

2ND HALF-FY94

Semiannual Report to the Congress

April 1, 1994 - September 30, 1994



U.S. General Services Administration
Office of Inspector General

Foreword

This report summarizes the Office of Inspector General's (OIG) activities between April 1, 1994 and September 30, 1994. Also included in this report are statistics for the entire Fiscal Year 1994, during which the OIG achieved many notable accomplishments.

This report reflects the success of our efforts in fulfilling our responsibilities under the Inspector General Act to promote economy and efficiency and detect and prevent fraud, waste, and abuse in the General Services Administration's (GSA) programs and operations. In consonance with the recommendations of the National Performance Review, we have continued to help GSA enhance its performance in carrying out its mission. Our efforts have included evaluating major Agency activities in light of program outcomes, providing timely information to contracting officials to aid in negotiations, and working to attain resolution of significant criminal and civil actions.

During the 6-month reporting period, financial recommendations resulting from our audit reports totaled over \$139 million in funds to be put to better use or in questioned costs. In addition, 168 referrals were made for criminal prosecution, civil litigation, and administrative action.

I want to take this opportunity to thank the GSA Administrator and Members of Congress for their unwavering support. I also want to commend the contributions of each OIG employee to our achievements during the past 6 months.

William R. Barton

WILLIAM R. BARTON
Inspector General

October 31, 1994

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Summary of OIG Performance

OIG Accomplishments	Total financial recommendations	\$139,912,888
	These include:	
	• Recommendations that funds be put to better use	\$129,710,560
	• Questioned costs	\$10,202,328
	Audit reports issued	241
	Referrals for criminal prosecution, civil litigation, and administrative action	168
Results Attained	Management decisions agreeing with questioned costs, civil settlements, voluntary recoveries, and court-ordered and investigative recoveries	\$103,209,331
	Indictments and informations on criminal referrals and civil complaint referrals	27
	Successful criminal prosecutions	13
	Civil settlements	7
	Contractors suspended/debarred	54
	Employee actions taken on administrative referrals involving GSA employees	10

Fiscal Year 1994 Results

During Fiscal Year 1994, OIG activities resulted in:

- Over \$287 million in recommendations that funds be put to better use and in questioned costs. If adopted, these recommendations ultimately result in savings for the taxpayers.
- Management decisions to put \$160.2 million in funds to better use based on OIG recommendations.
- 503 audit reports that assisted management in making sound decisions regarding Agency operations.
- 14 implementation reviews that tracked the progress of actions in response to internal audit reports.
- \$61.8 million recovered as a result of management decisions to recover funds, civil settlements, voluntary recoveries, court-ordered recoveries, and investigative recoveries. 216 new investigations opened and 224 cases closed.
- 24 case referrals (57 subjects) accepted for criminal prosecution and 11 case referrals (18 subjects) accepted for civil litigation.
- 37 criminal indictments/informations and 29 successful prosecutions on criminal matters referred.
- Civil complaints against 3 individuals and 11 civil settlements or judgments.
- 1 referral to another Federal agency for further investigation.
- 32 employee actions taken on administrative referrals involving GSA employees.
- 31 contractor suspensions and 102 contractor debarments.
- 651 legislative matters and 100 regulations and directives reviewed.
- 273 Hotline calls and letters, 9 GAO referrals, and 54 other agency referrals.

Executive Summary

This report, submitted pursuant to the Inspector General Act of 1978, as amended, chronicles the activities of the GSA OIG. It is the thirty-second report to the Congress since the appointment of the Agency's first Inspector General.

Procurement Activities

GSA is responsible for providing space for almost 1 million Federal employees. GSA, therefore, acquires buildings and sites, constructs facilities, leases space, and contracts for repairs, alterations, maintenance, and protection of Government-controlled space. GSA also operates a Governmentwide service and supply system. To meet the needs of customer agencies, GSA contracts for billions of dollars worth of equipment, supplies, materials, and services each year. We review these procurements on both a preaward and postaward basis to ensure that the taxpayers' interests are protected. We perform approximately 400 contract reviews each year.

- The OIG's preaward audit program provides information to GSA contracting officers for use in negotiating contracts. This program provides vital and current pricing and discount information to contracting officers, enabling them to improve the Government's negotiating position. The OIG performed preaward audits of 168 contracts with an estimated value of \$1.9 billion. The reports contained over \$128 million in financial recommendations to help ensure that the Government achieved the lowest price possible. (See page 13.)
- The Government entered into four civil settlement agreements totaling \$3.2 million with companies supplying computers, software, and related items. OIG audits and investigations revealed that three of the companies failed to provide current, accurate, and complete information during contract negotiations. The fourth company failed to comply with contract provisions requiring new equipment. (See page 2.)
- A chemical supply company agreed to pay the Government \$175,000 to settle its potential civil liability. An OIG investigation revealed that the company supplied adulterated paint and returned contaminated raw materials to GSA for reimbursement. Debarment action is under consideration. (See page 3.)
- Three officials pled guilty to conspiracy to defraud numerous local, State, and Federal agencies. The officials formed a fictitious surety company and issued false bid and performance bonds totaling over \$12 million to construction contractors. Sentencing is scheduled for October 1994. While none of the contractors defaulted on their contracts, the Government was placed at risk of being unable to recover costs if the contractors failed to perform. (See page 3.)

