, the proposed Federal Contract Fair Price Commission Act of 1985, a bill to establish a Federal commission that would review Federal contracts and recover profits deemed to be excessive.* While we support efforts to

identify and recover excessive profits under Federal contracts, as well as curb abuses in the acquisition process, we expressed reservations as to whether this bill was the best approach to the problem. We noted a number of specific weaknesses in the bill, including limited subpoena power and vagueness of key terms. We suggested that further review of this proposal was in order, particularly, the S. 1587 proposal as contrasted with the system established under the Renegotiation Act of 1951.

- *H.R. 2909, a bill to establish an Inspector General for the U.S. Postal Service.* We strongly supported this bill, providing technical comments correcting an apparent error in the bill regarding the respective roles of the Inspector General and Comptroller General.

SECTION VIII—OTHER OIG ACTIVITIES

In addition to detecting problems in GSA operations, the OIG is responsible for initiating actions to prevent fraud, waste, and abuse and to promote economy and efficiency. This section details the OIG program responding to these legislated prevention responsibilities; presents our initiatives to maximize the effectiveness and efficiency of OIG operations; and details our involvement in projects sponsored by the President's Council on Integrity and Efficiency (PCIE).

A. OIG Prevention Program

The OIG prevention program is comprised of four elements that simultaneously focus on minimizing opportunities for fraud, waste, and abuse and promoting awareness among GSA employees. This four-pronged approach consists of:

- Defining areas vulnerable to fraud, waste, and abuse and assessing the degree of vulnerability;
- Anticipating potential problem areas and performing front-end reviews to help ensure that programs will operate within applicable laws, policies, and procedures;
- Educating GSA employees on the manifestations of fraud and the mechanisms for reporting suspicions or allegations to the OIG; and
- Communicating the OIG presence and establishing mechanisms that promote a dialogue between GSA employees and the OIG.

1. Definition

The OIG considers the identification of vulnerable areas to be a major prerequisite to the prevention of fraud, waste, and abuse. This period, OIG definition activities included in-depth review of buildings management operations.

The buildings management program is considered a vulnerable area, due to the major frauds detected in the late 1970s. The OIG reviews this program on a regular basis as part of our ongoing effort to follow up on programs that exhibited fraud in the past and prevent recurrences in the future.

This period, the OIG reviewed the operations of six buildings management field offices nationwide. In addition, as a new prevention initiative, teams comprised of at least one auditor and one inspector concurrently reviewed eight field offices in one GSA region in order to assess overall operations at the regional level. The review was prompted by an operational survey, performed during January and February 1984, identifying serious deficiencies in buildings management operations at two field offices in this region.

The reviews found a wide range of problems, mainly attributable to management's failure to follow prescribed GSA operating procedures. Moreover, the OIG

detected instances of potential fraud, waste, and abuse that are currently under investigation. We identified: deficient procedures for certifying utility bills; imprest funds not in balance; property not controlled; improvements needed over maintenance management and operating equipment controls; overtime not properly approved; inadequate division of responsibility in procurements; splitting of procurements and contracts to avoid contract authority limitations; and contracts awarded without proper competition.

In 13 reports issued between April 10, 1985 and September 19, 1985, the OIG offered recommendations to correct these and other deficiencies. The OIG plans to issue a consolidated report (based on the eight concurrent audits) on overall regional management of the program. We anticipate that the consolidated report will be highlighted as a significant audit in our next semiannual report.

2. Anticipation

OIG anticipation activities this period focused on review of proposed legislation and regulations (Section VII) and continued preaward coverage of GSA's leasing program. These activities stem from the belief that many of tomorrow's problems can be avoided through decisive action today.

The OIG's program for reviewing leases prior to award provides front-end assurance that GSA is adhering to regulations and procedures before awarding selected leases involving annual rentals in excess of \$200,000. The reviews, although purely advisory in nature, limit opportunities for fraud, waste, and abuse in the leasing area.

The program achieved the following results during the reporting period:

Lease proposals submitted for review	71
Lease proposals reviewed	25
Lease proposals with major deficiencies	3
Lease proposals with minor deficiencies.....	10
Lease proposals with no deficiencies	12

Some of the major deficiencies identified through OIG preaward advisory reviews included: incomplete and outdated market surveys; failure to review handicapped accessibility standards; and outdated appraisals.

The preaward lease review program provides other tangible benefits to GSA. This period, for example, a preaward review of a proposed lease extension disclosed that GSA did not receive a \$259,778 rent credit earned during the initial 5-year lease term. When advised of this finding, management indicated they would recover the credit.

3. Education

Integrity Awareness Briefings comprise the OIG's primary vehicle for educating employees in the manifes-

tations of fraud and abuse. Individual briefings explain the statutory mission of the OIG and the functions executed by each of our component offices. In addition, through case studies and slides, the briefings expose GSA employees to actual instances of white collar crime in the GSA and other Federal agencies. They conclude with a presentation on bribery that teaches employees how to recognize bribery attempts; how to respond to them; and the employee's potential role in an ensuing investigation.

Since the inception of this program in 1981, over 5,780 GSA employees have attended Integrity Awareness Briefings. This total includes the 817 Central Office and regional employees attending 38 briefings this period.

This program is complemented by a separate education vehicle directed at newly appointed GSA management officials. Through a presentation entitled "The IG Story," these officials learn the impetus behind the creation of statutory IGs, the responsibilities and authorities vested in the IG, and the organizational structure used to execute these responsibilities. More importantly, "The IG Story" emphasizes the commonality of purpose shared by management and the OIG in the pursuit of greater Government economy and efficiency.

4. Communication

A free flow of information between GSA employees and the OIG is a vital prevention and detection element. Recognizing this fact, the OIG, as previously reported, issued a Hotline brochure and posted Hotline posters in all GSA buildings nationwide to ensure that GSA employees and the public are aware of the OIG Hotline and its purpose. The OIG also continues to issue brochures on our Reports to the Congress so that employees and the public are apprised of OIG activities and see the results-oriented nature of our work.

This period, the OIG developed a practical ethics brochure illustrating the application of GSA's Standards of Conduct in situations frequently encountered by GSA employees. The brochure is currently in the production stage, and should be published during the next reporting period. All current and new GSA employees will receive copies.

The OIG also developed and issued a second Hotline poster to sustain interest in the Hotline message. It is being alternately posted for 6-month periods with our original poster.

This period, we received 411 Hotline calls and letters. Of these, 139 complaints warranted further action. We also received 8 referrals from the GAO and 12 referrals from other agencies that required further action. These 159 complaints/allegations were referred as follows:

Audits/Investigations	75
GSA Program Officials	70
Other Agencies.....	14

The remaining 272 Hotline complaints required no further action and were closed.

B. OIG Management Initiatives

OIG management initiatives seek to promote economy and efficiency in OIG operations and to enhance coordination between the audit and investigations functions. Major initiatives are discussed in the paragraphs that follow.

1. Field Office Appraisals

The OIG's program for reviewing the economy, efficiency, and effectiveness of its component offices continued this period. Interdisciplinary peer groups appraised the operations of the Atlanta and Denver field audit and investigations offices, in accordance with our goal of reviewing each of our field offices on a 3-year cycle.

2. Management Consulting Group

As reported last period, the OIG initiated a major internal study of the effectiveness and efficiency of its headquarters organization and staffing. The study was prompted by concern that, as a result of staffing reductions experienced by the OIG, the OIG headquarters structure was no longer properly aligned with the OIG operations it supported.

This study led to a major reorganization this period. The reorganization consisted of:

- Consolidation of the functions of the Office of the Executive Director and the IG Personnel Office within the Office of Policy, Plans, and Management Systems.
- Realignment of internal audit responsibility among three internal audit divisions rather than the six divisions previously maintained.
- Relocation of more than 20 auditors from headquarters to perform operational functions in our Washington, D.C. field audit office.

These changes yielded a streamlined headquarters structure compatible with our reduced operating staff. Significantly, the reorganization was accomplished without a reduction-in-force or major personnel dislocations.

