



Office of Inspector General

Semiannual
Report to
the Congress

October 1, 1985 to
March 31, 1986

May 1, 1986

FOREWORD

This report, submitted pursuant to the Inspector General Act of 1978, summarizes Office of Inspector General activity over the 6-month period ending March 31, 1986. It is my first Report to the Congress since assuming the position of Inspector General in November 1985.

The first 5 months of my tenure have represented a period of significant challenge. Perhaps the greatest challenge has been balancing the goals I have established for this Office against the limitations imposed by budget constraints. Although certain trade-offs have had to be made, I believe this report demonstrates that the Office of Inspector General had a significant impact during the period.

This is in large measure a tribute to the personnel staffing this Office and performing the audits and investigations. They have willingly filled the void created by staffing losses and redoubled their efforts. It also speaks to the cooperation demonstrated by Agency management in the interest of greater economy, efficiency, and effectiveness. Their willingness to bring matters to the attention of the Office of Inspector General and to act on our recommendations has proved invaluable.

William R. Barton

WILLIAM R. BARTON
Inspector General

April 30, 1986

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 October 1, 1985 and March 31, 1986. It is the fifteenth Report to the Congress since the appointment of GSA's first Inspector General.

B. Overview

The following paragraphs provide an overview of OIG audit and investigative coverage of the Agency, as well as a summary of OIG accomplishments and productivity. In addition, this section highlights significant OIG prevention activities.

1. Audit and Investigative Coverage of GSA Programs

Audit and investigative coverage of GSA programs identified a number of opportunities for more efficient and effective Agency operations. Overall, this report reflects a strong commitment on the part of GSA management to make those improvements. Notably, in the areas of GSA's Fire and Safety Program and contract award procedures, the Administrator, in conjunction with the respective Commissioners, personally initiated corrective actions in response to our recommendations.

Public Buildings Service

The OIG expended 49 percent of its direct workhours reviewing Public Buildings Service (PBS) programs. Resultant audits assisted PBS managers in taking action on:

- Terms in a proposed lease offer that would result in expenditures greatly exceeding the cost of constructing a border station facility.
- Energy consumption levels that exceeded the maximum allowable under the terms of two building leases.
- Weaknesses found during reviews of the Fire and Safety Program.
- An unnecessary \$132,907 modification to a contract for elevator services.
- Potential cost avoidances of almost \$9 million on three contractor proposals.

In addition, an OIG investigation led to a \$40,000 settlement agreement for alleged false claims by a security firm.

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

Federal Supply Service

The OIG invested 30 percent of its resources in audits and investigations of Federal Supply Service (FSS) programs. Noteworthy audits issued this period advised management of:

- Contract award practices that might allow marginally responsible firms to obtain GSA contracts.
- Inventory management procedures that failed to remove long supply items from the depot inventory.
- A potential cost avoidance of \$4.5 million on a contractor's claim.

OIG audits and investigations also surfaced information that was used by GSA management and/or the Department of Justice to:

- Reach three civil settlement agreements, amounting to almost \$4.4 million, with FSS contractors.
- Negotiate the recovery of \$137,000 from a hospital supply firm.
- Suspend an office furniture firm and its president pending the resolution of criminal charges against the firm's president.

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

Information Resources Management Service

OIG internal reviews of the Information Resources Management Service (IRMS) emphasized its oversight role relative to Government telecommunication needs. As a result, IRMS is now in the process of addressing the need for:

- Improvements in the management of civilian agencies' telecommunication systems to increase economy, efficiency, and effectiveness in Federal telecommunications procurements.
- Effective standard invoice verification procedures for agencies procuring teleprocessing services.

In addition, IRMS successfully negotiated \$9.2 million in pricing concessions on an ADP contract as a result of the findings developed through an OIG preaward audit.

In response to OIG audits and investigations, the U.S. Attorney and/or GSA management:

- Successfully prosecuted a former Government employee who fraudulently used a Federal telephone credit card.
- Reached a \$615,000 civil fraud settlement with an IRMS contractor.

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

Other GSA Coverage

The OIG issued 20 internal audit reports dealing with GSA organizations such as the Office of Administration, the Federal Property Resources Service, and the Office of the Comptroller. These reviews addressed a variety of areas, including GSA activities in support of the Federal Emergency Management Agency (FEMA), consultants, imprest funds, and implementation of the Federal Managers' Financial Integrity Act. In response to issues raised in four reports, management took action to:

- Promulgate operating instructions to overcome problems associated with GSA billings to FEMA.
- Defer a contract award until appropriate funding could be obtained.

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. The latter calculations yield productivity data that are less subject to fluctuating staffing levels.

Overall OIG Accomplishments

OIG accomplishments this period included:

- 336 audit reports;
- \$86,288,660 in recommendations for more efficient use of resources and in recovery recommendations;
- \$62,369,564 in management commitments to more efficiently use resources;
- \$5,774,650 in management commitments to recover funds, court-ordered recoveries, and investigative recoveries;

- 216 investigative cases opened and 267 closed;
- 22 case referrals accepted for criminal prosecution and 3 case referrals accepted for civil litigation;
- 31 indictments/informations/complaints on criminal and civil referrals;
- 17 successful criminal prosecutions;
- 7 settlements on civil fraud referrals;
- 25 contractor suspensions and 31 contractor debarments on administrative referrals;
- 24 reprimands, 20 suspensions, and 14 terminations on administrative referrals involving GSA employees;
- 7 Inspector General subpoenas; and
- 257 legislative initiatives and 108 regulations and directives reviewed.

Management commitments to more efficiently use resources, management commitments to recover funds, court-ordered recoveries, and investigative recoveries totaled \$68,144,214 during the first half of FY 1986. This represented a return of \$6.74 for every \$1 budgeted to OIG operations during the 6-month period.

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

OIG Productivity

As noted previously, 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 FYs 1983, 1984, and 1985, and the first half of FY 1986. The table shows that, during the first half of FY 1986, OIG productivity generally stayed close to the levels established in FY 1985.

Productivity Factor	FY 83	FY 84	FY 85	First Half FY 86
Total costs recovered/avoided* per audit, counsel, and investigations FTE	\$352,910	\$522,688	\$444,152	\$415,514
Recommended cost avoidance and recovery per audit FTE	\$587,875	\$1,357,104	\$601,564	\$741,630
Audit reports per audit FTE	3.2	3.1	2.7	2.9
Referrals (criminal, civil, and administrative) per investigations FTE	5.9	8.4	7.6	6.1
Criminal indictments/informations/complaints and successful prosecutions per investigations FTE	1.3	0.9	1.2	1.0
Employee actions (reprimands, terminations, suspensions, and demotions) per investigations FTE	1.2	1.6	1.5	1.3

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

OIG productivity in FY 1985 and the first half of FY 1986 appear to be reflecting the budget problems that have been confronting the OIG for some time now. These budget problems, which are discussed in Section I under "Staffing and Budget Issues," have created a series of staffing inefficiencies and dislocations. As these inefficiencies and dislocations continue, their effect compounds.

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:

- Distribution of a practical ethics brochure to GSA employees nationwide.
- Completion of 29 preaward advisory reviews of leases involving annual rentals in excess of \$200,000.
- Integrity Awareness Briefings for 727 GSA employees.
- Receipt of 368 Hotline calls/letters and referral of 107 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	25
2. Section 5(a)(1)—Significant Problems, Abuses, and Deficiencies	3, 9, 13, 16
3. Section 5(a)(2)—Recommendations With Respect to Significant Problems, Abuses, and Deficiencies	3, 9, 13, 16
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5. Section 5(a)(4)—Matters Referred to Prosecutive Authorities	22
6. Sections 5(a)(5) and 6(b)(2)—Summary of Instances Where Information Was Refused	None This Period
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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. It 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, formulate OIG comments on existing and proposed legislation and regulations, 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 OIG's approved Fiscal Year (FY) 1986 budget is approximately \$19.1 million. Some \$10.1 million was

available for obligation during the reporting period.

While the OIG's approved staffing level is 452 full-time equivalent (FTE) positions, only 369 FTE can be funded during FY 1986. As of March 31, 1986, the OIG employed 366 permanent full-time employees.

D. Staffing and Budget Issues

In previous Reports to the Congress, we have discussed the serious budget problems that confronted the OIG in FYs 1984 and 1985. By the end of FY 1985, these budget problems had resulted in a 30 percent reduction in the OIG workforce.

FY 1986 has brought neither budget relief nor budget stability. The OIG started FY 1986 with an on-board staffing level of 374 and a projected fundable staffing level of 391. Since October 1, 1985, however, that budget outlook has been significantly altered by two events:

- A GSA reorganization under which 12 employees (and the associated funding) were transferred to the OIG.
- Enactment of the Gramm-Rudman-Hollings deficit reduction legislation, which required a reduction of \$858,000 in the OIG's FY 1986 funding level. This funding reduction translated to a reduction of 17 FTEs.

The net effect of these events on OIG staffing levels can be summarized as follows:

On-board staffing as of 10/1/85.....	374
Transfers to OIG from Agency.....	+ 12
FTE reduction required by Gramm-Rudman-Hollings legislation	- 17
Fundable FTE level.....	369

In order to accommodate this fundable FTE level, the OIG instituted a hiring freeze, which accounted for the loss of 20 OIG staffers through attrition. This loss, coupled with the gain of 12 Agency employees, yielded a net loss of 8 employees during the period. We therefore closed the period with an on-board staffing level of 366.

Staffing fluctuations of this type are difficult to accommodate under the best of circumstances. Set against the 30 percent reduction in OIG staffing that had already occurred by the start of FY 1986, they have represented a very substantial challenge to this organization. Moreover, the challenge is heightened by the nature of the staffing losses. Most of the employees leaving the OIG have been highly skilled professionals, possessing in-depth knowledge of GSA programs and operations. Wherever possible, we have attempted to replicate these skills but, more often than not, our infrequent replacement actions have been accomplished at the entry level

in order to keep overall salary costs down. Consequently, the effects of staffing reductions have been far-reaching due to the concomitant loss of skills and experience. The most obvious effect is evident in our

output and productivity data for the period, which speak to the inefficiencies and dislocations resulting from continued attrition over the past few years.

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 first half of Fiscal Year 1986, the total available funding authority of the Federal Buildings Fund was over \$2.1 billion. During the same period, PBS obligated almost \$1.2 billion of these funds.

Commensurate with this level of activity, the OIG devoted some 69,952 direct staffhours pursuing 505 audit and investigative assignments. These figures reflect 49 percent of total OIG direct staffhours and approximately 49 percent of all work assignments.

A. Overview of OIG Activity

This period, the OIG issued 101 internal reports on PBS lease enforcement efforts, contract award and administration practices, construction activities, fire and safety systems, and buildings management field office operations. Some of the more significant internal reviews issued this period advised PBS managers of:

- The need to seek more favorable terms on the lease offer for a proposed new border station facility.
- Non-enforcement of a provision in two GSA leases that will result in excess energy payments estimated at \$848,000 and \$106,000, respectively, over the terms of the leases.
- Weaknesses in GSA's Fire and Safety Program, mainly relating to the operation, maintenance, and testing of fire protection systems.
- Problems with tenant agencies' use of term contracts for building alterations that resulted in payments for poor quality work and for work not performed.
- Internal control weaknesses in the administrative procedures used to manage cleaning contracts valued at \$11.6 million.
- An unnecessary \$132,907 modification to a contract for elevator services.

PBS is now formulating/implementing corrective actions for each of these reviews, based on our recommendations. The PBS response to our Fire and Safety Program findings has been especially noteworthy; immediate corrective action was initiated on a building-by-building basis. This response is indicative of the high priority both the Administrator and PBS place on fire and safety issues.

In a related area, our last Report to the Congress advised that audit work on GSA's controls over polychlorinated biphenyls (PCBs) had been suspended while GSA developed a plan for the repair/replacement of transformers containing PCBs. The Agency has since established a PCB Control Program and, in December 1985,

we reinitiated audits in all 11 GSA regions. Since December, we have issued six reports on PCBs indicating that management's emphasis on this area is paying off, although regulatory compliance could be improved. We will report on the comprehensive findings in our next Report to the Congress.

The OIG also issued 97 contract audits (almost 49 percent of all contract audits issued) on PBS procurement actions. We recommended cost avoidances and cost recoveries totaling over \$26 million. Three audits, which account for almost \$9 million of the recommended cost avoidances, are highlighted herein.

The OIG completed 123 investigative cases involving PBS programs, operations, and employees; most involved allegations of white collar crimes. One notable case resulted in a \$40,000 pretrial civil settlement agreement after OIG investigators found that a GSA security contractor had falsely certified that it had provided contractually required training.

B. Significant Audits and Investigations

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

Construction of a Border Station

As part of a regional review of border station construction and leasing, the OIG evaluated a proposal to lease construct a new border station facility. The new facility is needed to house United States inspection agencies at the terminus of a newly constructed international bridge.

Under the terms of lease construction, the lessor erects a building to meet Government requirements and, in return, receives a firm term lease agreement. Our analysis of the lessor's proposal found that pursuing this option could cost the Government 77 percent more than Federal construction in the first 15 years of occupancy alone. Further, the proposed lease term, providing only 15-year occupancy rights, would subsequently place the Government at a disadvantage in sole-source negotiations, since the need for tenancy beyond this term is highly probable.

In our November 19, 1985 final report, we recommended to the Regional Administrator that:

- The project be reevaluated to determine if Federal construction would be more advantageous to the Government.
- If leasing is pursued, GSA should seek benefits comparable to Federal ownership, i.e., long term occupancy of 30 to 40 years, including renewal periods, and reduced rent after amortization of construction costs.

Pending submission of a formal action plan, regional officials decided to continue lease negotiations on the basis that the pressing need for the border station precluded Federal construction. On March 28, 1986, the region signed a 20-year lease with a 10-year renewal option. Under the terms of the agreement, the annual rental rate for the first 20 years is \$164,000 lower than originally proposed, with even lower rates during the 10-year renewal period. Overall, we estimate that this agreement will result in a total cost avoidance of \$13.6 million over the 30-year lease term.

Lease Enforcement

As part of a review of one GSA region's lease enforcement efforts, the OIG evaluated two leases. These leases contained specific provisions governing lessor-provided services as well as specifications for building systems.

The reviews identified that Government costs for services were significantly higher than expected because contract specifications were not met. For example, although the leases established maximum annual building energy consumption levels and required the lessors to submit energy verification data, regional officials did not enforce the latter provision. Our analyses found actual consumption in both buildings to be approximately twice the maximum levels. According to our projections, this will result in excess energy payments of \$848,000 over the 10-year term of one lease and \$106,000 over the 5-year term of the other lease.

In addition, the OIG discovered that GSA had improperly paid 4 months rent on one lease. The overpayments, which totaled approximately \$105,000, resulted primarily from the entry of erroneous occupancy data into the PBS Information System. The region immediately initiated recovery action and later advised the OIG that all but \$23,089 of the overpayments had been recovered.

In our reports dated January 31 and March 5, 1986, we directed recommendations to the Assistant Regional Administrator, Office of Public Buildings and Real Property, to correct these and other deficiencies. Three of the more significant recommendations were:

- Perform a full energy study and require the lessor to comply with the recommended conservation actions.
- Require the contracting officer to obtain certification that all building systems were designed and constructed in accordance with the lease requirements.
- Require the contracting officer to recover the \$23,089 balance remaining from the overpayments made to the lessor.

We are awaiting the Regional Administrator's action plans for implementing the recommendations.

Fire and Safety Program

The GSA Administrator and PBS senior management have made a substantial commitment of personnel and

resources to enhance the fire and safety systems in Federal facilities. This period, the OIG, in an effort to assist management, completed reviews of GSA's Fire and Safety Program in six regions. These reviews included: examinations of fire and safety inspection reports; evaluations of actions taken to correct unsafe conditions; inspections of 33 buildings; and discussions with personnel responsible for the operation, maintenance, and testing of fire protection systems. Individual reports summarizing specific conditions in each region were, or are being, issued in all six regions reviewed. Additionally, 16 interim reports and advisory letters addressed specific conditions in individual buildings. In response, PBS initiated immediate corrective action on a building-by-building basis.

