Office of Inspector General

Semiannual Report to the Congress

April 1, 1986 to
September 30, 1986

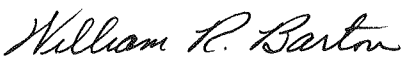
November 1, 1986

FOREWORD

This report, submitted pursuant to the Inspector General Act of 1978, summarizes Office of Inspector General activity over the 6-month period ending September 30, 1986. It is my second Report to the Congress and marks the completion of my first year in office.

Submission of this report occurs at a turning point for the Office of Inspector General. With the enactment of the Fiscal Year 1987 budget, this office now has the opportunity to ameliorate the inefficiencies, productivity losses, dislocations, and coverage problems resulting from staffing losses over the last few years. This positive outlook is a result, in part, of the strong support we have received from GSA's management at all levels and especially from the Administrator, the Office of Management and Budget, and the Congress.

I am truly encouraged by the Office of Inspector General's posture in Fiscal Year 1987 and look forward to the opportunities and challenges it holds.



WILLIAM R. BARTON
Inspector General

October 31, 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 April 1, 1986 and September 30, 1986. It is the sixteenth 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.

Public Buildings Service

The OIG expended 46 percent of its direct workhours reviewing Public Buildings Service (PBS) programs. Resultant audits assisted PBS managers in improving operations in a number of ways, including:

- Conserving energy in leased space.
- Improving the methods for evaluating cleaning service contract bids.
- Avoiding payments of $224,000 for essentially vacant space.
- Avoiding payments of up to $2.6 million by incorporating termination provisions in a proposed lease extension.

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

Federal Supply Service

The OIG invested 26 percent of its resources in audits and investigations of Federal Supply Service (FSS) programs. Noteworthy audits issued this period advised management of:

- Opportunities to improve the effectiveness of the transportation audit program in identifying and collecting carrier overcharges.
- The need to change ambiguous terminology in GSA's contract for overnight delivery services.
- The need to fully implement a computerized inventory system at an industrial products store.

In addition, the Department of Justice and/or FSS officials utilized information in OIG audit reports to negotiate:

- A $6 million cost avoidance on a contractor claim.
- Pricing concessions valued at $5.2 million on purchases of copying equipment.

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

Information Resources Management Service

The OIG expended 19 percent of its direct workhours performing audits and investigations involving the programs and personnel of the Information Resources Management Service (IRMS). As a result, IRMS is now in the process of addressing the need for:

- A more effective Contract Services Program that better supports customer agencies.
- Actions to prevent erroneous payment of State and local taxes on procurements of telecommunications equipment.

In addition, IRMS contracting officials successfully negotiated two recoveries, each valued at close to $2.2 million, as a result of the findings developed through OIG postaward audits.

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

Other GSA Coverage

The OIG expended 8 percent of its direct workhours reviewing organizations such as the Office of Administration, the Federal Property Resources Service, and the Office of the Comptroller. The resultant audits addressed a variety of areas, including stockpile operations, Government-owned vehicle utilization, imprest funds, and GSA's implementation of the Federal Managers' Financial Integrity Act (FMFIA). In response to issues raised in three audits, management took action to improve:

- Controls over the use of the Federal Telecommunications System.
- Accountability over GSA-owned automated data processing and office automation equipment.
- GSA's process for implementing Section 2 of the FMFIA.

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:

- 321 audit reports;
- $95,765,168 in recommendations for more efficient use of resources and in recovery recommendations;
- $42,740,658 in management commitments to more efficiently use resources;
- $8,132,743 in management commitments to recover funds, voluntary recoveries, court-ordered recoveries, and investigative recoveries;
- 183 investigative cases opened and 236 closed;
- 28 case referrals accepted for criminal prosecution and 3 case referrals accepted for civil litigation;
- 24 indictments/informations/complaints on criminal referrals;
- 37 successful criminal prosecutions;
- 3 settlements and 1 judgment on civil fraud referrals;
- 21 contractor suspensions and 16 contractor debarments on administrative referrals;
- 33 reprimands, 10 suspensions, 1 demotion, and 11 terminations on administrative referrals involving GSA employees;
- 8 Inspector General subpoenas; and
- 269 legislative initiatives and 150 regulations and directives reviewed.

Management commitments to more efficiently use resources, management commitments to recover funds, voluntary recoveries, court-ordered recoveries, and investigative recoveries totaled $50,873,401 during the second half of FY 1986. This represented a return of $5.54 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 through 1986. Although fluctuations by individual category are present throughout the table, OIG productivity in FY 1986 was in line with levels established during the previous 3 years. This represents a substantial achievement on the part of OIG staff, given that FY 1986 saw a continued decline in personnel resources that brought OIG staffing to its lowest level since FY 1979.

Productivity Factor	FY 83	FY 84	FY 85	FY 86
Total costs recovered/avoided* per audit, counsel, and investigations FTE	$352,910	$522,688	$444,152	$368,179
Recommended cost avoidance and recovery per audit FTE	$587,825	$1,357,104	$601,564	$792,089
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	6.0
Positive investigative outcomes (indictments/informations/complaints/successful prosecutions) per investigations FTE	1.3	0.9	1.2	1.2
Employee actions (reprimands, terminations, suspensions, and demotions) per investigations FTE	1.2	1.6	1.5	1.3

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

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:

- Completion of 28 preaward advisory reviews of leases involving annual rentals in excess of $200,000.
- Integrity Awareness Briefings for 319 GSA employees.
- Receipt of 373 Hotline calls/letters and referral of 114 of these complaints for further action.

TABLE OF CONTENTS

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.

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 coverage of GSA operations (internal or management audits) as well as GSA contractors (external or contract audits). Headquarters divisions direct and coordinate the audit program, which is performed by the 10 field audit offices and 1 resident office.
- 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 9 field investigations offices and 5 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 continues to be headquartered in Washington, D.C., at GSA's Central Office building. This period, however, the OIG modified its regional organizational structure to reflect changes in GSA's regional structure. Specifically, the OIG's audit and investigative functions in Denver were designated as resident offices reporting to the OIG field offices in Fort Worth; and the OIG's investigative function in Auburn was designated as a resident office reporting to the OIG field investigations office in San Francisco. In contrast with GSA's new regional structure, the OIG maintained a full field audit office in Auburn, and full field audit and investigations offices in Boston. This decision was based upon the extensive number of GSA contractors located in these areas.

The OIG's current regional structure therefore consists of:

- Field audit and investigations offices in Boston, New York, Philadelphia, Atlanta, Chicago, Kansas City, Fort Worth, San Francisco, and Washington, D.C.
- A field audit office in Auburn.
- A resident audit office in Denver.
- Resident investigations offices in Auburn, Cleveland, St. Louis, Denver, and Los Angeles.

C. Staffing and Budget

The OIG's approved Fiscal Year (FY) 1986 budget is approximately $19.3 million, which reflects an intra-Agency transfer of $190,000. Some $9.7 million was available for obligation during the reporting period.

While the OIG's approved staffing level is 452 full-time equivalent (FTE) positions, only 371 FTE positions were fundable during the year. As of September 30, 1986, the OIG had incurred 363 FTE workyears.

D. Staffing and Budget Issues

In our May 1, 1986 Report to the Congress, we devoted considerable attention to the continued decline of OIG financial and personnel resources. The OIG started FY 1986 with on-board staffing of 374, which was then supplemented by 12 transfers from the Agency, bringing total OIG staffing to 386. However, the OIG's fundable FTE level was only 371. By the end of the first 6 months of FY 1986, an OIG hiring freeze had reduced on-board staffing by 20. During the second 6 months of FY 1986, budget-related events included the following:

- Continuation of the OIG hiring freeze in order to bring overall FY 1986 OIG personnel expenditures within the fundable FTE level.
- Intervention by the GSA Administrator to assist the OIG in maintaining a viable contract audit program. The Administrator exercised his 1 percent budget transfer authority to transfer $190,000 from Agency budget accounts to the OIG.

- OIG participation in the Agency's "early-out" retirement program. As a result, eight unanticipated retirements occurred in the last half of the fiscal year.

The net result of these events was that, by the end of FY 1986, OIG staffing had been reduced to 340, its lowest level since FY 1979.

The budget/personnel challenges facing the OIG in FY 1987 are much different. With the solid support of the Administrator, OMB, and the Congress, almost $2 million in additional funding has been provided to the OIG. This level of appropriation represents a fundable FTE level of 430, given that new personnel are hired at entry levels. In order to accommodate hiring demands and ensure that OIG coverage increases at least commensurately, the OIG has already taken a number of preparatory steps. These include:

- Negotiation of an interagency agreement with the Office of Personnel Management (OPM) that permits use of OIG-conducted preemployment suitability investigations as a method for filling security-sensitive positions prior to completion of OPM full field background investigations.
- Realignment of the OIG's regional organizational structure (see Paragraph B, Office Locations) and development of model staffing plans based on the new organizational structure.
- Promulgation of a detailed 5-year computer/office automation plan.
- Development of training plans to comprehensively address the professional development needs of existing staff, as well as the training needs of new recruits.

SECTION II—PUBLIC BUILDINGS SERVICE

The Public Buildings Service (PBS) manages much of the Federal Government's real estate assets nationwide. Its responsibilities extend from constructing, purchasing, and leasing space for Government use to maintaining and protecting that space. In the second half of FY 1986, the total available funding authority of the Federal Buildings Fund was almost $2.2 billion. During the same period, PBS obligated almost $1.6 billion of these funds.

Commensurate with this level of activity, the OIG devoted some 64,130 direct staffhours pursuing 502 audit and investigative assignments. These figures reflect 46 percent of total OIG direct staffhours and approximately 49 percent of all work assignments.

A. Overview of OIG Activity

This period, more than half of the internal audit reports issued by the OIG addressed PBS programs and activities. We presented findings relative to energy conservation, contract award and administration, fire and safety issues, lease enforcement, and buildings management. Some of the more significant reviews advised PBS management of opportunities to:

- Save energy in leased space.
- Improve methods for evaluating cleaning service contract bids.
- Strengthen internal controls over transformers containing polychlorinated biphenyls (PCBs).
- Avoid annual rental payments of $224,000 for essentially vacant space.
- Avoid up to $2.6 million in rent under a proposed lease extension.

PBS is now formulating/implementing corrective actions for these reviews based on our recommendations.

The OIG also issued 107 contract audits relative to PBS programs, many evaluating construction claims, change orders, and architect and engineering services proposals. In total, these audits recommended cost avoidances and cost recoveries of almost $23 million. Two audits, which account for over $6 million of the recommended cost avoidance, are highlighted herein.

OIG investigators completed 117 cases involving PBS programs, operations, or employees. Of these cases, 70 percent involved allegations of white collar crimes and employee misconduct. Notably, one investigation resulted in the conviction of an assistant buildings manager and two contractor personnel of various charges relating to a scheme for obtaining repair and alteration contracts.

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.

Energy Conservation in Leased Space

This period, the OIG evaluated energy usage in one GSA region. The review focused on Category C leased buildings, i.e., lessor-operated facilities wherein the Government leases over 3,500 square feet and pays at least 50 percent of the utility costs. We selected three buildings, representing almost 10 percent of the region's Category C space, for review.

Our review disclosed that the region had made notable progress in identifying and monitoring energy usage problems, but additional opportunities for energy conservation still existed. For example, we found that estimated annual savings of $228,000 could be realized by eliminating wasteful tenant agency operational practices; enforcing GSA standards for lighting levels and room temperatures; and requiring lessors to promptly correct maintenance deficiencies. We also found that energy conservation could be enhanced by incorporating energy-related provisions into leases.

In our April 8, 1986 audit report, we offered ten recommendations to the Assistant Regional Administrator, Office of Public Buildings and Real Property, to correct these and other deficiencies. Some of the more significant recommendations included:

- Identify and report to tenant agency authorities chronic uneconomical energy practices.
- Incorporate energy-related provisions into new leases and, where economical and feasible, incorporate revised provisions into existing Category C leases.
- Use lease enforcement actions to assure that lessors initiate timely corrective actions.

The Regional Administrator submitted responsive action plans for implementing the report recommendations. Resolution was achieved on September 30, 1986.

Price Analysis Techniques Require Strengthening

As part of a multiregional review of cleaning contracts, the OIG evaluated one GSA region's award and administration procedures. As of September 30, 1985, the

region administered 52 contracts valued at over $26 million.

The review disclosed that two of the four methods used to analyze the reasonableness of contract bids were flawed. The first, comparing bid prices to those in recently awarded contracts, was essentially meaningless since comparisons were made between dissimilar procurements. A random review of recent contracts disclosed that bids for standard-level cleaning had been compared to contracts for executive cleaning; a bid for cleaning warehouse space had been compared to one for cleaning office space; and comparisons had been made between buildings of varying size.

Moreover, we found that the second method, comparing Government estimates to contractor bids, was compromised by outdated workload documents. These documents, which detail the size, type of space, and cleaning requirements by building, were more than 5 years old for almost 75 percent of the buildings included in the review, despite a requirement for partial surveys each year. Such dated information not only impacted the development of accurate Government estimates but also affected the accuracy of contractor bids since these data were furnished to bidders.

The audit also concluded that another bid evaluation method, comparing historical costs to bid prices, could be improved by extending the analysis to include award prices established within the last several years. Therefore, in our April 10, 1986 report, we recommended that the Assistant Regional Administrator, Office of Public Buildings and Real Property:

- Establish procedures to ensure that comparisons are made to contracts with similar types of space and levels of cleaning service.
- Ensure that workload documents are updated in accordance with PBS Handbook P5810.2B.
- Establish procedures to ensure that historical contract cleaning costs are maintained for several years and used as a basis for evaluating bids.

The Regional Administrator provided responsive action plans for implementing the report recommendations. Resolution was achieved on September 30, 1986.

Contracting Scheme Results in Three Convictions

This period, a GSA assistant buildings manager was sentenced to 3 years in prison (suspended), placed on probation for 1 year, fined $5,000, and ordered to serve 600 hours of community service after being convicted on two counts of representing the Government in matters in which he had a personal financial interest and one count of obstruction of justice. A co-conspirator Government contractor was sentenced to 6 months of probation and fined on an obstruction of justice charge, while the contractor's secretary was sentenced to 3 years of probation, fined $1,000, and ordered to serve 100 hours of community service after pleading guilty to a misdemeanor charge of theft.

These convictions stemmed from an OIG buildings management review that uncovered evidence of common ownership of private firms competing for GSA contracts and falsified inspection reports. Subsequent OIG investigation disclosed that the three subjects had formed a business to obtain repair and alteration contracts. The assistant buildings manager then directed GSA contract business to their company. Most of the work was paid for but never performed.

Controls Over PCB Contaminants

At the direction of GSA's Administrator, the Agency undertook a comprehensive program aimed at repairing/replacing all of the transformers containing PCBs in GSA-controlled facilities nationwide. This period, the OIG initiated multiregional reviews of controls over PCBs in order to assess the impact of this program. PCBs, which are toxic, non-biodegradable, and carcinogenic, pose a significant hazard to both human health and the environment.

Our reviews generally concluded that the internal controls established by the regions to assure adherence to regulations governing the identification, inspection, documentation, storage, and disposal of PCBs were adequate. However, one regional review disclosed instances of:

- Incorrect reporting on the inventory of PCB transformers.
- Leaking transformers that had been overlooked by regional inspectors.
- Leaks not being contained, cleaned up, and reported in conformance with regulations.
- PCB items not being stored in conformance with regulations prior to disposal.
- Transformers that had not been properly registered with local fire departments.