3. IGIS Task Force

The Inspector General Information System (IGIS) is the computer-based management information and statistical reporting system of the GSA OIG. It has been operational since 1983 using outside computer facilities.

As reported last period, the OIG embarked on two initiatives relating to IGIS:

- Procurement of state-of-the-art office automation equipment so that the OIG can operate IGIS in-house and thereby take advantage of substantial savings over the next 5 years.

- Establishment of an interdisciplinary IGIS task force to review whether IGIS fully supports the OIG's information needs, and to identify any unnecessary IGIS processing in terms of data elements stored and reports generated.

This period, the necessary office automation equipment was installed, and the process of converting IGIS to operate as an in-house system was begun. In addition, the task force summarized its findings in a June 1985 report that offered a series of recommendations for modifying IGIS. The Acting IG approved the recommendations and, as a result, numerous changes are being made to simplify processing and better meet user needs.

C. Projects Sponsored by the PCIE

The OIG continued to participate in interagency projects sponsored by the PCIE. Specific involvement this period is delineated by project in the paragraphs that follow. In addition to these efforts, OIG staff members also provided ongoing support to several PCIE committees.

1. Auditor Training Subcommittee

Under the aegis of the PCIE Training Committee, the GSA OIG was the lead agency in the development of a training course entitled "Allocating Audit Resources Through Operations Risk Analysis." The training course teaches auditors how to apply the best principles of public and private sector auditing in developing comprehensive audit plans; planning and performing individual audits; and evaluating the audit process.

The project was completed this period with the issuance of the comprehensive training manual on the course methodology.

2. Productivity Data Collection Formats

The GSA OIG was the lead agency on this PCIE project designed to: develop uniform OIG productivity measures, and promote the use of recurring productivity analysis. The project reflected the OIG community's emphasis on improving productivity and thereby obtaining maximum impact from its resources.

On May 8, 1985, the project was completed with the distribution of a productivity data collection package to members of the PCIE. The data collection package has since become the foundation for a PCIE-wide productivity program.

3. Technical Experts

The GSA OIG participated in this PCIE Prevention Committee project aimed at determining:

- The extent to which IG organizations use technical experts in performing audits, investigations, and inspections;
- The feasibility/desirability of increasing the use of technical experts by IG organizations; and

- Methods that can be used by IG organizations to increase the use of technical experts.

This period, the project team analyzed responses to a questionnaire designed to obtain information and opinions on the use of technical experts within 18 OIGs. The results of this analysis were compiled in a draft report, which was submitted to the PCIE Prevention Committee in September 1985.

4. Review of Federal Telecommunications System (FTS) Utilization

The GSA OIG is the lead agency for this PCIE review aimed at:

- Evaluating the utilization of telecommunications resources; and
- Identifying ways of reducing telecommunications costs through more effective and efficient management of these resources.

Seventeen agencies are participating in this two-phased review, including the Department of Defense and most major civilian agencies.

This period, most of the participating agencies completed Phase I of the effort, which evaluates agency controls over the ordering, receipt, and verification of telecommunications services, and started Phase II, which examines controls over the use of telecommunications resources. In addition, the project team is examining telecommunications controls in use by State governments and private industry for possible application within the FTS.

The effort will culminate in individual agency reports, scheduled for issuance in December 1985, followed by a consolidated report in early 1986.

5. Model Prevention Plan Follow-Up Project

The GSA OIG is participating in the Prevention Committee Model Prevention Plan (MPP) Follow-Up Project. The overall objective is to review agencies/departments' progress in implementing the MPP, which OMB transmitted to them in April 1984.

This period, the project team interviewed 20 agencies/departments and summarized the results in a draft report. The report, which was approved by the Prevention Committee, offers four possible options relative to further action on the MPP and includes the Prevention Committee's recommendation on the options to be adopted. The final project report will include an appendix detailing the exemplary practices instituted by various agencies. This appendix, currently being prepared, will provide insight on how agencies can enhance or supplement ongoing prevention efforts by adopting these practices.

The report will be distributed to the PCIE and OMB once the appendix has been finalized.

6. Study of Paperwork and Staffing Requirements of Internal Control Implementation

In conjunction with the PCIE, the President's Council on Management Improvement (PCMI) studied the paperwork and staffing requirements associated with the implementation of the Federal Managers' Financial Integrity Act. GSA's Acting IG served on the PCMI task force performing the effort.

The study identified, among other findings, that implementation of the Act required tremendous personnel resources and financial expenditures, and created voluminous paperwork. In addition, the study highlighted that OMB Circulars A-123 and A-127 contain overlapping requirements and inconsistent terminology. The task force is currently drafting a new circular, consolidating the two.

APPENDICES

APPENDIX I—AUDIT REPORT REGISTER

Assignment Number	Title	Date of Report
PBS Contract Audits		
A50328	Preaward Audit of Cost or Pricing Data: Day's Cleaning Service, Solicitation No. RFP-OPR-9PPC-85-02095	04/01/85
A50252	Preaward Audit of Architect and Engineering Services Contract: PKP Engineers, P.C., Contract No. GS-11B-49020	04/02/85
A40802	Postaward Audit of Concession Contract: ARA Food Services Co., Contract No. GS-02B-18345 for the Period 5/18/81 to 5/17/86	04/04/85
A50105	Preaward Audit of Lease Alteration Proposal: Gateway Center Corporation, Lease No. GS-03B-6148	04/05/85
A50289	Preaward Audit of Lease Alteration Proposal: Gateway Center Corporation, Lease No. GS-03B-6148	04/05/85
A50097	Preaward Evaluation of Architect and Engineering Services Contract: Mueller Associates, Inc., Contract No. GS-11B-49023	04/11/85
A50296	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Crystal Industrial Maintenance Company, Inc., Solicitation No. 1P-PCMA-8536	04/12/85
A50327	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Professional Technical Services, Inc., St. Louis, Missouri, Solicitation No. GS-06P-57560	04/12/85
A50360	Preaward Audit of Lease Escalation Proposal: C & C Investments, Lease No. GS-09B-06600	04/12/85
A50361	Preaward Audit of Lease Escalation Proposal: C & C Investments, Lease No. GS-09B-82252	04/12/85
A50268	Preaward Audit of Architect and Engineering Services Contract: Monroe & Lefebvre Architects, Inc., Kansas City, Missouri, Solicitation No. GS-06B-62230	04/15/85
A50395	Preaward Audit of Lease Escalation Proposal: Republic National Bank Building Trust, Lease No. GS-04B-20005	04/17/85
A50341	Preaward Audit of Change Order Proposal: Tougher Industries, Inc., Contract No. GS-01B-02294	04/18/85
A50237	Preaward Audit of Change Order Proposal: J. F. Cavanaugh Company, Contract No. GS-05BC-82692	04/19/85
A50180	Audit of Termination Proposal: Donald R. Herb, Contract No. GS-02B-23121	04/22/85
A50318	Preaward Audit of Architect and Engineering Services Contract: ZBA, Inc., Contract No. GS-05BC-90477	04/25/85
A50372	Preaward Audit of Architect and Engineering Services Contract: HTA/BCM Associates, Inc., Solicitation No. 1NH-78665	04/25/85
A50299	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Glow Janitorial Service, St. Louis, Missouri, Solicitation No. GS-06P-57531	04/29/85
A50343	Preaward Audit of Architect and Engineering Services Proposal: EBL Engineers, Inc., Project No. IMD-16261	04/30/85
A50347	Preaward Audit of Lease Escalation Proposal: Pasco Fisheries Land Company, Ltd., Lease No. GS-10B-04569	05/06/85
A50349	Preaward Audit of Architect and Engineering Services Proposal: Sherertz, Franklin, Crawford, Shaffner, Project No. IVA-56166	05/06/85
A50344	Preaward Audit of Architect and Engineering Services Contract: Alpha Corporation, Contract No. GS-11B-49029	05/07/85