In a consolidated report, issued on March 28, 1986, we informed the Commissioner, PBS, that, while many significant improvements have been made over the last year, further strengthening of the program is necessary. We reported that:

- Inconsistent application of criteria for classifying certain hazardous conditions could result in endangerment of life and/or property.
- Regional PBS inspection personnel have an incomplete understanding of the operation of some building fire safety systems and, in some cases, are inadequately trained.
- Critical elements of fire protection systems were not activated and tested during building inspections.
- Some unsafe conditions had not been corrected even though paperwork indicated that they had been fixed.
- Comprehensive manuals describing the technical aspects of building fire protection systems were missing, incomplete, or had never been prepared.

We offered eight recommendations to the Commissioner, PBS, to correct these and other deficiencies. These included recommendations to:

- Develop specific criteria for classifying hazards.
- Develop comprehensive operations manuals for fire protection systems.
- Train personnel responsible for inspecting and maintaining fire protection systems.
- Clarify current policies and procedures to ensure that regional safety inspectors conduct thorough tests of all fire protection systems.

The Commissioner's response to the draft report was very positive, agreeing to implement all recommendations. We are awaiting the action plans for implementation.

Indefinite Quantity Contract Administration

As part of a multiregional review of indefinite quantity contracts, the OIG evaluated one GSA region's award and administration of four term contracts for building

repairs and alterations. The review also evaluated tenant agency adherence to delegation agreements allowing them to place orders against these contracts.

The review found that the region was generally awarding and administering the contracts in accordance with GSA guidelines and contract terms, although some improvements were needed in the area of competition. However, we identified several problems relative to tenant agency use of these contracts. Specifically, we found that the agencies did not properly separate work orders; did not inspect completed work and prepare final inspection reports; improperly allowed the same official to order, inspect, and accept work; and did not obtain releases of claims prior to payment. As a result, payments have been made for poor quality work and for work that was not performed. GSA has also been exposed to possible litigation expenses since claims could be filed against GSA as the contracting agency.

In our October 23, 1985 report, we offered 11 recommendations to the Assistant Regional Administrator, Office of Public Buildings and Real Property, and one recommendation to the Assistant Regional Administrator, Regional Office of Controller, to correct these and other deficiencies identified in the report. Some of the more significant recommendations included:

- Require agencies delegated ordering authority to forward copies of work orders to GSA as they are issued.
- Enforce the final voucher requirements of the delegation agreements.
- Remind tenant agencies to obtain a release of claims, prepare final inspection reports, and fulfill work order file requirements.

We are awaiting the action plans for implementing the recommendations in the report.

Pretrial Agreement Settles Civil Allegations

On January 6, 1986, a pretrial civil settlement agreement was reached with a former GSA security contractor. Under the terms of the agreement, the firm will pay the Government \$40,000 to settle allegations of fraud, breach of contract, and filing false claims.

Two successive GSA contracts provided that each of the firm's security guards was to receive 40 hours of training in specified subject matter. In addition, the terms of the second contract required written certification that such training had been provided. OIG investigation disclosed that the firm had not provided the requisite training and had falsely certified that it had.

The OIG originally referred the case to the U.S. Attorney for criminal prosecution, but the referral was declined. The Department of Justice subsequently filed the civil suit.

Administration of Cleaning Contracts

The OIG evaluated nine contracts valued at \$7 million as part of an overall assessment of one region's admin-

istration of cleaning contracts. As of October 1985, the region administered 112 contracts worth \$11.6 million.

The review concluded that internal controls required strengthening in several major areas. Notably, the OIG identified a \$31,075 overpayment to one contractor and a \$17,411 underpayment to another resulting from inadequate controls over contract modifications and contractor payments.

In addition, the review identified overcharges of \$118,087 on four contracts held by a single contractor. The overcharges resulted from GSA's reliance on the firm's inflated pricing data for cleaning materials in negotiating the contracts. This matter has been referred to the OIG investigative staff for possible suspension action.

In our January 31, 1986 report, we recommended that the Assistant Regional Administrator, Office of Public Buildings and Real Property:

- Collect the overpayment from the one contractor and pay any amounts due the other.
- Implement specified controls over contract modifications and contractor payments.
- Collect the amounts due the Government as a result of the overcharges for cleaning materials.

In addition, the OIG offered several recommendations to correct other deficiencies disclosed during audit.

The Regional Administrator generally concurred with the report recommendations. We are awaiting the action plans for their implementation.

Proposed Contract Modification Questioned

As part of a review of buildings management operations in one GSA region, the OIG examined a proposed contract modification, valued at \$132,907, to expand elevator services at a Federal facility. Under the modification, a mechanic would be on-site 3 hours longer each day.

After reviewing the elevator maintenance logs for a 7-month period, the OIG determined that only two elevator failures occurred during the hours that would be covered by the modification. The only other instance of elevator failure occurred after the hours covered by the modification.

Based upon the relative infrequency of elevator failure and the contractor's good preventive maintenance record, the OIG concluded that there was insufficient benefit to be derived from the proposed \$132,907 expenditure. Consequently, our October 17, 1985 report recommended that the Assistant Regional Administrator, Office of Public Buildings and Real Property, withdraw the proposed modification.

The Regional Administrator agreed to cancel the proposed modification and submitted a responsive action plan. Resolution was achieved on December 30, 1985.

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.

\$3.9 Million of Proposed Rent Increase Questioned

The OIG audited a lease escalation proposal to determine if the proposed operating expenses were allowable under the terms of the lease. The proposal submitted by the lessor involved a \$15.5 million rent increase over the final 5-year period of the lease.

In our report dated January 13, 1986, we advised the contracting officer that the proposal included operating costs not subject to escalation. We further advised that use of historical data, rather than the estimates employed by the lessor, resulted in significantly lower cost figures. In total, we recommended adjustments equaling some \$3.9 million.

Negotiations with the lessor are currently underway.

Preaward Recommends \$2.8 Million Cost Avoidance

The OIG evaluated a \$7.2 million pricing proposal submitted in response to a GSA solicitation for construction services. The audit concluded that the firm's cost or pricing data were acceptable for negotiation purposes, but inadequate in certain respects.

In the November 26, 1985 audit report, we advised the contracting officer that the proposal contained insuffi-

cient pricing data for subcontractor items, as well as inflated costs. The auditors recommended a cost avoidance of \$2.8 million, principally due to overstated costs in the following categories: labor, labor burden, materials, equipment, subcontractor, and overhead.

Negotiations are currently underway with the contractor.

\$2.2 Million of Change Order Proposal Questioned

At the request of the Regional Administrator, the OIG audited a \$2.4 million change order proposal related to the construction of a Federal building. The proposal, submitted by the prime contractor on behalf of a subcontractor, covered costs for additional shoring and bracing work.

Our October 7, 1985 audit report advised the contracting officer that the contractor's cost or pricing data were inadequate and of limited value for negotiation purposes. It further advised that a qualified analysis of the proposal resulted in a determination that all costs were overstated and, in many instances, unsupported or unallowable. The auditors therefore recommended a \$2.2 million cost avoidance.

We are awaiting the contracting officer's position on the questioned costs.

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	198	335
Recommended Cost Avoidance	\$42,132,049	\$80,585,800
Recommended Cost Recovery	\$1,013,359	\$5,702,860
Management Commitments to Avoid Costs	\$25,170,453	\$62,364,775
Management Commitments to Recover Funds	\$969,363	\$5,673,772
Percentage of Recommended Cost		
Avoidance Agreed to by Management	75%	78%
Percentage of Recommended Cost		
Recovery Agreed to by Management	100%	74%
Unresolved Audits Older Than 6 Months (Excluding Preawards)	1	3
Implementation Reviews Finding Unimplemented Recommendations	1	3
New Investigative Cases	104	216
Criminal Referrals (Subjects)	35	98
Civil Referrals (Subjects)	1	8
Administrative Referrals (Subjects)	148	293
Suspension/Debarment Referrals (Subjects)	50	80
Indictments/Informations/Complaints	14	31
Successful Criminal Prosecutions	7	17
Civil Settlements	4	7

E. Significant Audits From Prior Reports

Under GSA's audit resolution system, the OIG is responsible for ensuring resolution of audit recommendations, while the Audit Resolution Division, Office of Administration, 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 not being implemented in accordance with established milestones, while the remaining twelve are being implemented in accordance with established milestones.

1. Significant Audits Not Being Implemented According to Established Milestones

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. The report contained 32 recommendations; 26 are implemented.

Two of the remaining six recommendations, which involve collecting \$20,999 and establishing a separate Delegations Unit, were scheduled for completion by February 1986 and March 1986, respectively. As of March 31, 1986, the Audit Resolution Division had not received documentation that either of the two recommendations had been implemented.

The remaining four recommendations, which involve issues of training, certification, and internal control evaluations, are to be implemented by September 1986.

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 March 31, 1986: 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 Audit Resolution Division 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 Audit Resolution Division, that the region file a new action plan. As of March 31, 1986, no action plan had been received.

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

2. Significant Audits Being Implemented According to Established Milestones

Excessive Tax Escalation Payments

Period First Reported: April 1, 1985 to September 30, 1985

This June 4, 1985 review disclosed that the tax escalation clause contained in GSA leases, coupled with some local taxing practices, resulted in exorbitant Government tax escalation payments. The report contained eight recommendations; four are implemented.

The four unimplemented recommendations generally involve specific actions to reduce GSA's liability for excessive tax escalation payments. Three of the recommendations, originally scheduled for completion in November 1985, have been renegotiated to April 1986. The other recommendation, originally due for implementation in March 1986, has been extended to September 1986.

Design Deficiencies at a Federal Building

Period First Reported: April 1, 1985 to September 30, 1985

This July 31, 1985 review of the mechanical maintenance contract at a Federal building identified major design deficiencies in the lighting and heating systems. None of the three recommendations contained in the report are implemented.

The three recommendations involve: (1) determining if the architect/engineering firm was negligent during design and then taking appropriate administrative action or seeking damages; (2) evaluating alternatives for increasing lighting levels and selecting the most cost-effective option; and (3) determining the cost effectiveness of retrofitting the heating system so that it is energy efficient. The three recommendations were originally scheduled for completion in February 1986. Extensions have been granted to May 1986.

Administration of Cafeteria Contracts

Period First Reported: April 1, 1985 to September 30, 1985

This September 25, 1985 review disclosed that one GSA region deviated from Central Office procedures when calculating contractor payments to the Government. The

report contained five recommendations; all have been reported as implemented.

The Audit Resolution Division advised that they are awaiting additional supporting documentation from the region prior to closing the audit.

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 program improvements implemented by PBS. The report contained 20 recommendations; 16 are implemented.

Two of the remaining four recommendations, which involve approval of negotiation objectives and price analysis processes, were scheduled for implementation by September 1985. A series of extensions have been granted and completion is now scheduled for July 1986 and September 1986, respectively.

Implementation dates for the other two recommendations, which involve the revision of position standards and the development of automated solicitations, have been renegotiated from December 1985 and January 1986 to June 1986 and September 1987, respectively.

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 have been 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.

Three recommendations, which required action by the regions, were originally due for completion between October 1985 and January 1986. Extensions have been granted and all three are now due in February 1987. The other recommendation, requiring replacement of a fire alarm system, is scheduled for implementation by November 1987.

Opportunities for Savings Exist Through Energy Conservation

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

Two OIG reviews identified potential 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; 10 are implemented.

The six unimplemented recommendations generally involve specific actions to reduce energy consumption and better manage energy costs. Implementation action was scheduled for completion as follows: two recommendations were due on July 15, 1984; three recommendations were due on September 30, 1985; and one recommendation was due on March 31, 1986. Extensions have been granted to May 1, 1986 for all six recommendations.

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 March 31, 1986; one report, as previously reported, contains a recommendation that is not being implemented in accordance with the established milestone. The remaining 4 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. The second and third recommendations were originally scheduled for completion in May and September 1983, respectively. At least eight successive extensions have been granted on each recommendation. All three recommendations are now scheduled for completion in June 1986.

SECTION III—FEDERAL SUPPLY SERVICE

The Federal Supply Service (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 first half of Fiscal Year 1986, FSS obligated approximately \$82.2 million in direct operating expense appropriations. Estimated sales through the General Supply Fund during the same period were over \$1.1 billion.

Consistent with this level of activity, the OIG expended some 42,626 direct staffhours pursuing 362 audit and investigative assignments. These statistics reflect 30 percent of total OIG direct staffhours and approximately 35 percent of all work assignments.

A. Overview of OIG Activity

The OIG's internal audit coverage of FSS this period focused on selected aspects of GSA's stock program. In 11 reports issued this period, we presented findings relative to procurement practices, inventory management, quality assurance, and other FSS program areas. Two reports on contract awards and depot inventories were especially noteworthy:

- Evaluation of open FSS contracts disclosed that firms awarded contracts despite negative preaward surveys experienced performance difficulties four times more frequently than other GSA contractors. We concluded that weaknesses in award practices might be enabling marginally responsible firms to obtain GSA contracts.
- Analysis of inventory management practices found that \$9.2 million of on-hand long supply inventory was excess, resulting in needless storage costs. We attributed the problem to the absence of procedures prescribing specific removal actions.

FSS is in the process of developing/implementing corrective actions in response to both audits. Notably, GSA's Administrator, in conjunction with the Commissioner, FSS, directed that a program be developed to strengthen contract award procedures and improve quality assurance.

OIG contract audit coverage of FSS emphasized preaward reviews of multiple award schedule contracts. In 61 contract audit reports issued this period, we recommended \$21.8 million in cost avoidances and almost \$2 million in cost recoveries.

Joint OIG audit and investigative work resulted in three civil fraud settlements, valued at almost \$4.4 million, with FSS contractors. All of the settlements stemmed from the OIG's disclosure that incomplete and inaccurate pricing data had been submitted to GSA for negotiation purposes.

Notably, an administrative referral from the OIG resulted in the suspension of a major supplier of office furniture and the firm's president. The suspension is

based on evidence, developed by the Federal Bureau of Investigation and the OIG, indicating that a criminal offense may have occurred in connection with the firm's attempt to obtain a Government contract.

Relative to other investigative activity, the OIG closed 110 cases this period involving FSS programs, operations, and employees. Most involved allegations of white collar crimes.

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.

\$2.2 Million Civil Settlement

On January 30, 1986, a medical supply contractor entered into a settlement agreement with the Government whereby it agreed to pay almost \$2.2 million to settle potential civil fraud issues. The Government alleged that the firm had submitted false and misleading data to GSA and Veterans Administration contracting officials and, as a consequence, had secured inflated prices from Federal purchasers.

The allegations first arose during a GSA OIG postaward audit. Subsequent OIG investigation resulted in a criminal referral to the U.S. Attorney, which was declined, and a civil referral to the Department of Justice.

Under the terms of the final settlement agreement, the contractor paid \$1 million to the Government on February 14, 1986. The remaining \$1.2 million is payable in four equal installments of \$287,500, plus eight percent annual interest on the unpaid balance. Approximately \$800,000 of the \$2.2 million recovery represents reimbursement for purchases made under GSA contracts.

Contract Award Procedures

GSA contracting officers (COs) must determine that a contractor is responsible, i.e., qualified to fulfill contractual conditions, prior to awarding a contract. Such determinations are normally based on preaward surveys performed by GSA's Contract Management Division (CMD) at the CO's request. COs can, however, override a survey recommending no award, if the decision is properly documented and CMD personnel are advised. Usually these overrides occur because the contractor has taken action to correct the deficiencies noted in the preaward survey.

