GSA Is Not Effectively Managing Its Internal Space to Reflect Occupancy Changes

Report Number A240044/P/R/R25001
March 19, 2025

Executive Summary

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Why We Performed This Audit

We performed this audit as part of the GSA Office of Inspector General's *Fiscal Year 2024 Audit Plan*. Our audit objective was to determine if GSA evaluated, managed, and monitored its internal space to reflect occupancy changes in accordance with applicable laws, regulations, policies, and guidance.

What We Found

GSA is not effectively managing its internal space to reflect occupancy changes. We found that GSA's ability to manage its internal space is impaired because it lacks the accurate and reliable data necessary to determine and monitor its occupancy. Further, although GSA has established a space utilization target, it has not developed a comprehensive plan to manage its space and meet the target. Finally, we found that GSA did not comply with its own internal space management procedures for releasing space it no longer occupied.

What We Recommend

We recommend that the Acting GSA Administrator:

1. Develop and implement a consistent methodology to collect daily occupancy data and implement appropriate controls to ensure that the data produced is consistent, reliable, and accurate.

2. Develop and implement a centralized approach for managing GSA's internal space and meeting its space utilization target.

3. Improve the management of GSA's occupancy agreements (OAs). Specifically, GSA should:
   a. Conduct a comprehensive review of the Occupancy Agreement Space Inventory System (OASIS) and verify and validate that there are no discrepancies in the OA space reporting for GSA-occupied space.
   b. Develop a process to periodically review and verify that OAs are properly cancelled in OASIS and ensure that all notifications and supporting documents are properly tracked in OASIS in accordance with the space release process.

     c.   Correct the $520,155.69 of imputed rent for the PBS space in the U.S. Department of the Interior headquarters building that GSA no longer occupies.

4.   Update PBS's *Standard Operating Procedure, Release of Space Actions* to reflect the current operating environment.

The Chief Administrative Officer for GSA's Office of Administrative Services wrote that GSA agreed with the recommendations and will implement them. GSA's written comments are included in their entirety in **Appendix B**.

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Introduction

We performed an audit of GSA's space utilization to evaluate how effectively GSA manages its internal space.

Purpose

We performed this audit as part of the GSA Office of Inspector General's *Fiscal Year 2024 Audit Plan*.

Objective

Our audit objective was to determine if GSA evaluated, managed, and monitored its internal space to reflect occupancy changes in accordance with applicable laws, regulations, policies, and guidance.

See *Appendix A* – Objective, Scope, and Methodology for additional details.

Background

GSA is the real estate provider for the majority of the federal government's civilian workforce, managing over 363 million rentable square feet of workspace for federal employees. Through its Public Buildings Service (PBS), GSA supports the missions of its tenant agencies by providing real estate services and solutions to over 1,600 federally owned assets and 6,700 leased assets in 11 regions nationwide. *Figure 1* below illustrates GSA's 11 regions.

Figure 1. GSA Regions
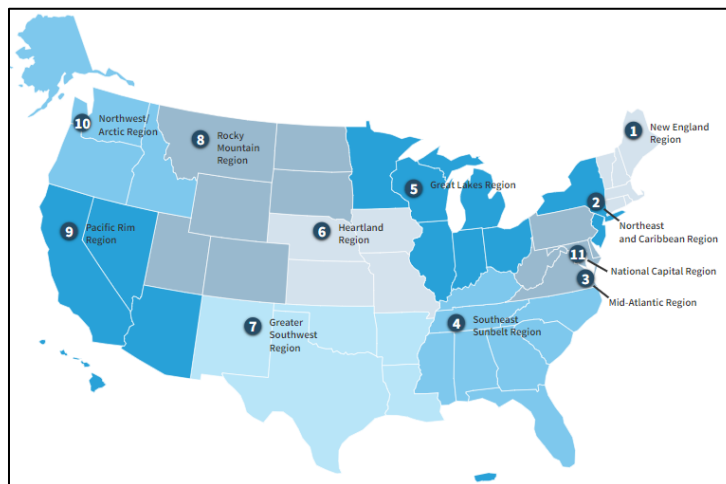
GSA is also a consumer of real estate services and solutions. GSA's internal real estate portfolio includes its Washington, D.C., headquarters building, located in the National Capital Region

(NCR); 10 regional office buildings (ROBs); and 500 field locations, which are primary office spaces to carry out GSA's mission requirements.[1] These facilities are federally owned or leased by PBS and contain space for GSA employees across all of its operations.

Space Utilization Regulation and Policies

Title 41 of the Code of Federal Regulations, Section 102-79.15, states that "executive agencies must provide assignment and utilization services that will maximize the value of Federal real property resources and improve the productivity of the workers housed therein."[2] In 2015, the Office of Management and Budget (OMB) issued its *National Strategy for the Efficient Use of Real Property*, which included the *Reduce the Footprint* policy. This policy required federal agencies, including GSA, to set annual targets for reducing space, including domestic office and warehouse space.[3]

On April 30, 2020, GSA Order OAS P 7005.1, *Internal Space Allocation, Design, and Management Policy* (internal space policy), established design strategies and guidelines for internal space allocation requirements.[4] In particular, for space planning purposes, the internal space policy stated that for all internal workplace projects, space allocation was limited to an "all-in" allocation of 136 usable square feet (USF) per person.