A50340	Preaward Audit of Change Order Proposal: Hof Construction Company, Inc., St. Louis, Missouri, Contract No. GS-06B-43110	05/08/85
A50371	Preaward Audit of Cost or Pricing Data: Bradley Construction Company, Inc., Contract No. GS-05BC-82791	05/09/85
A50248	Preaward Audit of Change Order Proposal: Spencer, White & Prentis, Inc., Second Tier Subcontractor to Terminal Construction Corp., PDL 18 and 21, Contract No. GS-02P-23256	05/13/85
A50415	Preaward Audit of Architect and Engineering Services Contract: Lockett & Farley, Contract No. GS-04B-84257	05/16/85
A50380	Audit of Contractual Provisions: Lloyd Corporation, Ltd., Contract No. GS-10B-05194	05/22/85
A50386	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Hyde's Security Services, Inc., Contract No. GS-04B-85430	05/23/85
A50267	Preaward Audit of Lease Escalation Proposal: ITR Properties of NYC, Inc., Lease No. GS-02B-17697	05/24/85
A50387	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Multivac, Inc., Contract No. GS-11C-50030	05/30/85
A50412	Audit of Termination Proposal: Saturn Contracting Company, Inc., Contract No. GS-11B-88349	05/30/85
A50463	Preaward Audit of Lease Escalation Proposal: H. K. Enterprises, Inc., Lease No. GS-04B-15282	05/30/85
A50149	Preaward Audit of Cost or Pricing Data: Federal Plaza Associates, Lease No. GS-05B-13381	05/31/85
A50413	Preaward Audit of Architect and Engineering Services Proposal: Ballinger Company, Project No. IPA-56023	05/31/85
A50414	Preaward Audit of Architect and Engineering Services Contract: J. N. Pease Associates, Contract No. GS-04B-84255	05/31/85
A50476	Preaward Audit of Lease Escalation Proposal: Fox & Carskadon, Inc., Lease No. GS-04B-20729	06/04/85
A50160	Preaward Audit of Change Order Proposal: Terminal Construction Corp., Contract No. GS-02P-23256	06/05/85
A50477	Preaward Audit of Lease Escalation Proposal: Koser Properties, Inc., Lease No. GS-04B-15149	06/07/85
A50355	Preaward Audit of Lease Escalation Proposal: Westwood Joint Venture No. 4, Lease No. GS-03B-60031	06/12/85
A50454	Preaward Audit of Cost or Pricing Data: Eastern Services, Inc., Solicitation No. GS-11C-50045	06/17/85
A50472	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: American Business Communications, Inc., Grandview, Missouri, Solicitation No. GS-06P-52150	06/17/85
A50319	Preaward Audit of Architect and Engineering Services Contract: Cohen-Karydas & Associates, Chartered, Contract No. GS-11B-59000	06/25/85
A50354	Preaward Audit of Overhead Expense and Rate: Spruell Development Company (Prince George Center, Inc.), Lease No. GS-03B-552	06/25/85
A40768	Preaward Audit of Change Order Proposal: Master Security Services, Inc., Contract Nos. GS-09B-00596, GS-09B-00634, and GS-09B-00680	06/26/85
A50440	Preaward Audit of Lease Escalation Proposal: Gregson Real Estate, Managing Agent for Rumelle Commercial, Inc., Lease No. GS-09B-75762	06/26/85
A50409	Preaward Audit of Lease Escalation Proposal: Linfield Properties, Lease No. GS-09B-77516	06/28/85
A50221	Postaward Audit of Cost Reimbursable Contract: See Clear Maintenance Corporation, Subcontractor to the Small Business Administration, Contract No. GS-02B-24227(NEG) for the Period 9/1/83 to 7/31/85	07/08/85

A50499	Preaward Evaluation of Pricing Proposal: Rogers, Nagel, Langhart, Inc., Project No. I-CO-85-190	07/12/85
A50364	Preaward Audit of a Claim for Increased Costs: Gem Steel Erectors, Inc., Second Tier Subcontractor to Terminal Construction Company, Contract No. GS-02P-23256	07/17/85
A50439	Preaward Audit of Lease Escalation Proposal: Lamar Management, Inc., Lease No. GS-03B-05707	07/17/85
A50461	Audit of Termination Proposal: Werres Corporation, Contract No. GS-11B-42089	07/17/85
A50366	Preaward Audit of a Claim for Increased Costs: Steelco, Subcontractor to Terminal Construction Corp., Contract No. GS-02P-23256	07/24/85
A50525	Preaward Audit of Change Order Proposal: Blake Construction Co., Inc., Contract No. GS-11B-08981, Change Order No. 6PDL	07/24/85
A50492	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Handyman Building Maintenance Co., Inc., Contract No. GS-10P-51339	07/31/85
A50464	Preaward Audit of Cost or Pricing Data: Burks Cleaning Services, Solicitation No. GS-10P-51335	08/09/85
A50556	Preaward Audit of Architect and Engineering Services Contract: KKBNA, Inc., Federal Records Center Extension, Contract No. GS-06B-83001	08/09/85
A50555	Preaward Audit of Architect and Engineering Services Contract: KKBNA, Inc., Adjutant General Publications Center Extension, Contract No. GS-06B-83001	08/12/85
A50367	Preaward Audit of a Claim for Increased Costs: Rosakranse Masonry, Inc., Contract No. GS-02B-17188	08/14/85
A50365	Preaward Audit of a Claim for Increased Costs: Steelco, Subcontractor to Terminal Construction Corp., Contract No. GS-02P-23256	08/15/85
A50470	Preaward Audit of Architect and Engineering Services Contract: Hellmuth, Obata, and Kassabaum, Inc., St. Louis, Missouri, Solicitation No. GS-06B-83001	08/16/85
A50471	Preaward Audit of Architect and Engineering Services Contract: Hellmuth, Obata, and Kassabaum, Inc., St. Louis, Missouri, Solicitation No. GS-06B-83001	08/16/85
A50517	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Superb Maintenance Service, Inc., Contract No. GS-04B-84675	08/21/85
A50462	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Keep Klean Janitorial Service, Contract No. GS-07B-21814	08/22/85
A50484	Audit of Termination Proposal: Truland Corporation, Contract No. GS-02B-17212	08/22/85
A50315	Preaward Audit of Lease Alteration Proposal: Washington Square Limited Partnership, Contract No. GS-11B-40054	08/23/85
A50545	Preaward Audit of Cost or Pricing Data: A-1 Maintenance Service Company, Contract No. GS-05B-42577	08/23/85
A50549	Preaward Audit of Lease Escalation Proposal: Bay View Federal Savings and Loan Association, Lease No. GS-09B-76503	08/28/85
A50566	Preaward Audit of Lease Escalation Proposal: Detroit Associates Limited Partnership, Lease No. GS-05BR-9585	08/28/85
A50403	Audit of Termination Proposal: S. C. Painting Company, Contract No. GS-11B-28094	08/29/85
A50486	Preaward Audit of Change Order Proposal: DeMour Construction Corp., Subcontractor to Terminal Construction Corp., PDL 34, Contract No. GS-02P-23256	08/29/85
A50474	Preaward Audit of Lease Alteration Proposal: P & S Partnership, St. Louis, Missouri, Lease No. GS-06B-14033	09/05/85
A50513	Audit of Termination Proposal: Alice Roofing and Sheet Metal Works, Inc., Contract No. GS-03B-49013	09/09/85
A50526	Preaward Audit of Architect and Engineering Services Contract: Settles Associates, Inc., Contract No. GS-11B-59009	09/10/85
A50411	Preaward Audit of Lease Alteration Proposal: 12th and L Street Limited Partnership, Lease No. GS-03B-05729	09/11/85

