IMPLEMENTATION REVIEW OF CORRECTIVE ACTION PLAN

Audit of GSA's Controls to Prevent Contracting With Suspended and Debarred Contractors
Report Number A180104/Q/2/P20004
June 19, 2020

Assignment Number A220075
January 10, 2023

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Introduction

We have completed an implementation review of the management actions taken in response to the recommendations contained in our June 2020 audit report, *Audit of GSA's Controls to Prevent Contracting With Suspended and Debarred Contractors*, Report Number A180104/Q/2/P20004.

Objective

The objective of our review was to determine whether the Office of GSA IT and the GSA Office of Government-wide Policy have taken the actions as outlined in the corrective action plan for *Audit of GSA's Controls to Prevent Contracting With Suspended and Debarred Contractors* (see **Appendix A**). To accomplish our objective we:

- Met and corresponded with the Office of GSA IT and the GSA Office of Government-wide Policy;
- Examined documentation submitted by GSA's Office of Audit Management and Accountability supporting completion of the corrective action plan steps;
- Performed limited testing of the corrective actions of the Office of GSA IT; and
- Examined changes to the automated system implemented in Fiscal Year 2022 by the Office of GSA IT to ensure that the corrective actions performed in Fiscal Year 2020 were still in effect.

Background

Suspension and debarment are discretionary administrative actions taken by federal agencies to exclude individuals or entities that lack business integrity or honesty from doing business with the government. Federal Acquisition Regulation (FAR) 9.4, *Debarment, Suspension, and Ineligibility*, prescribes that agencies shall not solicit offers from, award contracts to, or consent to subcontracts with excluded contractors, unless the agency head directs otherwise. The FAR allows agencies to continue contracts or subcontracts in existence at the time the contractor was excluded. However, agencies are not permitted to add new work to, exercise contract options for, or extend an existing contract of an excluded contractor unless the head of an agency makes a written determination of the compelling reasons for such action.

An important aspect of the suspension and debarment protections under the FAR is the System for Award Management (SAM). SAM is where entities register to do business with the federal government and requires annual representations and certifications. It also contains the electronic list of "excluded parties," which identifies individuals and entities that are excluded from receiving federal contracts, certain subcontracts, and certain types of federal financial and non-financial assistance and benefits. FAR 9.405(e)(4), *Effect of listing*, requires contracting officers to review SAM prior to making awards in order to ensure that a prospective contractor

is not an excluded party. The list of excluded contractors is referred to as the Excluded Parties List System (EPLS).

Once a federal agency makes the decision to suspend or debar an entity, the agency is responsible for entering the exclusion information into the SAM database within 3 working days after the action becomes effective. GSA's Office of Government-wide Policy, Suspension and Debarment Division, processes suspension and debarment cases and provides direct support to GSA's Suspension and Debarment Official. GSA's Suspension and Debarment Official attends regular meetings of the Interagency Suspension and Debarment Committee, an organization that oversees and coordinates the government-wide system of suspension and debarment.

The Office of GSA IT is responsible for monitoring and ensuring that contractors' exclusion information in GSA's eTools stays up-to-date with the most current information in SAM. Three key components of GSA's eTools are:

- **GSA *Advantage!*** – An online shopping and ordering system that provides access to thousands of contractors and millions of supplies and services.
- **GSA eLibrary** – Provides the latest contract award information for GSA and Department of Veterans Affairs Multiple Award Schedule (MAS), as well as Government-wide Acquisition Contracts.
- **GSA eBuy** – An online Request for Quotation tool designed to facilitate the request for submission of quotations for a wide range of commercial supplies and services that are offered by GSA MAS, Government-wide Acquisition Contracts, and Department of Veterans Affairs MAS contractors. It is part of the GSA *Advantage!* system.

The Office of GSA IT uses an automated system that is scheduled to run every evening after business hours to update excluded contractors in GSA's eTools. During this process, the Federal Supply Service-19 system extracts the exclusion list data from SAM. After the Federal Supply Service-19 system extracts the list of excluded contractors, it sends a file with the list to GSA's eTools, which then feeds the list into GSA *Advantage!*, GSA eBuy, and GSA eLibrary daily.