On August 7, 2023, the internal space policy was superseded by GSA Order OAS 7005.1A.[5] The new internal space policy requires that GSA's internal space allocation shall not exceed an "all-in" allocation of 135 USF per person for locations with 50 or more employees and contractors. An "all-in" allocation is the calculation of total USF divided by the number of GSA employees and contractors who occupy the space for 2 or more days in a pay period. GSA's new internal space policy does not include an exact approach to calculate space utilization. However, the GSA Capital Investment and Leasing Program's Space Utilization Calculation Guidance states that the utilization rate is calculated using the same methodology as the "all-in" allocation. Accordingly, we use the term "space utilization rate" throughout this report.

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[1] GSA also refers to NCR as "Region 11." We use "NCR" throughout this report.

[2] 41 C.F.R. 102-79.15, *What objectives must an Executive agency strive to meet in providing assignment and utilization of space services?*

[3] OMB, *National Strategy for the Efficient Use of Real Property 2015-2020: Reducing the Federal Portfolio through Improved Space Utilization, Consolidation, and Disposal* (March 25, 2015). Subsequently, OMB published Memorandum M-20-10, *Issuance of an Addendum to the National Strategy for Efficient Use of Real Property* (March 6, 2020).

[4] GSA Order OAS P 7005.1 (April 30, 2020) was extended on September 29, 2020. This policy cancelled GSA Internal Directive 7000.1 ADM P, *GSA Internal Nationwide Space Management Policy* (March 10, 2008); and GSA Memorandum, *Internal GSA Space Allocation Goal - 150 USF/Person by October 1, 2017* (September 25, 2013).

[5] GSA Order OAS 7005.1A, *Internal Space Allocation, Design, and Management Policy* (August 7, 2023).

In August 2024, OMB issued a management procedures memorandum to the heads of executive departments and agencies, implementing occupancy metrics for federal office space.[6] The memorandum sets an office space design standard of 150 USF per person and requires that federal agencies target a minimum average annual occupancy of 60 percent in all office space. The memorandum calculates the daily occupancy rate by dividing the number of staff occupying a defined space by the number of workstations available.[7] The memorandum states that "agencies are not required to retrofit office space solely to meet this target. Rather, agencies should use the target as a guide to manage their office portfolios and make decisions on office consolidations and disposals that provide a net financial benefit to the taxpayer."

GSA Internal Space Management Roles and Responsibilities

GSA's Office of Administrative Services (OAS) manages and oversees the portfolio of internal space assigned to GSA's operations. OAS serves as the primary customer and occupant agency representative for each service and staff office within GSA. According to GSA's *FY 2024 Capital Plan*, PBS partners with OAS to align internal real estate strategies to deliver the best value and savings for the government and to confirm that GSA's internal workspace projects fit within GSA's overall portfolio planning efforts. GSA operations are assigned space through an occupancy agreement (OA). An OA is a statement of: (1) the space assigned and (2) the business provisions governing the relationship between PBS and the occupant agency, including GSA.

GSA operations, including internal space management, are decentralized. While OAS manages and oversees GSA internal space and reviews and approves all OAs, PBS also plays a role in acquiring and maintaining space for internal GSA operations. The roles and responsibilities of OAS and PBS related to GSA internal space are shown in *Figure 2* on the next page.

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[6] OMB, Management Procedures Memorandum No. 2024-01, *Implementation of Occupancy Metrics for Office Space* (August 16, 2024).

[7] The daily occupancy rate as calculated measures the number of workstations occupied and does not equate to the percentage of employees working in the office versus teleworking or working remotely.

**Figure 2. OAS and PBS Roles and Responsibilities for
GSA's Internal Space Allocation, Design, and Management[8]**

OAS	PBS
Manage and oversee the portfolio of GSA-occupied space assigned to GSA operations.	Acquire and maintain all space for internal GSA operations.
Review and approve all OAs.	Prepare OAs covering GSA-occupied space for review and approval by OAS.
Review and approve all requirements packages for space acquisition, relocation, or reconfiguration.	Identify external customer backfill opportunities for planned GSA internal space releases to avoid a vacancy, optimize space utilization, and maximize savings.
Develop policies, guidance, and measures for space allocation, design, and management.	Manage and supervise project initiation and execution.

Although OAS and PBS have oversight of GSA's internal space management through the roles and responsibilities outlined in *Figure* 2, GSA relies upon regional management to determine its own internal space needs.