Accordingly, our May 30, 1986 report recommended that the Assistant Regional Administrator, Office of Public Buildings and Real Property, establish and implement internal controls to assure that PCB contamination is minimized by following established regulations to properly: identify, report, and mark transformers; inspect PCB transformers and prepare required documentation; contain and clean up PCB leaks; store and dispose of PCB items; and register PCB transformers with local fire departments.

Management submitted responsive action plans for implementing the report recommendation. Resolution was achieved on August 4, 1986.

Underutilized Leased Space

During a nationwide review of GSA's lease enforcement efforts, the OIG identified approximately 29,000 square feet of essentially vacant space in one building. As a result, the Government was paying annual rental of $224,000 for office space that, for several months, had only been used by the tenant agency for incidental storage. The OIG alerted the cognizant GSA official to this situation on December 10, 1985. Ensuing correspondence with the tenant agency culminated in a January 29, 1986 notification that the space was being returned to GSA.

Because the lease for this space does not expire until January 16, 1989 and due to the costs involved, we decided to monitor GSA's actions in regard to its utilization or disposal. We found that as of March 10, 1986 the region was considering four options for the space: (1) alter the space using GSA funds and backfill with another agency; (2) negotiate a superseding lease wherein the lessor makes necessary space alterations with the costs amortized over the term of the lease; (3) terminate the lease, in whole or part; or (4) negotiate a buy-out for the vacant space.

Recognizing that delays in the decision-making process would limit the options available to GSA and result in monthly rental payments of over $18,000 for vacant space, the OIG issued a letter audit report. The April 18, 1986 report recommended that the Assistant Regional Administrator, Public Buildings and Real Property:

- Evaluate the alternatives and decide on the most appropriate one.
- Establish and follow a timetable for implementing the decision.

The Acting Regional Administrator submitted responsive action plans for implementing the report recommendations. Resolution was achieved on July 16, 1986.

Improving Buildings Management Operations

This period, the OIG completed an overall evaluation of one GSA region's Buildings Management Program. The evaluation consisted of concurrent reviews of eight field offices, followed by an assessment of the operations of the Buildings Management Division (BMD). Individual reports summarizing specific conditions in each field office were issued.

In a consolidated report dated April 7, 1986, the OIG informed the Regional Administrator that, while BMD was generally effective in conducting the Buildings Management Program, more emphasis needed to be focused on internal controls, especially those pertaining to inventory control and the separation of duties in the procurement function.

We offered three recommendations to the Assistant Regional Administrator, Office of Public Buildings and Real Property, and four recommendations to the Assistant Regional Administrator for Administration to correct these and other deficiencies. These included recommendations to:

- Identify and periodically test existing internal controls and establish additional controls as necessary.
- Take prompt action to regain control over operating equipment procurements and accountability for this equipment.
- Have the Finance Division review/develop/implement policies and procedures to ensure proper coding and processing of operating equipment procurements.

Management's action plans for implementing the recommendations in the report were accepted by the OIG. Resolution was achieved on July 10, 1986.

Proposed Lease Extension Questioned

An OIG preaward advisory review of a proposed 2-year lease extension found that the extension did not include a termination provision. Since GSA was attempting to relocate the tenant agencies prior to the pending lease expiration date, the absence of termination rights could have resulted in rental payments of $2.6 million for vacant space. Further, we found that the proposed extension contained conflicting terminology regarding payments for operating expenses. As a result, GSA could have been obligated to pay all of the operating expenses through the end of the lease, even if the space was vacant.

In the final report dated July 10, 1986, we directed five recommendations to the Assistant Regional Administrator, Office of Real Estate and Development, to correct these and other deficiencies. Some of the more significant recommendations included giving consideration to:

- Reopening negotiations with the lessor in order to seek termination rights, or relocating the tenant agencies nearer to the anticipated September 30, 1987 lease expiration date.
- Eliminating the conflicting clauses regarding the operating expense adjustments for vacant space.

The Regional Administrator generally concurred with the recommendations in the draft report. We are awaiting the action plans for implementing our recommendations.

C. Significant Preaward Audits

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

$4.3 Million Recommended Cost Avoidance

At the request of the Assistant General Counsel, Claims and Litigation Division, the OIG audited a proposal for alleged damages due to Government-caused delays on the construction of a Federal building. The contractor claimed that change orders and other Government actions extended the contract work period by 290 days, resulting in increased costs of $5 million.

In our August 7, 1986 audit report, we advised the Assistant General Counsel that costs contained in the contractor's claim were overstated and/or unallowable. We therefore questioned $4,332,957 of the claimed amount, primarily in the following cost categories: direct labor, materials and equipment, field and home office overhead, and subcontractor charges.

The claim is currently before the GSA Board of Contract Appeals.

$1.9 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 $3.1 million rent increase over a 5-year lease period.

In our report dated May 5, 1986, we advised the contracting officer that the proposal included operating costs not subject to escalation as well as unsupported costs. We further advised that the use of historical data, rather than the estimates employed by the lessor, yielded significantly lower cost figures. Based on these findings, we recommended adjustments equaling some $1.9 million.

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	172	319
Recommended Cost Avoidance	$27,800,395	$89,405,192
Recommended Cost Recovery	$413,256	$6,288,676
Management Commitments to Avoid Costs	$15,883,366	$42,740,658
Management Commitments to Recover Funds	$597,454	$6,175,923
Percentage of Recommended Cost Avoidance Agreed to by Management	49	67
Percentage of Recommended Cost Recovery Agreed to by Management	75	75
Unresolved Audits Older Than 6 Months (Excluding Preawards)	3	3
Implementation Reviews Finding Unimplemented Recommendations	5	5
New Investigative Cases	90	183
Criminal Referrals (Subjects)	30	86
Civil Referrals (Subjects)	5	14
Administrative Referrals (Subjects)	121	263
Suspension/Debarment Referrals (Subjects)	40	72
Indictments/Informations/Complaints	4	24
Successful Criminal Prosecutions	10	37
Civil Settlements/Judgments	—	4

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

Sixteen audits highlighted in prior Reports to the Congress require action by PBS management before they are fully implemented. One report is unresolved, six reports are not being implemented in accordance with established milestones, and the remaining nine are being implemented in accordance with established milestones.

1. Unresolved Significant Audits

Lease Enforcement

Period First Reported: October 1, 1985 to March 31, 1986

Two OIG reviews found that Government costs under two leases were significantly higher than expected because contract specifications were not being met. As of September 30, 1986, one report had not been resolved; implementation of the other report was not proceeding according to established milestones. This section discusses the unresolved audit. The other audit is discussed in Section 2.

The unresolved audit report contained ten recommendations to enhance lease enforcement actions. PBS Central Office requested the cognizant GSA regional officials to revise the action plans to strengthen their response to the report recommendations. When the region resubmitted its action plans on August 5, 1986, Central Office again requested a revision to one recommendation.

2. Significant Audits Not Being Implemented According to Established Milestones

Lease Enforcement

Period First Reported: October 1, 1985 to March 31, 1986

Two OIG reviews found that Government costs under two leases were significantly higher than expected because contract specifications were not being met. As of September 30, 1986, one report, as previously reported, had not been resolved. The other report contained six recommendations to enhance enforcement actions; two are implemented.

The remaining four recommendations were scheduled for implementation by September 30, 1986. As of that date, the Audit Resolution and Internal Controls Division had not received documentation confirming that implementation actions had been completed.

Fire and Safety Program

Period First Reported: October 1, 1985 to March 31, 1986

This multiregional review of GSA's Fire and Safety Program advised GSA management that, while many significant improvements had been made in the program, further enhancements were necessary. Accordingly, the OIG made eight recommendations; two are implemented.

Three of the six unimplemented recommendations were scheduled for implementation by September 30, 1986. As of that date, the Audit Resolution and Internal Controls Division had not received documentation confirming that implementation actions had been completed. The remaining three recommendations are scheduled for completion on various dates between November 1986 and December 1987.

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; 15 are implemented.

One of the remaining five recommendations, which involves approval of negotiation objectives, was scheduled for implementation by September 1985. A series of extensions was granted and completion was rescheduled for September 1986. As of September 30, 1986, the Audit Resolution and Internal Controls Division had not received confirmation that it had been implemented.

Implementation dates for three of the other recommendations, which involve price analysis processes, updating the leasing handbook, and the development of automated solicitations, have been renegotiated to various dates between December 1986 and September 1987. Currently, the remaining recommendation, involving revision of position standards, carries an open due date until the Office of Personnel Management lifts its moratorium on revising standards.

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; 28 are implemented.

Three of the remaining four recommendations, which involve issues of training and certification, were scheduled for implementation by September 1986. As of September 30, 1986, the Audit Resolution and Internal Controls Division had not received documentation that the recommendations had been implemented.

The remaining recommendation, which involves establishing a separate Delegations Unit, is to be implemented in October 1986.

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; 9 are implemented.

The seven unimplemented recommendations generally involve specific actions to reduce energy consumption and better manage energy costs. Implementation action was scheduled for completion as follows: two recommendations were due on July 15, 1984; four recommendations were due on September 30, 1985; and one recommendation was due on March 31, 1986. Extensions were granted to September 30, 1986 for all seven recommendations. As of that date, the Audit Resolution and Internal Controls Division had not received documentation confirming that implementation actions had been completed.

Fire and Life Safety Systems

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

A series of seven OIG reviews identified deficiencies in fire and life safety systems in GSA-controlled space. As of September 30, 1986: implementation had been completed on three reports; implementation was overdue on one report; and implementation was proceeding according to established milestones on the remaining three reports. This section discusses the overdue audit. The three 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 open implementation date pending the resolution of a contractor suit against the Government for payment of workhours. In June 1986 the claim was settled out of court, resulting in a payment of $9,021 (half of the claimed amount) to the contractor.

As of September 30, 1986, the OIG had neither been notified whether the settlement had determined contractor liability nor received a revised action plan.

3. Significant Audits Being Implemented According to Established Milestones

Administration of Cleaning Contracts

Period First Reported: October 1, 1985 to March 31, 1986

This OIG review concluded that regional controls over cleaning contracts required strengthening. Consequently, we made seven recommendations to correct the identified deficiencies; six are implemented.

The remaining recommendation involves the collection of overpayments to a GSA contractor. On July 14, 1986, a demand letter was written and an account receivable was established in the amount of $137,082. As of September 30, 1986, the amount had not been collected.

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 October 1986. The other recommendation, originally due for implementation in March 1986, has been extended to April 1987.

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 (A/E) 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 were granted to May 1986, since PBS was awaiting completion of an A/E Deficiency Committee report.

Based on the Committee report, PBS submitted revised action plans to the OIG. Upon reviewing the revised action plans, the OIG expressed concern with management's intent relative to the first recommendation. Therefore, on September 16, 1986, we requested that the Commissioner reevaluate planned actions in light of our concerns.

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 November 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.

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. Three reports were fully implemented as of September 30, 1986; one report, as previously reported, contains a recommendation that is not being implemented in accordance with the established milestone. The remaining 3 reports contained 11 recommendations; 8 are implemented.

Implementation of the other three 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 December 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 nine successive extensions have been granted on each recommendation. All three recommendations are now scheduled for completion in November 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 second half of FY 1986, FSS obligated approximately $82.6 million in direct operating expense appropriations. Estimated sales through the General Supply Fund during the same period were almost $1.3 billion.

Consistent with this level of activity, the OIG expended some 36,679 direct staffhours pursuing 312 audit and investigative assignments. These statistics reflect 26 percent of total OIG direct staffhours and approximately 30 percent of all work assignments.

A. Overview of OIG Activity

In a series of internal audit reports issued this period, the OIG presented its findings in a variety of FSS program areas, including quality assessment, store operations, contract delivery services, and contract airline services. Three reports were especially noteworthy:

- Evaluation of the transportation audit program found that despite the many recent improvements inaugurated by management, opportunities for increased effectiveness still existed. Notably, we concluded that audit timeliness could be improved and the repayment period allowed contractors could be shortened.
- Analysis of contractor billing practices found that Federal agencies were being billed at differing rates for overnight delivery of small packages. We attributed the problem to ambiguous contract language.
- Review of an industrial products store revealed inaccurate inventory counts, missing stock, and excessive on-hand stock. These problems stemmed in part from a computerized inventory system that was not fully operational.

OIG contract coverage of FSS continued to emphasize preaward reviews, especially of multiple award schedule contracts. We issued 38 contract audits recommending over $11.6 million in cost avoidances and recoveries. Notably, utilization of information contained in OIG reports resulted in:

- The Department of Justice negotiating an agreement yielding a $6 million cost avoidance on a contractor claim.
- FSS management successfully negotiating $5.2 million in pricing concessions on a copying equipment contract.

The OIG completed 85 investigative cases involving FSS programs, operations, or employees. Notably, one investigation resulted in the conviction of a GSA contracting firm, its president, and its accountant on bribery charges. The accountant offered two GSA employees $500 each to submit a falsified facility report.

Another investigation resulted in the conviction of a firm and its sales manager for conspiring to defraud the Government and submitting false statements. The firm had substituted inferior products in medical tool kits to increase profits.

B. Significant Audits and Investigations

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

Transportation Audit Program

GSA's Office of Transportation Audits (OTA) is responsible for: (1) auditing the rates in transportation bills paid by all Government agencies for both freight and passenger services worldwide, and (2) recovering carrier overcharges identified by these audits. Either OTA staff members or commercial transportation audit firms under contract to GSA perform the audits. During FYs 1982 through 1985, OTA identified $114.2 million in carrier overcharges and collected $90.6 million.

This period, an OIG review found that OTA officials have been implementing actions to improve the efficiency and effectiveness of the transportation audit program over the past several years. Such actions included initial development of an early detection program and revision of the Federal Property Management Regulations to allow assessment of interest on certain types of overcharges. In addition, in response to an earlier OIG report, which encouraged the expansion of the reimbursable contract auditing program, management proposed, and Congress approved, the payment of contract audit firms from the overcharges recovered. This action returned an estimated $9.9 million to the Treasury during FY 1986.

Despite these many improvements, the OIG concluded that additional actions are needed to further enhance OTA's capability to identify and recover overcharges. Therefore, in our May 2, 1986 report, we directed eight recommendations to the Commissioner, FSS. Some of the more significant recommendations included:

- Improve the timeliness of the transportation audit process.

- Reduce the time period allowed carriers to refund overcharges before offset actions are initiated.
- Provide procuring agencies with additional feedback regarding the results of transportation audits.

We estimate that implementation of our recommendation to improve audit timeliness will result in cost avoidances of $4.1 million. In addition, during the course of our review, OTA took action to assess interest on all identified carrier overcharges. We estimate that this action will result in an additional $1.8 million in interest income.

The Commissioner, FSS, submitted responsive action plans for implementing the report recommendations. Resolution was achieved on July 28, 1986.

Bribery Convictions

On May 27, 1986, an acoustical partitions firm under contract to GSA, the firm's president, and a certified public accountant (CPA) were sentenced in U.S. District Court after pleading guilty to bribery charges. The company was fined $2,000; its president was sentenced to 1 year in prison (suspended), placed on probation for 2 years, and fined $2,000. The CPA was sentenced to 1 year in prison (suspended), placed on probation for 2 years, fined $5,000, and ordered to perform 100 hours of community service.

The convictions resulted from an OIG investigation initiated when a GSA quality assurance specialist alleged that the CPA offered him and his supervisor envelopes containing $500. In return, the employees were to submit the favorable plant facilities report the company needed to obtain a GSA contract.

The three defendants have also been suspended from conducting business with the Government. Government-wide debarment actions are currently pending.