A50627	Preaward Audit of Architect and Engineering Services Contract: Bibb and Associates, Inc., Overland Park, Kansas, Solicitation No. GS-11B-49025	09/13/85
A50628	Preaward Audit of Architect and Engineering Services Contract: Bibb and Associates, Inc., Overland Park, Kansas, Solicitation No. GS-11B-49025	09/13/85
A50542	Preaward Audit of Change Order Proposal: George A. Fuller Company, Contract No. GS-02P-23364	09/17/85
A50604	Preaward Audit of Architect and Engineering Services Contract: Larsen Engineers, Inc., Contract No. GS-11B-59001	09/19/85
A50577	Preaward Audit of Architect and Engineering Services Contract: Alaska Construction Management, Solicitation No. GS-10P-02729	09/23/85
A50469	Preaward Audit of Lease Escalation Proposal: Parkside Plaza Redevelopment Corporation, St. Louis, Missouri, Lease No. GS-06B-14092	09/24/85
A50576	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Big Boy Facilities and Maintenance Services, Inc., Solicitation No. GS-10P-51338	09/24/85
A50326	Preaward Audit of Architect and Engineering Services Contract: Stone, Marraccini and Patterson/Smith-Enpzeroph, Inc., Joint Venture, St. Louis, Missouri, Solicitation No. GS-06P-72000	09/30/85
A50336	Preaward Audit of Architect and Engineering Services Contract: Ross & Baruzzini, Inc., St. Louis, Missouri, Solicitation No. GS-06P-72000	09/30/85
A50337	Preaward Audit of Architect and Engineering Services Contract: Construction Value Specialists, Inc., St. Louis, Missouri, Solicitation No. GS-06P-72000	09/30/85
A50339	Preaward Audit of Architect and Engineering Services Contract: Alper Associates, Inc., St. Louis, Missouri, Solicitation No. GS-06P-72000	09/30/85
A50374	Preaward Audit of Architect and Engineering Services Contract: Stone, Marraccini and Patterson, Solicitation No. GS-06P-72000(NEG)	09/30/85
A50396	Preaward Audit of Architect and Engineering Services Contract: Cini-Grissom Associates, Inc., Solicitation No. GS-06P-72000(NEG)	09/30/85
A50560	Preaward Audit of Architect and Engineering Services Contract: Summer Consultants, Inc., Contract No. GS-11B-56070	09/30/85

PBS Internal and Inspection Audits

A50110	Review of Manual System for Monitoring Multi-Unit Leases in Region 2	04/09/85
A50041	Review of the Louisville, Kentucky Buildings Management Field Office, Region 4	04/10/85
A40154	Review of Delegation of Building Operations, GS Building	04/16/85
A50037	Review of Buildings Management Field Office, Buffalo, New York	04/16/85
A50359	Preaward Lease Review: 1500/1530 Broadway, Oakland, CA, Lease No. GS-09B-38655	04/22/85
A40402	Letter Report on Planning and Prioritizing PBS Real Property Projects	04/23/85
A50402	Preaward Lease Review: Corporate Center North Indianapolis, Indiana, Lease No. GS-05-14296	04/26/85
A50407	Advisory Report on Conversion of Negotiated Lease Escalation Clause to Consumer Price Index	04/26/85
A40671	Review of the Region 4 Buildings Management Atlanta West Field Office	05/03/85
A50110	Review of Manual System for Monitoring Multi-Unit Leases	05/03/85
A50110	Review of Manual System for Monitoring Multi-Unit Leases, Region 9	05/07/85
A50286	Interim Report—Review of Public Buildings Service Inspection Services Contracts, Boston, Massachusetts	05/17/85
A40795	Review of Architect/Engineer Construction Inspection Services, National Capital Region	05/20/85
A40192	Review of Buildings Management Field Office, Battery Park, New York, Region 2	05/23/85

A50452	Review of the Verification of the Monthly GSA Form 3163, Operational Activity Reports—Federal Protective Safety Division	05/23/85
A40284	Review of Energy Usage in Leased Buildings, Region 5	05/30/85
A50449	Preaward Lease Review: 555 Lordship Boulevard, Stratford, CT, Lease No. GS-01B(PEL)-03457(NEG)	05/30/85
A50452	Review of Federal Protection and Safety Division's Operations Activity Reports	05/31/85
A40690	Review of Five Lafayette Fisher Properties in Chicago, Illinois	06/03/85
A40620	Review of Payments Made Under the Tax Escalation Clause for Leases in the District of Columbia	06/04/85
A50452	Review of Fiscal Year 1984 Statistics Included in the Annual Summary of Incidents Occurring in Buildings Controlled by GSA, Region 9	06/04/85
A50452	Validation of Fiscal Year 1984 Statistics Included in the Annual Summary of Incidents Occurring in Buildings Controlled by GSA	06/05/85
A50452	Validation of the Fiscal Year 1984 Statistics Included in the Annual Summary of Incidents Occurring in Buildings Controlled by GSA	06/06/85
A50452	Validation of Fiscal Year 1984 Statistics Included in the Annual Summary of Incidents Occurring in Buildings Controlled by GSA, Region 5	06/06/85
A50452	Validation of FY 1984 Statistics Included in the Annual Summary of Incidents Occurring in Buildings Controlled by the General Services Administration	06/07/85
A50491	Preaward Lease Review: Fairmont Building, 7735 Old Georgetown Road, Bethesda, Maryland, Lease No. GS-11B-50040	06/10/85
A50282	Review of Region 8 Inspection Services Contracts	06/14/85
A50460	Hotline Complaint on Region 4's A-76 Mechanical Services Study, Jacksonville, Florida	06/18/85
A50026	Review of Allegations of Wrongdoing in the Federal Protection Service Division's Security System Program	06/19/85
A50452	Review of Offense/Incident Statistics Reported by Region 6 Federal Protection and Safety Division for Fiscal Year 1984	06/19/85
A50466	Review of Roof Problems in St. Thomas, VI	06/20/85
A50452	Verification of Federal Protection and Safety Division's Operations Activity Reports, Region 8	06/21/85
A30184	Review of Repair and Alterations of Government-Owned Space	06/24/85
A50493	Preaward Lease Review: 1221 Broadway, Oakland, CA, Lease No. GS-09B-70395	06/24/85
A50452	Review of National Capital Region's FY 1984 Offense Statistics Included in the Annual Summary of Incidents Occurring in Buildings Controlled by GSA	06/26/85
A50488	Preaward Lease Review: Judiciary Center, 555 4th Street, N.W., Washington, D.C.	06/26/85
A50511	Preaward Lease Review: Meadows East Building, 6300 Security Boulevard, Woodlawn, MD, Lease No. GS-03B-50032	06/26/85
A50508	Preaward Lease Review: 926 Taylor Station Road, Columbus, Ohio, Lease No. GS-05B-14318	07/01/85
A40518	Review of Administration of Contract No. GS-07B-31283, Hogan Construction Company, Incorporated	07/05/85
A50346	Interim Report on Review of Polychlorinated Biphenyls	07/05/85
A50514	Preaward Lease Review: 3835 N.E. Expressway, Atlanta, Georgia, Lease No. GS-04B-25458	07/05/85
A50515	Review of Controls Over Pay Telephones	07/09/85
A50452	Validation of the FY 1984 Statistics Included in the Annual Summary of Incidents Occurring in Buildings Controlled by the General Services Administration	07/11/85
A50381	Preaward Lease Review (Lease Extension): 1009 Cherry Street, Kansas City, Missouri, Lease No. GS-06B-28085	07/16/85