GSA Telework and Remote Work Statistics

As of Fiscal Year (FY) 2023, GSA had approximately 12,000 employees. GSA categorized 6,092 of these employees (50.8 percent) as remote workers. GSA's *Telework and Remote Work Policy* defines a remote worker as "an employee who teleworks on a full-time basis and does not report to the agency worksite at least two times a pay period on a regular and recurring basis (e.g., employee works from home full-time)." According to a December 2023 report issued by the U.S. Office of Personnel Management, over 97 percent of eligible GSA employees participated in telework or remote work during FY 2022.[9]

U.S. Government Accountability Office Reports

In September 2022, the U.S. Government Accountability Office (GAO) reported that most federal agencies expect to reduce the number of leases or square footage in their real estate portfolio in the next 3 years, primarily due to increases in telework.[10] GAO reported that GSA has taken some steps to support federal office space planning in the post-pandemic environment. Specifically, GAO reported that GSA has supported federal agencies by expanding ongoing office space planning services and collecting new data. These data collection efforts include pilot-testing technologies for collecting data on space utilization, the number of

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[8] GSA Order OAS 7005.1A, *Internal Space Allocation, Design, and Management Policy* (August 7, 2023).

[9] *Status of Telework in the Federal Government Report to Congress* for FY 2022 (December 2023).

[10] *Federal Real Property: GSA Could Further Support Agencies' Post-Pandemic Planning for Office Space Use* (GAO-22-105105, September 7, 2022).

employees in buildings on a daily or hourly basis, and additional space utilization at GSA-leased and federally owned properties. GAO reported that while GSA has no plans to widely share this information, doing so could help federal agencies better understand their future space needs.

Subsequently, in October 2023, GAO reported that 17 of the 24 federal agencies in the Federal Real Property Council used an estimated average of 25 percent or less of their headquarters buildings' capacity for 1 week each in January, February, and March of 2023.[11] Agencies at the higher end of the range used an estimated 40–49 percent of the capacity of their headquarters buildings on average during these weeks. GAO reported that agency officials identified challenges to increasing utilization, including:

- The need for additional budget resources to reconfigure space for a hybrid work environment;
- Concerns about the future of in-office attendance policies;
- Challenges to sharing space with other agencies or internally; and
- A lack of consistent benchmarks for measuring space utilization.

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[11] *Federal Real Property: Agencies Need New Benchmarks to Measure and Shed Underutilized Space* (GAO-24-107006, October 26, 2023).

Results

GSA is not effectively managing its internal space to reflect occupancy changes. We found that GSA's ability to manage its internal space is impaired because it lacks the accurate and reliable data necessary to determine and monitor its occupancy. Further, although GSA has established a space utilization target, it has not developed a comprehensive plan to manage its space and meet the target. Finally, we found that GSA did not comply with its own internal space management procedures for releasing space it no longer occupied.

Finding 1 – GSA's ability to manage its internal space is impaired because it lacks the accurate and reliable data necessary to determine and monitor its occupancy.

To manage its internal space, GSA needs accurate and reliable occupancy data. However, GSA does not have a uniform methodology for collecting accurate and reliable occupancy data. Instead, GSA's regions collect this information using multiple data sources. Each of these data sources have limitations that impair the accuracy of the data they collect.

As shown in *Figure 3* below, we found that each GSA region uses one or more sources to collect daily occupancy data. These inconsistent data sources make it difficult to compare daily occupancy data across the regions to develop a complete and accurate picture of GSA's space utilization for decision-making purposes.

Figure 3. Daily Occupancy Data Collection Methods Used in the GSA ROBs

GSA ROB	Occupancy Data Collection Methods				
	Access Card Readers	BookIT!	Building Card Readers	Daily Check-In	Occupancy Sensors
Region 1	X			X	
Region 2	X				
Region 3		X	X	X	
Region 4	X	X			
Region 5	X	X		X	
Region 6	X				
Region 7	X	X		X	
Region 8					X
Region 9		X		X	
Region 10	X			X	
NCR	X			X	

As described below, each of these data sources has limitations that impair the accuracy and reliability of the data they produce.

- **Access Card Readers –** GSA employees and contractors use Personal Identity Verification cards, also known as access cards, to enter and exit some GSA-controlled facilities and space.[12] Personal Identity Verification card users gain access by placing their cards against card readers installed as part of the GSA Physical Access Control Systems (PACS). Data from these systems is obtained from the PACS, which are managed by GSA's Office of Mission Assurance.

  However, this data has limitations. For example, PACS are not installed in many GSA-controlled facilities. In February 2023, we reported that PACS are installed in 132 GSA facilities.[13] Accordingly, the data these systems generate is only available for a limited subset of GSA's building inventory. Furthermore, where PACS are installed, the systems can produce flawed data. For example, the PACS cannot account for situations in which an authorized user allows multiple people to enter a particular GSA space. In these cases, only one employee is counted, thereby producing flawed data.

- **BookIT! (Workstation Reservation System) –** BookIT! is a GSA system used by employees to reserve a workspace, office, or conference room.

  However, BookIT! does not accurately measure the usage of all GSA workstations. For example, employees can reserve a workstation and not show up or use an available workstation without reserving it through BookIT!. Furthermore, some GSA regions block off workstations for use on a first-come, first-served basis outside of BookIT!; therefore, the usage of these workstations will not be captured in the system, resulting in incomplete data.