The OIG examined 46 contracts awarded despite a no award recommendation by CMD. We found that all 46 awards were properly documented, but that COs did not always advise CMD of award decisions. The review

also disclosed that the 46 firms experienced performance difficulties four times more frequently than other GSA contractors. Such difficulties included delinquent deliveries and quality deficient supplies and services.

Since COs must award the contract if the firm has corrected the deficiencies, the auditors concluded that coordination between COs and CMD was essential. In their opinion, some awards to marginally responsible firms might have been prevented if CMD had been aware of the decision to override.

In our January 23, 1986 report, the OIG offered six recommendations to correct these and other deficiencies. Some of the more significant were that the Commissioner, FSS, ensure that:

- COs furnish justification for overriding preaward survey recommendations to the cognizant CMD.
- CMDs render no final determinations of responsibility until completing a review of the prospective contractor's previous contract performance.
- COs incorporate contractor commitments to correct preaward survey failures into the contract, stressing that commitments not sustained through the life of the contract are cause for termination.

The Commissioner generally concurred with the report recommendations and we are awaiting formal action plans for their implementation. In the meantime, GSA's Administrator, in cooperation with the Commissioner, FSS, has directed development of a program for correcting these deficiencies and improving GSA's quality assurance program.

\$1.5 Million Civil Settlement

On March 12, 1986, a firm agreed to pay the Government \$1.5 million to settle civil charges that it violated the False Claims Act when negotiating for GSA contracts. The firm, a supplier of dishwashing products, has already refunded \$500,000 to the Government. The remaining \$1 million, plus interest, is to be paid in two equal installments due within 12 and 24 months, respectively.

Joint OIG audit and investigation determined that the firm submitted false, misleading, and/or incomplete data in its price proposals to GSA. FSS contracting officers relied upon these data in negotiating five contracts for dishwashing products between 1979 and 1983.

The civil case alleged that Federal agencies were overcharged up to 20 percent for contract items due to the inaccurate discount and pricing data. The Department of Justice Civil Division, aided by the GSA OIG, handled the negotiations leading to the settlement agreement.

The OIG is currently investigating potential criminal violations in connection with this matter. Suspension or debarment action may also be pursued.

Excessive Inventory Storage Costs

Long supply, which basically represents inventory exceeding established stocking levels, can be costly in terms

of both storage space and holding costs. The OIG therefore evaluated FSS policies and procedures for identifying items in long supply and removing them from the depot system inventory.

The review found that the on-hand long supply inventory was valued at \$36.5 million, of which \$9.2 million or 25 percent were excess items. The excess included inactive and slow-moving items as well as stores of items exceeding customer requirements. We concluded that more aggressive disposal of excess inventory could reduce storage costs by approximately \$200,000.

In our January 30, 1986 report, we recommended that the Commissioner, FSS, develop:

- More definitive procedures for identifying and removing specific classes of items from the long supply inventory.
- Systematic monitoring procedures and specific follow-up actions to assure the prompt removal of excess items.

The Commissioner submitted responsive action plans for implementing the report's recommendations. Resolution was achieved on March 31, 1986.

\$700,000 Civil Settlement

On December 16, 1985, a laboratory equipment supply firm agreed to pay the Government \$700,000 to settle potential civil fraud issues. The full amount was refunded to the Government on December 23, 1985.

Joint OIG audit and investigative effort, aided by the issuance of an OIG subpoena, disclosed that the firm supplied incomplete and inaccurate pricing data to GSA. These data were relied upon by GSA in negotiating three contracts between 1979 and 1982. Approximate sales under the contracts totaled \$3.3 million.

The matter was referred to the Department of Justice, which declined criminal prosecution, but accepted the case for civil litigation. The settlement agreement was negotiated by representatives of the Department of Justice Civil Division and the GSA OIG.

\$137,000 Recovered From Supplier

On February 13, 1986, FSS negotiated the recovery of \$137,000 from a GSA hospital supply contractor. The full amount has already been paid to the Government.

The recovery followed a joint OIG audit and investigative effort finding that the discount data in the firm's price proposal were not current, accurate, and complete. Relying upon these data, GSA negotiated a contract that failed to give the Government discounts at least equal to those of the firm's best commercial customers. FSS negotiated the recovery after criminal and civil referrals were declined.

Office Furniture Firm Suspended

On March 27, 1986, GSA suspended an office furniture firm and its president from Federal contracting and Fed-

erally-approved subcontracting for an indefinite period of time, i.e., until criminal charges are resolved. The action was taken in accordance with the suspension procedures set forth in the Federal Acquisition Regulation and the GSA Acquisition Regulation.

The suspension was based upon an OIG administrative referral resulting from an investigation conducted by the Federal Bureau of Investigation in conjunction with the OIG. The referral contained evidence supporting allegations that the firm's president committed a criminal offense in attempting to obtain a Government contract. Specifically, he is charged with bribing a GSA employee in order to obtain confidential bid information. He was arrested on March 19, 1986 after paying a \$5,000 bribe.

The firm is one of the Government's largest suppliers of office furniture.

\$4.5 Million Avoidance Through Preaward Audit

Based on a request from the Regional Administrator, the OIG audited a proposal for damages allegedly arising from Government breach of contract. The audit questioned the \$4.5 million claimed by the contractor in its entirety.

The February 12, 1986 audit report advised the Regional Administrator that the \$1.5 million claimed for lost profits was either unsupported, outside the scope of the contract, or erroneously computed. In addition, the auditors advised that the contractor computed the \$3 million in claimed compensation by doubling the amount claimed for lost profits.

The GSA contracting officer notified the contractor in a February 13, 1986 final decision that the firm was not entitled to any of the claimed amount.

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.

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	72	335
Recommended Cost Avoidance	\$21,832,657	\$80,585,800
Recommended Cost Recovery	\$1,973,064	\$5,702,860
Management Commitments to Avoid Costs	\$8,648,524	\$62,364,775
Management Commitments to Recover Funds	\$3,932,639	\$5,673,772
Percentage of Recommended Cost		
Avoidance Agreed to by Management	68%	78%
Percentage of Recommended Cost		
Recovery Agreed to by Management	85%	74%
Unresolved Audits Older Than 6 Months (Excluding Preawards)	1	3
Implementation Reviews Finding Unimplemented Recommendations	2	3
New Investigative Cases	86	216
Criminal Referrals (Subjects)	57	98
Civil Referrals (Subjects)	7	8
Administrative Referrals (Subjects)	118	293
Suspension/Debarment Referrals (Subjects)	26	80
Indictments/Informations/Complaints	13	31
Successful Criminal Prosecutions	7	17
Civil Settlements	2	7

E. Significant Audits From Prior Reports

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

Three significant audits from prior Reports to the Congress are unimplemented. All are being implemented in accordance with established milestones.

Procedures Needed at Customer Supply Centers

Period First Reported: April 1, 1985 to September 30, 1985

Two separate OIG reviews of customer supply centers identified common operational problems, mainly attributable to inadequate operational guidance from Central Office FSS. All of the recommendations in one report are implemented; 10 of the 11 recommendations in the second report are implemented.

The remaining recommendation in the second report, involving the removal of a large mound of dirt from a parking lot, was originally scheduled for completion by March 31, 1986. The action plan has been renegotiated to June 30, 1986.

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 three 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 was due for implementation by November 1985; an extension to May 1986 has been granted.

Full implementation of the remaining two recommendations is contingent upon issuance of a handbook. Although originally scheduled for issuance in September 1985 (dependent upon the availability of printing funds), as of March 31, 1986 only nine chapters had been issued. The remaining seven chapters are scheduled for issuance by June 1986.

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 has been renegotiated twice; completion is now scheduled for September 30, 1986.

SECTION IV—INFORMATION RESOURCES MANAGEMENT SERVICE

The Information Resources Management Service (IRMS) coordinates and directs a comprehensive Government-wide program for managing and procuring automated data processing (ADP) and telecommunications equipment and services. In the first half of Fiscal Year 1986, IRMS obligated over \$13.6 million in direct operating expense appropriations. Estimated sales through the Federal Telecommunications Fund and the ADP Fund during the same period exceeded \$449 million.

Collectively, the OIG expended some 17,935 direct staffhours pursuing 92 audit and investigative assignments. These figures reflect 12 percent of total OIG direct staffhours and some 9 percent of total work assignments.

A. Overview of OIG Activity

The OIG, recognizing the growing importance of the oversight role exercised by IRMS, emphasized internal reviews assessing the effectiveness of IRMS regulatory activities. Our reviews disclosed that GSA must enhance its efforts if Government telecommunication needs are to be met as economically as possible.

Notably, two internal reviews disclosed that:

- Opportunities for shared systems and associated savings may have been lost because IRMS had not established a complete inventory of civilian agencies' telecommunication systems. Moreover, in instances where procurement authority had been delegated to agencies, IRMS provided insufficient technical guidance on procurement methods. IRMS is working to correct both of these problems.
- IRMS needed to impose invoice verification requirements in order to assure that agencies validate charges for teleprocessing services. IRMS is now acting to require agencies to certify that billed charges have been verified.

We also issued 39 contract audit reports this period, recommending cost avoidances of almost \$14 million and cost recoveries of nearly \$3 million. Notably, IRMS successfully negotiated \$9.2 million in pricing concessions on a single ADP equipment and software contract based on our audit findings.

Joint OIG audit and investigative effort resulted in a \$615,000 civil fraud settlement with an IRMS contractor. The firm, which supplied computer software, paid the full amount to the Government to settle allegations of price reduction/defective pricing violations.

OIG investigators also completed 11 cases this period involving IRMS programs, operations, and employees; most involved allegations of white collar crimes. One of these cases identified illegal use of a telephone credit card by a former Government employee. The former

employee later pled guilty to a charge of making false statements and was sentenced.

B. Significant Audits and Investigations

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

Telecommunication Systems Management

GSA directs and coordinates the Federal telecommunication program. In addition to providing common use telephone services through the Federal Telecommunication System, GSA approves the procurement and monitors the operations of individual telecommunication systems managed by other civilian agencies. Last year, Federal agencies spent about \$1.9 billion to develop and maintain some 1,700 systems.

The OIG evaluated GSA's oversight role relative to 262 of these telecommunication systems, each costing between \$3,000 and \$1.7 million each year. The review found that IRMS had not established a complete inventory of existing telecommunication systems or files of active authorizations. Consequently, in reviewing procurement requests, GSA was not in a position to determine whether one agency's requirements could be satisfied through sharing another agency's system and opportunities for savings through system consolidations may have been lost.

The review also found that GSA authorized agency procurements without complete procurement information and without analyzing life cycle costs. This finding, coupled with the fact that IRMS did not provide agency telecommunication managers sufficient technical guidance on procurement methods, means that GSA lacks assurance that these systems were procured as economically as possible.

In the December 30, 1985 report, we offered 12 recommendations to the Commissioner, IRMS, to correct these and other deficiencies. Some of the more significant recommendations included:

- Require all agencies to submit information needed to establish a complete inventory of Federal telecommunication systems.
- Maintain all active authorizations in working files until superseded, cancelled, or expired.
- Devise checklists to ensure all information is received from requesting agencies, including life cycle

cost evaluations, prior to authorizing procurements.

- Develop a method, such as an electronic bulletin board, to keep managers informed of current regulations, guidance, and available training; and develop and issue technical manuals.

The Commissioner submitted responsive action plans for implementing the report recommendations. Resolution was achieved on March 31, 1986.

\$615,000 Civil Settlement

On February 14, 1986, a firm agreed to pay the Government \$615,000 to settle alleged civil fraud claims. The firm, a supplier of computer software, refunded the full amount to the Government at the time of settlement.

Joint OIG audit and investigation disclosed that the firm did not provide complete, current, and accurate discount data when negotiating for the GSA contracts it held between 1980 and 1984. During the same period, the firm sold contract items to its commercial customers at discounts greater than those offered to GSA, thereby violating the price reduction/defective pricing clauses in its GSA contracts.

The matter was referred to the U.S. Attorney for criminal prosecution, but the referral was declined. The U.S. Attorney pursued the matter civilly, resulting in this settlement agreement.

Teleprocessing Services Program

The GSA Teleprocessing Services Program (TSP) maintains responsibility for procuring commercial data processing services for Government agencies. Following one TSP contractor's voluntary disclosure that it billed and was paid over \$424,000 for services not provided, the OIG initiated an evaluation of the methods GSA and customer agencies use to ensure the accuracy of billings.

The review found that customer agency invoice verification procedures were inadequate and that IRMS needed to strengthen its oversight actions in this regard. Notably, these were essentially the same findings disclosed by the General Accounting Office (GAO) in a 1982 review of this area. At that time, GAO recommended that GSA issue detailed instructions providing for standard user agency verification practices. The OIG found that resultant GSA actions did not rectify the problems. In fact, some GSA actions have actually served to weaken the verification process.

In the December 30, 1985 final report, we recommended that the Commissioner, IRMS:

- Require user agencies to provide GSA periodic certification of the accuracy of TSP invoices.
- Assure that major users obtain session/transaction registers on a periodic basis to perform invoice verification.
- Develop written procedures for following up with user agencies when adequate invoice verification has not occurred.

The Commissioner provided responsive action plans for implementing the report recommendations. Resolution was achieved on March 31, 1986.

Fraudulent Use of a Telephone Credit Card

Based on a referral from GSA management, the OIG investigated allegations involving the illegal use of a telephone credit card. The telephone company estimated that the card, which was issued to the Department of Agriculture's Federal Crop Insurance Corporation, had been used to charge some \$10,000 in fraudulent toll calls.

The investigation disclosed that a former Department of Agriculture employee was using the credit card number. He subsequently pled guilty to a one-count information charging him with making false statements in connection with \$4,200 in charges over a 1-year period.

On January 9, 1986, he was fined \$500, ordered to pay \$565 in restitution to the phone company, and placed on probation for 3 years.

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.

Management Commitment to Avoid \$9.2 Million

On November 1, 1985, GSA management committed itself to avoid expenditures of \$9.2 million after successfully negotiating pricing concessions in that amount from an ADP firm. The commitment stemmed from an OIG audit of the firm's \$285 million pricing proposal for the purchase and rental of ADP equipment and software. The audit concluded that the discount and sales data, while acceptable for negotiation purposes, were inadequate in certain respects.

Specifically, the August 20, 1985 audit report advised the contracting officer that the proposal did not include all of the pricing concessions offered to the firm's non-GSA customers. Moreover, it advised that the firm granted these customers discounts/concessions exceeding the best discounts/concessions offered to GSA. Under the terms of such a contract, GSA is entitled to discounts at least equal to the best commercial customer in the same category. Accordingly, the auditors recommended a cost avoidance of \$10 million.

D. Statistical Highlights

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

Activity	IRMS	All GSA
Audit Reports Issued	44	335
Recommended Cost Avoidance	\$13,853,984	\$80,585,800
Recommended Cost Recovery	\$2,716,437	\$5,702,860
Management Commitments to Avoid Costs	\$28,545,798	\$62,364,775
Management Commitments to Recover Funds	\$726,770	\$5,673,772
Percentage of Recommended Cost Avoidance Agreed to by Management	92%	78%
Percentage of Recommended Cost Recovery Agreed to by Management	41%	74%
Unresolved Audits Older Than 6 Months (Excluding Preawards)	1	3
Implementation Reviews Finding Unimplemented Recommendations	—	3
New Investigative Cases	9	216
Criminal Referrals (Subjects)	3	98
Civil Referrals (Subjects)	—	8
Administrative Referrals (Subjects)	6	293
Suspension/Debarment Referrals (Subjects)	4	80
Indictments/Informations/Complaints	1	31
Successful Criminal Prosecutions	1	17
Civil Settlements	1	7

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 Audit Resolution Division, Office of Administration, is responsible for ensuring implementation of resolved audit recommendations. That office therefore furnished the status information on implementation presented herein.

Three IRMS audits highlighted in prior Reports to the Congress are unimplemented. All three are being implemented in accordance with established milestones.