Executive Summary

- The OIG performed a review of an ongoing GSA National Performance Review reinvention project regarding Multiple Award Schedule acquisition of computer software products. GSA followed a reinvention recommendation and issued a contract modification increasing the dollar value of the maximum order limitation for software products. However, the Agency did not renegotiate for lower product pricing appropriate for the significant increase in maximum order limitation. As a result, this increased prices to levels higher than provided in the previous year's contract. We recommended that GSA immediately alert Federal agencies that prices were unreasonable and that the agencies should seek lower prices. (See page 4.)
- GSA provides Purchase of Telecommunications Services (POTS) contracts which allow Federal agencies to purchase telecommunications equipment and services at fixed rates. An OIG audit found that customers were satisfied with the services provided; however, we believe that the contracts did not provide the best value. We recommended that GSA inform customers of all options available for their telecommunications needs, ensure contractors offer technologically advanced equipment, update contract specifications, and evaluate the effectiveness of contracting methods. (See page 5.)
- A GSA employee was convicted for soliciting and receiving bribes. An OIG investigation revealed that the employee had solicited a \$25,000 bribe and accepted an initial \$5,000 payment from a construction contractor. In return, the employee was to provide information which would enable the contractor to submit fraudulent payment claims to GSA. The employee was sentenced in U.S. District Court to 15 months in prison, 3 years probation, and ordered to pay fines. (See page 6.)

Agency Operations

GSA is a central management agency that sets Federal policy in such areas as Federal procurement, real property management, and telecommunications. GSA also manages diversified Government operations involving buildings management, supply facilities, real and personal property disposals and sales, data processing, and motor vehicle and travel management. In addition, GSA manages over 115 accounting funds and provides cross-servicing support for client agencies. Our audits examine the efficiency, effectiveness, and integrity of GSA programs and operations and result in reports to management. Our internal audits program is designed to facilitate management's evaluation and improvement of control systems by identifying areas of vulnerability and including recommendations for improvement. This period, the OIG performed 51 internal reviews on Agency program areas.

Executive Summary

- GSA disposes of surplus real property for other agencies on a reimbursable basis. We audited GSA's data collection and billing process for real property sales and found that GSA was not fully recovering costs and that the accounting system could not adequately track costs. We recommended that GSA develop a labor distribution system to simplify cost tracking and modify the accounting system to allow tracking of project costs. (See page 8.)
- GSA operates vehicle maintenance control centers which serve as points of contact for customer agencies. We found that improvements could be made in processing invoices and managing maintenance and repair data. We recommended that GSA work with customer agencies and contractors to provide automated information, allow use of credit cards for routine maintenance and repair expenses, and streamline the maintenance control center operational structure. (See page 8.)
- GSA operates the Federal Computer Acquisition Center to perform large scale computer acquisitions valued at over \$100 million under reimbursable agreements with Federal agencies. Our review revealed that the Center lacked adequate management and financial control systems. We recommended that the Center develop a system to monitor projects to keep them on schedule. We believe that financial control would be improved if the Center estimated costs more accurately and monitored actual costs for each project phase. (See page 9.)
- GSA provides administrative support services to its program activities through a centralized reimbursable program. We found that some offices were improperly funded and some activities were overassessed or underassessed for services. We recommended improvements in the allocation process, including the calculation of assessments based on budget and actual expenditures. In addition, we recommended that an independent body oversee the reimbursable program. (See page 10.)
- GSA is responsible for the construction of new Federal buildings and the repair and alteration (R&A) of existing buildings. We reviewed one region's R&A work item inventory and found that projects could be more comprehensively planned and the data bases more accurately maintained. Also, we believe the building inspection program needed strengthening. We recommended that GSA assign a priority to all work items and enter them into the data base. In addition, the R&A tracking system should be validated to ensure data accuracy. (See page 11.)

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Prevention 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.