- **Building Access Card Readers –** In the GSA Region 3 ROB, building access card readers are installed in the building's elevators. Once the employee is in the elevator, they place their building access card against the card reader to gain access to their selected floor. Region 3 collects this data from the lessor's building management firm to measure daily occupancy.

  However, the building access card reader only tracks entries and exits, which may not accurately reflect actual occupancy or how spaces are actually used. Additionally, the building access card reader can give inaccurate employee counts because if multiple employees enter the elevator, only one employee needs to use their card to access a

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[12] According to 41 C.F.R. 102-85.35, "*GSA-controlled space* means Federally controlled space under the custody or control of GSA. It includes space for which GSA has delegated operational, maintenance, or protection authority to the customer agency."

[13] *GSA Is Not Monitoring Data from Access Card Readers to Identify Risks to GSA Personnel and Federal Property* (Report Number A210069/P/6/R23005, February 21, 2023).

selected floor. In these cases, the other employees will not be counted, thereby producing flawed data.

- **Daily Check-In** – Daily check-in data is created and managed through a contract overseen by the GSA Office of the Chief Financial Officer. OAS officials stated that a daily email is sent to GSA employees, asking them to self-report their work location for the day. Employees then respond to the form, indicating whether they are teleworking or reporting to an office or job site.

  The workplace services program manager told us that daily check-in data may contain errors because employees may not complete the daily check-in form correctly or not fill it out at all.

- **Occupancy Sensors** – Occupancy sensors are electronic devices that can detect motion and are typically mounted in the ceiling. GSA Region 8 was the only ROB that used occupancy sensors, the method GSA considers the most reliable to capture occupancy data.

  During our site visit, we learned that the occupancy sensors in the GSA Region 8 ROB were turned off due to an information technology security issue. Additionally, GSA Region 8 officials told us that the sensors are prone to false readings. For example, the sensors may detect non-human motion or not distinguish between movements of the same person across different areas, which does not represent actual occupancy.

According to the Director of the OAS Operational Support Division, a single best data point to use does not exist, as any given data point may not capture 100 percent of the population in all situations. GSA regional officials we spoke with also told us that they were aware of problems with GSA's daily occupancy data. As a result, some GSA regional officials told us that they resort to physical observations to confirm the number of personnel in the office space as an added means of assessing space utilization.

GSA must have accurate and reliable occupancy data to effectively manage its internal space and adjust to changes in its occupancy rates. Accordingly, GSA should develop and implement a consistent methodology to collect daily occupancy data and implement appropriate controls to ensure that the data produced is consistent, reliable, and accurate.

Finding 2 – Although GSA has established a space utilization target, it has not developed a comprehensive plan to manage its space and meet the target.

Since March 2015, OMB has called for federal agencies to reduce space. In response, GSA issued space utilization policies designed to limit the amount of space used by GSA. In April 2020, GSA's policy targeted a space utilization rate of 136 USF per person for locations with 50

or more personnel. In August 2023, GSA lowered its internal space utilization target to 135 USF per person for locations with 50 or more personnel.[14]

However, GSA has not developed a comprehensive plan to manage its space and to meet its space utilization target. While GSA has assigned internal space management roles and responsibilities to OAS and PBS, it relies on regional management to meet its internal space utilization target, which has produced inconsistent results. With this decentralized approach, GSA continues to exceed its space utilization target and has not adjusted to the fact that more than half of its employees work remotely and no longer report to a GSA building.

We assessed GSA's space utilization rates for its 11 ROBs, each of which seat more than 50 GSA personnel. As shown in *Figure 4* below and *Figure 5* on the next page, we found that as of September 2023, the space utilization rates for 10 of GSA's 11 ROBs exceeded GSA's space utilization target. This included two GSA ROBs (Region 8 and Region 9) that exceeded GSA's target space utilization rate by over 200 percent.

Figure 4. Analysis of GSA ROB Utilization Rates as of September 2023

ROB Region	2023 ROB USF	2023 ROB Assigned Personnel Count	2023 ROB Space Utilization Rate (USF/person)	Percent Over/Under GSA Space Utilization Rate of 135 USF/person[15]
	A	B	C = A/B	D = (C-135)/135
Region 1	41,725	195	214	58.5%
Region 2	52,537	294	179	32.6%
Region 3	90,756	402	226	67.4%
Region 4	106,798	494	216	60.0%
Region 5	58,107	361	161	19.3%
Region 6	95,140	345	276	104.4%
Region 7	127,149	463	275	103.7%
Region 8	165,448	393	421	211.9%
Region 9	126,002	278	453	235.6%
Region 10	48,457	154	315	133.3%
NCR	422,615	3,331	127	-5.9%
	1,334,734	**6,710**	**199**	**47.3%**

[14] GSA Order OAS 7005.1A, *Internal Space Allocation, Design, and Management Policy* (August 7, 2023).