Contract Services Program

Period First Reported: April 1, 1985 to September 30, 1985

This July 10, 1985 regional review of the Contract Services Program, which procures ADP technical support services for Federal agencies, disclosed serious contract administration, task order procurement, and personnel management problems. The report contained six recommendations; five are implemented.

The remaining recommendation, which involves reducing the size of the Technical Services Branch to the level necessary for mission accomplishment, was originally scheduled for completion in January 1986. An extension has been granted to April 30, 1986.

Inactive Telephone Lines

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

This regional 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; three are implemented.

The remaining recommendation requires that IRMS conduct inventory reviews in other GSA regions, wherever possible and feasible. The recommendation was originally scheduled for completion by September 30, 1985. Full implementation is now scheduled for August 31, 1986.

Improvements Needed in Computer Security Program

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

This March 30, 1983 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.

SECTION V—OTHER GSA COVERAGE

Other GSA services and staff offices comprised the focus for the remainder of the OIG's efforts this period. The OIG devoted approximately 12,548 direct staffhours pursuing 75 audit and investigative assignments within these other areas of GSA. These figures reflect 9 percent of total OIG direct staffhours and approximately 7 percent of all work assignments.

A. Overview of OIG Activity

In 20 internal reports, the OIG presented findings arising from reviews of the Federal Property Resources Service, the Office of the Comptroller, the Office of Administration, and other GSA organizations. These reviews assessed such diverse topics as imprest funds, consultant contracts, contract clearance functions, Government-owned vehicle utilization, and reimbursable billings to the Federal Emergency Management Agency (FEMA). The OIG also provided extensive technical advice and assistance relative to the implementation of the Federal Managers' Financial Integrity Act, especially on the reliability of in-house programs for testing internal controls.

Four internal reviews yielded especially noteworthy results:

- Three regional reviews of GSA's billings to FEMA found internal control weaknesses leading to expenditures exceeding FEMA-authorized levels; late payment of vendor invoices; and costs not charged to the proper FEMA account. GSA is now developing operating instructions to rectify the problems.
- A review of the proposed funding method for a construction project revealed that the expenditure did not fall within the uses authorized by the Congress. GSA deferred contract award and is now exploring alternative funding.

The OIG also completed 23 investigations involving the personnel, programs, and operations of these other GSA areas.

B. Significant Audits

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

GSA Billings to FEMA

Public Law 93-288, the Disaster Relief Act of 1974, requires GSA to provide administrative and logistical support to FEMA whenever the President declares a major disaster or emergency. GSA provides this support under a reimbursable work authorization (RWA) once

FEMA defines the assistance required and the amount of funds available. GSA ultimately bills FEMA and is reimbursed.

This period, the OIG reviewed GSA billings in three regions. The reviews disclosed that, while the billings were documented and represented expenses incurred in support of FEMA activities, internal controls over RWAs were inadequate. These internal control weaknesses resulted in: expenditures exceeding levels authorized by FEMA; interest payments due to late payment of vendor invoices; and costs not charged to the proper RWA.

In three reports issued October 29, November 14, and December 6, 1985, the OIG offered recommendations to correct these and other deficiencies. Our recommended actions included preparation of operating instructions to ensure that:

- Expenditure ceilings are not exceeded.
- Vouchers are promptly processed to avoid interest penalties.
- Lease rental costs are charged to the appropriate RWA.

The Regional Administrators generally concurred with the recommendations. We are awaiting action plans for their implementation.

Funding of Construction Project

While reviewing a preaward audit request, the OIG noted that the proposed construction project—assembling a prefabricated structure on leased land—was to be funded under Federal Buildings Fund Budget Activity 61. Recognizing that Congress authorized use of these funds only for (1) operating Government-owned facilities under GSA jurisdiction, and (2) providing building services in leased space, we initiated a review to determine the propriety of the proposed funding method.

The review found no support for the use of \$3 million of Budget Activity 61 funds for this project. Consequently, in the October 24, 1985 final report, we recommended that the project not be funded from Budget Activity 61. We also recommended that the contract award be deferred until funds from an appropriate budget activity were available.

The Regional Administrator agreed with the recommendations and deferred contract award. He subsequently submitted a responsive action plan and resolution was achieved on February 18, 1986.

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	21	335
Recommended Cost Avoidance	\$2,767,110	\$80,585,800
Recommended Cost Recovery	-	\$5,702,860
Management Commitments to Avoid Costs	-	\$62,364,775
Management Commitments to Recover Funds	\$45,000	\$5,673,772
Percentage of Recommended Cost Avoidance Agreed to by Management	0%	78%
Percentage of Recommended Cost Recovery Agreed to by Management	12%	74%
Unresolved Audits Older Than 6 Months (Excluding Preawards)	-	3
Implementation Reviews Finding Unimplemented Recommendations ..	-	3
New Investigative Cases	17	216
Criminal Referrals (Subjects)	3	98
Civil Referrals (Subjects)	-	8
Administrative Referrals (Subjects)	21	293
Suspension/Debarment Referrals (Subjects)	-	80
Indictments/Informations/Complaints	3	31
Successful Criminal Prosecutions	2	17
Civil Settlements	-	7

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 Audit Resolution Division, Office of Administration, is re-

sponsible 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 IRMS, no significant audits from prior Reports to the Congress are unimplemented.

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 336 reports, including 14 audits performed for the OIG by another agency. These reports contained financial recommendations totaling \$86,288,660, including \$80,585,800 in recommendations for more efficient use of resources (cost avoidance) and \$5,702,860 in recommendations for the recovery of funds.

Based on audit reports issued in this and prior periods, management committed itself to use \$62,369,564 more efficiently and to recover \$5,673,772. This latter figure includes \$3,752,000 resulting from efforts that involved OIG audit, investigative, and legal collaboration.

The OIG opened 216 investigative cases and closed 267. We referred 62 cases (98 subjects) for criminal prosecution, 6 cases (8 subjects) for civil litigation, and 12 cases for further investigation by other Federal or State agencies. Based on these and prior referrals, 22 cases (30 subjects) were accepted for criminal prosecution and 3 cases (5 subjects) were accepted for civil litigation.

Criminal cases originating from OIG referrals resulted in 28 indictments/informations/complaints and 17 successful prosecutions. Civilly, OIG referrals resulted in 3 civil complaints. Settlements, which were reached in 5 cases (7 subjects), resulted in determinations that \$3,685,767 is owed the Government. Through investigations, we also identified for recovery money/property

Table 1. Summary of OIG Audits

GSA Program	Reports Issued	Percentage of Total Audits	Recommended Cost Avoidance	Recommended Cost Recovery
PBS				
—Internal	101		\$16,517,107	\$ 433,080
—Contract	97		25,614,942	580,279
	198	59	\$42,132,049	\$1,013,359
FSS				
—Internal	11		\$ —	\$ —
—Contract	61		21,832,657	1,973,064
	72	22	\$21,832,657	\$1,973,064
IRMS				
—Internal	5		\$ —	\$ 90,432
—Contract	39		13,853,984	2,626,005
	44	13	\$13,853,984	\$2,716,437
Other GSA				
—Internal	20		\$ 2,767,110	\$ —
—Contract	1		—	—
	21	6	\$ 2,767,110	\$ —
Non-GSA				
—Internal	1		\$ —	\$ —
—Contract	—		—	—
	1	—	\$ —	\$ —
TOTAL.....	336	100	\$80,585,800	\$5,702,860
TOTAL COSTS RECOMMENDED	\$86,288,660			

worth \$167,111. These monetary figures include \$3,752,000 also reported under management commitments to recover funds, since they resulted from collaborative efforts involving OIG auditors, investigators, and attorneys.

We referred 199 cases to GSA management for administrative action. This total includes 24 case referrals (80 subjects) for suspension/debarment and 175 case referrals (293 subjects) for other administrative actions. Based on these and prior referrals, management debarred 31 contractors, suspended 25 contractors, reprimanded 24 employees, suspended 20 employees, and terminated 14 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 14 audits,

recommending a total cost avoidance of \$2,726,976, which were 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 March 31, 1986. Forty-seven audits more than 6 months old were unresolved as of March 31, 1986; but 44 of them were preaward audits, which are not subject to the 6-month resolution requirement. Thus, only three 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 to other agencies (1 this period) and reports excluded from the resolution system because they pertain to ongoing investigations. As of March 31, 1986, 15 audits (9 issued this period, 6 issued in prior periods) had been excluded from the resolution system for this reason.

Table 2. Resolution of OIG Audits

	No. of Reports	Reports With Financial Recommendations	Total Financial Recommendations
Reports To Be Resolved as of 10/1/85			
—Less than 6 months old	156	103	\$ 53,659,937
—More than 6 months old	58	48	18,055,054
Reports Issued This Period	<u>326</u>	<u>168</u>	<u>82,421,345</u>
TOTAL TO BE RESOLVED	540	319	\$154,136,336
Reports Resolved			
—Issued prior periods	167	113	\$ 56,796,914
—Issued current period	<u>219</u>	<u>101</u>	<u>44,556,486</u>
TOTAL RESOLVED	386	214	\$101,353,400
Unresolved as of 3/31/86			
—Less than 6 months old	107	67	\$ 37,864,859
—More than 6 months old			
—Preaward	44	37	14,899,990
—Internal	<u>3</u>	<u>1</u>	<u>18,087</u>
TOTAL UNRESOLVED	154	105	\$ 52,782,936

3. Resolution Decisions on Financial Recommendations

Table 3 provides detailed information on the 214 audits involving financial recommendations of \$101,353,400 that are identified in Table 2 as being resolved this period. Notably, \$93,485,354 or approximately 92 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	\$14,975,163	\$14,006,779	\$ 717,858	\$ 925,657
—Contract	<u>31,198,832</u>	<u>27,789,917</u>	<u>704,999</u>	<u>595,570</u>
	\$46,173,995	\$41,796,696	\$1,422,857	\$1,521,227
FSS				
—Internal	\$ —	\$ —	\$ —	\$ —
—Contract	<u>12,865,115</u>	<u>10,831,174</u>	<u>2,834,615</u>	<u>3,737,020</u>
	\$12,865,115	\$10,831,174	\$2,834,615	\$3,737,020
IRMS				
—Internal	\$ —	\$ —	\$ —	\$ —
—Contract	<u>30,056,900</u>	<u>32,131,407</u>	<u>5,055,663</u>	<u>3,290,685</u>
	\$30,056,900	\$32,131,407	\$5,055,663	\$3,290,685
Other GSA				
—Internal	\$ 2,767,110	\$ —	\$ —	\$ —
—Contract	<u>177,145</u>	<u>177,145</u>	<u>—</u>	<u>—</u>
	\$ 2,944,255	\$ 177,145	\$ —	\$ —
TOTAL.....	\$92,040,265	\$84,936,422	\$9,313,135	\$8,548,932
TOTAL RESOLVED COSTS	\$93,485,354			

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 83 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.....	44	\$14,436,149	\$10,002,703	\$ —	\$ —
—Current.....	16	1,448,935	1,160,971	43,706	43,706
	60	\$15,885,084	\$11,163,674	\$ 43,706	\$ 43,706
FSS					
—Prior.....	41	\$ 5,468,200	\$ 3,180,919	\$4,243,789	\$2,666,143
—Current.....	12	5,318,239	5,467,605	1,266,496	1,266,496
	53	\$10,786,439	\$ 8,648,524	\$5,510,285	\$3,932,639
IRMS					
—Prior.....	33	\$29,899,125	\$27,835,363	\$ 695,841	\$ 679,973
—Current.....	12	1,033,874	710,435	46,797	46,797
	45	\$30,932,999	\$28,545,798	\$ 742,638	\$ 726,770
Other GSA					
—Prior.....	1	\$ —	\$ —	\$ 369,824	\$ 45,000
—Current.....	—	—	—	—	—
	1	\$ —	\$ —	\$ 369,824	\$ 45,000
Subtotal—GSA.....	159	\$57,604,522	\$48,357,996	\$6,666,453	\$4,748,115
Non-GSA					
—Prior.....	1	\$ 4,789	\$ 4,789	\$ —	\$ —
—Current.....	—	—	—	—	—
Subtotal—Non-GSA.....	1	\$ 4,789	\$ 4,789	\$ —	\$ —
TOTAL.....	160	\$57,609,311	\$48,362,785	\$6,666,453	\$4,748,115*
TOTAL MANAGEMENT COMMITMENTS		\$53,110,900*			

*Includes \$3,752,000 also reported under Monetary Results.

Drawing upon the information presented in Tables 3 and 4, OIG audits involving GSA programs resulted in total management commitments to avoid \$62,364,775 and to recover \$5,673,772. Adding the \$4,789 from a non-GSA audit, total management commitments to avoid equaled \$62,369,564.

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 Audit Resolution Division.

Between October 1, 1985 and March 31, 1986, Agency records show that \$4,926,415 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 Audit Resolution Division, Office of Administration, 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 seven implementation reviews. Man-

agement had successfully implemented the recommendations contained in four of these reviews. In the other three instances, recommendations were not being implemented in accordance with the action plans. Two of these audits involved FSS programs; the other involved PBS programs.

7. Investigative Workload

Table 5 presents detailed information on investigative workload by case category. The OIG opened 216 cases and closed 267 cases; only 8 of these cases were administratively closed without referral.

Table 5. Investigative Workload

Case Category	Cases Open 10/1/85	Cases Opened	Cases Closed	Cases Open 3/31/86
White Collar Crimes.....	258	93	118	233
Other Crimes Involving GSA Operations.....	56	40	44	52
Contractor Suspension/Debarment.....	28	26	21	33
Employee Misconduct.....	56	41	49	48
Other.....	33	16	35	14
TOTAL.....	431	216	267	380

In addition to these cases, the OIG received and evaluated 172 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 6 distributes the 216 new investigative cases opened this period (Table 5) by case category and GSA program area. Notably, 43 percent of the cases opened fell within the white collar crime category. Most of the new cases (88 percent) involved PBS and FSS programs.

Table 6. Distribution of Cases Opened This Period

Case Category	PBS	FSS	IRMS	Other GSA
White Collar Crimes.....	42	39	6	6
Other Crimes Involving GSA Operations.....	17	20	2	1
Contractor Suspension/Debarment.....	11	14	—	1
Employee Misconduct.....	28	8	1	4
Other.....	6	5	—	5
TOTAL.....	104	86	9	17

8. Referrals

The OIG makes three types of referrals to officials outside GSA: criminal, civil, and investigative. During this period, we referred 62 cases involving 98 subjects to the Department of Justice or other authorities for criminal prosecutive consideration. The status of OIG criminal referrals is as follows:

	Cases	Subjects
Pending Prosecutive Decision as of 10/1/85.....	46	94
Referrals.....	62	98
Declinations.....	42	84
Accepted for Prosecution.....	22	30
Pending Prosecutive Decision as of 3/31/86.....	44	78

The OIG also referred 6 cases involving 8 subjects to either the Civil Division of the Department of Justice or a U.S. Attorney for civil fraud litigation considera-

tion. The status of OIG civil referrals is as follows:

	Cases	Subjects
Pending Litigation Decision as of 10/1/85.....	7	10
Referrals.....	6	8
Declinations.....	3	6
Accepted for Litigation.....	3	5
Pending Litigation Decision as of 3/31/86.....	7	7

The OIG made 12 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 175 cases involving 293 subjects for administrative action. In addition, we referred 107 cases involving 184 subjects to GSA officials for informational purposes only.

The status of OIG administrative referrals is as follows:

	Cases	Subjects
Pending Decision as of 10/1/85.....	50	65
Referrals.....	175	293
Actions Completed.....	179	286
Pending Decision as of 3/31/86.....	46	72

Of the 175 cases referred for administrative action this period, 86 cases (144 subjects) involved GSA employees. As a result of these and prior referrals, management took the following actions against GSA employees:

Reprimands.....	24
Suspensions.....	20
Terminations.....	14

10. Contractor Suspensions and Debarments

The OIG continued its efforts to make the suspension and debarment process a more effective and more read-

ily used administrative procedure. This period, the OIG referred 11 cases involving 34 subjects for suspension and 13 cases involving 46 subjects for debarment. As a result of these and prior referrals, management imposed 25 suspensions and 31 debarments. Management disapproved 20 debarments.