On June 19, 2020, we issued an audit report, *Audit of GSA's Controls to Prevent Contracting With Suspended and Debarred Contractors*, to the Office of GSA IT and the GSA Office of Government-wide Policy. The objectives of the audit were to determine whether: (1) GSA has established internal controls to ensure that its eTools were updated with exclusion information for suspended and debarred contractors in a timely manner, and (2) there are adequate controls in SAM to prevent agencies from completing an exclusion entry for suspended and debarred contractors without entering a unique entity identifier.

Our audit found that:

- GSA does not update the exclusion status for suspended and debarred contractors in its eTools in a timely manner, and

- Exclusion information for suspended and debarred contractors is not being entered into SAM in accordance with federal regulations, risking award to excluded contractors.

To address the findings identified in our report, we recommended to the Chief Information Officer of the Office of GSA IT that:

1. The Office of GSA IT:
   a. Identify the root cause(s) for failures to update exclusion statuses of suspended and debarred contractors within GSA's eTools and take corrective action to ensure eTools are updated with the exclusion list from SAM as scheduled, and
   b. Implement an automated reconciliation process to confirm daily updates were successful.

To address the findings identified in our report, we also recommended to the Associate Administrator of the Office of Government-wide Policy that:

2. The Office of Government-wide Policy, Suspension and Debarment Division, coordinate with the Interagency Suspension and Debarment Committee to determine how best to provide more complete exclusion data as required by FAR 9.404, *Exclusions in the System for Award Management*.

The Chief Information Officer of the Office of GSA IT and the Associate Administrator of the Office of Government-wide Policy agreed with our report findings and recommendations.

Recent Issue Found and Addressed by the Office of GSA IT

In the process of providing our office with support for its corrective actions, the Office of GSA IT found that it had not updated the eTools exclusion list for 5 months. The Office of GSA IT learned that its automated system malfunctioned because SAM relabeled "UEI" as "Unique Entity ID" on April 4, 2022. The relabeled column header in SAM interrupted communication with GSA's automated system, which was programmed to extract data from the column entitled "UEI" in SAM. As the system did not recognize "Unique Entity ID" as the correct column, it did not extract the data from SAM, and failed to update the eTools exclusion list.

To address the malfunction, the Office of GSA IT modified its automated system and strengthened its warning notification to ensure that any future errors would be communicated to the office. These modifications were applied on October 21, 2022.

We reviewed the information and determined that the Office of GSA IT provided sufficient evidence of its corrective actions and modifications. We concluded that the Office of GSA IT modified its automated system in accordance with the original audit report recommendation to update the eTools exclusion list daily. Therefore, we determined that there are no additional recommendations for the Office of GSA IT.

Results

Our implementation review determined that the Office of GSA IT and the Office of Government-wide Policy, Suspension and Debarment Division, have taken appropriate corrective actions to address the recommendations. We determined that no further action is necessary.

Audit Team

This review was managed out of the Mid-Atlantic Region Audit Office and conducted by the individuals listed below:

Thomas Tripple	Regional Inspector General for Auditing
Susana Bandeira	Audit Manager
Susan Klein	Audit Manager
Carla Humphrey	Auditor-in-Charge

Appendix A – Corrective Action Plan for Report Number A180104/Q/2/P20004

A180104 ACTION PLAN

GSA IT Corrective Action Plan

Designated Responding Official: David Shive
Contact Person: Michael Harris
Telephone Number: 703.605.9376
Date: June 22, 2020

Audit of GSA's Controls to Prevent Contracting With Suspended and Debarred Contractors (A180104Q2P20004)	Recommendation Number: 001, A & B	Proposed Recommendation Completion Date: 09/30/2020

Recommendation
001A: OIG recommends that the Office of GSA IT identify the root cause(s) for failures to update exclusion statuses of suspended and debarred contractors within GSA's eTools and take corrective action to ensure eTools are updated with the exclusion list from SAM as scheduled.
001B: OIG recommends that the Office of GSA IT implement an automated reconciliation process to confirm daily updates were successful.