[15] We used GSA's internal space utilization target of 135 USF per person for locations with 50 or more personnel as the starting point of the percent change for this column. To calculate the overall GSA space utilization rate and determine the percentage above or below the target, we followed these steps: (1) divided the total GSA USF by the total personnel count to find the overall GSA space utilization rate, (2) calculated the difference between the overall GSA space utilization rate and the utilization rate requirement (135 USF/person), and (3) divided this difference by 135 USF/person to determine the percentage deviation from the requirement.

Figure 5. Space Utilization Rate for Each GSA ROB as of September 2023
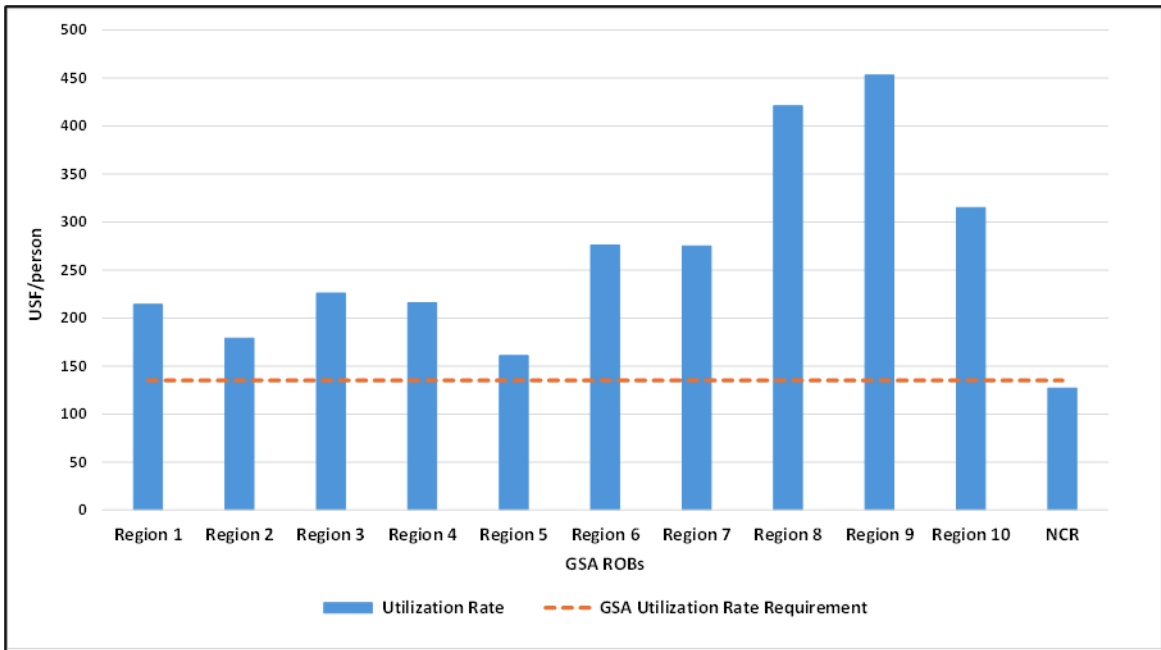
As shown in *Figure 6* below, the performance of GSA's ROBs is consistent with GSA's overall space utilization rates dating back to the inception of federal space utilization efforts in 2015. GSA has exceeded its space utilization target every year since the target was established.

Figure 6. Overall Space Utilization Rates for All GSA ROBs from FYs 2015 through 2023
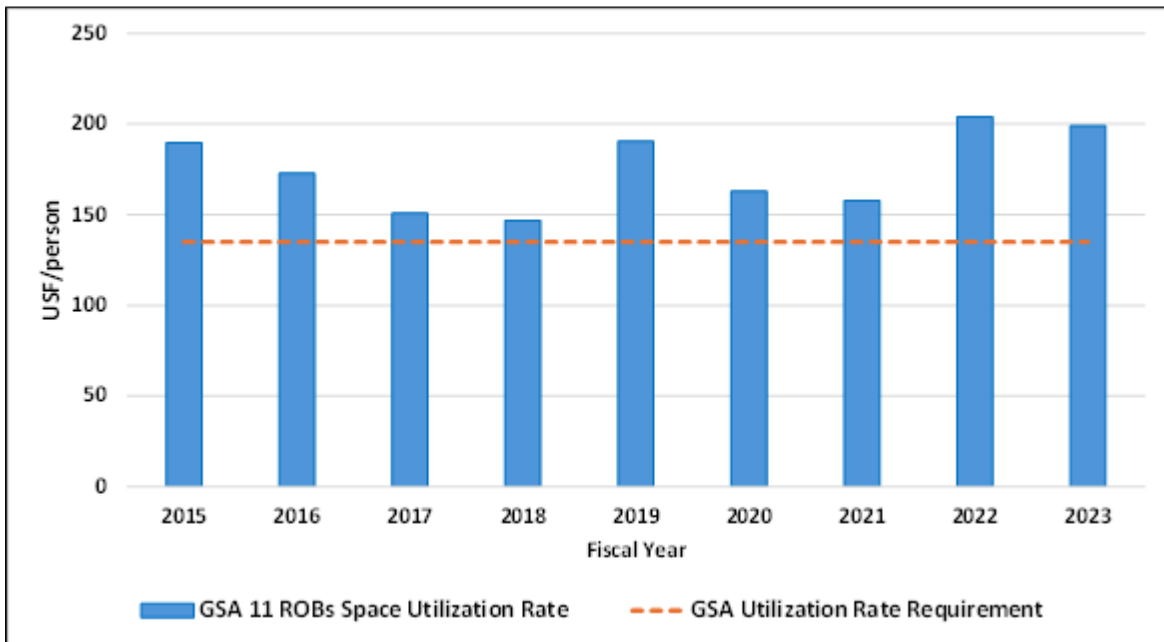
While GSA's space utilization rates in its ROBs improved in FYs 2020 and 2021, its performance deteriorated starting in FY 2022. This was driven primarily by a sharp increase in the number of GSA's remote employees without a commensurate reduction in office space. Specifically, GSA's total count of remote employees surged from 641 in FY 2020 to 6,092 in FY 2023—an increase of 850 percent. Because GSA has not reduced its office space to account for the increased number of remote employees, the overall space utilization rate for the ROBs spiked to over 200 USF/person in FY 2022 and was only slightly lower in FY 2023.