Ambiguous Contract Terminology

GSA procures express small package pickup and delivery services on behalf of customer agencies in order to maximize the savings available due to volume. This period, the OIG initiated two reviews after being advised by GSA officials that the contractor was charging Federal agencies the commercial delivery rate instead of the contract rate.

Our reviews concluded that ambiguous contract language allowed differing interpretations of contract terms by the Government and the contractor; inhibited user agency determinations as to how and when to use the contract; and rendered the contract difficult to enforce. For example, the contractor interpreted "next day service" to mean that the contract rate of $3 was charged when the contractor delivered the package, but the commercial rate of $25 was billed when the package was forwarded to another company for next day delivery. The Government held that it should be billed at the contract rate regardless of who delivered the package.

We also found that contract terms used to define the covered service area did not clearly specify if certain destinations were in the area or if the contractor provided full coverage to the entire service area. Consequently, Federal customers had difficulty determining whether a planned shipment was subject to the GSA contract.

In our June 16 and August 18, 1986 audit reports, the OIG offered six recommendations to the Commissioner, FSS, to both correct these deficiencies and improve future solicitations for express small package delivery services. The more significant recommendations included:

- Reach an agreement with the contractor on the service areas covered at the contract rate.
- Issue specific guidance to Federal agencies identifying areas covered at the contract rate, once service areas have been defined.
- Conform to standard industry terminology and ensure that contract language is consistent throughout the contract.
- Define service areas by zip code in future solicitations.

The Commissioner, FSS, agreed with the recommendations in the reports and submitted responsive action plans. Resolution was achieved on August 12 and September 30, 1986, respectively.

Hardware Firm Convicted

On September 12, 1986, a medical hardware firm paid $250,000 in fines and restitution after pleading guilty to charges of conspiring to defraud the Government and submitting false statements. In addition, the firm's Government sales manager pled guilty to the charge of conspiracy on September 11, 1986. His sentencing is scheduled for October 1986.

The court actions stemmed from an OIG investigation disclosing that the firm failed to supply GSA the same equipment for which it contracted. Investigators found that the firm, in order to increase profits, deviated from the equipment line approved by GSA via preproduction samples and substituted inferior, less costly equipment in its medical tool kits. In order to disguise the substitution, the firm then submitted over 60 falsified test reports to GSA quality control officials.

Further court actions are anticipated.

Operation of an Industrial Products Store

This period, the OIG reviewed operations at an industrial products store containing an inventory of 5,000 items valued in excess of $3 million. We concluded that internal controls required strengthening in several major areas. Notably, we found that accountability would be greatly enhanced through full implementation of the store's computerized inventory system.

Despite installation of a system providing line item and perpetual inventory capabilities, we found that not all data relating to the purchase and receipt of new/replacement stock had been entered into the system. Moreover, the reliability of the inventory data in the system was undermined by the entry of erroneous sales data. These inaccuracies resulted from manual entry of stock numbers rather than reliance upon the electronic wands that automatically input stock numbers.

We also found that the last acceptable wall-to-wall inventory of store stock had been performed in FY 1981, even though FSS regulations require a yearly inventory. This finding, coupled with those relating to the automated system, manifested themselves in a series of stock-related problems including missing or otherwise unaccounted for stock items, excessive stock levels, and inaccurate inventory levels.

In our August 27, 1986 report, the OIG offered six recommendations to the Regional Administrator and sixteen recommendations to the Director, Customer Services Bureau, to correct these and other deficiencies. The more significant recommendations included:

- Enter all purchase and receipt-of-goods data into the automated inventory system.
- Require cashiers to use electronic wands for all sales.
- Establish a time-phased plan to ensure that line item accountability is established within the automated system prior to the next physical inventory.
- Fix target dates for establishing replenishment review points and economic order quantities, after the basic automated inventory is functional.
- Conduct required annual physical inventories and periodic spot checks.

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

False Statements Convictions

On September 19, 1986, a GSA contractor for adhesive products and the firm's president each pled guilty to two counts of false statements. As part of the plea agreement, the subjects agreed to pay $29,051 in restitution to the Government.

Following an allegation from a GSA quality assurance specialist, the OIG investigated the validity of test reports submitted by the company. The investigation revealed that the firm submitted falsified, fraudulent, and forged test results regarding the characteristics of its adhesive tape.

Both subjects were suspended by GSA; debarment actions are being initiated.

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.

$6 Million Avoided on Claim

Based on a request from the Department of Justice, the OIG audited a proposal for damages allegedly arising from: (1) GSA's breach of duty, and (2) Government breach of contract. The contractor, which provided computer-based educational services, claimed that GSA had provided erroneous estimates on the volume and location of user groups during the solicitation process and that Federal agencies had violated the mandatory use clause in the contract. The claim reached the Department of Justice when the firm appealed the GSA contracting officer's decision to deny the claim in full.

The November 29, 1985 audit report advised the Department of Justice that the firm's refusal to provide supporting documentation for the $6.7 million claim precluded evaluation of its appropriateness. The auditors further advised that, based on an analysis of available records, $6.6 million of the claimed amount should be avoided.

This period, the Department of Justice utilized this information to negotiate an agreement whereby the contractor received $695,000 in full settlement of its $6.7 million claim.

$5.2 Million Avoided on Copying Equipment

On July 1, 1986, GSA management committed itself to avoid expenditures of $5.2 million after successfully negotiating pricing concessions in that amount from a copying equipment firm. The commitment stemmed from an OIG audit of the firm's $19.4 million pricing proposal for the purchase, rental, maintenance, and repair of copying equipment. The audit concluded that the firm's discount and sales information was acceptable for negotiations purposes, but inadequate in certain respects.

Specifically, the September 20, 1985 report advised the contracting officer of commercial discounts not disclosed in the firm's offer. These pricing concessions resulted in more favorable terms than those offered to GSA. We further advised the contracting officer that the rental rates offered the Government were not based on commercial market rates.

$2.6 Million Avoidance Recommended

The OIG evaluated discount schedule and marketing data submitted in response to a GSA solicitation for the purchase of lettering devices and tape sign machinery. Estimated sales under the contract are $11.4 million.

In our June 26, 1986 audit report, we advised the contracting officer of commercial discounts not disclosed in the firm's offer to GSA. We further advised that the firm's proposed new marketing policy, wherein all Government sales would originate through a dealer network, would result in Government discount rates 22.5 percent lower than those offered to the firm's most favored customer. 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 auditor applied the 22.5 percent difference to the estimated sales, resulting in a recommended cost avoidance of $2.6 million.

The contracting officer agreed with the report and resolution was achieved on August 6, 1986. Negotiations are currently being conducted.

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	51	319
Recommended Cost Avoidance	$15,714,535	$89,405,192
Recommended Cost Recovery	$47,522	$6,288,676
Management Commitments to Avoid Costs	$20,583,308	$42,740,658
Management Commitments to Recover Funds	$1,212,309	$6,175,923
Percentage of Recommended Cost Avoidance Agreed to by Management	88	67
Percentage of Recommended Cost Recovery Agreed to by Management	96	75
Unresolved Audits Older Than 6 Months (Excluding Preawards)	—	3
Implementation Reviews Finding Unimplemented Recommendations	—	5
New Investigative Cases	66	183
Criminal Referrals (Subjects)	48	86
Civil Referrals (Subjects)	8	14
Administrative Referrals (Subjects)	114	263
Suspension/Debarment Referrals (Subjects)	30	72
Indictments/Informations/Complaints	19	24
Successful Criminal Prosecutions	25	37
Civil Settlements/Judgments	3	4

E. Significant Audits From Prior Reports

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

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

Excessive Inventory Storage Costs

Period First Reported: October 1, 1985 to March 31, 1986

This OIG review found that improved policies and procedures for removing excess inventory from the depot system could reduce storage costs by approximately $200,000. Accordingly, we made two recommendations; one is implemented.

The remaining recommendation, involving the development of monitoring and followup procedures, was scheduled for implementation by August 1986. This date has been renegotiated to January 1987.

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; seven are implemented.

The remaining recommendation requires preparation and approval of a clearly defined and documented systems development plan. It was originally due for implementation by November 1985; an extension to May 1986 was then granted. Currently, the recommendation carries an open due date in order to accommodate an ongoing study of the Customer Supply Center's computer system requirements. A new completion date will be established upon issuance of the study report.

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 second half of FY 1986, IRMS obligated an estimated $14.4 million in direct operating expense appropriations. Estimated sales through the Federal Telecommunications Fund and the ADP Fund during the same period exceeded $522 million.

Collectively, the OIG expended some 26,876 direct staffhours pursuing 127 audit and investigative assignments. These figures reflect 19 percent of total OIG direct staffhours and some 12 percent of total work assignments.

A. Overview of OIG Activity

This period, OIG audit coverage of IRMS primarily focused on its contracting activities, particularly preaward audits of multiple award schedule contracts. We issued 61 contract audit reports recommending over $21 million in cost avoidances and $5.8 million in recoveries. Notably, IRMS contracting officers utilized the information contained in OIG postaward audit reports to negotiate two recoveries of $2.2 million each from GSA contractors.

Internal coverage of IRMS programs and functions assisted IRMS managers in taking action to:

- Enhance the overall effectiveness of the Contract Services Program in supporting customer agencies' ADP needs.
- Prevent erroneous payment of State sales tax on telecommunications equipment procurements.

OIG investigators completed 9 cases this period involving IRMS programs, operations, and employees; most involved white collar crimes.

B. Significant Audits

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

$2.2 Million Recovered

On July 11, 1986, an IRMS contracting officer negotiated the recovery of almost $2.2 million from a multiple award schedule supplier of ADP equipment. The recovery resulted from two OIG postaward audits disclosing that the contractor violated the price reduction/defective pricing clauses in its GSA contracts and overbilled contract users.

OIG auditors found that the firm sold items to its commercial customers during the contract periods at discounts higher than those disclosed to GSA during negotiations and without offering equivalent reductions to Government purchasers. GSA contracts specifically provide that the Government is entitled to equivalent price reductions if, after negotiations, the contractor reduces its prices or grants special discounts to other customers. In addition, the auditors concluded that the firm had not submitted accurate, complete, and current discount data during the solicitation process, resulting in GSA's negotiating significantly higher prices than necessary.

Relative to the overbillings, the auditors found that the firm's billing systems did not possess the controls necessary to ensure timely price adjustments. Consequently, Government purchasers did not receive all of the discounts to which they were entitled.

OIG auditors originally recommended a cost recovery of $2.9 million, based on contract sales of $208 million.

Contract Services Program

The GSA Contract Services Program (CSP), which is executed by Technical Services Branches in the GSA regions, procures ADP technical support services for customer agencies. In FY 1985, CSP was allocated $149 million from the ADP Fund for operating expenses. Estimated FY 1986 sales were approximately $400 million.

This period, the OIG completed reviews of CSP operations in five regions as well as Central Office. These reviews identified instances of uneconomical procurements; noncompliance with policy and regulations; inaccurate and unreliable financial and management information; and mismanagement of personnel resources. The OIG issued individual reports summarizing specific conditions in each region and an interim report on grade and position classifications within the CSP.

In a consolidated report dated September 19, 1986, we informed the Commissioner, IRMS, that the common weaknesses in regional CSP operations are attributable to:

- An ineffective system of internal controls.
- Inadequate customer market surveys.
- The absence of a work measurement and direct costing system that would assure individual accountability, measure efficiency, and bill customers for all direct costs.

We therefore recommended that the Commissioner, IRMS:

- Develop an effective internal control system in accordance with OMB Circular A-123 and adopt procedures to ensure that controls function as intended.
- Make improvements to the present CSP contracting process regarding the validity of customer market surveys, technical evaluations of contract offerors, and decisions on contract renewal options.
- Investigate alternative CSP contracting methods and adopt any found to more effectively meet program needs.
- Implement a workload measurement system to assure individual accountability and measure program efficiency, and ensure that CSP's billing method for recovering direct program costs complies with the Comptroller's Handbook.

We estimate that implementation of our recommendations will result in savings of approximately $11 million. About $8.2 million could be derived from the proper application of labor rates and skill levels based on Government requirements. Approximately $2.8 million could be realized by eliminating ten supervisory positions and downgrading others.

The Commissioner generally agreed with the recommendations in the draft report. We are awaiting the action plans for implementation.

$2.2 Million Recovered From Contractor

On September 25, 1986, an IRMS contracting officer negotiated an agreement with a GSA radio equipment supplier whereby the firm would refund $2.2 million to the Government. The full amount of the refund has already been paid.

The recovery followed two OIG postaward audits. One audit found that the discount data in the firm's price proposal were not accurate, current, and complete. GSA relied upon these data and negotiated a contract that failed to give the Government discounts at least equal to those of the firm's best commercial customers.

The other audit found that the firm had understated the price reduction amount due to the Government on another GSA contract. Our review of the refund computation revealed that the firm had grouped unrelated orders and used list prices to determine maximum order thresholds; identified commercial customers as State or local governments and excluded them from the computation; and made calculation errors.

OIG auditors originally recommended cost recoveries of $2.3 million, based on sales of $210 million.

Erroneous Payment of Sales Tax

Under the Purchase of Telephones and Services (POTS) program, GSA is awarding contracts for telecommunications equipment and services in each of its regions nationwide. In conjunction with this effort, the OIG is evaluating the reasonableness and fairness of the contract prices.

During a review in one GSA region, the OIG disclosed that a contracting officer increased equipment prices by 5 percent to cover the cost of State sales tax. Such an adjustment was erroneous because the Federal Government and contractors selling to the Government are exempt from State and local taxes in most instances. We estimated that $261,848 would be saved by withdrawing the price adjustment.

Because this finding carried nationwide implications, the OIG issued a September 29, 1986 report to the Commissioner, IRMS, recommending that:

- A memorandum be issued to all contracting officers reminding them that, in most cases, the Government and contractors selling to the Government are exempt from State and local taxes.
- Contracting officers be instructed to review POTS contracts to ensure that appropriate tax exempt clauses have been incorporated.
- If a contract is found not to include a tax exempt clause, action be taken to recover any overpayments and modify the contract.

The Commissioner tentatively agreed with the findings and recommendations. We are awaiting action plans for implementation.

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.

$4.9 Million Avoidance Recommended

The OIG evaluated a contract renewal offer submitted by a supplier of general purpose ADP equipment and software. Estimated sales under the contract are $350 million.

In our August 20, 1986 audit report, we advised the contracting officer of the firm's new discount schedule for commercial end-user customers. Since it raised the maximum attainable discount, the auditors recommended that the contracting officer obtain discounts

equivalent to those offered to the best commercial customer with similar annual dollar volume. Obtaining the higher discounts would result in an estimated $4.9 million cost avoidance.

The contracting officer agreed with our position and the report was resolved on September 17, 1986. Negotiations are currently underway with the contractor.

Preaward Questions $4.9 Million of Proposed Costs

The OIG evaluated discount schedule and marketing data submitted in response to a GSA solicitation for general purpose ADP equipment and software. Estimated sales under the contract are $20 million.

In the September 17, 1986 audit report, we advised the contracting officer of commercial discounts not disclosed in the firm's offer to GSA. We further advised that the proposed Lease to Ownership Plan rates were overstated since they were applied to the firm's list prices instead of the Government's purchase prices. Based on these findings, we recommended a $4.9 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 IRMS to the overall GSA totals for the period.