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

Suspensions	Cases	Subjects
Pending as of 10/1/85.....	1	1
Referrals.....	11	34
Action Completed.....	7	25
Pending as of 3/31/86.....	5	10

Debarments	Cases	Subjects
Pending as of 10/1/85.....	9	26
Referrals.....	13	46
Action Completed.....	15	51
Pending as of 3/31/86.....	7	21

11. Summary of Referrals by GSA Program Area

Table 7 summarizes OIG referrals this period by type of referral and GSA program area.

Table 7. Summary of OIG Subject Referrals

GSA Program	Criminal	Civil	Administrative	Suspension/Debarment
PBS.....	35	1	148	50
FSS.....	57	7	118	26
IRMS.....	3	—	6	4
Other GSA.....	3	—	21	—
TOTAL.....	98	8	293	80

12. Criminal and Civil Actions

Cases accepted for criminal prosecution during this and prior periods resulted in 28 indictments/informations/complaints and 17 successful prosecutions. Civil referrals from this and prior periods resulted in civil fraud complaints involving 3 individuals. In addition, settle-

ments were reached in 5 cases involving 7 subjects.

Table 8 summarizes individual criminal and civil actions by GSA program area. In addition, there were 3 unsuccessful civil cases against 6 subjects and 4 unsuccessful criminal cases against 4 subjects.

Table 8. Summary of Criminal and Civil Actions

GSA Program	Indictments/Informations/Complaints	Successful Prosecutions	Civil Settlements
PBS.....	14	7	4
FSS.....	13	7	2
IRMS.....	1	1	1
Other GSA.....	3	2	—
TOTAL.....	31	17	7

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 \$167,111

in money and/or property during the course of its investigations.

Owing to the collaborative nature of OIG activities, \$3,752,000 of the amounts reported as investigative recoveries and criminal and civil recoveries is also reported under management commitments to recover funds.

Table 9. Criminal and Civil Recoveries

	Criminal	Civil	Total
Fines and Penalties	\$ 8,600	\$ —	\$ 8,600
Settlements	—	3,673,414	3,673,414
Restitutions	3,753	—	3,753
TOTAL	\$12,353	\$3,673,414	\$3,685,767

14. OIG Subpoenas

During the period, seven OIG subpoenas were issued. Also, the OIG, in conjunction with local U.S. Attorneys, was involved in two subpoena enforcement actions. In

one action, the firm agreed to make the subpoenaed material available to the Government; the enforcement action was subsequently dismissed. 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 257 legislative matters and 108 proposed regulations and directives. We provided substantive comments on 17 legislative matters and 13 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, orders, and directives.

B. Significant Comments

The OIG provided significant comments on the following legislation, regulations, orders, and directives:

- *S. 1667 and H.R. 3378, the proposed Electronic Communications Privacy Act of 1985.* We supported the amendment to Chapter 119 of Title 18, United States Code, proposed by Title I of these bills, which would extend the chapter's coverage to all forms of electronic communications. However, we expressed reservations about the provisions that would:
 - Require a court order before a "provider of electronic communication service" can release certain information to the Government.
 - Allow the recovery of civil damages from violators of the Act, since it could be construed as a waiver of sovereign immunity by the United States.

Additionally, we opposed enactment of Title II, which would generally require the issuance of a court order to authorize the use of a pen register or tracking device. We expressed the view that existing constitutional law adequately protects privacy rights.

- *H.R. 3319, a bill to amend the Freedom of Information Act.* We strongly supported those provisions limiting the release of law enforcement manuals, based on the belief that this change would benefit the IG community. We opposed other provisions due to the administrative and financial burdens they would create.

- *H.R. 3357, the proposed Contract Savings Act of 1985, a bill codifying some of the provisions of Office of Management and Budget Circular A-76.* We expressed reservations on the need for this bill, indicating that regulations and agency directives might be more appropriate vehicles. We objected to the provision requiring that proposed changes in methods of performance by Government personnel be placed in effect exactly as proposed, whether or not a newer and better cost savings method is later found. We also opposed the provision calling for judicial review of the merits of any administrative decision, including a trial *de novo*, as it would unnecessarily overburden the judicial system with questions involving management judgment, rather than legal right.
- *H.R. 2441, the proposed Program Integrity Act of 1985, a bill to amend the Federal Property and Administrative Services Act of 1949 (as amended) to impose personal liability under the False Claims Act for submitting false cost or pricing data.* We supported this bill, especially those provisions extending liability to parties who knew or should have known that the data were false. We noted that a change to a constructive knowledge standard would make it more difficult for corporate officials to shield themselves from personal liability.
- *H.R. 2058, a bill to provide specific law enforcement authority for members of the Federal Protective Service (FPS).* We suggested that, in view of the pending comprehensive review of the FPS, it might be advisable to defer committee action on this bill. We did, however, provide technical comments and recommend that officers in the criminal investigation function of FPS be covered under this bill.
- *H.R. 3683, a bill to reduce the use of limousines by Government officials.* We supported enactment of this bill, but expressed reservations on those provisions requiring IGs to submit to Congress an annual evaluation of agency compliance and to take adverse actions against violators. We expressed the view that compliance should be presumed and that adverse actions were more properly the prerogative of agency management.
- *S. 1937, the proposed Nonsmokers Rights Act of 1985.* We expressed support for the intended goals of this bill, noting that it appeared to rationally address an increasingly important and controversial issue.
- *H.R. 3997, the proposed National Policy and Technology Foundation Act of 1985, a bill to create a new agency out of major components of the Department of Commerce and the National Science Foundation.* We recommended that the bill be amended to provide for an Inspector General.
- *S. 1134, the proposed Program Fraud Civil Remedies Act, a bill to create an administrative remedy whereby Federal*

agencies can be recompensed for losses resulting from false claims and statements. We strongly supported this bill, especially those provisions that would:

- Extend liability to persons who knew or had reason to know they were submitting a false claim or causing one to be submitted.
- Provide the United States setoff authority for collecting assessments and penalties for false claims.

We suggested the addition of a provision allowing the reviewing official to determine liability when the defendant doesn't request a hearing.

- *S. 2030, the proposed Procurement Safeguard Act of 1986, a bill to extend the protest jurisdiction of the GSA Board of Contract Appeals to all Federal procurements.* We opposed this bill, noting that while its intended goals were laudable, the legislation might result in a more cumbersome, legalistic, delay-prone, and costly contract award process. We observed that it would cause the Government's procurement process to operate in a less businesslike manner, a move contrary to recent initiatives. We also expressed the opinion that:
 - The definition of interested party was too broad, significantly increasing the universe of potential protestors.
 - The standard for waiving the agency procurement authority requirement was too high, leading to unnecessary delays and cost increases.
 - The circumstances resulting in *de novo* review by the Board were both appropriate and proper.
- *Draft Executive Order No. 16, a proposed order prescribing a comprehensive system of financial reporting for officers and employees in the executive branch.* We supported this proposed executive order, commenting that it was necessary and appropriate in light of legislation amending the Ethics in Government Act.
- *H.R. 4033, the proposed Whistleblower Protection Act of 1986.* We expressed strong reservations on this bill, noting that conflicts would arise if the Office of Special Counsel, Merit System Protection Board (MSPB), represented Federal employees in adversarial proceedings and also functioned as an investigative unit recommending corrective action to Federal agencies. We noted that such conflicts might restrict the ability of OIGs to exchange information with MSPB. We also observed that some provisions of the bill would unduly restrict the flexibility and discretion of the Special Counsel.
- *Draft Bill 105, proposed amendments to the Freedom of Information Act (FOIA).* We strongly supported the:
 - Amendments to strengthen an agency's ability to protect sensitive investigative activity.
 - Proposed change to subsection (a)(3) of the Act

that would facilitate handling of FOIA requests that are adjuncts to discovery.

We generally supported those amendments concerning fees and waiver of fees, although we questioned the amendment to promote expedited access as being too difficult to administer due to the compelling need requirement. We opposed those amendments relating to administration of the FOIA.

- *S. 2005, the proposed Inspector General Act Amendments of 1986.* We generally supported this bill, noting that it would serve to improve management and reduce fraud and abuse in Federal programs. In our detailed comments, we strongly supported the provisions that would:
 - Place the IGs at the Departments of Energy and Health and Human Services under the IG Act of 1978.
 - Establish a uniform level of compensation for all IGs.
 - Authorize IG personnel to administer oaths and affirmations.

We also expressed substantive concerns on the provision that would extend statutory IG responsibilities and authorities to every audit/investigative unit in virtually every agency. In view of the problems posed by the bill's apparent mingling of audit and investigative functions, we suggested that determinations to extend IG Act coverage be made on a case-by-case basis.

- *GSA Order ADM 2800.12C, Procurement of Consulting Services.* We supported this effort to improve management controls over consulting services and offered several suggestions for strengthening its provisions. One of our recommendations called for the inclusion of a requirement to specify a dollar limit per consultant or firm to prevent "order splitting."
- *Proposed revisions to GSA Order ADM 2030.2A, Audit Resolution and Followup System.* We opposed the revision designating an Associate Administrator as the Audit Followup Official rather than the Deputy Administrator. We expressed the view that the existing system worked successfully and placed no undue burden on the Deputy Administrator. Moreover, the existing system precluded many of the problems that would inevitably result if an Associate Administrator acted in a dual capacity.
- *GSA Order PBS P 7025.3 CHGE, Chapter 6, Outleasing Program Policy and Procedures.* We supported the draft procedures as being an essential and positive step towards increasing outlease revenues from public access space in Federal buildings. We did suggest, however, that the procedures be expanded in certain key areas in order to provide more detailed guidance on implementing the outleasing program.

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 and OIG 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.
- 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 a study of the OIG's Management Inventory of Auditable Entities.

The inventory, which is designed to fulfill the requirements imposed by Office of Management and Budget Circular A-73, contains the universe of GSA organizational units subject to audit. Each entity is rank-ordered in terms of perceived vulnerability to fraud, waste, and mismanagement through the use of 11 weighting factors.

The study assessed the design assumptions applied in developing the inventory, and the associated advantages and disadvantages. It also explored alternative designs that might overcome the recurring need to update the inventory in response to frequent GSA reorganizations.

The study results are currently being summarized in a briefing paper for the Assistant Inspector General for Auditing.

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	90
Lease proposals reviewed	29
Lease proposals with major deficiencies	1
Lease proposals with minor deficiencies	19
Lease proposals with no deficiencies	9

A major deficiency identified through OIG preaward advisory reviews related to the absence of an automatic sprinkler system above the 20th floor of the building to be leased and the absence of a requirement for an abatement plan in the proposed lease. Some of the minor deficiencies included: the failure to include a liquidated damages clause to protect the Government; an antiquated appraisal that did not reflect the correct amount of space to be leased; and failure to check the inventory of vacant space prior to proposing that new space be leased.

3. Education

Integrity Awareness Briefings comprise the OIG's primary vehicle for educating employees in the manifestations 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 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, almost 6,510 GSA employees have attended Integrity Awareness Briefings. This total includes the 727 Central Office and regional employees attending 24 briefings this period.

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 issues brochures on the

Hotline and its Report to the Congress and displays Hotline posters in all GSA buildings nationwide.

This period, the OIG, in cooperation with Agency management, published a practical ethics brochure and distributed it to GSA employees nationwide. The OIG also arranged for each new employee to receive a copy as part of the material distributed at orientation.

The OIG developed the brochure after noting that employees might not possess sufficient understanding of GSA's Standards of Conduct. Key indicators included the level of employee misconduct cases and a high number of conduct-related inquiries during Integrity Awareness Briefings.

The brochure presents applications of the Standards in situations the typical GSA employee might encounter during his/her Federal career. Using vignettes and illustrations, it attempts to communicate basic ethics principles in an interesting and straightforward manner. To date, employee response has been extremely favorable. In fact, the brochure is already in its second printing.

This period, we received 368 Hotline calls and letters. Of these, 107 complaints warranted further action. We also received 10 referrals from GAO and 12 referrals from other agencies that required further action. These complaints/allegations were referred as follows:

Audits/Investigations.....	74
GSA Program Officials.....	52
Other Agencies	3

The remaining 261 Hotline complaints required no further action and were closed.

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

The project was completed this period with the issuance of the final report in October 1985.

2. Review of Federal Telecommunication System (FTS) Utilization

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

- Evaluating the utilization of telecommunication resources.
- Identifying ways of reducing telecommunication 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, all of the participating agencies completed Phase I of the effort, which evaluated agency controls over the ordering, receipt, and verification of telecommunication services, and most have completed Phase II, which examines controls over the use of telecommunication resources. In addition, the project team completed its examination of telecommunication 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 April 1986, followed by a consolidated report in June 1986.

3. Model Prevention Plan Follow-Up Project

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

The project was completed this period with the issuance of the final report on December 2, 1985.

4. Review of Compliance With IRS Information Return Filing Requirements (Form 1099)

The GSA OIG is participating in this PCIE project aimed at:

- Identifying agency nonwage payments made to individuals and partnerships in calendar year 1984.
- Assessing agency compliance with the Internal Revenue Service (IRS) information return filing requirements.

IRS uses Form 1099 information to determine whether taxpayers have properly reported payments from Government agencies in their income tax returns.

Twenty agencies are participating in this two-phased review. Individual agency reports are scheduled for issuance in May 1986; the consolidated report will follow in July 1986.