- 785 GSA employees attended OIG integrity awareness briefings. These briefings educate employees regarding the prevention of fraud and abuse, and inform employees of their roles in helping to ensure the integrity of Agency operations. (See page 14.)
- We received 145 Hotline calls and letters, 1 GAO referral, and 25 referrals from other agencies. Of these, 114 Hotline calls and other referrals required action. The Hotline offers a convenient means for providing information on suspected fraud, waste, and mismanagement relative to GSA operations nationwide. (See page 14.)

Organization, Staffing, and Budget

Pursuant to the Inspector General Act of 1978, an OIG was established within the GSA on October 1, 1978. As currently configured, the OIG consists of six units that function cooperatively to perform the missions mandated by the Congress.

Organization

The OIG provides nationwide coverage of GSA programs and activities. It consists of:

- The **Office of Audits**, an evaluative unit staffed with auditors and analysts who provide comprehensive coverage of GSA operations with program evaluations as well as reviews of GSA contractors and financial agreements.
- The **Office of Investigations**, an investigative unit that manages a nationwide program to prevent and detect illegal and/or improper activities involving GSA programs, operations, and personnel.
- The **Office of Counsel to the Inspector General**, an in-house legal staff that provides legal advice and assistance to all OIG components, represents the OIG in litigation arising out of or affecting OIG operations, and prepares OIG comments on proposed legislation.
- The **Office of Administration**, a centralized unit that provides information systems support, handles budgetary, administrative, and personnel matters, and formulates OIG comments on proposed regulations and GSA policy issuances.
- The **Office of Quality Management**, an in-house staff that promotes and coordinates the total quality process within all OIG components, and coordinates quality improvement initiatives with other Federal entities.
- The **Internal Evaluation Staff**, an analytical unit reporting directly to the Inspector General that plans and directs an in-house assessment program, including field office appraisals and sensitive reviews of OIG operations.

Office Locations

The OIG is headquartered in Washington, DC, at GSA's Central Office building. Field audit and investigations offices are maintained in Boston, New York, Philadelphia, Atlanta, Chicago, Kansas City, Fort Worth, San Francisco, Auburn, and Washington, DC. Investigative sub-offices are also maintained in Cleveland and Los Angeles.

Staffing and Budget

The OIG completed Fiscal Year 1994 with a total on-board strength of 387 employees.

The OIG's Fiscal Year 1994 budget was approximately \$34.9 million.

Procurement Activities

Significant OIG Accomplishments

Civil Settlements

This period, the Government entered into seven civil settlement agreements in which suppliers agreed to pay over \$3.7 million. These agreements were negotiated by representatives of the Department of Justice and the GSA OIG and reflect the ongoing efforts of the OIG to pursue cases involving procurement fraud and practices which threaten the integrity of the Government's procurement process. Highlights of selected cases follow.

\$3.2 Million in Civil Settlements with ADP Suppliers

The Government entered into settlement agreements with four companies supplying computer hardware, computer software, and related items. The companies agreed to pay the Government over \$3.2 million to settle their potential civil liability under the False Claims Act.

- Under the terms of the first agreement, a computer software supplier agreed to pay \$1,725,000 to settle a *qui tam* action under the False Claims Act. The *qui tam* provision in the False Claims Act allows individuals to bring suit, on behalf of themselves and the Federal Government, against contractors who submit false claims or false statements to the Government. An OIG audit and investigation disclosed that the company had failed to provide current, accurate, and complete discount and pricing information during the negotiation of several Multiple Award Schedule contracts. Also, the firm failed to report price reductions, and failed to disclose rebates given to resellers and distributors as required by the contract.
- The second agreement provided that a supplier of computer equipment and software under two Multiple Award Schedule contracts pay the Government \$845,500 to settle its potential civil liability. The agreement arose out of an audit and investigation that showed the company had failed to accurately provide required information to GSA contract negotiators and had failed to pass on price reductions given to commercial customers.
- The third agreement provided that a company that supplied computer furniture under two Multiple Award Schedule contracts would pay the Government \$369,856.98. OIG reviews showed the company had granted higher discounts to its commercial customers than disclosed to GSA during contract negotiations. GSA contract officials relied on these data and, as a result, the company secured inflated prices from Federal purchasers.
- The fourth agreement resulted from a second *qui tam* action and provided that a computer equipment supplier would pay \$300,000 to settle an action brought under the False Claims Act. An OIG

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audit and investigation disclosed that the company had failed to comply with contract provisions requiring delivery of new equipment unless the customer was informed that other than new equipment was being provided. This case was settled on December 17, 1993, and was not included in our previous Semiannual Report to the Congress because the matter was still under seal. The seal has now been partially lifted.

Chemical Supplier Agrees to Pay \$175,000

In another significant case, on May 24, 1994, a chemical supply company entered into a settlement agreement with the Government to pay \$175,000 to settle its potential civil liability under the False Claims Act for supplying adulterated paint and returning contaminated raw materials to GSA.