Activity	IRMS	All GSA
Audit Reports Issued	69	319
Recommended Cost Avoidance	$32,091,553	$89,405,192
Recommended Cost Recovery	$5,825,344	$6,288,676
Management Commitments to Avoid Costs	$6,273,984	$42,740,658
Management Commitments to Recover Funds	$4,366,160	$6,175,923
Percentage of Recommended Cost Avoidance Agreed to by Management	77	67
Percentage of Recommended Cost Recovery Agreed to by Management	70	75
Unresolved Audits Older Than 6 Months (Excluding Preawards)	—	3
Implementation Reviews Finding Unimplemented Recommendations	—	5
New Investigative Cases	7	183
Criminal Referrals (Subjects)	2	86
Civil Referrals (Subjects)	1	14
Administrative Referrals (Subjects)	10	263
Suspension/Debarment Referrals (Subjects)	1	72
Indictments/Informations/Complaints	—	24
Successful Criminal Prosecutions	—	37
Civil Settlements/Judgments	—	4

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 and Internal Controls 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. One report is not being implemented in accordance with established milestones; the remaining two are being implemented in accordance with established milestones.

1. Significant Audits Not Being Implemented According to Established Milestones

Telecommunications Systems Management

Period First Reported: October 1, 1985 to March 31, 1986

This OIG review concluded that IRMS needed to strengthen its oversight role relative to Government telecommunications systems. We therefore made 12 recommendations; 5 are implemented.

Four of the seven unimplemented recommendations, which generally involve actions to improve agency procurements of telecommunications systems, were scheduled for implementation by September 30, 1986.

As of this date, the Audit Resolution and Internal Controls Division had not received documentation confirming that they had been implemented. The remaining three recommendations are scheduled for implementation by December 31, 1986.

2. Significant Audits Being Implemented According to Established Milestones

Teleprocessing Services Program

Period First Reported: October 1, 1985 to March 31, 1986

This OIG review found that IRMS needed to strengthen its oversight role over payments for commercial data processing services. Accordingly, we made one recommendation to assure verification of invoices by Federal agencies.

The recommendation is scheduled for implementation by October 30, 1986.

Improvements Needed in Computer Security Program

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

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

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

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 11,244 direct staffhours pursuing 83 audit and investigative assignments within these other areas of GSA. These figures reflect 8 percent of total OIG direct staffhours and approximately 8 percent of all work assignments.

A. Overview of OIG Activity

OIG coverage of the Federal Property Resources Service, the Office of the Comptroller, the Office of Administration, and other GSA organizations consisted primarily of internal management reviews. These reviews resulted in findings and recommendations in areas such as Federal telecommunications utilization, computer and office automation (OA) equipment accountability, Government-owned vehicle utilization, in-house awards under OMB Circular A-76, imprest funds, and stockpile operations. The OIG also provided extensive technical assistance and advice relative to the implementation of the Federal Managers' Financial Integrity Act (FMFIA).

Three especially noteworthy reviews aided management in taking action to improve:

- Controls over the use of the Federal Telecommunications System.
- Accountability over Agency-owned computer and OA equipment.
- GSA's process for implementing Section 2 of the FMFIA.

The OIG also completed 25 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. Significant preaward contract audits are presented in Section C.

Telecommunications Utilization

As part of a PCIE review of Federal Telecommunications System (FTS) utilization (see Section VIII), the OIG evaluated GSA's management controls over Agency utilization of long distance telephone services. During FY 1985, GSA expended approximately $8 million nationwide for long distance calls placed on Agency-provided phones.

As part of this review, we analyzed a statistical sample of calls placed on GSA-controlled telephones in headquarters and one region over a three-month period. This analysis found that 39 percent of FTS off-network calls (FTS to non-FTS telephone numbers) and 26 percent of commercial long distance calls were for unofficial purposes. The auditors estimated that the cost to GSA for unofficial calls, including unproductive employee time, would exceed $1 million annually if these percentages applied to an entire year.

We attributed the high rate of unofficial calls to ineffective management controls over detecting and deterring this unauthorized usage. For example, we identified that:

- FTS intercity reports, which detail long distance calls, were not being routinely distributed to GSA components for verification.
- Commercial long distance calls were not always verified and certified for payment as required.
- Management did not establish specific guidance on processing reimbursements for unofficial calls.
- Employee awareness of proper telecommunications usage needed improvement.

In our September 22, 1986 audit report, we directed five recommendations to the Deputy Regional Administrator to correct deficiencies. The more significant recommendations included:

- Verify and certify for payment all commercial long distance billings on a monthly basis and implement procedures contained in the GSA Internal Telecommunications Management Handbook.
- Establish an interim program in the region to detect and deter unofficial use of FTS service, including sample verifications of calls, until a nationwide program is implemented.
- Increase employee awareness of proper telecommunications use by publicizing GSA policies, penalties for misuse, and enforcement activities.

The Regional Administrator generally agreed with the recommendations in the draft report. We are awaiting action plans for implementing the recommendations.

Accountability Over Automated Equipment

This period, the OIG evaluated GSA's system of accountability over Agency-owned computer and OA equipment. The review was performed at Central Office and in four GSA regions.

We found that current procedures do not assure that equipment is properly accounted for and safeguarded. Among other things, the review disclosed that the inventory data base, which is used to manage and control computer and OA hardware, was not current or complete because:

- Procedures designed to assure entry of newly procured equipment were not subject to independent controls.
- Revisions were not entered on a timely basis.
- Information used to update the inventory was not certified by responsible personnel.

We also found that GSA's accountable officers, who are charged with controlling equipment in individual offices, had not received adequate training before assuming their duties.

In our June 4, 1986 final report, we offered five recommendations to the Associate Administrator for Administration and one to the Commissioner, IRMS, to correct these and other deficiencies. Some of the more significant recommendations included:

- Take appropriate action to assure that the computer/OA inventory is systematically updated for all equipment procurements.
- Amend GSA Order OAD P 7800.3 to ensure that documentation is maintained to support all changes to the computer/OA inventory data base and to require certification of changes to the inventory by the accountable officers.
- Establish a formal training program for the accountable officers.

Management submitted responsive action plans for five recommendations; we are working closely with the Associate Administrator for Administration to resolve the sixth.

Federal Managers' Financial Integrity Act

This period, the OIG focused considerable effort on reviewing GSA's process for implementing Section 2 of the FMFIA. In a retrospective look at the internal controls assessments leading to the 1985 assurance statement and other audit work, the OIG concluded that GSA's review and evaluation process could not be relied upon as the primary basis for reporting.

These concerns were conveyed to management early in 1986 so that corrective actions could be implemented. Throughout the reporting period, we also advised management on the appropriateness of actions being performed as part of the 1986 effort. In this regard, we reviewed and commented on the adequacy of training materials, instructions and forms, milestone dates, and a proposed simplified method for performing reviews.

In a report dated September 24, 1986, we recommended to the Associate Administrator for Administration that the FMFIA staff take a more active role in the Agency's program by:

- Providing improved quality controls;
- Keeping top-level management apprised of review status; and
- Ensuring that performing officials receive sufficient training.

Management agreed with the conclusions in the report, noting that many changes have already been accomplished. Management's response to the final report is due November 24, 1986.

We will continue to work with management as they attempt to implement the Government-wide changes brought about by the revisions to OMB Circular A-123.

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.

$10 Million Avoidance Recommended

The OIG evaluated an $89 million pricing proposal submitted in response to a GSA solicitation for ferromanganese conversion services. The solicitation resulted from a 1982 Presidential Directive mandating the conversion of National Defense Stockpile manganese ore into high-carbon ferromanganese.

In the September 15, 1986 audit report, we advised the contracting officer that costs contained in the contractor's proposal were overstated and/or unallowable. We therefore questioned $10 million in the following cost categories: ore conversion, outloading, transportation, handling, and risk contingency.

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

D. 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	27	319
Recommended Cost Avoidance	$13,798,709	$89,405,192
Recommended Cost Recovery	$2,554	$6,288,676
Management Commitments to Avoid Costs	–	$42,740,658
Management Commitments to Recover Funds	–	$6,175,923
Percentage of Recommended Cost Avoidance Agreed to by Management	–	67
Percentage of Recommended Cost Recovery Agreed to by Management	–	75
Unresolved Audits Older Than 6 Months (Excluding Preawards)	–	3
Implementation Reviews Finding Unimplemented Recommendations	–	5
New Investigative Cases	20	183
Criminal Referrals (Subjects)	6	86
Civil Referrals (Subjects)	–	14
Administrative Referrals (Subjects)	18	263
Suspension/Debarment Referrals (Subjects)	1	72
Indictments/Informations/Complaints	1	24
Successful Criminal Prosecutions	2	37
Civil Settlements/Judgments	1	4

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

With regard to GSA services and staff offices other than PBS, FSS, and IRMS, two significant audits from prior Reports to the Congress are unimplemented. Both were resolved just prior to the close of the reporting period.

GSA Billings to FEMA

Period First Reported: October 1, 1985 to March 31, 1986

A series of three OIG reviews identified internal control weaknesses over GSA billings to the Federal Emergency Management Agency (FEMA) for reimbursable work authorizations. One report was resolved upon issuance since it contained no recommendations. The remaining two reports contained eight recommendations to correct the identified deficiencies.

On September 19, 1986, the two reports were resolved. Accordingly, they have just been referred to the Audit Resolution and Internal Controls Division for tracking of implementation actions.

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 321 reports, including 7 audits performed for the OIG by another agency. These reports contained financial recommendations totaling $95,765,168, including $89,476,492 in recommendations for more efficient use of resources (cost avoidance) and $6,288,676 in recommendations for the recovery of funds.

Based on audit reports issued in this and prior periods, management committed itself to use $42,740,658 more efficiently and to recover $7,500,980. In addition, OIG effort also contributed to an unsolicited recovery of $161,451 from a GSA contractor.

The OIG opened 183 investigative cases and closed 236. We referred 50 cases (86 subjects) for criminal prosecution, 10 cases (14 subjects) for civil litigation, and 7 cases for further investigation by other Federal or State agencies. Based on these and prior referrals, 28 cases (50 subjects) were accepted for criminal prosecution and 3 cases (5 subjects) were accepted for civil litigation.

Criminal cases originating from OIG referrals resulted in 24 indictments/informations/complaints and 37 successful prosecutions. Civilly, settlements were reached in 2 cases (3 subjects) and a judgment was reached in 1 case (1 subject). These actions resulted in determinations that $365,728 is owed the Government. Through investigations, we also identified for recovery money/property worth $104,584.

We referred 190 cases to GSA management for administrative action. This total includes 22 case referrals (72 subjects) for suspension/debarment and 168 case referrals (263 subjects) for other administrative actions. Based on these and prior referrals, management debarred 16 contractors, suspended 21 contractors, reprimanded 33 employees, suspended 10 employees, demoted 1 employee, and terminated 11 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 7 audits, recommending a total cost avoidance of $1,986,675, 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 September 30, 1986.

Between April 1, 1986 and September 30, 1986, the total number of unresolved audits more than 6 months old fell from 47 to 21. This decline reflected a concerted effort by the OIG to encourage contracting officers to

Table 1. Summary of OIG Audits

GSA Program	Reports Issued	Percentage of Total Audits	Recommended Cost Avoidance	Recommended Cost Recovery
PBS				
—Internal	65		$ 5,379,270	$ 66,731
—Contract	107		22,421,125	346,525
	172	54	$27,800,395	$ 413,256
FSS				
—Internal	13		$ 4,123,052	$ 10,000
—Contract	38		11,591,483	37,522
	51	16	$15,714,535	$ 47,522
IRMS				
—Internal	8		$11,000,000	$ –
—Contract	61		21,091,553	5,825,344
	69	21	$32,091,553	$5,825,344
Other GSA				
—Internal	23		$ 590,000	$ 2,554
—Contract	4		13,208,709	–
	27	8	$13,798,709	$ 2,554
Non-GSA				
—Internal	–		$ –	$ –
—Contract	2		71,300	–
	2	1	$ 71,300	$ –
TOTAL	321	100	$89,476,492	$6,288,676
TOTAL COSTS RECOMMENDED	$95,765,168			

resolve preaward contract audits in a timely fashion. While these audits are not subject to the OMB Circular A-50 6-month resolution requirement, timely resolution is essential to ensure full recognition and understanding of audit findings prior to contract negotiations. Notably, of the audits that are subject to OMB Circular A-50, only three were overdue as of September 30, 1986.

It should be noted that Table 2 does not include: reports issued to other agencies (2 this period) and reports excluded from the resolution system because they pertain to ongoing investigations. As of September 30, 1986, 32 audits (17 issued this period, 15 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
Unresolved as of 4/1/86			
—Less than 6 months old	109	67	$ 37,809,864
—More than 6 months old	48	38	14,851,817
Reports issued this period	303	161	87,262,067
TOTAL TO BE RESOLVED	460	266	$139,923,748
Reports resolved			
—Issued prior periods	136	86	$ 42,849,237
—Issued current period	184	71	28,681,676
TOTAL RESOLVED	320	157	$ 71,530,913
Unresolved as of 9/30/86			
—Less than 6 months old	119	90	$ 58,580,391
—More than 6 months old			
—Preaward	18	18	9,204,784
—Internal	3	1	607,660
TOTAL UNRESOLVED	140	109	$ 68,392,835

3. Resolution Decisions on Financial Recommendations

Table 3 provides detailed information on the 157 audits involving financial recommendations of $71,530,913 that are identified in Table 2 as being resolved this period. Notably, $60,402,930 or over 84 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	$ 4,510,566	$ 1,201,530	$ 355,945	$ 135,047
—Contract	15,323,073	13,566,473	346,525	335,231
	$19,833,639	$14,768,003	$ 702,470	$ 470,278
FSS				
—Internal	$ 4,123,052	$ 4,123,052	$ –	$ 69,156
—Contract	27,157,617	24,124,455	1,099,390	1,099,390
	$31,280,669	$28,247,507	$1,099,390	$1,168,546
IRMS				
—Internal	$ –	$ –	$ 90,432	$ –
—Contract	14,171,298	11,395,582	4,353,015	4,353,015
	$14,171,298	$11,395,582	$4,443,447	$4,353,015
Other GSA				
—Internal	$ –	$ –	$ –	$ –
—Contract	–	–	–	–
	$ –	$ –	$ –	$ –
TOTAL	$65,285,606	$54,411,091	$6,245,307	$5,991,839
TOTAL RESOLVED COSTS	$60,402,930			

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 82 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	76	$22,481,274	$13,231,266	$ 441,208	$ 462,407
—Current	19	1,627,409	1,450,570	–	–
	95	$24,108,683	$14,681,836	$ 441,208	$ 462,407
FSS					
—Prior	41	$16,042,715	$16,111,481	$1,227,814	$1,128,000
—Current	3	348,775	348,775	15,153	15,153
	44	$16,391,490	$16,460,256	$1,242,967	$1,143,153
IRMS					
—Prior	32	$ 4,120,031	$ 4,588,788	$5,368,193	$4,366,160
—Current	2	1,685,196	1,685,196	–	–
	34	$ 5,805,227	$ 6,273,984	$5,368,193	$4,366,160
Subtotal—GSA	173	$46,305,400	$37,416,076	$7,052,368	$5,971,720
Non-GSA					
—Prior	2	$ –	$ –	$1,325,057	$1,325,057
—Current	1	–	–	–	–
Subtotal—Non-GSA	3	$ –	$ –	$1,325,057	$1,325,057
TOTAL	176	$46,305,400	$37,416,076	$8,377,425	$7,296,777
TOTAL MANAGEMENT COMMITMENTS	$44,712,853				

Drawing upon the information presented in Tables 3 and 4, OIG audits involving GSA programs resulted in total management commitments to avoid $42,740,658 and to recover $6,175,923. Adding the $1,325,057 from the non-GSA audits, total management commitments to recover equaled $7,500,980.