A50519	Review of Pay Telephone Receipts and Collections	07/17/85
A50452	Validation of FY 1984 Statistics Included in the Annual Summary of Incidents Occurring in Buildings Controlled by GSA in Fort Worth, Texas	07/23/85
A50394	Review of Concession Contracts, Region 2	07/24/85
A40795	Review of El Paso, Texas, Federal Building Construction Inspection Services	07/30/85
A50564	Preaward Lease Review: Cafritz Building, 1625 Eye Street, N.W., Washington, D.C., Lease No. GS-11B-50044	07/30/85
A50283	Review of the Interior Lighting System and Heating System at the Federal Building and Courthouse, San Jose, California, Region 9	07/31/85
A50512	Preaward Lease Review: 222 North Sepulveda Boulevard, El Segundo, California, Lease No. GS-09B-85185	08/05/85
A40284	Review of Energy Conservation and Lighting Levels in Leased Space, Region 2	08/06/85
A50574	Preaward Lease Review (Lease Extension): 31 St. James Avenue, Boston, MA, Lease No. GS-01B(PRA)-03242(NEG)	08/06/85
A50575	Preaward Lease Review (Lease Extension): 31 St. James Avenue, Boston, MA, Lease No. GS-01B(PRA)-03156(NEG)	08/06/85
A40824	Review of Golden Gate Field Office, Region 9	08/07/85
A50510	Review of Rent Credit, Lease No. GS-09B-70395, 1221 Broadway, Oakland, California	08/08/85
A50218	Review of Buildings Management Operations, New Orleans, Louisiana, Region 7	08/16/85
A50218	Review of Buildings Management Operations, Austin, Texas, Region 7	08/16/85
A50218	Review of Buildings Management Operations, Laredo, Texas	08/19/85
A50218	Review of Buildings Management Operations, San Antonio, Texas	08/19/85
A50218	Review of Buildings Management Operations, Albuquerque, New Mexico	08/19/85
A50218	Review of Buildings Management Operations, Fort Worth, Texas	08/19/85
A50218	Review of Buildings Management Operations, Little Rock, Arkansas	08/19/85
A40795	Review of Region 9 Inspection Services Contracts	08/20/85
A50594	Preaward Lease Review: Caton Research Center, 3920 Vero Road, Baltimore, MD	08/20/85
A50346	Interim Report on PCB Audit	08/21/85
A50609	Preaward Lease Review: 128-140 York Avenue, Randolph, MA, Lease No. GS-01B(PEL)-03476(NEG)	08/22/85
A50583	Preaward Lease Review: 525 Market Street, San Francisco, CA, Lease No. GS-09B-73066	08/27/85
A50603	Preaward Lease Review: 3225 North Central Avenue, Phoenix, Arizona, Lease No. GS-09B-85189	08/30/85
A50009	Review of Region 4's Lease Enforcement Procedures: Lease No. GS-04B-22462, Per-ryhill Office Park, 3815 Interstate Court, Montgomery, Alabama	09/04/85
A50009	Review of Region 4's Lease Enforcement Procedures: Lease No. GS-04B-20371	09/04/85
A50382	Review of Corrective Actions Taken With Regard to Health Problems at the Hubert Humphrey Building	09/04/85
A50587	Proposed Award of Lease: Lease No. GS-04B-24302 Mutual Plaza Building, Durham, North Carolina	09/04/85
A50619	Preaward Lease Review: Hampton Plaza, 300 East Joppa Road, Towson, MD	09/09/85
A50622	Preaward Lease Review: Matomic Building, 1717 H Street, N.W., Washington, D.C.	09/11/85
A40168	Review of the Implementation of Federal Protection and Safety Recovery Plan	09/12/85
A50346	Review of Controls Over the Identification and Documentation of Polychlorinated Biphenyls	09/12/85

A50630	Preaward Review of Lease Extension: Lease No. GS-09B-06314, 1960 Addison Street, Berkeley, California	09/12/85
A50346	Advisory Report on Review of Controls Over the Identification, Inspection, and Documentation of Polychlorinated Biphenyls	09/13/85
A50634	Preaward Review of Lease Extension: Lease No. GS-09B-75262, 100 Van Ness Avenue, San Francisco, California	09/16/85
A50179	Review of New Construction and Major Repair and Alteration Projects, Region 10	09/17/85
A50633	Preaward Lease Review: Oak Meadows Building, 6340 Security Boulevard, Woodlawn, MD	09/18/85
A50306	Review of the Miami, Florida, Buildings Management Field Office, Region 4	09/19/85
A50009	Review of Region 4's Lease Enforcement Procedures: Lease No. GS-04B-20675, Presidential Park, Atlanta, Georgia	09/23/85
A50009	Review of Region 4's Lease Enforcement Procedures: Lease No. GS-04B-21154, 1418 Moreland Avenue, Atlanta, Georgia	09/23/85
A40779	Review of the Administration of Cafeteria Contracts, National Capital Region	09/25/85
A50418	Postaward Lease Review: Lease Extension, 3030 North Central Avenue, Phoenix, Arizona	09/26/85
A50561	Letter Report on a Need for More Specific Language Regarding the Confidentiality of Government Bid Estimates	09/30/85
A50655	Preaward Lease Review: One Congress Center, Chicago, IL, Lease No. GS-05B-14252	09/30/85

FSS Contract Audits

A50081	Audit of Multiple Award Schedule Contract, Verification of Commerciality Data: Hewlett-Packard Company, Contract No. GS-00F-70537	04/09/85
A50281	Preaward Audit of Cost or Pricing Data: Davis Furniture Industries, Inc., Solicitation No. FNP-S2-1755-N-11-15-84	04/10/85
A50271	Preaward Audit of Cost or Pricing Data: Stack-On Products Company, Solicitation No. FEP-CN-F0258-1-N	04/11/85
A50272	Preaward Audit of Multiple Award Schedule Contract: Dennison Monarch Systems, Inc., Solicitation No. FNP-C4-1439-N-8-16-84	04/12/85
A50352	Preaward Audit of Cost or Pricing Data: Kass Management Services, Inc., Solicitation No. RFP-FSS-9FCG-85-02251	04/12/85
A50168	Preaward Audit of Multiple Award Schedule Contract: Beckman Instruments, Inc., Altex Scientific Operations, Solicitation No. FGS-Z3-36442-N-11-23-84	04/15/85
A40635	Postaward Audit of Multiple Award Schedule Contract: Philip A. Hunt Chemical Corporation, Contract No. GS-00S-41127 for the Period 2/10/82 to 1/31/84	04/16/85
A50270	Preaward Audit of Multiple Award Schedule Contract: Nicolet Instrument Corporation, Solicitation No. FGS-K-36415-N	04/17/85
A50201	Preaward Audit of Multiple Award Schedule Contract: AMF Incorporated, Solicitation No. 10PN-NLS-0208	04/18/85
A50401	Audit Report on Evaluation of Price Proposal: Sutron Corporation, Solicitation No. FGS-H-36410-N-6-11-84	04/19/85
A50322	Preaward Audit of Cost or Pricing Data: Crestwood Furniture Company, Solicitation No. FNP-S2-1755-N-11-15-84	04/22/85
A50404	Preaward Audit of Cost or Pricing Data: Monsanto Company/Wildfire Division, Solicitation No. GS-08-1544	05/03/85
A50293	Preaward Audit of Multiple Award Schedule Contract: UTI Instruments Company, Solicitation No. FGS-Z3-36442-N-11-23-84	05/06/85
A40461	Postaward Audit of Multiple Award Schedule Contract: Rawlings Sporting Goods Company, St. Louis, Missouri, Contract No. GS-10S-44898 for the Period 5/1/82 to 4/30/83	05/09/85