OAS and PBS regional officials acknowledged that GSA has underutilized office space. They also shared concerns and challenges to reducing this space, including uncertainty about future changes to telework policy, heightened safety concerns around some ROB locations that make it difficult to attract other tenants, and limited funding to renovate and modernize workspaces.

GSA Region 9 officials also noted challenges with modifying space in historic buildings. The GSA Region 9 ROB is located in the 50 United Nations Plaza building, which is listed on the National Register of Historic Places. As of September 2023, the space utilization rate for the building exceeded GSA's USF requirement by over 235 percent. Although the building underwent a renovation in 2013 to, among other things, redesign office workspace, GSA Region 9 officials asserted that they have limited space reduction options due to requirements for preservation of historically significant interiors.

Notwithstanding these challenges, GSA has recently reduced underutilized office space in some ROBs. For example:

- In August 2023, GSA Region 3 determined that it could release space in its ROB, located in Philadelphia, Pennsylvania, by cutting its workstations in the building from 467 to 240. According to OAS and PBS officials, GSA bought out the lease for the resultant excess space, which totaled 34,799 square feet, after determining that this was the most cost-effective approach. According to these officials, the buyout will save GSA $1.9 million over the remaining lease term.

- In December 2023, GSA Region 2 collaborated with OAS and PBS to shed over 25,000 square feet of office space in its ROB, located in New York, New York. GSA backfilled the resultant excess space with the Internal Revenue Service. GSA officials estimate that this will save GSA more than $40 million over the remaining lease term.

Nonetheless, GSA continues to face significant challenges to meet its space utilization target. Accordingly, GSA should adopt a centralized, strategic approach to efficiently and effectively meet its internal space needs.

Finding 3 – GSA did not comply with its own internal space management procedures for releasing space it no longer occupied at the U.S. Department of the Interior headquarters building.

GSA did not comply with internal space management procedures for releasing space it no longer occupied at the U.S. Department of the Interior headquarters, located at the Stewart Udall Building (Udall Building) in Washington, D.C. As a result, GSA recorded imputed rent of over $520,000 for space that it no longer occupied. We also determined that GSA has not updated its procedures for the release of space to reflect its current operating environment.

During our audit, we reviewed 39 OAs with zero square footage. We compared this listing to GSA's billed OAs and found that one OA had been billed for 12,149 USF at a value of $344,187 per year. This OA was recorded as a PBS NCR field office in the Udall Building.

At the start of our site visit to the Udall Building in May 2024, PBS officials were unsure of the exact location of the PBS NCR field office. During our site visit, GSA officials asserted that the field office was located in the spaces shown in *Figure* 7 below.

Figure 7. PBS NCR Field Office Spaces in the Udall Building[16]

As shown in the picture on the left, some of the space was vacant. The picture on the right shows space that was occupied by the Department of the Interior, not PBS.

OAS and PBS subsequently confirmed that GSA is no longer occupying the space. An OAS workplace strategist told us that a major renovation project took place at the Udall Building. The project led PBS to assess whether the space was still needed for the field office. PBS completed this assessment in February 2023. According to the OAS workplace strategist, PBS NCR determined that the space was no longer needed, and the space should have been released in February 2023. However, while GSA addressed the Department of the Interior's

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[16] Photographs taken by the audit team, May 30, 2024.

occupancy of the vacated space, it did not follow appropriate internal space release procedures.[17]

According to the *Internal GSA Agency Bureau Code and Space Assignment Method*, OAS is responsible for notifying PBS of the release of GSA-occupied space.[18] At the time the space was released, PBS's *Standard Operating Procedure, Release of Space Actions* required tenant agencies to submit an email to a centralized mailbox for all release of space actions.[19] The mailbox administrators in PBS's Office of Portfolio Management would initiate the corresponding actions by passing the notification to the requesting region. The region would then process the release of space, including the closeout of the OA and termination of the monthly bill. Neither OAS nor PBS was able to demonstrate that these processes were followed.