In addition to these amounts, this period a contractor contacted the OIG to make a voluntary payment of $161,451.

5. Recoveries

The General Accounting Office 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 and Internal Controls Division.

Between April 1, 1986 and September 30, 1986, Agency records show that $5,111,675 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 and Internal Controls 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 19 implementation reviews. Management had successfully implemented the recommendations contained in 14 of these reviews. In the other 5 instances, recommendations were not being implemented in accordance with the action plans. All five of these audits involved PBS programs.

7. Investigative Workload

Table 5 presents detailed information on investigative workload by case category. The OIG opened 183 cases and closed 236 cases; only 2 of these cases were administratively closed without referral.

In addition to these cases, the OIG received and evaluated 176 complaints/allegations from sources other than the Hotline that involved GSA employees and programs. Based upon an analysis of these allegations, OIG investigations were not warranted.

Table 5. Investigative Workload

Case Category	Cases Open 4/1/86	Cases Opened	Cases Closed	Cases Open 9/30/86
White Collar Crimes	232	89	119	202
Other Crimes Involving GSA Operations	53	22	35	40
Contractor Suspension/Debarment	34	19	17	36
Employee Misconduct	49	38	49	38
Other	15	15	16	14
TOTAL	383	183	236	330

Table 6 distributes the 183 new investigative cases opened this period (Table 5) by case category and GSA program area. Notably, 49 percent of the cases opened fell within the white collar crime category. Most of the new cases (85 percent) involved PBS and FSS programs.

Table 6. Distribution of Cases Opened This Period

Case Category	PBS	FSS	IRMS	Other GSA
White Collar Crimes	43	37	5	4
Other Crimes Involving GSA Operations	10	11	–	1
Contractor Suspension/Debarment	7	11	1	–
Employee Misconduct	24	6	1	7
Other	6	1	–	8
TOTAL	90	66	7	20

8. Referrals

The OIG makes three types of referrals to officials outside GSA: criminal, civil, and investigative. During this period, we referred 50 cases involving 86 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 4/1/86	43	77
Referrals	50	86
Declinations	30	55
Accepted for Prosecution	28	50
Pending Prosecutive Decision as of 9/30/86	35	58

The OIG also referred 10 cases involving 14 subjects to either the Civil Division of the Department of Justice or a U.S. Attorney for civil fraud litigation consideration. The status of OIG civil referrals is as follows:

	Cases	Subjects
Pending Litigation Decision as of 4/1/86	6	6
Referrals	10	14
Declinations	2	2
Accepted for Litigation	3	5
Pending Litigation Decision as of 9/30/86	11	13

The OIG made 7 case referrals to other Federal or State agencies for further investigation or other action.

9. Administrative Referrals and Actions

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 168 cases involving 263 subjects for administrative action. In addition, we referred 99 cases involving 136 subjects to GSA officials for informational purposes only.

The status of OIG administrative referrals is as follows:

	Cases	Subjects
Pending Decision as of 4/1/86	44	68
Referrals	168	263
Action Completed	175	258
Pending Decision as of 9/30/86	37	73

Of the 168 cases referred for administrative action this period, 89 cases (128 subjects) involved GSA employees. As a result of these and prior referrals, management took the following actions against GSA employees:

Reprimands	33
Suspensions	10
Demotions	1
Terminations	11

10. Contractor Suspensions and Debarments

The OIG continued its efforts to make the suspension and debarment process a more effective and more readily used administrative procedure. This period, the OIG referred 9 cases involving 28 subjects for suspension and 13 cases involving 44 subjects for debarment. As a result of these and prior referrals, management imposed 21 suspensions and 16 debarments. Management disapproved 12 debarments.

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

Suspensions	Cases	Subjects
Pending as of 4/1/86	4	9
Referrals	9	28
Action Completed	6	21
Pending as of 9/30/86	7	16

Debarments	Cases	Subjects
Pending as of 4/1/86	8	20
Referrals	13	44
Action Completed	8	28
Pending as of 9/30/86	13	36

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	30	5	121	40
FSS	48	8	114	30
IRMS	2	1	10	1
Other GSA	6	–	18	1
TOTAL	86	14	263	72

12. Criminal and Civil Actions

Cases accepted for criminal prosecution during this and prior periods resulted in 24 indictments/informations/complaints and 37 successful prosecutions. Civil referrals from this and prior periods resulted in a judgment against one subject and settlements with three subjects.

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

Table 8. Summary of Criminal and Civil Actions

GSA Program	Indictments/ Informations/ Complaints	Successful Prosecutions	Civil Settlements/ Judgments
PBS	4	10	–
FSS	19	25	3
IRMS	–	–	–
Other GSA	1	2	1
TOTAL	24	37	4

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 $104,584 in money and/or property during the course of its investigations.

14. OIG Subpoenas

During the period, eight OIG subpoenas were issued.

Table 9. Criminal and Civil Recoveries

	Criminal	Civil	Total
Fines and Penalties	$290,280	$ –	$290,280
Settlements/Judgments	–	50,551	50,551
Restitutions	24,897	–	24,897
TOTAL	$315,177	$50,551	$365,728

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 269 legislative matters and 150 proposed regulations and directives. We provided substantive comments on 21 legislative matters and 30 regulations and directives.

The OIG legal staff coordinates the clearance function, seeking input from the other components as appropriate.

B. Significant Comments

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

- *H.R. 4995, the proposed Federal Financial Management Improvement Act.* Although we supported its goals, we expressed concern that the bill might create a self-interested "financial bureaucracy" requiring substantial resources to support. We recommended an amendment requiring that the Office of Management and Budget participate in establishing the job qualifications for Federal financial managers.
- *H.R. 4488, the proposed Non-Smokers Protection Act of 1986.* We commented that, if reasonably administered, this bill appeared beneficial. However, we recommended that the Administrator, GSA, in consultation with the Surgeon General, regulate smoking in public buildings rather than the Secretary, Department of Health and Human Services.
- *S. 1562, the proposed False Claims Reform Act of 1985.* We strongly supported this bill, especially the provisions calling for:
  - increases in statutory penalties, recoverable damages, criminal fines, and prison terms; and
  - the adoption of a uniform preponderance of evidence standard.

  We commented that although we disagreed with the restrictions imposed upon the use of the Civil Investigative Demand, the bill would resolve ambiguities in current case law and strengthen the Government's ability to investigate and prosecute fraud.
- *H.R. 4827, proposed Amendments to the False Claims Act.* We strongly supported those sections of this bill that:
  - mirror provisions in S. 1562; and
  - establish an administrative remedy for recovering losses in cases involving only small dollar amounts.

  We opposed the provision preventing an agency from holding an administrative hearing on an alleged false claim/statement when a Contract Disputes Act claim has already been filed.
- *H.R. 4886, the proposed Financial Fraud Detection and Disclosure Act of 1986, a bill to amend Section 1 of the Securities and Exchange Act of 1934.* We commented that while we supported the requirement that non-Government auditors report suspected illegal acts to appropriate Government officials, it would be unreasonable to require these auditors to develop procedures to ensure the detection and reporting of any illegal activity and the safeguarding of funds and assets from waste or loss.
- *S. 2433, the proposed Simplified Competitive Acquisition Technique Act of 1986.* Although we endorsed the intent of this bill, we opposed its enactment because some of the revisions were contrary to the Government's best interest. We were especially concerned that the statutory language might be construed as:
  - prohibiting supervisory review of contracting officers' award decisions;
  - requiring the Government to defer award decisions pending notice to all unsuccessful offerors; and
  - limiting the use of preaward audits to determine the reasonableness of pricing proposals.
- *H.R. 4952, the proposed Electronic Communications Privacy Act of 1986.* We generally supported this bill over the original House and Senate versions. In our detailed comments, we opposed a provision requiring the issuance of a court order prior to the installation of a pen register, noting that the Supreme Court had recently held that there was no such constitutional requirement.

We also expressed concern with the provisions:

- providing for the recovery of attorneys' fees and other costs since it could be interpreted as allowing recoveries from the Government; and
- implying that a court order is required for the installation of mobile tracking devices, since the Circuit Courts of Appeals are in conflict on this issue and the Supreme Court has not yet decided on it.

- *S. 2621, the proposed Federal Performance of Commercial Activities Improvement Act of 1986.* We opposed this bill noting that this area would best be addressed by administrative and executive action. We commented on a number of specific provisions of the bill and concluded that the addition of new, statutorily mandated, formalized cost accounting, reporting, and exception procedures would unnecessarily strain increasingly scarce resources.
- *S. 2516, the proposed Federal Government Contractors' Personnel Protection Act of 1986.* We fully supported this bill noting that legal protection for "whistleblowers" employed by Federal contractors would be a desirable complement to the protections afforded Federal employees. We commented that the bill should appreciably facilitate the prevention and detection of fraud, waste, and abuse in Government contracts.
- *S. 2250, the Antikickback Act Amendments.* We strongly supported enactment of this bill, as amended. We commented that the bill in its present form would represent a substantial improvement over existing law.
- *S. 2738, the proposed Federal Contractor's Self-Governance Act.* While noting that the apparent objectives of the bill were laudable, we expressed serious concerns about its feasibility. We also observed that the evaluation and reporting requirements it imposed upon independent public accountants would likely lead to the retention of outside consultants to perform certain functions, resulting in significantly increased costs to the Government.
- *GSA Notice, Use of Internal GSA Telephone Services.* We suggested that the notice be revised to state clearly that telephone services are provided solely for the conduct of official Government business.
- *Draft GSA Order ADM 5400.39, GSA's Implementation of the OMB Circular A-76/Productivity Improvement Program (PIP).* We expressed concern over the apparent evolution of the A-76/PIP office from a staff-oriented program management office into a line function control office possessing authority over the studies performed and conclusions reached by the various GSA services and staff offices. We also expressed reservations on the proposed implementation of the Efficiency Review Program, noting that the program might be overly ambitious.
- *FPMR Temporary Regulation A, Use of Contract Airline Services Between Selected Cities/Airports.* We suggested that the regulation be revised to address our concern over potential Government losses resulting from travelers cancelling advance airline reservations.

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. Toward this end, the OIG expended considerable resources this period redesigning its Management Inventory of Auditable Entities.

As reported last period, a major study of the Inventory disclosed several limitations impacting on its effectiveness. Chief among these was its limited usefulness as an audit planning tool.

The new Inventory, which is substantially complete, presents the universe of GSA organizational units in a format more conducive to the audit planning process. It is envisioned that this streamlined inventory will simplify the updating process necessitated by frequent GSA reorganizations.

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	76
Lease proposals reviewed	28
Lease proposals with major deficiencies	2
Lease proposals with minor deficiencies	17
Lease proposals with no deficiencies	9

A major deficiency identified through OIG preaward advisory reviews related to a potential overpayment of up to $2.6 million because a proposed lease extension did not include a termination provision (see Section II). Some minor deficiencies included: incomplete documentation of negotiations and market surveys; unspecified overtime service rates; and incomplete rent credit provisions.

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 6,830 GSA employees have attended Integrity Awareness Briefings. This total includes the 319 Central Office and regional employees attending 14 briefings this period.

This period, the OIG, at the Administrator's request, began development of a series of program-specific Integrity Awareness Briefings. The effort was based on the premise that the integrity message would be more meaningful if discussed in relation to the particular program in which each employee works.

Based on recent audit and investigative findings, the initial briefing package was designed for employees of GSA's buildings management program. An intensive briefing program will be conducted during the next 6 months, with the goal of reaching as many buildings management field offices as possible.

Meanwhile, development of the second briefing package in the series will commence concurrently so that it will be ready for presentation when the buildings management series is concluded.

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, we received 373 Hotline calls and letters. Of these, 114 complaints warranted further action. We also received 12 referrals from GAO and 31 referrals from other agencies that required further action. The remaining 259 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. Review of Federal Telecommunications System (FTS) Utilization

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

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

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

This period, all agencies completed both phases of the review. Participating agencies issued 21 individual reports, with 8 more to be issued in October 1986. The consolidated report is scheduled for issuance in December 1986.

2. 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 have been issued; the consolidated report is scheduled for issuance in October 1986.

3. Auditor/Accountant Job Analysis Project

The GSA OIG is participating, in conjunction with other Federal agencies, in this evaluation of the auditors/accountants referred by the Office of Personnel Management (OPM) for entry level positions. The review, which will assess the job duties performed by recently hired auditors/accountants, will determine whether methods for screening applicants for placement on OPM registers require change.

During the period, Steering and Working Committee members were selected. It is expected that field work will be completed in March 1988.

APPENDICES

APPENDIX I — AUDIT REPORT REGISTER

Assignment Number	Title	Date of Report
PBS	**Contract Audits**	
A60272	Audit of Claim for Increased Costs: Albers Construction Company, Inc., St. Louis, MO, Contract No. GS-06B-81150	04/02/86
A60196	Preaward Audit of Architect and Engineering Services Contract: Morgan, O'Neal, Hill and Sutton/Architects, Contract No. GS-07B-86-HU-D-0002	04/04/86
A60136	Preaward Audit of Architect and Engineering Services Contract: Gipe Associates, Inc., Contract No. GS-11P-86-MK-C-9006	04/08/86
A60200	Preaward Audit of Lease Escalation Proposal: LSS Leasing Corporation, Lease No. GS-02B-10333	04/08/86
A60279	Preaward Audit of Architect and Engineering Services Contract: Adams/Keeton/Cosby/Amaro, Inc., Solicitation No. GS-04P-86-EX-C-0005	04/08/86
A60203	Postaward Audit of Concession Contract: Canteen Corporation, Contract No. GS-04B-16029 for the Period 4/26/74 to 5/19/86	04/11/86
A60214	Preaward Audit of Architect and Engineering Services Contract: Aerosol Monitoring and Analysis, Inc., Contract No. GS-11B-59027	04/16/86
A60271	Preaward Audit of Architect and Engineering Services Contract: KCAE, A Joint Venture, Kansas City, MO, Solicitation No. IM062230	04/16/86
A50620	Postaward Audit of Cost or Pricing Data: Federation of the Handicapped, Contract No. GS-02B-19590 for the Period 7/1/84 to 6/30/85	04/17/86
A60270	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Crown Construction Co., Inc., St. Louis, MO, Solicitation No. RM062110	04/18/86
A50503	Postaward Audit of Cost or Pricing Data: Federation of the Handicapped, Contract No. GS-02B-19637 for the Period 5/1/84 to 4/30/85	04/21/86
A60174	Postaward Review of Hugh Stubbins and Associates, Contract No. GS-01B-92223, Modifications Nos. 3 and 5	04/21/86
A60310	Preaward Audit of Architect and Engineering Services Contract: George M. Smart Architects, Inc., Contract No. GS-04P-86-EX-C-0001	04/21/86
A50607	Postaward Audit of Cost or Pricing Data: Federation of the Handicapped, Contract No. GS-02B-19588 for the Period 6/1/84 to 5/31/85	04/24/86
A60232	Preaward Audit of a Claim for Increased Costs: TCI, Ltd., Contract No. GS-10P-02695	04/25/86
A60291	Preaward Audit of a Claim for Increased Costs: Air Systems Co., Contract No. GS-10P-02695	04/25/86
A60292	Preaward Audit of a Claim for Increased Costs: The Floor Store, Inc., Contract No. GS-10P-02695	04/25/86
A60239	Preaward Audit of a Claim for Increased Costs: A & A Mechanical Contractors, Inc., Subcontractor to Continental Heller Corporation, Contract No. GS-09B-00700-SF	04/28/86
A60265	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Con-Real Support Group, Inc., Solicitation No. ITX 86003	04/29/86
A50639	Interim Report on an Audit of a Claim for Increased Construction and Delay Costs: Continental Heller Corporation, Contract No. GS-09B-00700-SF	04/30/86
A60170	Preaward Audit of a Claim for Increased Costs: Fan, Inc., Contract No. GS-05BC-81964	04/30/86
A60311	Preaward Audit of Architect and Engineering Services Contract: Fraga and Feito/Architects-Planners, Contract No. GS-04P-86-EX-C-0002	04/30/86
A60312	Preaward Audit of Architect and Engineering Services Contract: Lucas, Stubbs, Pascullis, Powell, and Penney Ltd., Contract No. GS-04P-86-EX-C-0003	04/30/86