APPENDICES

APPENDIX I—AUDIT REPORT REGISTER

Assignment Number	Title	Date of Report
PBS Contract Audits		
A40182	Audit of Cost Reimbursable Contract: Post Office Pavilion Joint Venture, Contract No. GS-11B-28446	10/03/85
A50314	Preaward Audit of Change Order Proposal: DeMour Construction Corp., Subcontractor to Terminal Construction Corp., PDL 37, Contract No. GS-02P-23256	10/07/85
A50569	Preaward Audit of Lease Escalation Proposal: Lamar Management, Inc., Lease No. GS-03B-05735	10/08/85
A50623	Audit of Architect and Engineering Services Contract: Kidd/Plosser/Sprague Architects, Inc., Solicitation No. GS-04B-83253	10/08/85
A50578	Preaward Audit of Architect and Engineering Services Contract: GDM & Associates, Inc., Solicitation No. GS-10P-02729	10/10/85
A50579	Preaward Audit of Architect and Engineering Services Contract: Genesis Engineers, Solicitation No. GS-10P-02729	10/10/85
A50589	Preaward Audit of Architect and Engineering Services Contract: Wood/Harbinger, Inc., Contract No. GS-10P-02730	10/16/85
A50600	Preaward Audit of Architect and Engineering Services Contract: Church/Suzuki Architects, P.S., Contract No. GS-10P-02730	10/16/85
A50585	Preaward Audit of Lease Escalation Proposal: Federal Plaza Associates, Lease No. GS-05B-13381	10/18/85
A50586	Preaward Audit of Lease Escalation Proposal: Samuel Zell, Trustee Under Trust No. 3132, Lease No. GS-03B-5711	10/18/85
A50643	Preaward Audit of Architect and Engineering Services Contract: John Lawrence Daw & Associates, Kansas City, Missouri, Solicitation No. GS-06B-62230	10/23/85
A50658	Audit of Costs Incurred Under Contract No. GS-03C-26028: Columbus Services, Inc.	10/23/85
A50637	Preaward Audit of Cost or Pricing Data: Saloy, Sr./Grice, Joint Venture, Solicitation No. NWA 38900	10/24/85
A60017	Preaward Audit of Lease Escalation Proposal: Equitable Real Estate Investment Management, Inc., Lease No. GS-09B-73066	10/25/85
A50249	Preaward Audit of Change Order Proposal: Spencer, White & Prentis, Inc., Second Tier Subcontractor to Terminal Construction Corp., PDL 37, Contract No. GS-02P-23256	10/28/85
A50626	Preaward Audit of Change Order Proposal: Technical Specialty Systems, Cedar Rapids, Iowa, Contract No. GS-06P-52470	10/28/85
A50551	Preaward Audit of Architect and Engineering Services Contract: Geisler Smith Associates/The Harris Design Group, Joint Venture, Contract No. GS-11B-59006	10/29/85
A50606	Preaward Audit of Architect and Engineering Services Contract: Girard Engineering, Ltd., Contract No. GS-11B-56071	10/29/85
A50644	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Ridley Southside Janitorial Service, Inc., Kansas City, Missouri, Solicitation No. GS-06P-57600	10/29/85
A50629	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: National Janitorial Service, Scottsbluff, Nebraska, Solicitation No. GS-06P-57588	10/31/85
A50666	Audit of Termination Proposal: American Combustion, Inc., Contract No. GS-11B-48021	11/05/85
A60031	Preaward Audit of Lease Escalation Proposal: 16 Court Street, Brooklyn, NY, Lease No. GS-02B-10317	11/06/85

A60036	Preaward Audit of Lease Escalation Proposal: California State Automobile Association, Lease No. GS-09B-75262	11/06/85
A30816	Audit of Lease Utility Credit: Northwestern Development Company, Lease No. GS-03B-6521	11/07/85
A50563	Preaward Audit of Architect and Engineering Services Contract: Diversified Engineering, Inc., Contract No. GS-11B-57010	11/12/85
A50640	Preaward Audit of Lease Escalation Proposal: Jimson, Inc., Lease No. GS-03B-80052	11/14/85
A50558	Audit of Overtime Billings for Construction Work Performed Under Lease No. GS-03B-40032: 841 Associates, L.P.	11/18/85
A50588	Preaward Audit of Change Order Proposal: Blake Construction Co., Inc., Contract No. GS-11B-08981, Change Order No. 2 PDL	11/18/85
A60010	Audit of Termination Proposal: Shirlen Limited Partnership, Lease No. GS-03B-50020	11/19/85
A50495	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Robert Clay, Inc., Contract No. GS-11B-59081	11/26/85
A60043	Preaward Audit of Architect and Engineering Services Proposal: H. F. Lenz Co., Solicitation No. ZDE-00801	11/26/85
A60092	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Brown's Maintenance and Security Co., Inc., Leavenworth, Kansas, Solicitation No. GS-06P-57621	11/29/85
A60058	Preaward Audit of Change Order Proposal: Myers/Ernst, A Joint Venture, Contract No. GS-01B-02294	12/02/85
A60093	Preaward Audit of Change Order Proposal: The Hoffman Partnership, Inc., St. Louis, Missouri, Contract No. GS-06P-42870	12/04/85
A60077	Preaward Audit of Architect and Engineering Services Contract: Peck, Peck & Associates, Inc., Contract No. GS-11B-56072	12/09/85
A60051	Preaward Audit of Architect and Engineering Services Proposal: Lawrence Perry & Associates, Inc., Solicitation No. ZDE-00801	12/10/85
A60075	Preaward Audit of Change Order Proposal: Singleton Contracting Corporation, Contract No. GS-03B-36017	12/10/85
A60049	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Professional Services Unlimited, Solicitation No. GS-10P-51339	12/13/85
A50570	Preaward Audit of Change Order Proposal: Worth Construction Co., Inc., Subcontractor to Terminal Construction Corp., PDL 38, Contract No. GS-02P-23256	12/16/85
A60052	Audit of Termination Proposal: Dimarco Corporation, Florissant, Missouri, Contract No. GS-06B-26160	12/16/85
A60073	Preaward Audit of Lease Escalation Proposal: Total Management, Inc., Lease No. GS-03B-06437	12/18/85
A60042	Preaward Audit of Lease Escalation Proposal: Norman Tremonti, Lease No. GS-05B-12458	12/19/85
A60042	Preaward Audit of a Claim for Increased Costs: Norman Tremonti, Lease No. GS-05B-12458	12/19/85
A60023	Preaward Audit of Architect and Engineering Services Proposal: James Posey Associates, Inc., Solicitation No. ZDE-00801	12/23/85
A60018	Preaward Audit of Architect and Engineering Services Contract: Bohlin/Powell/Larkin/Cywinski, Prospectus Project No. IPA-88305	12/24/85
A50641	Preaward Audit of Lease Escalation Proposal: Charlottesville Parking Center, Inc., Lease No. GS-03B-60011	12/31/85
A50279	Preaward Audit of Change Order Proposal: Billings & Birckhead, Inc., Contract No. GS-11B-18334	01/09/86
A50541	Preaward Audit of Change Order Proposal: The Maintenance Co., Inc., Subcontractor to George A. Fuller Company, Contract No. GS-02P-23364	01/09/86

A60027	Preaward Evaluation of Architect and Engineering Services Contract: The Mathes Group, et al, A Joint Venture, Solicitation No. ILA 84012	01/09/86
A60068	Preaward Audit of Architect and Engineering Services Contract: Slater-Paull & Associates, Inc., Solicitation No. GS-08B-35079	01/09/86
A60069	Preaward Audit of Architect and Engineering Services Contract: Anderson and Hastings, Solicitation No. GS-08B-35079	01/09/86
A60070	Preaward Audit of Architect and Engineering Services Contract: Gambrell Engineering, Inc., Solicitation No. GS-08B-35079	01/09/86
A60071	Preaward Audit of Architect and Engineering Services Contract: Cator, Ruma & Associates Co., Solicitation No. GS-08B-35079	01/09/86
A60048	Preaward Audit of Architect and Engineering Services Proposal: H. C. Yu and Associates, P.C., Solicitation No. ZDE-00801	01/10/86
A50467	Preaward Audit of Five-Year Rental Proposal: Gilroy-Sims & Associates, St. Louis, Missouri, Lease No. GS-06B-10967	01/13/86
A60028	Preaward Audit of Architect and Engineering Services Contract: DeLara-Almond Architects, Inc./Jones and Kell, Inc., A Joint Venture, Solicitation No. ITX 86005	01/13/86
A60123	Preaward Audit of Architect and Engineering Services Contract: Neill and Gunter, Incorporated, Solicitation No. GS-01P-86-BW-C-0016	01/14/86
A50659	Preaward Audit of Change Order Proposal: George Hyman Construction Company, Contract No. GS-11B-19068, Change Order No. 94 PDL	01/15/86
A50636	Preaward Audit of Architect and Engineering Services Contract: Keyes/Condon/Florance Architects, Contract No. GS-11B-59024	01/16/86
A60085	Preaward Audit of Cost or Pricing Data: Richard C. Slack, Lessor, Solicitation No. R7-74N-84	01/16/86
A50646	Preaward Audit of a Claim for Increased Costs: St. Charles Manufacturing Company, Subcontractor to Turner Construction Company, Contract No. GS-05BCA-0307	01/17/86
A60025	Preaward Audit of Architect and Engineering Services Contract: Cooper-Lecky Associates, P.C., Contract No. GS-11B-59008	01/17/86
A60044	Preaward Audit of Architect and Engineering Services Proposal: Celli-Flynn/H.F. Lenz Co., Project No. IPA-56024	01/17/86
A50646	Preaward Audit of a Claim for Increased Costs: Turner Construction Company, Contract No. GS-05BCA-0307	01/22/86
A50646	Preaward Audit of a Claim for Increased Costs: Tibbetts Mechanical Contractors, Subcontractor to Turner Construction Company, Contract No. GS-05BCA-0307	01/22/86
A60087	Preaward Audit of Architect and Engineering Services Contract: Architectural Interiors, Inc., Contract No. GS-11B-59007	01/24/86
A60127	Preaward Audit of Architect and Engineering Services Contract: Mueller Associates, Inc., Contract No. GS-11P-86-MK-C-9004	01/27/86
A50559	Audit of Overtime Billings for Construction Work Performed Under Lease No. GS-03B-40033: Liberty Square Associates, L.P.	01/29/86
A60131	Preaward Audit of Lease Escalation Proposal: Spear Street Investment Company, c/o William Wilson & Associates, Lease No. GS-09B-73348	01/31/86
A60132	Preaward Audit of Lease Escalation Proposal: G.V. Eleven, A Limited Partnership, Lease No. GS-09B-60808	01/31/86
A60112	Preaward Audit of Architect and Engineering Services Contract: Hayes, Seay, Mattern, and Mattern, Contract No. GS-11P-86-MK-C-9001	02/04/86
A60024	Preaward Audit of Architect and Engineering Services Proposal: James Posey Associates, Inc., Solicitation No. IMD-56025	02/05/86
A60140	Preaward Audit of Architect and Engineering Services Contract: VVKR Incorporated, Contract No. GS-11P-86-MK-C-9008	02/10/86
A50475	Preaward Audit of Change Order Proposal: Halifax Engineering, Inc., Contract No. GS-11B-30029	02/11/86

A60148	Preaward Audit of Architect and Engineering Services Contract: Wiley & Wilson, A Professional Corporation, Contract No. GS-11P-86-MK-C-9007	02/11/86
A60186	Preaward Audit of Cost or Pricing Data: Rainey's Security Agency, Inc., Solicitation No. GS-05P-86-GA-C-0004	02/11/86
A60094	Preaward Audit of Lease Alteration Proposal: Milk Street Associates, Solicitation No. GS-01B(PEL)-03420(NEG)	02/12/86
A60176	Preaward Audit of Architect and Engineering Services Contract: Kidde Consultants, Inc., Contract No. GS-11B-69005	02/12/86
A60175	Preaward Audit of Architect and Engineering Services Contract: LEA Group, Solicitation No. GS-01P-86-BW-D-0036	02/18/86
A60151	Preaward Audit of Architect and Engineering Services Contract: STV/H.D. Nottingham & Associates, Contract No. GS-11P-86-MK-C-9003	02/20/86
A60189	Preaward Audit of Lease Operating Costs: 177 Limited Partnership, Solicitation No. MMD 85101	02/20/86
A50054	Audit of Claim for Increased Costs: W. M. Schlosser Company, Inc., Contract No. GS-03B-88347	02/21/86
A60150	Preaward Audit of Architect and Engineering Services Contract: Loewenberg/Fitch Partnership, Proposal No. GS-05P-86-GB-C-0039	02/21/86
A60155	Preaward Audit of Architect and Engineering Services Contract: Sidhu & Associates, Inc., Contract No. GS-11B-69016	02/25/86
A60135	Audit of Cost Reimbursable Contract: J & J Maintenance, Inc., Contract No. GS-07B-21602	02/27/86
A60181	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Ridley Southside Janitorial Service, Inc., Kansas City, Missouri, Solicitation No. GS-06P-57640	02/28/86
A60241	Audit Report on Evaluation of Time and Materials/Task Order Proposal: Booz, Allen & Hamilton, Inc., RFP No. GS-00P-02253	02/28/86
A60157	Preaward Audit of Architect and Engineering Services Contract: David Volkert & Associates, Contract No. GS-11P-86-MK-C-9002	03/03/86
A60185	Preaward Audit of Architect and Engineering Services Contract: Belli & Belli Company, Contract No. GS-05P-86-GB-C-0044	03/07/86
A60209	Preaward Audit of Architect and Engineering Services Contract: Riddick Engineering Corporation, Contract No. GS-07P-HU-D-009	03/13/86
A60197	Preaward Audit of Change Order Proposal: Schumacher Elevator Company, Inc., Denver, Iowa, Contract No. GS-06P-86-GY-C-0006	03/14/86
A60243	Preaward Audit of Architect and Engineering Services Contract: Lorenz and Williams, Inc., Contract No. GS-05-BC-P-86-C-0046	03/19/86
A50597	Audit of Termination Proposal: Caddell Construction Co., Inc., Contract No. GS-08B-05100	03/20/86
A60173	Preaward Audit of Lease Escalation Proposal: Tower Building, Joint Venture, Lease No. GS-03B-6295	03/20/86
A60224	Preaward Audit of Amendment to Architect and Engineering Services Contract: The Stubbins Associates, Inc., Contract No. GS-01B-92223, Amendment 5C	03/21/86
A60159	Preaward Audit of Claim for Increased Costs: Meredith Construction Co., Inc., Contract No. GS-03B-16073	03/24/86
A60215	Preaward Audit of Architect and Engineering Services Contract: John E. Somerville, Contract No. GS-05B-CP-86-GS-C-0047	03/26/86

PBS Internal Audits

A50009	Review of Region 4's Lease Enforcement Procedures: Lease No. GS-04B-25447, Covington Building, Koger Executive Center, Miami, Florida	10/01/85
A50599	Review of Administration of Leases at 1333 Broadway, Oakland, California	10/03/85 33

A50346	Advisory Report on Review of Controls Over the Identification, Inspection, and Documentation of Polychlorinated Biphenyls (PCBs)	10/04/85
A50346	Advisory Report on Review of Controls Over the Identification, Inspection, and Documentation of Polychlorinated Biphenyls (PCBs)	10/07/85
A50346	Advisory Report on Review of Controls Over the Identification, Inspection, and Documentation of Polychlorinated Biphenyls (PCBs)	10/11/85
A50218	Review of Buildings Management Operations, Region 7	10/17/85
A50346	Final Report on Potential PCB Contamination at the Casad Depot, New Haven, Indiana	10/21/85
A50226	Review of Indefinite Quantity Contracts Awarded by Region 4	10/23/85
A50110	Review of Manual System for Monitoring Multi-Unit Leases	10/25/85
A50218	Review of Buildings Management Operations, Houston, Texas	10/25/85
A60046	Preaward Lease Review: Equitable "A" & "B-1," 1705-1717 Whitehead Road, Woodlawn, Maryland, Lease No. GS-03B-50053	10/28/85
A50584	Review of Time and Attendance Reporting at the Federal Plaza Buildings Management Field Office	10/30/85
A50226	Interim Audit Report, Administration of Indefinite Quantity Contracts for Repairs and Alterations	11/01/85
A50553	Interim Report on Review of Fire Safety Program, National Capital Region, General Services Administration, Washington, DC	11/01/85
A60062	Preaward Lease Review: 20 Massachusetts Avenue, NW, Washington, DC, Lease No. GS-11B-50062	11/01/85
A50286	Review of Architect/Engineer Construction Inspection Services, Region 1, General Services Administration, Boston, Massachusetts	11/08/85
A50553	Interim Report on Review of GSA's Regional Fire and Life Safety Program, 6230 Van Nuys Boulevard, Los Angeles, CA, Region 9	11/12/85
A50553	Interim Report on Review of GSA's Regional Fire and Life Safety Program, Chet Holifield Federal Building, 24000 Avila Road, Laguna Niguel, CA, Region 9	11/12/85
A60080	Preaward Lease Review: Washington Bicentennial Building, 320 W. Washington Street, Springfield, Illinois, Lease No. GS-05B-14102	11/15/85
A50553	Interim Report on Review of Fire Safety Program, National Capital Region, General Services Administration, Washington, DC	11/18/85
A50284	Review of the Proposed Leased Border Station at Presidio, Texas	11/19/85
A50284	Review of Special Purpose Leased Facility, IRS District Office, Houston, Texas, Lease No. GS-07B-11667	11/20/85
A50553	Interim Report on Fire and Life Safety Program, 6 World Trade Center, New York, NY	11/20/85
A50287	Review of Tenant Relocation From the Curtis Building, 625 Walnut Street, Philadelphia, PA	11/26/85
A50621	Review of Region 5's Lease Enforcement Activities: Results of Tenant Questionnaire Responses	11/26/85
A60098	Preaward Lease Review: 4700-4724 Benson Avenue, Halethrope, MD, Lease No. GS-03B-06364	11/26/85
A50553	Review of Fire and Life Safety Program at the MEPS Facility, 426 Clinton Street, Detroit, Michigan	12/05/85
A50553	Review of Fire and Life Safety Program at the Federal Building and U.S. Courthouse, Columbus, Ohio	12/05/85
A50553	Review of Fire and Life Safety Program at the IRS Data Center, 1300 John Lodge Drive, Detroit, Michigan	12/05/85
A60097	Preaward Lease Review: 350 South Figueroa Street, Los Angeles, CA, Lease No. GS-09B-50039	12/06/85