The OA for the space GSA vacated in the Udall Building in February 2023 remained open until we brought the matter to management's attention during our audit. GSA subsequently closed out the OA in the Occupancy Agreement Space Inventory System (OASIS) in August 2024, retroactive to February 1, 2023.[20] As a result, GSA overstated its expenses for the period in which the OA remained open. Although GSA does not charge itself rent for space that it owns, federal accounting standards require the Agency to report the rent it would have otherwise paid as an expense. This expense is referred to as imputed rent. Because the OA was active between February 2023 and August 2024, GSA erroneously recorded $520,155.69 in imputed rent for the space. As of July 2024, GSA had not corrected the error.

In August 2023, GSA migrated to OASIS for managing OAs. As a result, PBS no longer uses a centralized mailbox for all release of space actions. Instead, all requests to release space must be submitted directly through OASIS. However, GSA has not updated the PBS *Standard Operating Procedure, Release of Space Actions* to reflect its current operating environment.

GSA should properly manage its OAs and follow its procedures for the release of space it no longer occupies. GSA should also correct the imputed rent error attributable to the PBS NCR field office in the Udall Building and update the PBS *Standard Operating Procedure, Release of Space Actions* to reflect the current operating environment.

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[17] In May 2023, GSA began working with the Department of the Interior to address its increased occupancy of space in the Udall Building, including the space GSA had vacated. In December 2023, the PBS Commissioner issued a rent exemption for the increased space that was effective until September 2024. GSA began charging the Department of the Interior rent for the space effective October 1, 2024.

[18] GSA Order OAS 4240.2A, *Internal GSA Agency Bureau Code and Space Assignment Method* (March 13, 2024).

[19] Occupancy Agreements: *Standard Operating Procedure, Release of Space Actions,* Version 2.1, effective November 16, 2019.

[20] According to the *PBS OASIS GSA Customer User Guide*, "OASIS provides an integrated, trackable, and accessible process for GSA and customer agencies to manage OAs, process releases of space, and access real time occupancy and rent data."

Conclusion

GSA is not effectively managing its internal space to reflect occupancy changes. We found that GSA's ability to manage its internal space is impaired because it lacks the accurate and reliable data necessary to determine and monitor its occupancy. Further, although GSA has established a space utilization target, it has not developed a comprehensive plan to manage its space and meet the target. Finally, we found that GSA did not comply with its own internal space management procedures for releasing space it no longer occupied.

To address these deficiencies, GSA should develop and implement a consistent methodology to collect daily occupancy data to improve the consistency, reliability, and accuracy of the data. GSA also should develop a centralized approach to managing its internal space needs. Additionally, GSA should properly manage its OAs and update and follow its procedures for the release of space it no longer occupies.

Recommendations

We recommend that the Acting GSA Administrator:

1. Develop and implement a consistent methodology to collect daily occupancy data and implement appropriate controls to ensure that the data produced is consistent, reliable, and accurate.

2. Develop and implement a centralized approach for managing GSA's internal space and meeting its space utilization target.

3. Improve the management of GSA's OAs. Specifically, GSA should:
   a. Conduct a comprehensive review of OASIS and verify and validate that there are no discrepancies in the OA space reporting for GSA-occupied space.
   b. Develop a process to periodically review and verify that OAs are properly cancelled in OASIS and ensure that all notifications and supporting documents are properly tracked in OASIS in accordance with the space release process.
   c. Correct the $520,155.69 of imputed rent for the PBS space in the U.S. Department of the Interior headquarters building that GSA no longer occupies.

4. Update PBS's *Standard Operating Procedure, Release of Space Actions* to reflect the current operating environment.

GSA Comments

The Chief Administrative Officer for GSA's Office of Administrative Services wrote that GSA agreed with the recommendations and will implement them. GSA's written comments are included in their entirety in *Appendix B*.

Audit Team

This audit was managed out of the Real Property Audit Office and conducted by the individuals listed below:

Byron G. Bustos	Associate Deputy Assistant Inspector General for Auditing
Jonathan H. Lee	Audit Manager
Terrace A. Brown	Auditor-In-Charge
Barry P. Schintler	Auditor
Aaron L. Podiyan	Auditor

Appendix A – Objective, Scope, and Methodology

Objective

This audit was included in the GSA Office of Inspector General's *Fiscal Year 2024 Audit Plan*. Our audit objective was to determine if GSA evaluated, managed, and monitored its internal space to reflect occupancy changes in accordance with applicable laws, regulations, policies, and guidance.

Scope and Methodology

Our audit scope consisted of the 11 GSA ROBs nationwide (detailed in the *Sampling* section on the next page).