A60350	Preaward Audit of Cost or Pricing Data: Hyde's Security Services, Inc., Solicitation No. GS-04P-86-EWC-0538	04/30/86
A60198	Preaward Audit of Lease Alteration Proposal: Columbian Properties Corporation, Topeka, KS, Lease No. GS-06B-12797	05/02/86
A60201	Preaward Audit of Lease Escalation Proposal: LSS Leasing Corporation, Lease No. GS-02B-15366	05/05/86
A60255	Preaward Audit of a Claim for Increased Costs: Eastley Inc., Contract No. GS-03B-46051	05/05/86
A60268	Preaward Audit of Architect and Engineering Services Contract: Peterson Associated Engineers, Inc., Project No. 10R86121	05/06/86
A60269	Preaward Audit of Architect and Engineering Services Contract: Yost Grube Hall, P.C., Project No. 10R86121	05/06/86
A60281	Preaward Audit of Cost Proposal: Federation of the Handicapped, NISH Project No. 020494	05/06/86
A60293	Preaward Audit of Architect and Engineering Services Contract: Yandell & Hiller, Inc., Solicitation No. GS-07P-86-HU-D-0055	05/08/86
A60340	Audit of Lease Escalation Claim: Mountain View Development Company, Kansas City, MO, Lease No. GS-08B-09899	05/08/86
A60318	Preaward Audit of Cost or Pricing Data: Hyde's Security Services, Inc., Solicitation No. GS-11P-86-MJC-0025	05/09/86
A60334	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: B & H Services, Inc., Solicitation No. GS-05-P-86-GA-0001	05/09/86
A60305	Preaward Audit of a Claim for Increased Costs: Evans Brothers, Inc., Subcontractor to Continental Heller Corporation, Contract No. GS-09B-00700-SF	05/15/86
A60088	Preaward Audit of a Claim for Increased Costs: M. Kramer and Sons, Inc., Contract No. GS-02B-17192	05/21/86
A60351	Preaward Audit of Cost or Pricing Data: Parkway Services, Inc., Solicitation No. GS-04P-86-EWC-0506	05/22/86
A60327	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Professional Technical Services, Inc., University City, MO, Solicitation No. 6PPB860014	05/27/86
A60368	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: L. J. Cutwright, Inc., Des Moines, Iowa, Solicitation No. RIA62300	05/28/86
A60202	Preaward Audit of Lease Escalation Proposal: Adam Baum, Lease No. GS-02B-19192	05/29/86
A60298	Preaward Audit of Change Order Proposal: Berti Company, Subcontractor to Hyman/White, A Joint Venture, Contract No. GS-01B-02294	05/29/86
A60416	Preaward Audit of Architect and Engineering Services Contract: Eberle M. Smith Associates, Inc., Solicitation No. GS-05-P-86-GB-C-0045	06/02/86
A60264	Preaward Audit of Architect and Engineering Services Contract: Graham and Associates, Solicitation No. GS-07P-86-HU-D-0050	06/04/86
A60367	Preaward Audit of Cost or Pricing Data: Consolidated Methods, Inc., Solicitation No. GS-05P-86-GB-C-0089	06/06/86
A60369	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Courtney Day, Inc., Kansas City, MO, Solicitation No. IIA62000	06/06/86
A50422	Audit of Contractual Provisions: Post Office Pavilion Joint Venture, Lease No. GS-PBS-11-OL-9477	06/09/86
A60345	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Great Lakes Maintenance and Security Corp., Solicitation No. GS-05-P-86-GA-C-0004	06/10/86
A60240	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Securiguard, Inc., Solicitation No. GS-11P-86-MJC-0034	06/11/86
A60325	Postaward Audit of Architect and Engineering Services Contract: Lebron Associates, Contract No. GS-02P-86CVD0019	06/13/86
A60163	Preaward Audit of a Claim for Increased Costs: Powers Regulator Company, Contract No. GS-05BC-81422	06/17/86

A60164	Preaward Audit of a Claim for Increased Costs: Powers Regulator Company, Contract No. GS-09B-7519-SF	06/17/86
A60105	Preaward Audit of a Claim for Increased Costs: Golden Brush Painting and General Contracting, Inc., Contract No. GS-06B-42240	06/20/86
A60375	Preaward Audit of Cost or Pricing Data: Al & Associates Property Services, Inc., Solicitation No. RFP-86-0174	06/20/86
A60165	Preaward Audit of a Claim for Increased Costs: Powers Regulator Company, Contract No. GS-00B-02850	06/24/86
A60413	Preaward Audit of Lease Escalation Proposal: Angelo S. Petitto/F & P Realty Co., Lease No. GS-03B-70114	06/25/86
A60045	Preaward Audit of a Claim for Increased Costs: Alumni Plumbing & Heating Corp., Subcontractor to Terminal Construction Corp., Contract No. GS-02P-23256	06/26/86
A60445	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Integrity Private Security Services, Inc., Solicitation No. GS-04P-86-EWC-0539	06/26/86
A60286	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Eccles Security Agency, Inc., Solicitation No. GS-11P-86-MJC-0012	06/27/86
A60443	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: JCM Control Systems, Inc., Solicitation No. GS-003-86-00R-0019	06/27/86
A60355	Preaward Audit of Lease Alteration Proposal: Valley Commercial, Inc., McAllen, TX, Solicitation No. MTX 52894	07/01/86
A60482	Preaward Audit of Lease Escalation Proposal: Koger Properties Incorporated, Lease No. GS-04B-15149	07/02/86
A60195	Preaward Audit of Lease Escalation Proposal: Prince Georges Center, Inc., Lease No. GS-03B-06390	07/03/86
A60400	Preaward Audit of Architect and Engineering Services Contract: Montoya Rodriguez/ Lev Zetlin, Joint Venture, Solicitation No. INY-86403	07/08/86
A60441	Preaward Audit of Cost or Pricing Data: Parkway Services, Inc., Solicitation No. GS-04P-86-EWC-0257	07/08/86
A60252	Audit of Termination Settlement Proposal: Melrose Waterproofing Co., Contract No. GS-03B-36132	07/11/86
A60452	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Elias J. Vargas Construction Company, Davenport, Iowa, Solicitation No. RIA62100	07/14/86
A60363	Preaward Audit of Architect and Engineering Services Contract: Lewis/Wisnewski & Associates, Ltd., Contract No. GS-11B-69010	07/16/86
A60289	Preaward Audit of Lease Escalation Proposal: Denver West Office Building No. 2 Venture, Lease No. GS-08B-09787	07/21/86
A60290	Preaward Audit of Lease Escalation Proposal: Denver West Office Building No. 3 Venture, Lease No. GS-08B-10737	07/21/86
A60494	Preaward Audit of Architect and Engineering Services Contract: The Pickering Firm, Inc., Solicitation No. ICA-11200	07/21/86
A60343	Evaluation of a Claim for Equitable Adjustment: P. Francini and Company, Inc., Contract No. GS-01B-02350	07/24/86
A60446	Preaward Audit of a Claim for Increased Costs: NGC Investment and Development, Inc., Solicitation No. GS-04B-83046	07/24/86
A60210	Preaward Audit of a Claim for Increased Costs: Roy M. Butcher Electric, Subcontractor to Continental Heller Corporation, Contract No. GS-09B-00700-SF	07/31/86
A50639	Preaward Audit of a Claim for Increased Construction and Delay Costs: Continental Heller Corporation, Contract No. GS-09B-00700-SF	08/01/86
A60407	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Multivac, Inc., Solicitation No. RFP-GS-11P-86-MJC-0070	08/04/86
A50504	Preaward Audit of Architect and Engineering Services Contract: The Grad Partnership, Solicitation No. 2PPC-CM-85-552	08/06/86

A60362	Preaward Audit of Architect and Engineering Services Contract: Peck-Peck & Associates, Inc., Contract No. GS-11B-69009	08/07/86
A60464	Preaward Audit of Architect and Engineering Services Contract: Oudens and Knoop Architects, P.C., Contract No. GS-11B-59031	08/07/86
A60456	Preaward Audit of Architect and Engineering Services Contract: Kemnitzer, Reid & Haffler, Architects, Contract No. GS-11B-69029	08/14/86
A60457	Preaward Audit of Architect and Engineering Services Contract: Kemnitzer, Reid & Haffler, Architects, Contract No. GS-11B-69024	08/15/86
A60285	Preaward Audit of a Claim for Increased Costs: Charles H. Riddle Co., Contract No. GS-11B-28492	08/19/86
A60395	Preaward Audit of Architect and Engineering Services Contract: Louis/Wisnewski & Associates, Ltd., Contract No. GS-11B-69026	08/19/86
A60399	Preaward Audit of Lease Escalation Proposal: The Virginia Corporation, Lease No. GS-03B-5875	08/22/86
A60448	Preaward Audit of Architect and Engineering Services Contract: Caballero Architects, A.I.A., P.C., Contract No. GS-11B-86-MKC-9025	08/22/86
A60324	Preaward Audit of a Claim for Increased Costs: Donaldson Acoustics Co., Inc., Subcontractor to Terminal Construction Corp., Contract No. GS-02P-23256	08/25/86
A60352	Preaward Audit of Architect and Engineering Services Contract: Shepley, Bulfinch, Richardson, and Abbott, Contract No. GS-11B-09007	08/25/86
A60437	Preaward Audit of Architect and Engineering Services Contract: Castro-Blanco, Piscioneri, and Feder, P.C., Solicitation No. 02-PPC-CM-086-0509	08/25/86
A60488	Preaward Audit of Architect and Engineering Services Contract: Del Campo and Maru Architects, Project No. ICA11200	08/28/86
A60521	Preaward Audit of Architect and Engineering Services Contract: Gayner Engineers, Consultant to Del Campo and Maru, Project No. ICA11200	08/28/86
A60522	Preaward Audit of Architect and Engineering Services Contract: Ostgren Associates, Consultant to Del Campo and Maru, Project No. ICA11200	08/28/86
A60526	Preaward Audit of Architect and Engineering Services Contract: Gordon, Beard, Grimes, Bahls, and Domreis, Project No. WOR86001	08/29/86
A60527	Preaward Audit of Architect and Engineering Services Contract: Carson, Bekooy, Gulick, and Associates, Inc., Project No. WOR86001	08/29/86
A60348	Preaward Audit of Cost or Pricing Data: Texas Security Guard Service, Solicitation No. GS-07-P-86-HT-C-0084/7PPB	09/02/86
A60509	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Alkat Electrical Contractors, Inc., Solicitation No. GS-003-86-00R-0025	09/02/86
A60593	Preaward Audit of Lease Escalation Proposal: Boulevard Office Park Building, Wichita, KS, Lease No. GS-06B-14274	09/03/86
A60524	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: B & M Janitorial Services & Sales, Inc., Solicitation No. GS-003-86-00R-0020	09/04/86
A60414	Preaward Audit of a Claim for Increased Costs: Tyger Construction Company, Contract No. GS-04B-83034	09/08/86
A60535	Preaward Audit of Architect and Engineering Services Contract: Pappas Associates, Architects, Inc., Contract No. GS-04P-86-EX-C-0057	09/09/86
A60414	Preaward Audit of a Claim for Increased Costs: Tyger Construction Company, Contract No. GS-04B-83034	09/11/86
A60552	Preaward Audit of Architect and Engineering Services Contract: Summer Consultants, Inc., Solicitation No. GS-11B-69021	09/15/86
A60625	Preaward Audit of Proposed Overhead and Labor Burden Rates: General Construction, Inc., Leavenworth, KS, Solicitation No. RMO43550	09/15/86
A60591	Preaward Audit of Architect and Engineering Services Contract: Sussna Design Office, Solicitation No. 02-PPC-CM-086-0525	09/18/86

A60227	Preaward Audit of Cost or Pricing Data: Border Service Maintenance, Inc., Solicitation No. GS-07-P-86-HT-C-0015/7PPB-P	09/19/86
A60583	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Cobarc Services Inc., Solicitation No. GS-10P-86-LSC-0143	09/19/86
A60598	Audit of Contractual Provisions: Northern Virginia Service Corporation, Contract No. GS-05B-42391	09/23/86
A60590	Preaward Audit of Architect and Engineering Services Contract: ATC, Inc., Solicitation No. 02-PPC-CM-086-0511	09/25/86
A60326	Preaward Audit of a Claim for Increased Costs: Aires Electrical Contracting Corp., Subcontractor to Terminal Construction Corp., Contract No. GS-02P-23256	09/29/86

PBS Internal Audits

A60308	Preaward Lease Review: 7th and Franklin Building, 701 E. Franklin St., Richmond, VA, Lease No. GS-03B-05828	04/03/86
A60126	Review of Region 9 Controls Over the Identification, Inspection, and Documentation of Polychlorinated Biphenyls	04/04/86
A60307	Preaward Lease Review: Equitable Building, 10 N. Calvert Street, Baltimore, MD, Lease No. GS-03B-00618	04/04/86
A60317	Preaward Lease Review: Ames Center Building, 1820 North Fort Myer Drive, Arlington, VA, Lease No. GS-11B-60205	04/04/86
A50218	Review of Buildings Management Operations, Region 7	04/07/86
A40284	Review of Energy Use in Leased, Owner-Serviced Buildings Where GSA Pays Utilities	04/08/86
A50222	Review of the Cleaning Services Contracts in the National Capital Region	04/10/86
A60319	Review of A-76 Mechanical Services Study, Louisville, KY	04/11/86
A60126	Review of Controls Over the Identification, Inspection, and Documentation of Polychlorinated Biphenyls	04/14/86
A60337	Preaward Lease Review: 841 Chestnut St. Building, 7th Floor, Philadelphia, PA, Lease No. GS-03B-60019	04/14/86
A60262	Preaward Lease Review: Presidio, TX, Lease No. GS-07B-12090	04/17/86
A60341	Preaward Lease Review: National Park Service, Lakewood, CO, Lease No. GS-08P-12734	04/17/86
A60233	Vacant Space Leased at 165 N. Canal, Chicago, IL, Lease No. GS-05B-12918	04/18/86
A60061	Building Management Review, Helena Field Office, MT	04/23/86
A50553	Review of the Fire and Life Safety Program in Region 5	04/29/86
A60126	Review of Controls Over the Identification and Documentation of Polychlorinated Biphenyls	05/01/86
A50174	Review of Mechanical Maintenance/Service Contract Program, Region 9	05/02/86
A50325	Review of Construction Contract No. GS-05-BC-81846, Cross Tie of Chilled Water System	05/02/86
A60002	Review of Buildings Management Field Office, Cleveland, OH, Region 5	05/02/86
A60126	Review of Controls Over the Identification, Inspection, and Documentation of Polychlorinated Biphenyls	05/06/86
A50222	Review of Cleaning Services Contracts, Region 5	05/07/86
A60385	Preaward Lease Review: Riddell Building, 1730 K Street, NW, Washington, DC, Lease No. GS-11B-60037	05/08/86
A60386	Preaward Lease Review: USGS, Denver West Office Building No. 3, Venture, Denver, CO, Lease No. GS-09B-12762	05/08/86
A50226	Review of Indefinite Quantity Contracts for Repairs and Alterations, Region 5	05/09/86