A50074	Postaward Audit of Multiple Award Schedule Contract: Rawlings Sporting Goods Company, St. Louis, Missouri, Contract No. GS-01S-08136 for the Period 5/1/82 to 4/30/83	05/09/85
A50383	Postaward Audit of Multiple Award Schedule Contract: Stacor Corporation, Contract No. GS-00F-68391 for the Period 7/9/84 to 3/31/85	05/17/85
A50416	Audit of Progress Payment: Pierce Manufacturing Inc., Contract No. GS-00F-73103	05/23/85
A50417	Audit of Progress Payment: Pierce Manufacturing Inc., Contract No. GS-00F-73047	05/23/85
A50443	Preaward Audit of Cost or Pricing Data: Chemonics Industries, Inc., Solicitation No. GS-08-1544	05/28/85
A50321	Preaward Audit of Cost or Pricing Data: LoDal, Inc., Solicitation No. 9FCO-OLJ-M-A1068/84	05/29/85
A50421	Postaward Audit of Contract Billings: Northern Virginia Van Company, Inc., Contract No. GS-0WF-52909 for the Period 8/1/84 to 7/31/85	06/04/85
A50388	Preaward Audit of Cost or Pricing Data: Coyne Mattress Co., Ltd., Solicitation No. 9FCG-OSH-N-A0845/85	06/05/85
A50410	Preaward Audit of Cost or Pricing Data: MCC Powers, Solicitation No. RFP-OPR-9FCG-85-02218	06/14/85
A50498	Review of Proposal for Initial Pricing Under RFP No. AT/FS 19613, Submitted by: Christie Electric Corporation, Torrance, California	06/19/85
A50385	Postaward Audit of Multiple Award Schedule Contract: Stacor Corporation, Contract No. GS-00F-68392 for the Period 7/9/84 to 3/31/85	06/21/85
A50426	Preaward Audit of Multiple Award Schedule Contract: John Savoy & Son, Inc., Solicitation No. FNPS-S2-1755-N-11-15-84	06/21/85
A50496	Preaward Audit of Cost or Pricing Data: Products Research and Chemical Corporation, Glendale, California, Solicitation No. 6PR-W-J1402-B3-N	06/25/85
A50079	Postaward Audit of DuBois Chemicals, a Division of Chemed, Inc., Contract Nos. GS-09S-40648, GS-09S-41263, GS-09S-41920, and GS-09S-42517 for the Period 6/17/80 to 5/31/84	07/10/85
A50398	Preaward Audit of Cost or Pricing Data: Melrose Mattress Co., Inc., Solicitation No. 9FCG-OSH-N-A0845/85	07/23/85
A50548	Preaward Audit of Multiple Award Schedule Contract: Senstar, Inc., Solicitation No. 7PM-52678/R5/7FC	07/29/85
A50573	Report on Review of FFP Proposal for Initial Pricing in Response to Solicitation No. FGS-X7-36444-N: Systron Donner Corporation, Instrument Division, Concord, California	07/29/85
A50547	Preaward Audit of Multiple Award Schedule Contract: Aritech Corp., Solicitation No. 7PM-52678/R5/7FC	08/01/85
A50582	Report on Evaluation of Pricing Proposal in Response to RFP No. FGS-X7-36444-N-1-30-85 Submitted by: ARGOSystems, Inc., Sunnyvale, California	08/05/85
A50500	Preaward Audit of Cost or Pricing Data: Applied Technology Associates, Inc., Modification to Contract No. GS-09S-50000	08/09/85
A50529	Preaward Audit of Cost or Pricing Data: Hancraft Furniture, Inc., Solicitation No. FNP-S2-1755-N-11-15-84	08/15/85
A50444	Preaward Audit of Cost or Pricing Data: Air Logistics Corporation, Solicitation No. 8FCO-H3-51732	08/16/85
A50132	Postaward Audit of Multiple Award Schedule Contract: Flow Laboratories, Inc., Contract No. GS-00S-45268 for the Period 7/12/82 to 5/31/83	08/22/85
A50133	Postaward Audit of Multiple Award Schedule Contract: Flow Laboratories, Inc., Contract No. GS-00S-45268(R1) for the Period 9/2/83 to 5/31/84	08/22/85
A50134	Postaward Audit of Multiple Award Schedule Contract: Flow Laboratories, Inc., Contract No. GS-00S-45268(R2) for the Period 6/1/84 to 11/30/84	08/22/85

A50473	Preaward Audit of Change Order Proposal: Southwestern Bell Telecommunications, Inc., Overland Park, Kansas, Contract No. GS-06F-12784	08/22/85
A50613	Review of Preaward Price Proposal: Solicitation No. 7PM-52678-R5-7FC, Monaco Enterprises, Inc., Spokane, Washington	08/26/85
A50615	Report on Review of Proposal for Initial Pricing: Finishing Enterprises, Inc., Solicitation No. FGA-21-XU306-N	08/27/85
A40892	Postaward Audit of Multiple Award Schedule Contract: Breuer Electric Manufacturing Company, Contract No. GS-09S-41672 for the Period 4/16/82 to 2/28/83	08/29/85
A40893	Postaward Audit of Multiple Award Schedule Contract: Breuer Electric Manufacturing Company, Contract No. GS-09S-42195 for the Period 3/1/83 to 2/29/84	08/29/85
A50524	Preaward Audit of Multiple Award Schedule Contract: Wells Fargo Security Products, Solicitation No. 7PM-52678-R5-7FC	08/29/85
A40858	Postaward Audit of Multiple Award Schedule Contract: EBSCO Industries, Inc., Contract No. GS-00S-38134 for the Period 1/29/82 to 9/30/83	09/05/85
A50543	Preaward Audit of Multiple Award Schedule Contract: Canon U.S.A., Inc., Solicitation No. FGE-A7-75347-N-5-17-85	09/20/85
A50530	Preaward Audit of Cost and Pricing Data: Joerns Furniture Company, Contract No. FNPS-S1-1526-N-4-1-85	09/24/85
A50598	Preaward Audit of Multiple Award Schedule Contract: Campbell Scientific, Inc., Solicitation No. FGS-Y2-39000-N-6-25-85	09/24/85
A50535	Preaward Audit of Multiple Award Schedule Contract: International Research Associates, Inc., Solicitation No. 7PM-52678/R5/7FC	09/26/85
A50661	Audit Report on Evaluation of Cost Plus Fixed Fee Proposal: Computer Sciences Corporation, Applied Technology Company, Solicitation No. 9FCG-OSD-N-A0832/84	09/26/85

FSS Internal and Inspection Audits

A40150	Review of the Nonpowered Tools Procurement Division, Federal Supply and Services, Central Office	04/19/85
A50259	Observation of Physical Inventory at Customer Supply Center, Chicago, Illinois	05/03/85
A50124	Review of Material Weights, Region 5	05/06/85
A40770	Review of the Discontinuance of the Dispatch Vehicle Program	05/13/85
A40318	Review of the Quality Approved Manufacturer Agreement Program in Region 2	05/23/85
A50023	Review of Customer Supply Center Operations, Auburn, Washington	06/20/85
A40749	Review of the Operations at the Franconia Supply Distribution Facility	06/21/85
A50522	Self-Service Store Inventory Observation	07/03/85
A40797	Review of Chicago Fleet Management Center Operations, Region 5	07/19/85
A40778	Review of Customer Supply Center Operations, Region 8	07/23/85
A50408	Review of Region 6 Solicitation No. 6KM-84004-CG-N for Telecommunications Customer Premise Equipment and Services	07/24/85
A50254	Review of Physical Inventory Shortage, Chicago Self-Service Store, Region 5	07/31/85
A50058	Review of Personal Property Services Branch, Federal Supply and Services, Region 5	08/06/85
A50353	Review of Norfolk Customer Supply Center Operations	08/19/85
A50145	Review of Physical Inventory at the Customer Supply Center, Stockton, California	08/27/85
A50536	Review of the Federal Supply and Services Method of Supply Model	09/18/85