To accomplish our objective, we:

- Reviewed applicable policies from public laws, executive orders, the Code of Federal Regulations, a presidential memorandum, government-wide policy memorandums, and internal GSA policies to gain a general understanding of the criteria that are pertinent to this audit;
- Analyzed prior GSA Office of Inspector General and GAO audit reports and corrective action plans that were significant to the audit objective;
- Obtained and reviewed background information pertinent to space utilization from sources, such as GSA policies, to gain an understanding of the nature of federal space utilization, GSA internal space planning, and related roles and responsibilities;
- Reviewed documentation, such as the initial data provided by OAS describing the OAs GSA occupies, the Daily Occupancy Data fact sheet, and occupancy information for each region, to understand the current state of GSA-occupied space;
- Reviewed and analyzed the office space data for the 11 GSA ROBs to identify trends of how GSA is utilizing its office space;
- Evaluated and analyzed OAs for GSA internal space;
- Independently obtained source documentation for our sample and analyzed the total square footage for GSA space in the 11 GSA ROBs, GSA personnel data, space utilization data, and occupancy data for the number of GSA personnel who reported to GSA office space daily;
- Interviewed OAS and PBS officials to gain an understanding of roles and responsibilities for GSA's internal space planning and management, as well as to further understand GSA's internal space management practices and utilization efficiency;
- Conducted site visits to understand GSA's internal space planning and management process, determine what data and information GSA uses to make decisions, and physically observe office space listed in the OAs; and
- Held discussions and corresponded with OAS, PBS, and GSA regional officials to obtain follow-up information.

Data Reliability

We assessed the reliability of the dataset provided by OAS of GSA internal space as of March 20, 2024, by tracing the data to source documentation. OAS also provided Federal Real Property Profile data from 2013 to 2023, as well as data from GSA's personnel management system (HR Links) for the number of personnel assigned to each GSA internal space as of September 30, 2023. We assessed the reliability of those datasets by applying logical tests (e.g., looking for duplicates, missing data, and invalid data) and looking for trends within the data. We also downloaded daily occupancy data for all 11 GSA ROBs and an Inventory of Lease and Owned Property report for all GSA internal space as of March 15, 2024, to assess the reliability of the data. We determined that the data was sufficiently reliable for the purposes of this audit.

Sampling

We reviewed and analyzed the total USF for GSA internal space, GSA personnel data, space utilization data, and occupancy data for the number of GSA personnel who reported to GSA office space daily as of FY 2023. We selected a nonstatistical (judgmental) sample of the 11 GSA ROBs because they have the largest total square footage and largest number of personnel assigned within the GSA regions. Between the 11 GSA ROBs, there is a total of 1.3 million usable square feet out of 2.8 million usable square feet and 6,710 out of 20,346 assigned personnel.

While our judgmental sample does not allow for projection of the results to all GSA internal space, it did allow us to adequately address our audit objective.

Internal Controls

We assessed internal controls significant within the context of our audit objective against GAO-14-704G, *Standards for Internal Control in the Federal Government*. The methodology above describes the scope of our assessment, and the report findings include any internal control deficiencies we identified. Our assessment is not intended to provide assurance on GSA's internal control structure as a whole. GSA management is responsible for establishing and maintaining internal controls.

Compliance Statement

We conducted the audit between February and December 2024 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Appendix B – GSA Comments

GSA

February 28, 2025

MEMORANDUM FOR   BYRON BUSTOS
                               ASSOCIATE DEPUTY ASSISTANT INSPECTOR
                               GENERAL FOR AUDITING (ADAIGA)
                               REAL PROPERTY (JA-R)

                                                      Bob Stafford

FROM: BOB STAFFORD
                               CHIEF ADMINISTRATIVE OFFICER
                               OFFICE OF ADMINISTRATIVE SERVICES (H)

SUBJECT: *Response to the Office of Inspector General (OIG) Draft Report, GSA Is Not Effectively Managing Its Internal Space to Reflect Occupancy Changes (A240044)*

We appreciate the opportunity to review and comment on the referenced draft report *GSA Is Not Effectively Managing Its Internal Space to Reflect Occupancy Changes (A240044), dated February 14, 2025.* We agree with and appreciate OIG's recommendations and will implement them to strengthen the program. Upon issuance of the final audit report, we will establish a Corrective Action Plan outlining the specific actions and estimated completion dates in support of the implementation.

If you have any questions, please contact Matthew Watt, OAS Chief of Staff.

Appendix C – Report Distribution

Acting GSA Administrator (A)

GSA Deputy Administrator (AD)

Commissioner (P)

Deputy Commissioner (P1)

Deputy Commissioner of Enterprise Strategy (P2)

Acting Chief of Staff (PB)

Acting Deputy Chief of Staff (PB)

Chief Financial Officer (B)

Acting Deputy Chief Financial Officer (B)

Office of Audit Management and Accountability (BA)

Assistant Inspector General for Auditing (JA)

Deputy Assistant Inspector General for Acquisition Audits (JA)

Deputy Assistant Inspector General for Real Property Audits (JA)

Director (JAO)