A60383	Preaward Lease Review: Orbanco Building, Portland, OR, Lease No. GS-10B-05295	05/09/86
A60306	Interim Report on Advisory Review of Proposed Supplemental Lease Agreement No. 49, Lease No. GS-06B-10967, Gilroy-Sims and Associates, St. Louis, MO	05/13/86
A50284	Lease Administration and Energy Usage, Food and Drug Administration Laboratory, New Orleans, LA (Lease No. GS-07B-10811)	05/16/86
A60408	Preaward Lease Review: 901 Market St., San Francisco, CA, Lease No. GS-09B-58141	05/16/86
A60415	Preaward Lease Review: Lippincott Building, 11501 Roosevelt Blvd., Philadelphia, PA, Lease No. GS-03B-60606	05/16/86
A60338	Review of Tax De-escalation Adjustment, Lease No. GS-09B-76503, Supplemental Lease Agreement No. 3, Bayview Towers, 2601 Mission St., San Francisco, CA	05/21/86
A60126	Review of Region 6's Controls Over Polychlorinated Biphenyl Contaminants	05/30/86
A60418	Preaward Lease Review: Crystal Park I, 2011 Crystal Dr., Arlington, VA, Lease No. GS-11B-60185	06/02/86
A60261	Lease Acquisition for the Department of Education's Kansas City Regional Office, Lease No. GS-06P-68539	06/04/86
A60296	Review of Lease Acquisition for the Small Business Administration's Wichita, KS, District Office, Lease No. GS-06P-68535	06/04/86
A60426	Preaward Lease Review: 55 South Market St., San Jose, CA, Lease No. GS-09B-85649	06/04/86
A60444	Preaward Lease Review: 71 Stevenson St., San Francisco, CA, Lease No. GS-04B-86020	06/10/86
A50553	Review of the Fire Safety Program in the General Services Administration, National Capital Region	06/13/86
A60323	Review of Life Safety Problems in the National Archives Building	06/23/86
A60390	Review of Repair and Alteration Work at the U.S. Post Office and Courthouse, Brownsville, TX	06/27/86
A60467	Preaward Lease Review: 2045 Wheatsheaf Lane, Philadelphia, PA, GS-03B-60647	06/27/86
A50438	Final Letter Report - Contracting Problems Noted During a Review of Correspondence From a Carpeting Contractor	07/02/86
A60481	Preaward Lease Review: Research Triangle Park, NC, Lease No. GS-04B-24303	07/02/86
A60460	Preaward Lease Review: 240 Elm Street, Somerville, MA, Lease No. GS-01B-(PEL)-03508(NEG)	07/03/86
A60223	Preaward Lease Review: Maiatico Building, 806 Connecticut Avenue, NW, Washington, DC, Lease No. GS-03B-5044	07/10/86
A50621	Review of Region 4's Lease Enforcement Procedures	07/15/86
A60180	Predecisional Report Pertaining to the Proposed Restructuring of the Federal Protective Service	07/16/86
A60306	Advisory Review of Proposed Supplemental Lease Agreement No. 49, Lease No. GS-06B-10967, Gilroy-Sims and Associates, St. Louis, MO	07/18/86
A60124	Review of Administration of Guard Contracts in Region 4	07/22/86
A60507	Advisory Review of Proposed Lease Renewal: Lease No. GS-06B-28070, 10950 El Monte, Overland Park, KS	07/23/86
A60530	Allegations About Region 4's A-76 Study, Louisville, KY	08/05/86
A50621	Review of Region 3's Lease Enforcement Procedures	08/07/86
A60533	Preaward Lease Review: One Congress Center, 401 S. State Street, Chicago, IL, Lease No. GS-05B-14394	08/07/86
A60531	Preaward Lease Review: Bicentennial Building, 600 E Street, NW, Washington, DC, Lease No. GS-11B-60210	08/08/86
A60532	Preaward Lease Review: Comsat Building, 950 L'Enfant Plaza, SW, Washington, DC, Lease No. GS-11B-60294	08/13/86

A60538	Proposed Award of Lease: 555 West 57th Street, New York, NY, Lease No. GS-02B-17530	08/19/86
A60177	Review of Tucson Field Office, Region 9	08/20/86
A60177	Review of Las Vegas Field Office, Region 9	08/29/86
A60573	Proposed Exercising of Renewal Option: Lease No. GS-04B-15564, 700 Twiggs Street, Tampa, FL	09/02/86
A50621	Review of Lease Enforcement, Region 5	09/04/86
A50621	Review of Lease Enforcement at 77-14 Roosevelt Avenue, Queens, NY	09/04/86
A60551	Review of A-76 Mechanical Services Study, Tampa/Sarasota, FL	09/08/86
A60558	Preaward Lease Review: 330 Main Street, Hartford, CT, Lease No. GS-01B(PEL)-03513(NEG)	09/08/86
A60314	Review of GSA's Coordination of Space Alterations and the Initial Occupancy of 400 Army Navy Drive	09/15/86
A60623	Preaward Lease Review: Davidson Building, Atlanta, GA, Lease No. GS-04B-26240	09/15/86
A60534	Preaward Lease Review: Lease No. GS-04B-25613, Packard Place Building, Charlotte, NC	09/18/86

FSS Contract Audits

A60216	Preaward Audit of Multiple Award Schedule Contract: 3M Company, Printing Products Division, Solicitation No. FGE-A4-75361-N	04/14/86
A60229	Preaward Audit of Multiple Award Schedule Contract: Midwest Trophy Company, Solicitation Nos. 7PN-52681/R5/7FC and 7PN-52682/V5/7FC	04/30/86
A60245	Preaward Audit of Multiple Award Schedule Contract: Broadway Sporting Goods Co., Inc., Solicitation No. 7PM-52681/R5/7FC	05/01/86
A60246	Preaward Audit of Multiple Award Schedule Contract: Broadway Sporting Goods Co., Inc., Solicitation No. 7PM-52682/V5/7FC	05/01/86
A60254	Preaward Audit of Cost or Pricing Data: Security Engineered Machinery Co., Inc., Solicitation No. FGE-A4-75361-N-1-9-86	05/05/86
A60344	Postaward Audit of Multiple Award Schedule Contract: Ortho Diagnostic Systems, Inc., Contract No. GS-00F-45254 for the Period 6/1/84 to 5/31/85	05/07/86
A60221	Preaward Audit of Multiple Award Schedule Contract: Michael Business Machines Corp., Solicitation No. FGE-A4-75361-N	05/09/86
A60381	Report on Review of Proposal for Initial Pricing Under RFP No. WFCG-G1-N-2003-3-6-86: ITT Defense Communications Division, Nutley, NJ	05/09/86
A60329	Preaward Audit of Cost or Pricing Data: Amerex Corporation, Solicitation No. GS-08-1553	05/13/86
A60238	Preaward Audit of Cost or Pricing Data: Wright Line, Incorporated, Solicitation No. GS-00F-76047	05/15/86
A60266	Preaward Audit of Cost or Pricing Data: Axia Inc., Nestaway Division, Solicitation No. 10PN-NES-0379	06/04/86
A60121	Preaward Audit of Cost or Pricing Data: Manassa Systems, Inc., Solicitation No. BO/TC-R-00570	06/09/86
A60315	Preaward Audit of Multiple Award Schedule Contract: Wells Fargo Security Products, Solicitation No. 7PM-52678/R5/7FC	06/11/86
A60225	Preaward Evaluation of Multiple Award Schedule Contract: Whitaker Brothers Business Machines, Solicitation No. FGE-A4-75361-N-1-9-86	06/12/86
A60347	Preaward Audit of Multiple Award Schedule Contract: Kroy, Incorporated, Solicitation No. FCGE-D4-75369-N-3-18-86	06/26/86
A60358	Preaward Audit of Multiple Award Schedule Contract: Canon U.S.A., Inc., Solicitation No. FCGE-D4-75369-N-3-18-86	07/01/86

A60439	Preaward Audit of Multiple Award Schedule Contract: E-Z-GO Textron, Inc., Solicitation No. 7PM-52835/S5/7FC	07/14/86
A60275	Postaward Audit of Multiple Award Schedule Contract: S & S Arts and Crafts, Contract Nos. GS-10S-44596 and GS-10F-46836 for the Period 1/1/83 to 12/31/85	07/28/86
A60410	Preaward Audit of Multiple Award Schedule Contract: Jay Bee Manufacturing, Incorporated, Solicitation No. FGE-A4-75361-N-1-9-86	07/30/86
A60432	Preaward Audit of Multiple Award Schedule Contract: 3M Company, Office Systems Division, File Management Systems, Solicitation No. FGE-B3-75363-N-3-20-86	08/01/86
A60387	Preaward Audit of Multiple Award Schedule Contract: Bell & Howell Company, Document Management Products Division, Solicitation No. FGE-B3-75363	08/06/86
A60485	Preaward Audit of Multiple Award Schedule Contract: OMC Lincoln, Lincoln, NE, Solicitation No. 7PM-52835/S5/7FC	08/08/86
A60342	Preaward Audit of Multiple Award Schedule Contract: Adler-Royal Business Machines Inc., Solicitation No. FCGE-D4-75369-N-3-18-86	08/11/86
A60504	Preaward Audit of Multiple Award Schedule Contract: Game Time, Inc., Solicitation No. 7PM-52840/JA/7FC	08/15/86
A60559	Preaward Audit of Cost or Pricing Data: Data Products New England, Inc., Solicitation No. WFCG-G6-N-2002-12-85	08/15/86
A60562	Preaward Survey of Accounting System: DHL Airways, Inc., Solicitation No. FBT-057-A-7-1-86	08/19/86
A60493	Preaward Audit of Multiple Award Schedule Contract: Northwest Design Products, Inc., dba Bigtoys, Solicitation No. 7PM-52840/J4/7FC	08/22/86
A60361	Preaward Audit of Multiple Award Schedule Contract: Eastman Kodak Company, Solicitation No. FGE-B3-75363-N	08/25/86
A60514	Preaward Audit of Multiple Award Schedule Contract: Taylor Dunn Manufacturing Company, Solicitation No. 7PM-52835/S5/7FC	08/25/86
A60371	Preaward Audit of Multiple Award Schedule Contract: Olivetti USA, Solicitation No. FCGE-D4-75369-N	08/27/86
A60495	Preaward Audit of Cost or Pricing Data: Curtiss-Wright/Marquette, Inc., Solicitation No. FCEN-EW-A6111-N-5-14-86	08/29/86
A60409	Preaward Audit of Multiple Award Schedule Contract: Hydra-Shield Manufacturing, Inc., Solicitation No. GS-08-1553	09/10/86
A60632	Report on Review of FFP Proposal for Initial Pricing Under RFP No. FGE-A4-75361: L & F Industries, Huntington Park, CA	09/18/86
A60187	Preaward Audit of Multiple Award Schedule Contract: International Data Corporation, Solicitation No. BO/FS-B-00599(N)	09/23/86
A60498	Preaward Audit of Cost or Pricing Data: Intexx Corporation, Solicitation No. GS-08-1572	09/24/86
A60519	Preaward Audit of Cost or Pricing Data: Whitaker Brothers Business Machines, Inc., Solicitation No. FGE-A4-75361-N-1-9-86	09/26/86
A60500	Preaward Audit of Multiple Award Schedule Contract: Stanley-Vidmar, Inc., Solicitation No. FNP-A5-1937-N-1-21-86	09/30/86
A60568	Preaward Audit of Multiple Award Schedule Contract: Endure-A-Lifetime Products, Inc., Solicitation No. GS-08-1572	09/30/86

FSS INTERNAL AUDITS

A60119	Limited Review of Office Products Center Store No. 74, Washington Navy Yard	04/02/86
A50084	Review of Effectiveness and Vulnerability of FSS Quality Assurance Program, Region 2	04/17/86
A50192	Review of the Freight Transportation Audit Function Within the Office of Transportation Audits	05/02/86

A30705	Review of the Specification Operations of the Office of Commodity Management, Federal Supply Service	05/23/86
A60274	Review of Utilization of Motor Pool System Vehicles Assigned to Region 7 GSA Activities	06/03/86
A50538	Review of City-Pairs Program	06/05/86
A60128	Personal Property and Vehicle Sales Program, Region 9	06/12/86
A60055	Review of DHL Contract for Express Small Package Deliveries	06/16/86
A60188	Need to Constantly Review Award Procedures Illustrated by Circumstances Surrounding Termination of Contract GS-0WF-52779	08/15/86
A60055	Review of the Contract for Express Small Package Deliveries	08/18/86
A60118	Review of Industrial Products Store, National Capital Region	08/27/86
A60129	Review of Supply Discrepancy Data Provided by the Discrepancy Reports Center	09/09/86
A60638	Recovery of Vendor Overpayments, National Machinery and Supply Company	09/26/86

IRMS Contract Audits

A60169	Preaward Audit of Multiple Award Schedule Contract: International Business Machines Corporation, Solicitation No. GSC-KESA-G-00032-N-12-17-85	04/09/86
A60194	Preaward Audit of Multiple Award Schedule Contract: Data Access Systems, Inc., Solicitation No. GSC-KESA-G-00031-N-12-3-85	04/11/86
A60040	Preaward Audit of Cost or Pricing Data: Capital Systems, Inc., Solicitation No. GSC-KECT-A-00008-N-4-10-85	04/18/86
A60278	Postaward Audit of Multiple Award Schedule Contract: M.P.H. Industries, Inc., Chanute, KS, Contract No. GS-00K-85-AGS-0822 for the Period 4/1/85 to 3/31/86	04/25/86
A60357	Report on Review of Proposal for Initial Pricing Under RFP No. GSC-KESA-G-00031-N-12-3-85 & GSC-KESA-G-00032-N-12-17-85: Delta Data Systems Corporation, Trevose, PA	04/29/86
A60091	Preaward Audit of Multiple Award Schedule Contract: Boeing Computer Services, Analysis of Cost/Price Relationships, Solicitation No. GSC-KECT-A-00008-N-4-10-85	05/02/86
A60384	Audit Report on Evaluation of Price Proposal Submitted in Response to GSC-KESA-G-00032-N-12-17-85: International Technology Corporation, McLean, VA	05/06/86
A60346	Preaward Audit of Cost or Pricing Data: Compaq Computer Corporation, Solicitation No. GSC-KESA-G-00032-N-12-17-85	05/07/86
A50138	Postaward Audit of Multiple Award Schedule Contract: Dysan Corporation, Contract No. GS-00C-02219 for the Period 4/1/80 to 3/31/81	05/08/86
A50375	Postaward Audit of Multiple Award Schedule Contract: Data General Corporation, Contract No. GS-00C-03401 for the Period 10/1/82 to 11/17/83	05/15/86
A50376	Postaward Audit of Multiple Award Schedule Contract: Data General Corporation, Contract No. GS-00K-83-01S-5763 for the Period 11/18/83 to 9/30/84	05/15/86
A50377	Postaward Audit of Multiple Award Schedule Contract: Data General Corporation, Contract No. GS-00C-03078 for the Period 3/23/82 to 9/30/82	05/15/86
A60339	Preaward Audit of Cost or Pricing Data: System Development Corporation, A Burroughs Company, Contract No. GS-00K-86-AGS-5643	05/23/86
A60253	Preaward Audit of Multiple Award Schedule Contract: Computer-Link Corporation, Solicitation No. GSC-KESA-G-00031-N-12-3-85	05/29/86
A60320	Postaward Audit of Contract No. GS-00K-85-AGS-5181: Printer Systems Corporation	05/30/86
A60366	Preaward Audit of Multiple Award Schedule Contract: Evans & Sutherland Computer Corporation, Solicitation No. GSC-KESA-G-00033-N-4-15-86	05/30/86
A60373	Preaward Audit of Multiple Award Schedule Contract: Modular Computer Systems, Inc., Solicitation No. GSC-KESA-C-00033-N-4-15-86	06/12/86