OIRM Contract Audits

A50370	Report on Review of Initial Price Proposal Submitted by: Systems Management American Corporation, Norfolk, Virginia, Solicitation No. GSC-KESA-G-00029-N-1-10-85	04/01/85
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A50261	Preaward Audit of Multiple Award Schedule Contract: Cohu, Inc., Electronics Division, Solicitation No. GSC-KESCV-00030-N-12-4-84	04/04/85
A50378	Preaward Audit of Cost or Pricing Data: Trak Systems, Division of Trak Microwave Corporation, Solicitation No. GSC-KESA-G-00028-N-12-11-84	04/04/85
A50317	Preaward Audit of Cost or Pricing Data: Bedford Research Associates, Inc., Solicitation No. KECS-85-005	04/08/85
A50277	Preaward Audit of Multiple Award Schedule Contract: Datagraphix, Inc., Solicitation No. GSC-KESA-G-00028-N-12-11-84	04/11/85
A50393	Report on Review of Proposal for Initial Pricing Under GSA Solicitation No. GSC-KESR-00032-N-12-12-84 Submitted by: Datatape Incorporated, a Kodak Company, Pasadena, California	04/12/85
A40807	Audit of Termination Proposal: Dataflow Technologies, Incorporated, Subcontractor to Paradyne Corporation, Contract No. GS-00C-40018	04/18/85
A50419	Audit Report on Evaluation of Price Proposal: International Technology Corporation, RFP No. GSC-KESA-00029-N-1-10-85	04/29/85
A50305	Preaward Audit of Cost or Pricing Data: Group Operations, Inc., Solicitation No. KECS-85-005	05/07/85
A50303	Preaward Audit of Cost or Pricing Data: OAO Corporation, Solicitation No. KECS-85-003	05/08/85
A50304	Preaward Audit of Cost or Pricing Data: Vanguard Technologies Corporation, Solicitation No. KECS-85-005	05/09/85
A40863	Postaward Audit of Multiple Award Schedule Contract: Wang Laboratories, Inc., Contract No. GS-00C-03447 for the Period 10/1/82 to 1/31/84	05/13/85
A50123	Postaward Audit of Multiple Award Schedule Contract: Wang Laboratories, Inc., Contract No. GS-00C-02930 for the Period 10/1/81 to 9/30/82	05/13/85
A50450	Audit Report on Evaluation of Firm Fixed Price Proposal: PRC Government Information Systems, RFP No. KECS-85-003	05/13/85
A50451	Audit Report on Evaluation of Revised Price Proposal: Science Management Corporation (SMC), National Data Systems, RFP No. KECS-85-003	05/13/85
A50457	Audit Report on Evaluation of Firm Fixed Price Proposal: PRC Government Information Systems, RFP No. KECS-85-009	05/21/85
A50458	Audit Report on Evaluation of Firm Fixed Price Proposal: Computer Sciences Corporation, RFP No. GSC-KECP-M-00002-N-7-2-84	05/22/85
A50482	Review of Proposal for Initial Pricing Under Solicitation No. GSC-KESCR-00032-N-12-12-84: Broadcast Microwave Services, Inc.	05/31/85
A50434	Preaward Audit of Multiple Award Schedule Contract: NCR Comten, Inc., Solicitation No. GSC-KESA-C-00030-N	06/06/85
A50441	Preaward Audit of Multiple Award Schedule Contract: Sorbus, Inc., Solicitation No. GSC-KESA-C-00030-N-4-11-85	06/07/85
A50501	Audit Report on Evaluation of Price Proposal: Watkins-Johnson Company, RFP No. GSC-KESCR-00033-N-5-7-85	06/14/85
A50506	Audit Report on Evaluation of Initial Price Proposal: Computer Data Systems, Incorporated, RFP No. KECS-85-009	06/17/85
A50399	Postaward Audit of Multiple Award Schedule Contract: D. P. Enterprises, Contract No. GS-00K-8401S5631 for the Period 10/1/83 to 9/30/84	06/19/85
A50333	Preaward Audit of Multiple Award Schedule Contract: Sony Corporation of America, Solicitation No. GSC-KESCV-00030-N-12-4-84	06/20/85
A50446	Preaward Audit of Multiple Award Schedule Contract: Northern Telecom, Inc., Minnetonka, Minnesota, Solicitation No. GSC-KESA-C-00030-N-4-11-85	06/28/85
A50184	Postaward Audit of Multiple Award Schedule Contract: Apollo Computer, Inc., Contract No. GS-00K-8401S5700 for the Period 10/1/83 to 9/30/84	07/05/85

A50430	Preaward Audit of Multiple Award Schedule Contract: Prime Computer, Inc., Solicitation No. GSC-KESA-C-00030-N-4-11-85	07/11/85
A50459	Preaward Audit of Multiple Award Schedule Contract: Paradyne, Inc., Solicitation No. GSC-KESA-C-00030-N-4-11-85	07/16/85
A50483	Preaward Audit of Multiple Award Schedule Contract: Control Data Corporation, Education Company, Solicitation No. GSC-KECT-00008-N-4-10-85	07/16/85
A50550	Report on Evaluation of Firm Fixed Price Proposal Under Solicitation No. GSC-KESCR-00032-N: Microcom Corporation	07/16/85
A50389	Preaward Audit of Cost or Pricing Data: Ampex Corporation, Data Systems Division, Solicitation No. GSC-KESCR-00032-N-12-12-84	07/17/85
A50468	Preaward Audit of Multiple Award Schedule Contract: Symbolics, Inc., Solicitation No. GSC-KESA-C-00030-N-4-11-85	07/18/85
A50435	Preaward Audit of Multiple Award Schedule Contract: A. B. Dick Company, Solicitation No. GSC-KESA-C-00030-N	07/19/85
A50453	Preaward Audit of Multiple Award Schedule Contract: Control Data Corporation, Cybernet Services, Solicitation No. GSC-KECT-A-00008-N	07/24/85
A50456	Preaward Audit of Multiple Award Schedule Contract: CPT Corporation, Solicitation No. GSC-KESA-C-00030-N-4-11-85	07/26/85
A50572	Report on Review of Proposal for Initial Pricing Under RFP No. GSC-KECP-M-00002-M-7-2-84: System Development Corporation, Camarillo, California	07/29/85
A50332	Preaward Audit of Multiple Award Schedule Contract: Sony Corporation of America, Solicitation No. GSC-KEECV-00030-N-12-4-84	08/05/85
A50447	Preaward Audit of Multiple Award Schedule Contract: System Development Corporation, McLean, Virginia, Solicitation No. GSC-KESA-C-00030-N-4-11-85	08/07/85
A50505	Preaward Audit of Multiple Award Schedule Contract: Gould, Inc., Computer Systems Division, Solicitation No. GSC-KESA-C-00030-N-4-11-85	08/08/85
A50546	Preaward Audit of Multiple Award Schedule Contract: Emulex Corporation, Solicitation No. GSC-KESA-C-00030-N-4-11-85	08/09/85
A50487	Preaward Audit of Multiple Award Schedule Contract: Terminals Unlimited, Inc., Solicitation No. GSC-KESA-C-00030-N-4-11-85	08/13/85
A50593	Audit Report on Evaluation of Cost Plus Fixed Fee Proposal: Advanced Technology, Inc., Solicitation No. KECS-85-001	08/13/85
A50420	Preaward Audit of Multiple Award Schedule Contract: NBI, Inc., Solicitation No. GSC-KESA-C-00030-N-4-11-85	08/14/85
2S202170007	Postaward Audit of Multiple Award Schedule Contract: Intel Systems Corporation, Austin, Texas, Contract No. GS-00C-02519 for the Period 10/1/80 to 9/30/81	08/14/85
2S202170007	Postaward Audit of Multiple Award Schedule Contract: Intel Systems Corporation, Austin, Texas, Contract No. GS-00C-03038 for the Period 10/1/81 to 9/30/82	08/14/85
A50507	Preaward Audit of Multiple Award Schedule Contract: General Electric Company, Mobile Communications Business Division, Solicitation No. GSC-KESCR-00033-N	08/15/85
A50442	Preaward Evaluation of Pricing Proposal: Xerox Corporation, Solicitation No. GSC-KESA-C-00030-N-4-11-85	08/19/85
A50429	Preaward Audit of Multiple Award Schedule Contract: Digital Equipment Corporation, Solicitation No. GSC-KESA-C-00030-N-4-11-85	08/20/85
A50497	Preaward Audit of Multiple Award Schedule Contract: Wang Laboratories, Inc., Solicitation No. GSC-KESA-C-00030-N-4-11-85	08/28/85
A50334	Preaward Audit of Multiple Award Schedule Contract: Sony Corporation of America, Solicitation No. GSC-KEECV-00030-N-12-4-84	08/29/85
A50568	Preaward Audit of Multiple Award Schedule Contract: Relational Technology, Inc., Solicitation No. GSC-KESA-C-00030-N-4-11-85	08/30/85
A50544	Preaward Audit of Multiple Award Schedule Contract: The Cambridge Systems Group, Inc., Solicitation No. GSC-KESA-C-00030-N-4-11-85	09/04/85