A60104	Preaward Lease Review: 18209 Dixie Highway, Homewood, Illinois, Lease No. GS-05B-14300	12/10/85
A50553	Review of Fire and Life Safety Program at the Patrick V. McNamara Federal Building, Detroit, Michigan	12/17/85
A60109	Preaward Lease Review: Mutual Plaza Building, Durham, North Carolina, Lease No. GS-04B-26026	12/17/85
A60120	Preaward Lease Review: Food and Drug Laboratory, 585 Commercial St., Boston, MA, Contract No. GS-01B(PRA)-03613(NEG) SLA No. 4	12/17/85
A50539	Review of Buildings Management Field Office, Anchorage, Alaska	12/20/85
A60019	Preaward Lease Review: Henderson, North Carolina, Lease No. GS-04B-22197	12/27/85
A60021	Analysis of Tenant Agencies' Response to Questionnaire Regarding Quality of Lessor and GSA Services	12/27/85
A60125	Preaward Lease Review: Twin Towers II, 1100 Wilson Blvd., Arlington, Virginia	01/02/86
A30474	Review of the Buildings Management Inspection Process	01/03/86
A50379	Review of Transformers at the Federal Center, 4300 Goodfellow Avenue, St. Louis, MO	01/04/86
A60145	Preaward Lease Review: 6300 Wilshire Boulevard, Los Angeles, CA, Lease No. GS-09B-73821	01/07/86
A60021	Survey of Tenant Agencies in Leased Space, Region 9	01/10/86
A50553	Interim Report on Fire and Life Safety Program, 26 Federal Plaza, New York, NY	01/13/86
A50618	Analysis of Composite Floor System Deflections, Federal Building, Causeway Street, Boston, Massachusetts	01/14/86
A60002	Interim Report on Review of Cleveland Field Office Operations	01/24/86
A60021	Review of Region 3's Lease Enforcement Procedures: Analysis of Questionnaire Responses From Tenant Agencies	01/24/86
A60130	Preaward Lease Review: 820 Bear Tavern Road, West Trenton, NJ, Lease No. GS-02B-22297	01/27/86
A60182	Preaward Lease Review: Landover Building, 1701 Brightseat Road, Landover, MD, Lease No. GS-11B-60015	01/30/86
A50009	Review of Region 4's Lease Enforcement Procedures, Lease No. GS-04B-23288, Research Triangle Park, North Carolina	01/31/86
A50104	Review of Construction Contract Administration, Region 4	01/31/86
A50571	Review of Administration of Cleaning Contracts in Region 4	01/31/86
A50179	Review of Construction at the Federal Office Building, Jamaica, Queens, Contract No. GS-02P-23256	02/04/86
A60171	Preaward Lease Review: 601 Pennsylvania Avenue, NW, Washington, DC, Lease No. GS-11B-60012	02/04/86
A60191	Preaward Lease Review: Lease No. GS-04B-2026, Mutual Plaza Building, Durham, North Carolina	02/04/86
A50553	Review of GSA's Regional Fire and Life Safety Program, Region 1	02/05/86
A60083	Preaward Lease Review: 177-179 Admiral Cochran Drive, Annapolis, MD, Lease No. GS-04B-60008	02/06/86
A60199	Preaward Lease Review: Friendship Airport No. 6, Linthicum, MD, Lease No. GS-03B-06166	02/06/86
A60172	Preaward Lease Review: 1400 New York Avenue, NW, Washington, DC, Lease No. GS-11B-60011	02/07/86
A60192	Preaward Lease Review: Palm Beach County Engineering Building, West Palm Beach, Florida, Lease No. GS-04B-25511	02/11/86
A50009	Review of Region 4's Lease Enforcement Procedures: Analysis of Questionnaire Responses Received From the Review of Lessor and GSA Services	02/12/86

A50284	Space Utilization, U.S. Border Stations at Laredo, Texas	02/12/86
A60222	Preaward Lease Review: 10220 North Executive Hills Boulevard, Kansas City, Missouri, Lease No. GS-06P-68539	02/12/86
A60107	Preaward Lease Review: 606 South Olive Street, Los Angeles, CA, Lease No. GS-09B-83716	02/18/86
A60089	Review of Outlease With Chesapeake Container Repair, Corp., Middle River Depot, Middle River, MD	02/19/86
A60207	Review of A-76 Mechanical Services Study, Jacksonville, Florida	02/19/86
A60190	Preaward Lease Review: First Tennessee Building, 530 S. Gay Street, Knoxville, Tennessee, Lease No. GS-04B-26027	02/20/86
A60054	Review of Parking Facilities at West and Chambers Streets, New York, NY	02/21/86
A50009	Review of Region 4's Lease Enforcement Procedures: Lease No. GS-04B-15460, Homewood, Alabama	02/25/86
A50602	Review of the Honolulu Field Office, Region 9	02/25/86
A50478	Review of Operations at the Patrick Henry Field Office	02/26/86
A60126	Review of Controls Over the Identification, Inspection, and Documentation of Polychlorinated Biphenyls (PCBs)	02/27/86
A60126	Interim Report on PCBs	02/28/86
A50009	Review of Region 4's Lease Enforcement Procedures: Lease No. GS-04B-23110, Miami, Florida	03/05/86
A50222	Review of Cleaning Service Contracts, Region 9	03/05/86
A60126	Review of Controls Over the Identification, Inspection, and Documentation of Polychlorinated Biphenyls (PCBs)	03/05/86
A50154	Review of the Buildings Management Field Office, San Juan, Puerto Rico	03/06/86
A50222	Review of Cleaning Services Contracts, Region 2	03/06/86
A50621	Review of Fire and Safety Deficiencies in Leased Space at 108 North Main, South Bend, Indiana	03/06/86
A60021	Review of the National Capital Region's Lease Enforcement Activities: Results of Tenant Agencies' Questionnaire Responses	03/07/86
A50621	Report on Fire and Safety Deficiencies in Leased Space at 1375 Euclid Avenue, Cleveland, Ohio	03/10/86
A60247	Preaward Lease Review: Youngfield Park Building, Lakewood, CO, Lease No. GS-08P-12730	03/12/86
A60248	Preaward Lease Review: Insurance Exchange Building, 175 W. Jackson Boulevard, Chicago, Illinois, Lease No. GS-05B-14338	03/12/86
A60249	Preaward Lease Review: Insurance Exchange Building, 175 W. Jackson Boulevard, Chicago, Illinois, Lease No. GS-05B-14353	03/12/86
A60251	Preaward Lease Review: Hamilton Building, 1375 K Street, NW, Washington, DC, Lease No. GS-11B-60024	03/14/86
A60126	Review of Controls Over the Identification, Inspection, and Documentation of PCB Contaminants, Region 10	03/17/86
A60258	Preaward Lease Review: Fullerton Industrial Park, 7943-7959 Culny Court and 7944-7960 Angus Court, Springfield, VA, Lease No. GS-11B-60047	03/18/86
A50553	Review of GSA's Fire and Life Safety Program, Region 2	03/20/86
A60081	Review of Overtime Practices in the National Capital Region's Buildings Management Division	03/20/86
A50553	Review of GSA's Regional Fire and Life Safety Program, Region 4	03/21/86
A50553	Review of GSA's Regional Fire and Life Safety Program, Region 9	03/21/86
A60234	Preaward Lease Review: 16 Court Street, Brooklyn, NY, Lease No. GS-02B-10317	03/24/86

A50621	Report on Deficiencies in Leased Space at 55 Erieview Plaza, Cleveland, Ohio, and Credits Due the Government	03/26/86
A50621	Report on Review of Deficiencies in Leased Space at 1405 South Harrison, East Lansing, Michigan	03/27/86
A60126	Review of Controls Over the Identification, Inspection, and Documentation of Polychlorinated Biphenyls (PCBs)	03/27/86
A60126	Review of Controls Over the Identification, Inspection, and Documentation of Polychlorinated Biphenyls (PCBs)	03/27/86
A50553	Consolidated Report on Review of GSA's Fire and Safety Program	03/28/86
A60086	Review of Disposal of Government-Owned Real Property	03/28/86
A60260	Preaward Lease Review: Executive Tower, Denver, CO, Lease No. GS-08P-12742	03/28/86
A40779	Consolidated Report on Review of Concessions Operations	03/31/86
A50009	Review of Region 4's Lease Enforcement Procedures: Lease No. GS-04B-21367, Atlanta, Georgia	03/31/86
A60126	Review of Controls Over the Identification, Inspection, and Documentation of Polychlorinated Biphenyls (PCBs)	03/31/86

FSS Contract Audits

A50662	Report on Review of Proposal for Initial Pricing Under RFP No. FNP-F5-1708-N-12-17-84: Open Office Products, Inc., Phoenix, Arizona	10/03/85
A60006	Limited Preaward Survey of Corliss Credit Services: Solicitation No. FGS-N1-XU248-N-5-7-85	10/03/85
A60007	Limited Preaward Survey of Capital Credit Corporation: Solicitation No. FGS-N1-XU248-N-5-7-85	10/03/85
A60008	Limited Preaward Survey of STA Credit Corporation, Inc.: Solicitation No. FGS-N1-XU248-N-5-7-85	10/03/85
A60009	Limited Preaward Survey of Datacom Systems Corporation: Solicitation No. FGS-N1-XU248-N-5-7-85	10/03/85
A50592	Preaward Audit of Multiple Award Schedule Contract: Synergetics International, Inc., Solicitation No. FGS-Y2-3900-N-6-25-85	10/17/85
A50624	Preaward Audit of Multiple Award Schedule Contract: Wenger Corporation, Solicitation No. 10PN-NTS-0279	10/17/85
A50652	Preaward Evaluation of Pricing Proposal: BSN Corporation, Solicitation No. 10PN-NTS-0279	10/18/85
A50596	Preaward Audit of Cost or Pricing Data: Aquila Technologies Group, Inc., Solicitation No. FGE-D4-75345-N-4-23-85	10/22/85
A50612	Preaward Audit of Cost or Pricing Data: Curtiss-Wright/Marquette, Inc., Solicitation No. FEN-EW-A5312-N-5-22-85	10/22/85
A50445	Postaward Audit of Time and Material Contract: Lenexa Office Equipment, Inc., Overland Park, Kansas, Contract No. GS-07S-10137	10/23/85
A50653	Audit of Termination Proposal: Sunbelt Industries, Inc., Contract No. GS-04F-00678	10/24/85
A60011	Preaward Audit of a Claim for Increased Costs: Commercial Flooring Specialists, Contract No. GS-08F-37643	10/30/85
A50651	Preaward Audit of Multiple Award Schedule Contract: Constructive Playthings, Grandview, Missouri, Solicitation No. 10PN-NTS-0279	10/31/85
A60057	Preaward Audit of Cost or Pricing Data: Hild Floor Machine Company, Inc., Solicitation No. 9FCO-OLV-N-A1213/85	10/31/85
A60065	Supplemental Review of Preaward Price Proposal: Solicitation No. 7PM-52678/R5/7FC, Monaco Enterprises, Inc., Spokane, Washington	11/01/85

A50660	Preaward Audit of Multiple Award Schedule Contract: S & S Arts & Crafts, Solicitation No. 10PN-NTS-0279	11/05/85
A50647	Preaward Audit of Multiple Award Schedule Contract: Herman Miller, Inc., Solicitation No. FGS-X8-38000-N	11/15/85
A50427	Preaward Audit of Cost or Pricing Data: John Savoy & Son, Inc., Solicitation No. FNPS-S1-1526-N-4-1-85	11/26/85
A50595	Preaward Audit of a Claim Submitted by Florida State University: Contract No. GS-00C-70050	11/29/85
A60064	Preaward Audit of Multiple Award Schedule Contract: Lakeshore Curriculum Materials Company, Solicitation No. 10PN-NTS-0279	11/29/85
A60038	Preaward Audit of Multiple Award Schedule Contract: Olesen, Solicitation No. 10PN-NTS-0279	12/10/85
A60082	Preaward Audit of Multiple Award Schedule Contract: RACON, Inc., Solicitation No. 7PM-52678/R5/7FC	12/13/85
A40673	Postaward Audit of Multiple Award Schedule Contracts: Sierra-Misco, Inc., Contract Nos. GS-00S-57139/57140 for the Period 2/4/83 to 11/30/83	12/18/85
A40740	Postaward Audit of Multiple Award Schedule Contract: Sierra-Misco, Inc., Contract No. GS-00S-86500 (RENEWAL) for the Period 9/17/80 to 7/31/81	12/18/85
A40741	Postaward Audit of Multiple Award Schedule Contracts: Sierra-Misco, Inc., Contract Nos. GS-00S-27473/27474 for the Period 8/1/81 to 9/30/82	12/18/85
A60041	Preaward Audit of Multiple Award Schedule Contract: Kaplan School Supplies, Solicitation No. 10PN-NTS-0279	12/20/85
A60078	Preaward Audit of Cost or Pricing Data: Sargent & Greenleaf, Inc., Solicitation No. AT/TC19842	12/20/85
A60079	Preaward Audit of Multiple Award Schedule Contract: AXIA Incorporated, Nestaway Division, Solicitation No. 10PN-NES-0379	12/20/85
A60059	Postaward Audit of Multiple Award Schedule Contract: Aritech Corporation, Contract No. GS-07F-11530 for the Period 9/1/84 to 8/31/85	12/30/85
A50605	Audit of Termination Proposal: R. S. Data Systems, Contract No. GS-OWF-52779	12/31/85
A60114	Preaward Audit of Multiple Award Schedule Contract: Calgon Corporation, St. Louis, Missouri, Solicitation No. 7PM-52679/S5/7FC	01/06/86
A60005	Preaward Audit of Cost or Pricing Data: Safeguard Technology, Inc., Solicitation No. 7PM-52678/R5/7FC	01/13/86
A60056	Preaward Audit of Cost or Pricing Data: Clements National Company, Solicitation No. 9FCO-OLV-N-A1213	01/13/86
A60117	Preaward Audit of Multiple Award Schedule Contract: Water Management Division, Clow Corporation, Solicitation No. 7PM-52679/S5/7FC	01/13/86
A60099	Preaward Audit of Cost or Pricing Data: Emeco Industries, Inc., Solicitation No. FNPS-S6-1632-N-9-6-85	01/16/86
A60100	Preaward Audit of Multiple Award Schedule Contract: InterMetro Industries Corporation, Solicitation No. 10PN-NES-0379	01/16/86
A50246	Preaward Audit of a Claim for Increased Costs: G & H Machinery Company, Contract Nos. GS-05W-56153 and GS-05W-66269	01/21/86
2C206440001	Postaward Audit of Multiple Award Schedule Contracts: Millipore Corporation, Bedford, Massachusetts, Contract Nos. GS-00S-92604, -03205, and -23618	01/29/86
A60115	Preaward Audit of Multiple Award Schedule Contract: Mogul Division of Dexter Corporation, Solicitation No. 7PM-52679/S5/7FC	01/31/86
A60116	Preaward Audit of Multiple Award Schedule Contract: Dearborn Chemical Company, Solicitation No. 7PM-52679/S5/7FC	02/04/86
A60149	Preaward Audit of Multiple Award Schedule Contract: Nutmeg Chemical Company, Solicitation No. 7PM-52679/S5/7FC	02/06/86