A60379	Preaward Audit of Multiple Award Schedule Contract: DATUM Inc., Anaheim, CA, Solicitation No. GSC-KESA-C-00033	06/18/86
A60421	Preaward Audit of Multiple Award Schedule Contract: AGS Management Systems, Inc., Solicitation No. GSC-KESA-C-00033-N-4-15-86	06/26/86
A60372	Preaward Audit of Multiple Award Schedule Contract: UCCEL Corporation, Solicitation No. GSC-KESA-C-00033-N-4-15-86	07/01/86
A60412	Preaward Audit of Multiple Award Schedule Contract: CSP Incorporated, Solicitation No. GSC-KESA-C-00030-N-4-15-86	07/01/86
A60492	Report on Review of Contractor's Proposal for Initial Pricing Under RFP GSC-KESA-C-00033: Norden Systems, Inc., Gaithersburg, MD	07/02/86
A60335	Preaward Audit of Cost or Pricing Data: Paragram Sales Company, Inc., Solicitation No. GSC-KESCR-00036-N-12-3-85	07/09/86
A60393	Preaward Audit of Cost or Pricing Data: Capital Systems, Inc., Solicitation No. GSC-KECT-A-00008-N-4-10-85	07/09/86
A60378	Preaward Audit of Multiple Award Schedule Contract: Massachusetts Computer Corporation, Solicitation No. GSC-KESA-C-00030-N-4-11-85, (GS-00K-86-AGS-5577 Renewal)	07/10/86
A60398	Preaward Audit of Multiple Award Schedule Contract: Network Systems Corporation, Solicitation No. GSC-KESA-C-00033-N	07/17/86
A60401	Preaward Audit of Multiple Award Schedule Contract: Compuscan, Inc., Solicitation No. GSC-KESA-C-00033-N	07/18/86
A60433	Preaward Audit of Multiple Award Schedule Contract: NCR-Comten, Inc., Solicitation No. GSC-KESA-C-00033-N-4-15-86	07/18/86
A60440	Preaward Audit of Multiple Award Schedule Contract: Floating Point Systems, Inc., Solicitation No. GSC-KESA-C-00033-N-4-15-86	07/18/86
A60515	Audit Report on Evaluation of Proposal Review Submitted by: Watkins-Johnson, Gaithersburg, MD, Solicitation No. GSC-KESCR-00039-N-5-13-86	07/18/86
A60353	Preaward Audit of Multiple Award Schedule Contract: NCR Corporation, Solicitation No. GSC-KESA-C-00033-N-4-15-86	07/23/86
A60365	Preaward Audit of Multiple Award Schedule Contract: Northern Telecom Inc., Solicitation No. GSC-KESA-C-00033-N-4-15-86	07/28/86
A60427	Preaward Audit of Multiple Award Schedule Contract: Harris Corporation, Computer Systems Division, Solicitation No. GSC-KESA-C-00033-N-4-15-86	07/30/86
A60066	Postaward Audit of Multiple Award Schedule Contract: Compugraphic Corporation, Contract No. GS-00K-84-01S-5649 and Modification 1A for the Period 10/1/83 to 9/30/85	08/01/86
A60388	Preaward Audit of Multiple Award Schedule Contract: Control Data Corporation, Solicitation No. GSC-KESA-C-00033	08/06/86
A60067	Postaward Audit of Multiple Award Schedule Contract: Data Translation, Inc., Contract No. GS-00K-84-01S-5506 and Modification 1A for the Period 10/1/83 to 9/30/85	08/08/86
A50358	Postaward Audit of Multiple Award Schedule Contract: Sony Corporation of America, Contract No. GS-00K-84-01S-0350 for the Period 4/1/84 to 3/31/85	08/12/86
A50534	Postaward Audit of Multiple Award Schedule Contract: Sony Corporation of America, Contract No. GS-00C-90674 for the Period 10/1/82 to 3/31/84	08/12/86
A60014	Postaward Audit of Multiple Award Schedule Contract: Sony Corporation, Contract No. GS-00C-90183 for the Period 8/13/80 to 9/30/82	08/12/86
A60356	Preaward Audit of Multiple Award Schedule Contract: Adage, Inc., Solicitation No. GSC-KESA-C-00033-N-4-15-86	08/12/86
A60429	Preaward Audit of Cost or Pricing Data: Media Cybernetics, Inc., Solicitation No. GSC-KESA-G-00032-12-17-85	08/15/86

A60442	Preaward Audit of Multiple Award Schedule Contract: Decision Data Computer Corporation, Solicitation No. GSC-KESA-C-00033-N-4-15-86	08/20/86
A60513	Preaward Audit of Multiple Award Schedule Contract: Digital Equipment Corporation, Renewal of Contract No. GS-00K-86-AGS-5669	08/20/86
A60449	Preaward Audit of Multiple Award Schedule Contract: Calcomp Group, Sanders Associates, Inc., Solicitation No. GSC-KESA-C-00033-N-4-15-86	08/26/86
A60480	Preaward Audit of Multiple Award Schedule Contract: General Electric Company, Mobile Communications Business Division, Solicitation No. GSC-KESCR-00039-N-5-13-86	08/27/86
A60491	Preaward Audit of Multiple Award Schedule Contract: Tektronix Inc., Solicitation No. GSC-KESA-C-00033-N-4-15-86	08/27/86
A50139	Postaward Audit of Multiple Award Schedule Contract: Dysan Corporation, Contract No. GS-00C-03300 for the Period 10/14/82 to 5/1/83	08/29/86
A60391	Preaward Audit of Multiple Award Schedule Contract: Neff Instrument Corporation, Solicitation No. GSC-KESA-C-00033-N-4-15-86	08/29/86
A60436	Preaward Audit of Multiple Award Schedule Contract: REI/Inforex, Inc., Solicitation No. GSC-KESA-C-00033-N-4-15-86	08/29/86
A60501	Preaward Audit of Multiple Award Schedule Contract: Data Switch Corporation, Solicitation No. GSC-KESA-C-00033-N-4-15-86	08/29/86
A60525	Preaward Audit of Multiple Award Schedule Contract: CPT Corporation, Solicitation No. GSC-KESA-C-00033-N-4-15-86	08/29/86
A60450	Preaward Audit of Cost or Pricing Data: Rolm Mil-Spec Computers, San Jose, CA, Solicitation No. GSC-KESA-C-00033-N	09/05/86
A60422	Preaward Audit of Multiple Award Schedule Contract: CACI, Inc., Federal, Solicitation No. GSC-KESA-C-00033-N-4-15-86	09/08/86
A60374	Preaward Audit of Multiple Award Schedule Contract: Motorola Computer Systems, Inc., Solicitation No. GSC-KESA-C-00033-N-4-15-86	09/10/86
A60354	Preaward Audit of Multiple Award Schedule Contract: Datapoint Corporation, Solicitation No. GSC-KESA-C-00033-N-4-15-86	09/11/86
A50356	Postaward Audit of Multiple Award Schedule Contract: Sony Corporation of America, Contract No. GS-00K-84-01S-0369 for the Period 8/1/84 to 9/23/85	09/12/86
A60451	Preaward Audit of Multiple Award Schedule Contract: King Radio Corporation, Olathe, KS, Solicitation No. GSC-KESCR-00029-N-5-13-86	09/12/86
A60483	Preaward Audit of Multiple Award Schedule Contract: Nixdorf Computer Corporation, Solicitation No. GSC-KESA-C-00033-N-4-15-86	09/17/86
A60506	Preaward Audit of Multiple Award Schedule Contract: Xerox Corporation, Solicitation No. GSC-KESA-C-00033-N-4-15-86	09/17/86
A60461	Preaward Audit of Multiple Award Schedule Contract: Collins Transmission Systems Division, Rockwell International Corporation, Solicitation No. GSC-KESCR-00039-N-5-13-86	09/24/86
A60541	Preaward Audit of Multiple Award Schedule Contract: Concurrent Computer Corporation, Contract No. GS-00K-86-AGS-5738	09/29/86

IRMS Internal Audits

A50490	Interim Report on Position Management and Classification in the Contract Services Program	04/28/86
A50056	Review of Contract Services Program in Region 7	04/30/86
A40731	Review of the Contract Services Program in the National Capital Region	06/30/86
A60300	Review of the Purchase of Telephones and Services Contract, Region 7	09/12/86
A50490	Review of GSA's Contract Services Program	09/19/86
A60537	Review of Pricing Evaluation for Purchase of Telephones and Services Contracts	09/24/86

A60537	Review of Pricing Evaluations for the Purchase of Telephones and Services	09/29/86
A60183	Review of Implementation of the Project for Replacement of Common Control Switching Arrangements	09/30/86

Other GSA Contract Audits

A60309	Preaward Audit of Claims for Increased Costs: Interior Contractors, Subcontractor to Continental Heller Corporation, Subcontract No. 381-17, Contract No. GS-09B-00700	07/07/86
A60517	Preaward Audit of Cost or Pricing Data: Macalloy Corporation, Solicitation No. DMC-A105	07/28/86
A60505	Preaward Audit of Cost or Pricing Data: Elkem Metals Company, Solicitation No. DMC-A106	09/15/86
A60624	Preaward Audit of Cost or Pricing Data: Macalloy Corporation, Solicitation No. DMC-A105	09/26/86

Other GSA Internal Audits

A60211	Review of Region 6 Employees' Use of Government Vehicles for Home-to-Work Transportation	04/03/86
A60211	Review of the Use of Government Vehicles for Home-to-Work Transportation	04/03/86
A60211	Review of the Use of Government Vehicles for Home-to-Work Transportation, Region 1	04/15/86
A60211	Review of the Use of Government Vehicles for Home-to-Work Transportation, Region 5	04/17/86
A60211	Review of the Use of Government Vehicles for Home-to-Work Transportation, Region 2	04/22/86
A50397	Review of the Congressional Furnishings Program in Region 4	04/30/86
A60211	Review of the Use of Government Vehicles for Home-to-Work Transportation	05/06/86
A50581	Review of Controls Over Data Entered Into the Payroll Information Processing System	05/09/86
A60280	Review of the Administrative Equipment Inventory	05/15/86
A60162	Review of the Imprest Fund and Travelers Check Activities, National Capital Region	05/28/86
A50351	Review of ADP/OA Equipment Accountability and Control	06/04/86
A60211	Review of Government Vehicle Use for Home-to-Work Transportation	06/20/86
A60211	Review of the Use of Government Vehicles for Home-to-Work Transportation	06/27/86
A50554	Review of A-76 In-House Awards	07/11/86
A60211	Review of GSA's Use of Government Vehicles for Home-to-Work Transportation	07/22/86
A60425	Recovery of Vendor Overpayments, Printing and Distribution Branch, Region 5	09/03/86
A50275	Review of Federal Telecommunications System Utilization (Phase I), National Capital Region	09/18/86
A60486	Review of Allegations Regarding the Quality of Administrative Support Services Provided by GSA to the Federal Maritime Commission	09/18/86
A50275	Review of Federal Telecommunications Systems Utilization, Phase II	09/22/86
A60259	Limited Review of the Federal Managers' Financial Integrity Act, Section 2, Fiscal Year 1985	09/24/86
A60259	Limited Review of the Federal Managers' Financial Integrity Act, Section 4, Fiscal Year 1985	09/24/86

A50437	Review of Operations and Physical Security at National Defense Stockpile Locations, Zone 1	09/30/86
A60212	Review of Custodial Transfers of Strategic and Critical Material	09/30/86

Non-GSA Contract Audits

A60417	Review of Contract Costs: Evergreen Air Center, Inc., Lease No. FTC 1-85	06/19/86
A60564	Supplemental Review of Contract Costs: Evergreen Air Center, Inc., Lease No. FTC 1-85	09/02/86

APPENDIX II — DELINQUENT DEBTS

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

GSA Efforts to Improve Debt Collection

During the period April 1, 1986 through September 30, 1986, GSA efforts to improve debt collection and reduce the amount of debt written off as uncollectible focused on upgrading collections functions and enhancing debt management. GSA also emphasized obtaining cash for surplus real property sales rather than extending credit.

Specific initiatives during the reporting period included:

- An evaluation, undertaken in response to an OMB request, of the feasibility of selling the loans in GSA's portfolio. GSA concluded that its mortgages are not very marketable; however, the Agency would be interested in participating in the OMB program if GSA loans were pooled with those of another agency.
- Revision of GSA regulations to recognize the Government's right to offset under common law rather than under the Debt Collection Act of 1982. This action followed from a Department of Justice opinion concerning the impact of the Contract Disputes Act of 1978 on the provisions of the Debt Collection Act of 1982.
- Preparation of a letter to all mortgagors suggesting that they take advantage of the current low interest rates and obtain private loans to pay off their GSA mortgages. In a related matter, six mortgagors, owing a total of $1.9 million, have already approached GSA to prepay their mortgages. Notably, GSA's mortgages do not include provisions penalizing mortgagors for prepaying outstanding amounts.

Non-Federal Accounts Receivable

Since data for the period April 1, 1986 through September 30, 1986 were not available at the time of publication of this report, 6-month data for the period December 31, 1985 through June 30, 1986 are provided.

	As of December 31, 1985	As of June 30, 1986	Difference
Total Amounts Due GSA	$58,284,797	$29,063,286	($29,221,511)
Amount Delinquent	$16,744,276	$16,068,816	($675,460)
Total Amount Written Off as Uncollectible Between 12/31/85 and 6/30/86	$142,369		

Some of the above amounts are being disputed. The disputed amounts are: $11.9 million of the total amounts due GSA and the amount delinquent as of December 31, 1985, and $11.1 million of the total amounts due GSA and the amount delinquent as of June 30, 1986.

APPENDIX III — SUMMARY OF OIG PERFORMANCE DURING FISCAL YEAR 1986

During Fiscal Year 1986, OIG activities resulted in:

- 657 audit reports.
- 26 implementation reviews of internal audit reports.
- Recommended cost avoidances and recoveries of over $182 million.
- Management commitments to more efficiently use over $105 million.
- Management commitments to recover funds, voluntary recoveries, court-ordered recoveries, and investigative recoveries of almost $14 million.
- 399 new investigations opened and 503 cases closed.
- 50 case referrals (80 subjects) accepted for criminal prosecution and 6 case referrals (10 subjects) accepted for civil litigation.
- 52 criminal indictments/informations/complaints and 54 successful prosecutions on criminal matters referred.
- Civil complaints against 3 individuals, 10 civil settlements, and 1 civil judgment on civil matters referred.
- 19 case referrals to other Federal and State agencies for further investigation.
- 57 reprimands, 30 suspensions, 1 demotion, and 25 terminations of GSA employees.
- 20 case referrals recommending suspension of 62 contractors.
- 26 case referrals recommending debarment of 90 contractors.
- 46 contractor suspensions and 47 contractor debarments.
- 15 OIG subpoenas.
- 526 legislative matters and 258 regulations and directives reviewed.
- 741 Hotline calls and letters, 22 GAO referrals, and 43 other agency referrals.

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