A50632	Postaward Audit of Multiple Award Schedule Contract: Symbolics, Inc., Contract No. GS-00K-84-01-S5563 for the Period 10/1/84 to 9/30/85	09/06/85
A50405	Preaward Audit of Multiple Award Schedule Contract: Telex Computer Products, Solicitation No. GSC-KESA-C-00030-N-4-11-85	09/16/85
A50406	Preaward Audit of Multiple Award Schedule Contract: Telex Computer Products, Incorporated, Solicitation No. GSC-KESA-C-00030-N-4-11-85	09/16/85
A50432	Preaward Audit of Multiple Award Schedule Contract: Philips Information Systems, Solicitation No. GSC-KESA-C-00030-N-4-11-85	09/18/85
A50533	Preaward Audit of Multiple Award Schedule Contract: Applied Data Research, Inc., Solicitation No. GSC-KESA-C-00030-N-4-11-85	09/18/85
A50494	Preaward Audit of Multiple Award Schedule Contract: Plessey Peripheral Systems, Inc., Solicitation No. GSC-KESA-C-00030-N-4-11-85	09/19/85
A50532	Preaward Audit of Multiple Award Schedule Contract: Perkin-Elmer Corporation, Solicitation No. GSC-KESA-C-00030-N-4-11-85	09/20/85
A50509	Preaward Audit of Multiple Award Schedule Contract: Compugraphic Corporation, Solicitation No. GSC-KESA-C-00030-N-4-11-85	09/25/85
A50665	Audit Report on Evaluation of Firm Fixed Price Proposal: Vitro Corporation, RFP No. GSC-OIT-5013	09/27/85
A50617	Preaward Audit of Cost or Pricing Data: OAO Corporation, RFP No. 1985.DLD-042	09/30/85
A40311	Report Under Investigation	09/30/85

OIRM Internal and Inspection Audits

A30831	Review of Computer Security and Firesafety for the ADP Facilities in Region 4	06/27/85
A40727	Review of Operations of the Region 6 Contract Services Program	07/10/85
A50309	Review of Region 4's Implementation of Office Automation (C3)	09/12/85

Other

GSA Contract Audits

A50362	Audit of Bid Protest Claim: Lusardi Construction Company, Project No. NCA 00900	05/15/85
A50060	Preaward Audit of a Claim for Increased Costs: Pathman Construction Company, Contract No. GS-05BC-6637A	05/30/85
A50590	Report on Evaluation of Price Proposal for Initial Pricing Under Modification to Contract No. GS-0083-DXXC-0006: Brush Wellman, Incorporated, Beryllium Products Group, Metal and Minerals Division	08/12/85

Other

GSA Internal and Inspection Audits

A50369	Review of the Seattle Fleet Management Center, Imprest Fund	04/12/85
A50390	Review of the Santa Rosa Field Office, Imprest Fund, Region 8	04/18/85
A50068	Review of the Regional Operations of the Office of Project Control and Oversight (OPCO), Region 8	04/19/85
A40866	Review of the Use of General Supply Fund for the Acquisition of Operating and Administrative Equipment	04/25/85
A40900	Review of Regional Administrative Services	04/26/85
A50363	Review of the Attempted Sale of the Hingham Supply Depot	05/02/85
A50323	Review of Imprest Fund, Battle Creek, Michigan Field Office, Region 5	05/22/85
A40900	Review of Regional Administrative Services Division, Region 5	05/31/85

A40714	Survey of Cash Management	06/12/85
A40743	Review of Selected Personnel Data	06/20/85
A50192	Interim Report - Funding for Contracts With Commercial Transportation Audit Firms	07/09/85
A50258	Review of Imprest Fund, Indianapolis, Indiana Field Office, Region 5	07/09/85
A40494	Review of the Role of the Comptroller	07/11/85
A50215	Review of GSA Billings to Federal Emergency Management Agency	07/30/85
A50310	Review of Internal Controls at the Central Office Imprest Fund	08/22/85
A50238	Review of the Disposal of Excess Mercury, Antimony, Vegetable Tannin Extracts, and Mica	08/29/85
A40106	Review of Contract Clearance Activities, Office of Acquisition Management and Contract Clearance, Central Office	09/20/85

Non-GSA Contract Audits

A50298	Preaward Audit of Cost or Pricing Data: Gilbane/Jackson Joint Venture, Contract No. PA-5PC-003	04/03/85
A50040	Audit of Cost Reimbursable Contract: Turner Construction Company, Contract No. DOC-81-ABC-02265	04/04/85
2H204777707	Postaward Audit of Multiple Award Schedule Contract: Abbott Laboratories, Pharmaceutical Products Division, Contract Nos. V797P5819E and V797P5474F	04/25/85

Non-GSA Internal and Inspection Audits

A40154	Review of GSA's Delegation of Building Operations, Frances Perkins Building	07/26/85
A40154	Review of GSA's Delegation of Nassif Building Operations	08/21/85

APPENDIX II—DELINQUENT DEBTS

GSA's Office of Comptroller provided the information presented herein.

GSA Efforts to Improve Debt Collection

During the period April 1, 1985 through September 30, 1985, GSA efforts to improve debt collection and reduce the amount of debt written off as uncollectible focused on upgrading collections functions, debt management, and credit reporting. These efforts included the following:

- In June 1985, GSA signed agreements with eight consumer and three commercial credit reporting agencies. When the Department of the Treasury and the Office of Management and Budget (OMB) "Guidelines on Information to Be Reported to Credit Reporting Bureaus" are finalized, GSA will develop procedures to report debtor information to these 11 credit reporting agencies.
- In July 1985, GSA issued updated procedures for processing and collecting third party motor pool vehicle claims in compliance with existing GSA orders and provisions of the Debt Collection Act of 1982. Effective October 1, 1985, the accounts receivable responsibility and procedures for processing third party motor pool claims will be central-

ized in GSA's Fort Worth, Texas, Regional Finance Division.

- In August 1985, GSA submitted the initial "Annual Credit Management Improvement Plan" required by the OMB Circular A-129, Managing Federal Credit Programs. OMB Circular A-129 prescribes that each Government agency shall establish a comprehensive credit management program to: assure collection of all receivables; enable management to evaluate credit policies; provide efficient and effective account servicing; and improve the accuracy and timeliness of financial reports.
- In September 1985, the GSA regulations to implement the Debt Collection Act of 1982, "Collection of Claims Owed the United States," were published in the Federal Register (Vol. 50, No. 179) 41 CFR Part 105-55. The Debt Collection Act of 1982 requires that agencies publish regulations in the Federal Register before collecting delinquent debts by administrative offset.

Non-Federal Accounts Receivable

Because GSA utilizes manual reporting systems for its non-Federal accounts receivable, data for the period April 1, 1985 through September 30, 1985 were not available at the time of publication of this report. Six-month data for the period December 31, 1984 through June 30, 1985 are therefore provided.

	As of December 31, 1984	As of June 30, 1985	Difference
Total Amounts			
Due GSA	\$81,194,408	\$65,449,915	(\$15,744,493)
Amount Delinquent	\$18,391,869	\$19,628,235	\$ 1,236,366
Total Amount Written Off as Uncollectible Between 12/31/84 and 6/30/85	\$306,684		

APPENDIX III—SUMMARY OF OIG PERFORMANCE DURING FISCAL YEAR 1985

During Fiscal Year 1985, OIG activities resulted in:

- 663 audit reports.
- 21 implementation reviews of internal audit reports.
- Recommended cost avoidances and recoveries of almost \$149 million.
- Management commitments to more efficiently use almost \$137 million.
- Management commitments to recover funds, court-ordered recoveries, and investigative recoveries of almost \$20.5 million.
- 624 new investigations opened and 726 cases closed.
- 70 case referrals (143 subjects) accepted for criminal prosecution and 13 case referrals (18 subjects) accepted for civil litigation.
- 59 criminal indictments/informations/complaints and 63 successful prosecutions on criminal matters referred.
- Civil complaints against 13 individuals, 10 civil settlements, and 10 civil judgments on civil matters referred.
- 45 case referrals to other Federal and State agencies for further investigation.
- 68 reprimands, 38 suspensions, 3 demotions, and 41 terminations of GSA employees.
- 6 case referrals recommending suspension of 17 contractors.
- 34 case referrals recommending debarment of 90 contractors.
- 13 contractor suspensions and 69 contractor debarments.
- 26 OIG subpoenas.
- 565 legislative matters and 346 regulations and directives reviewed.
- 932 Hotline calls and letters, 22 GAO referrals, and 37 other agency referrals.

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