Action to be Taken Step by Step For 001 A & 001B	Supporting Documentation to be sent to H1EB	Documentation will be sent the last day of

- The root cause of the problem was the process updated the excluded list from SAM via web services taking the deltas. It was found that the services with the deltas were not fully reliable. - An additional process was implemented to maintain a full list. This was a special process (semi-manual) run once a month or every other month, but this proved problematic as well. - The IQ team corrected these issues by changing the process to update the list each day with a full list in SAM. - The implementation was scheduled for the May release, and since May 9th, the system has the same list stored in SAM. The list is fully replaced on a daily basis. - eLibary and Advantage receive the list of contracts with the corresponding status from FSS19 in the evening cycle.	SCR 104547-Update from EPLS change-process.pdf
	
	   Loaded in SBM for the implementation
	
	Examples of the Daily Mails received from Prod
	
	   EPLS Monitor report for 2020-06-15 - Mail.pdf
	
	   EPLS Monitor report for 2020-06-16 - Mail.pdf
	
	   EPLS Monitor report for 2020-06-19 - Mail.pdf
	
	   EPLS Monitor report for 2020-06-22 - Mail.pdf
	
	   EPLS Monitor report for 2020-06-23 - Mail.pdf
	
	EPLS Status in SAM -
		All supporting artifacts for these actions will be submitted to OAS for upload to ICATS by August 31, 2020
		
		Submitted on 09/21/2020

	20200624.xlsx A report downloaded from SAM, on 06/24/2020, to validate that we have the total number excluded vendors	

Note: The Corrective Action Plan for the Office of GSA IT refers to "OAS," which stands for the Office of Acquisition Services. It also mentions "ICATS," which stands for the Internal Control Audit Tracking System.

Suspension & Debarment Division (MVAB) Corrective Action Plan

Designated Responding Official: William Schmidt
Contact Person: Dylan Mooney
Telephone Number: (202) 316-7509
Date: [DATE]

A180104 Audit of GSA's Controls to Prevent Contracting With Suspended and Debarred Contractors	Recommendation Number 002	Proposed Recommendation Completion Date October, 2020

Recommendation   (Only one recommendation per page)
The GSA Office of Government-wide Policy, Suspension and Debarment Division coordinates with the ISDC to determine how best to provide more complete exclusion data as required by Federal Acquisition Regulation 9.404, *Exclusions in the System for Award Management.*

Action to be Taken Step by Step	Supporting Documentation to be sent to the GAO/IG Audit response Division	Documentation Will be Sent Last Day
Enter each step to be taken to implement recommendation (Must be three numerical digits Starting with 001)	Enter the type of documentation that will be sent to confirm completion of each step	Enter the due date that each step will be completed by (Month/day/year)
001 GSA's Suspension & Debarment Official (SDO) will share the audit report with the Interagency Suspension and Debarment Committee (ISDC) Chairwoman and Vice Chairwoman, and coordinate with them to add this audit	001 Email confirmation of GSA's SDO's sharing the audit report with the ISDC chairs and proposal to add the audit report to the agenda for an upcoming	001 July 10, 2020
report to the agenda for an upcoming ISDC meeting for discussion and review within the Government-wide suspension and debarment community.	ISDC meeting.	
002 GSA's SDO will press for Department of Defense (DOD) participation in reviewing the issues raised in this audit report.	002 Email confirmations of GSA's SDO's press for DOD participation in reviewing the issues raised in this audit report.	October 2020
003 In an ISDC meeting, GSA's SDO will advocate that the ISDC assign a subcommittee to examine practices and regulations related to data entry for exclusions in the System for Award Management (SAM). GSA will confirm the request in a follow-up email.	003 Email confirmation of GSA's SDO's proposal that the ISDC assign a subcommittee to examine practices and regulations related to data entry for exclusions in SAM.	January 2021

Note: The Corrective Action Plan for the GSA Office of Government-wide Policy identifies the Suspension and Debarment Division using its "MVAB" correspondence symbol.

Appendix B – Report Distribution

GSA Administrator (A)

GSA Deputy Administrator (AD)

Chief Information Officer (I)

Deputy Chief Information Officer (ID)

Associate Administrator (M)

Principal Deputy Associate Administrator (M1)

Chief of Staff (M1)

Assistant Commissioner for Systems (QD)

Program Manager (QD2)

Program Advisor (M1V)

Deputy Chief Acquisition Officer (MV)

Chief Financial Officer (B)

Office of Audit Management and Accountability (BA)

Assistant Inspector General for Auditing (JA)

Director, Audit Planning, Policy, and Operations Staff (JAO)