A60218	Audit of Contract Claim: LF&J Automotive, Inc., St. Louis, Missouri, Term Contracts for Repair, Maintenance, and Overhaul of Government-Owned Vehicles	02/12/86
A50664	Preaward Audit of Cost or Pricing Data: Diversified Technical Services, Inc., Solicitation No. GS-07F-11736	02/14/86
A50520	Preaward Audit of Multiple Award Schedule Contract: Cardkey Systems, Solicitation No. 7PM-52678/R5/7FC	02/25/86
A60153	Preaward Audit of Cost or Pricing Data: Terry Manufacturing Co., Inc., Solicitation No. 8FCG-S1-50052	02/26/86
A50648	Postaward Audit of Multiple Award Schedule Contract: Medline Industries, Inc., Contract No. GS-00S-27092	02/27/86
A60074	Review of Communications International, Inc.'s Cutover Invoice Dated July 30, 1985: Contract No. GS-00K-8403C-0004	02/27/86
A60134	Preaward Audit of Multiple Award Schedule Contract: Betz Entec, Inc., Solicitation No. 7PM-52679/S5/7FC	03/11/86
A60231	Preaward Audit of Multiple Award Schedule Contract: Wilson Trophy Company, St. Louis, Missouri, Solicitation No. 7PM-52681/R5/7FC	03/17/86
A60193	Preaward Audit of Cost or Pricing Data: Boston Whaler, Inc., Contract No. GS-10F-46572	03/18/86
A50565	Postaward Audit of Time and Material Contract: LF&J Automotive, Inc., St. Louis, Missouri, Contract No. GS-06F-12843	03/21/86
A60102	Postaward Audit of Contract Billings: Information Systems and Networks Corp., Contract No. GS-00C-60079	03/21/86
A60147	Preaward Audit of Cost or Pricing Data: Butler Fleet Maintenance Services, Solicitation No. 10PN-NCS-0408	03/25/86
A60220	Preaward Audit of Multiple Award Schedule Contract: American Hoechst Corporation, Solicitation No. FGE-A4-75361-N	03/26/86
A60235	Preaward Evaluation of Cost or Pricing Data: Rite-Size Machinery Company, Solicitation No. 9FC0-OLK-NA1302/86	03/27/86
A40095	Postaward Audit: Onan Corporation, Contract No. GS-04S-23587, Initial Period, 6/1/80 to 5/31/81	03/28/86
A40845	Postaward Audit: Onan Corporation, Contract No. GS-04S-23587, Renewal Period No. 1, 6/1/81 to 5/31/82	03/28/86
A40846	Postaward Audit: Onan Corporation, Contract No. GS-04S-23587, Renewal Period No. 2, 6/1/82 to 7/31/83	03/28/86
A60230	Preaward Audit of Cost or Pricing Data: Excel Manufacturing Corporation, Solicitation No. AT/DQ 19958	03/28/86
A50130	Audit of Termination Proposal: Afro-Lecon, Inc., Subcontractor Under Small Business Administration Contract No. GS-02B-81675	03/31/86

FSS Internal Audits

A40571	Review of the Quality Approved Manufacturer Agreement Program	10/18/85
A50236	Review of Requisition Processing and Control, Region 5	01/10/86
A40774	Review of Contract Awards Made Over Negative Preaward Surveys	01/23/86
A40833	Review of Federal Supply and Services Long Supply Inventory	01/30/86
A50537	Letter Report on the Federal Supply Service Economic Order Quantity Formula	01/31/86
A60013	Observation of Customer Supply Center Inventory, San Juan, Puerto Rico	02/03/86
A50527	Review of Blanket Purchase Agreement Implementation	02/04/86
A50567	Review of Resolution of Quality Deficiencies of Material Produced by the Batch Process, Region 5	03/06/86
A60084	Review of Unreconciled Self-Service Store Inventories	03/14/86

A50353	Review of the Region 4 Customer Supply Center	03/26/86
A60076	Review of Customer Supply Center Operations, Anchorage, Alaska	03/31/86

IRMS Contract Audits

A50557	Preaward Audit of Multiple Award Schedule Contract: NCR Corporation, USDPG Pricing and Financial Svcs., Solicitation No. GSC-KESA-C-00030-N	10/03/85
A50431	Preaward Audit of Multiple Award Schedule Contract: Data General Corporation, Solicitation No. GSC-KESA-C-00030-N-4-11-85.	10/04/85
A60015	Report on the Evaluation of Proposal RI 2867 Submitted in Response to Solicitation No. GSC-OIT-5013: Harris Corporation	10/04/85
A60020	Report on Review of Proposal for Initial Pricing Under Solicitation No. GSC-KESA-C-00030: Norden Systems, Inc.	10/07/85
A60022	Audit Report on Evaluation of Firm Fixed Price Proposal: PRC Government Information Systems, RFP No. GSC-OIT-5013	10/07/85
A50562	Preaward Audit of Multiple Award Schedule Contract: Boeing Computer Services, Solicitation No. GSC-KECT-A-00008-N-4-10-85	10/09/85
A60029	Audit Report on Evaluation of Subcontract Proposal Submitted by: Planning and Analysis, Incorporated, RFP No. GSC-OIT-5013	10/10/85
A60032	Report on Evaluation of Initial Pricing Proposal No. 45843.000 Under RFP No. GSC-OIT-5013 Submitted by: System Development Division, Defense Systems Group, TRW, Inc., Electronics and Defense Sector, Redondo Beach, California	10/15/85
A60034	Audit Report on Evaluation of Price Proposal: Systems and Applied Sciences Corporation, RFP No. KECS-85-017	10/15/85
A50656	Preaward Audit of Cost or Pricing Data: Sunair Electronics, Inc., Solicitation No. GSC-KESCR-00033-N-5-7-85	10/16/85
A50610	Preaward Audit of Cost or Pricing Data: OAO Corporation, Solicitation No. KECS-85-017	10/22/85
A50635	Preaward Audit of Cost or Pricing Data: REI/Inforex, Inc., Solicitation No. GSC-KESA-C-00030-N-4-11-85	10/22/85
A50516	Preaward Audit of Multiple Award Schedule Contract: Software AG of North America, Inc., Solicitation No. GSC-KESA-C-00030-N-4-11-85	10/25/85
A50523	Preaward Audit of Multiple Award Schedule Contract: Motorola, Inc., Communications Sector, Solicitation No. GSC-KESCR-00033-N	10/28/85
A50485	Preaward Audit of Multiple Award Schedule Contract: Tandem Computers, Inc., Solicitation No. GSC-KESA-C-00030-N-4-11-85	10/31/85
A60030	Postaward Audit of Multiple Award Schedule Contract: Data General Corporation, Contract No. GS-00K-85-01-S5927 for the Period 10/1/84 to 9/30/85	11/05/85
A50611	Preaward Audit of Cost or Pricing Data: Hetra Computer and Communications Industries, Inc., Solicitation No. GSC-KESA-C-00030	11/13/85
A50489	Preaward Audit of Multiple Award Schedule Contract: Sperry Corporation, Solicitation No. GSC-KESA-C-00030-N-4-11-85	11/19/85
A50631	Preaward Audit of Multiple Award Schedule Contract: Nautel Maine, Inc., Solicitation No. GSC-KESCR-00030	11/19/85
A50667	Audit of Termination Proposals: Sterling Systems Incorporated, Contract No. GS-00C-40055	11/20/85
A50137	Postaward Audit of Multiple Award Schedule Contract: Dysan Corporation, Contract No. GS-OOC-01690 for the Period 6/13/79 to 3/31/80	12/03/85
A60106	Report on Review of Proposal for Initial Pricing: Miltope Corporation, RFP No. GSC-KESA-C-00030-N-4-11-85	12/03/85
A50481	Preaward Audit of Multiple Award Schedule Contract: Compucorp, Solicitation No. GSC-KESA-C-00030-N-4-11-85	12/05/85

A40567	Postaward Audit of Multiple Award Schedule Contract: Motorola, Inc., Communications Group, Contract No. GS-00C-90824 for the Period 2/22/83 to 9/30/83	12/11/85
A60141	Audit Report on Evaluation of Price Proposal Submitted by Computer Data Systems, Incorporated: Solicitation No. KECS-85-021	12/30/85
A60101	Preaward Audit of Multiple Award Schedule Contract: Relational Technology, Inc., Solicitation No. GSC-KESA-C-00030-N-4-11-85	02/06/86
A60161	Preaward Audit of Multiple Award Schedule Contract: Compaq Computer Corporation, Solicitation No. GSC-KESA-G-00032-N-12-17-85	02/19/86
A60156	Preaward Audit of Cost or Pricing Data: OAO Corporation, Solicitation No. KECS-85-021	02/24/86
A60026	Postaward Audit of Contract Billings: OAO Corporation, Contract No. GS-00K-85-02D2341	02/28/86
A60237	Audit Report on Evaluation of Price Proposal Submitted by: Racal Communications, Incorporated, Solicitation No. KESCR-00033	02/28/86
A60236	Audit Report on Evaluation of Price Proposal Submitted in Response to RFP Number KECS-85-021: SASC Services, Incorporated	03/05/86
A60158	Preaward Audit of Multiple Award Schedule Contract: RCA Corporation, New Products Division, Contract No. GS-00K-85AGS0008	03/07/86
A60208	Preaward Audit of Multiple Award Schedule Contract: Penril Datacomm, Solicitation No. GSC-KESA-G-00031-N-12-3-85	03/12/86
A60184	Preaward Audit of Multiple Award Schedule Contract: Computer Tape Source, Inc., Contract No. GSC-KESCR-00036-N-12-3-85	03/14/86
A60095	Postaward Audit of Multiple Award Schedule Contract: Prime Computer, Inc., Contract No. GS-00K-8401S5566	03/17/86
A40281	Postaward Audit of Multiple Award Schedule Contract: Motorola, Inc., Communications Group, Contract No. GS-00C-90109, Renewal No. 1, 7/1/81 to 2/21/83	03/18/86
A60016	Postaward Audit of Multiple Award Schedule Contract: M.P.H. Industries, Inc., Chanute, Kansas, Contract No. GS-00K-8401S0420 for the Period 4/1/84 to 3/31/85	03/31/86
A60277	Postaward Audit of Multiple Award Schedule Contract: M.P.H. Industries, Inc., Chanute, Kansas, Contract No. GS-00K-8301S0104 for the Period 4/1/83 to 3/31/84	03/31/86
A60313	Report on Evaluation of Initial Price Proposal Submitted by: Systems Management American Corporation, Norfolk, Virginia	03/31/86

IRMS Internal Audits

A40849	Review of the Operations of the Region 1 Contract Services Program	10/28/85
A50309	Review of Office Automation in Region 9	12/17/85
A40397	Limited Review of Controls Over Payments to Teleprocessing Services Program Contractors, Office of Information Resources Management, Central Office	12/30/85
A40436	Review of the Management of Civilian Agencies Telecommunication Systems	12/30/85
A40848	Review of the Standard Level User Charge (SLUC) System Redesign Project	03/28/86

Other GSA Contract Audits

A50608	Audit of Cost Reimbursable Contract: Bulova Watch Company, Inc., Contract No. GS-00-DS-(P)-03003 for the Period 8/1/83 to 7/31/85	03/27/86
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Other

GSA Internal Audits

A40701	Review of the Federal Managers' Financial Integrity Act, Section 4 for Fiscal Year 1984	10/08/85
A50346	Final Report on Potential PCB Contamination at Curtis Bay Depot, Baltimore, Maryland	10/10/85
A50346	Final Report on Potential PCB Contamination at Scotia Depot, Scotia, New York	10/10/85
A50654	Review of Funding for Modular Building, Santa Ana Courthouse, Santa Ana, California	10/24/85
A50215	Review of GSA Billings to the Federal Emergency Management Agency, Region 8	10/29/85
A50068	Review of Regional Operations of the Office of Project Control and Oversight, Region 2	11/04/85
A50215	Review of GSA Billings to the Federal Emergency Management Agency, Region 4	11/14/85
A60060	Review of Imprest Funds, Region 8	11/14/85
A60001	Review of Imprest Fund at Duluth, Atlanta East, Atlanta West, and Thomasville, Georgia	11/20/85
A50215	Review of GSA Billings to the Federal Emergency Management Agency, Region 9	12/06/85
A50657	Review of Imprest Fund of the Norfolk Buildings Manager, Norfolk, VA	12/16/85
A40489	Review of the Federal Managers' Financial Integrity Act, Section 2 for Fiscal Year 1984	12/16/85
A50273	Review of Regional Operations of the Office of Project Control and Oversight, Region 1	12/20/85
A60213	Review of Unresolved Issues in Federal Buildings Fund Reports	02/10/86
A60138	Final Report on Controls Over the Reporting of Fiscal Year 1985 Consultants and Appointments	02/24/86
5F206280028	Review of the NEAR Vendor Payment History	02/25/86
A60211	Review of the Use of Government Vehicles for Home-to-Work Transportation, Region 10	03/17/86
A60211	Review of the Use of Government Vehicles for Home-to-Work Transportation, Region 7	03/17/86
A60211	Review of the Use of Government Vehicles for Home-to-Work Transportation, Region 8	03/28/86
A60033	Review of Travel Vouchers, Region 7	03/31/86

Non-

GSA Internal Audits

A50480	Review of the Administrative Procedures of the United States Commission on Civil Rights	02/28/86
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APPENDIX II—DELINQUENT DEBTS

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

GSA Efforts to Improve Debt Collection

During the period October 1, 1985 through March 31, 1986, specific activities undertaken by GSA to improve debt collection and reduce the amount of debt written off as uncollectible have focused on upgrading collection functions and debt management. These activities included the following:

- In October 1985, GSA awarded contracts to four collection agencies to make private collection services available to all departments and agencies. GSA is a participating agency.
- In November 1985, GSA established a lockbox in Region 6 to collect general receipts directed to the regional finance division. The lockbox is expected to speed the flow of cash to the U.S. Treasury and facilitate the timely posting of collections to the appropriate accounts, thereby reducing the chance of a delinquency resulting from untimely processing. A similar lockbox became operational in Region 7 on March 1, 1986.
- In December 1985, the Department of Justice, in response to a request from GSA, rendered an opinion on the impact of the Contract Disputes Act of 1978 (P.L. 95-563) on the collection provisions of the Debt Collection Act of 1982 (P.L. 97-365). The opinion stated that claims arising from contracts subject to a disputes clause under P.L. 95-563 can be pursued under the provisions of the Debt Collection Act of 1982. However, prior to pursuing such claims, GSA must define and document the extent to which administrative offset can be used to collect these claims.

- In February 1986, GSA transferred financial responsibility survey functions administered by the Credit and Finance Branch in Region 2 to Region 6. By placing GSA's financial survey functions in proximity to billing and collection functions, GSA's "credit management cycle," as defined in OMB Circular A-129, Appendix 1, will be strengthened.

GSA has continued to reduce non-Federal receivables and, therefore, reduce possible delinquencies. Several actions, occurring after December 31, 1985, have resulted in further reductions to both the total non-Federal receivables and delinquent amounts reported below. These included:

- GSA's largest single delinquent account was re-scheduled under the provisions of a plan of arrangement approved by the U.S. Bankruptcy Court. This action removed a \$6.6 million account from delinquency status.
- The largest single mortgage—\$20.2 million—in GSA's portfolio was paid in full.
- GSA asked the Department of Justice to provide written authority to write-off a \$701,896 judgment claim carried on GSA's accounts. The debtor has ceased business operations and has no known assets.

Non-Federal Accounts Receivable

Because GSA utilizes manual reporting systems for its non-Federal accounts receivable, data for the period October 1, 1985 through March 31, 1986 were not available at the time of publication of this report. Six-month data for the period June 30, 1985 through December 31, 1985 are therefore provided.

	As of June 30, 1985	As of December 31, 1985	Difference
Total Amounts			
Due GSA.....	\$65,449,915	\$58,284,797	(\$7,165,118)
Amount Delinquent.....	\$19,628,235	\$16,744,276	(\$2,883,959)
Total Amount Written Off as Uncollectible Between 6/30/85 and 12/31/85.....	\$216,801		