The agreement resulted from an investigation which disclosed that the firm defrauded the Government through a settlement claim on a contract awarded for military camouflage paint. The Government terminated its contract with the company after the U.S. Army changed its specifications for camouflage paint. The company then filed a claim for reimbursement for paint pigment it had purchased to manufacture the camouflage paint that could not be used in producing other paints.

The investigation determined that the company received \$28,776 from GSA for the returned paint pigment which had been contaminated in a fire 2 years before the contract was awarded and did not qualify for the settlement claim. Further, during the course of the contract, the company had supplied substandard camouflage paint to GSA and the military. GSA paid the company \$45,000 for this paint which was manufactured with the defective raw materials. Debarment action is under consideration.

Fraud Convictions

During June and August 1994, three officials of a fictitious insurance company pled guilty to conspiring to defraud numerous local, State, and Federal Government agencies, including GSA. Sentencing is scheduled for October 1994.

A joint investigation by GSA, the Small Business Administration, and the Departments of Defense, Energy, Transportation, and Veterans Affairs OIGs was initiated after it was reported to the GSA OIG that the three officials were involved in a scheme to defraud Government agencies by issuing fraudulent bonding documents to contracting firms doing business with the Federal Government.

The investigation disclosed that the officials had formed a fictitious surety company and sold false bid and performance bonds to various contractors. Bid and performance bonds are required by Government

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agencies to ensure good faith bids and for insurance in case of contractor default. Despite a court-issued cease and desist order, the officials continued their illegal practices and issued bogus bond instruments. They then incorporated a fictitious insurance and bonding corporation with a name similar to a legitimate company.

The investigators found that the company issued numerous bogus bid and performance bonds on contracts involving the Departments of Transportation, Defense, and Veterans Affairs. The company issued a total of 76 bogus bonds amounting to over \$12 million to 12 different construction companies.

While none of the contractors defaulted on their contracts, the Government agencies were placed at risk of being unable to recover their costs if the contractors had failed to perform and the Government attempted to recover from the insurance company. In addition, the activities of the company prevented legitimate insurance companies from competitively pursuing business opportunities with the Government agencies.

Multiple Award Schedule Pilot Project

As a National Performance Review reinvention project in the field of procurement, GSA established the Multiple Award Schedule (MAS) Pilot Project for the acquisition of computer software products. MAS contracts are master agreements that GSA enters into with vendors of commercial items in which GSA uses the volume purchasing power of the Government to obtain favorable prices and establishes ordering agreements which any Federal agency can use to efficiently acquire commonly used products. The objectives of the Pilot were to streamline the procurement solicitation, evaluation, and award processes for the Government and vendors, and offer customer agencies a wider range of choice in products, while ensuring that product pricing remained fair and reasonable. The OIG is evaluating the Pilot as it proceeds.

For the first time, vendors participating in the program were required to offer their complete product lines and offer them both in single user format (commonly referred to as shrink-wrap) and multi-user format (usually called right-to-copy or multi-pack). The right-to-copy format provides the customer authorization to permit a specified number of copies of the software to be used at the same time. Users share reference materials and other support services. This method of purchase, on a per user basis, is significantly less costly than buying in the single user shrink-wrap format.

To encourage users to purchase under the right-to-copy method, GSA contracting officers pressed for favorable prices for these items. GSA also restricted an agency order limitation on shrink-wrap purchases to nine copies. This decision proved controversial. To address the issue, the Agency followed a recommendation made by the Federal

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Information Technology Acquisition Improvement Team and issued a contract modification increasing the maximum order limitation (MOL) to \$50,000 per order. However, GSA did not renegotiate to lower shrink-wrap prices to account for an increased volume.

Our comparison of prices for a sample of 464 shrink-wrap software packages in the Pilot contracts with prices for identical packages in last year's contracts showed that 356, or 76.7 percent, were higher under the Pilot. In some cases, prices were even higher than retail prices. Therefore, increasing the MOL to \$50,000 for shrink-wrap packages without price renegotiations can potentially cost customer agencies thousands of dollars for software products.

Our analyses of schedule and market prices, the consequences of the lack of renegotiations, and the statement of Findings and Determinations in support of increasing the shrink-wrap MOL showed that prices for shrink-wrap packages were not fair and reasonable. In our report, we advised the Commissioner to immediately alert Federal agencies to the fact that MAS shrink-wrap prices were unreasonable and that agencies should seek lower prices. We suggested that the Commissioner evaluate the legality and feasibility of terminating the shrink-wrap portion of the contracts that were modified to increase the MOL to \$50,000. If pursuing this course of action would result in minimal disruption and potential savings to the customer agencies, then the shrink-wrap portion of the contracts should be terminated.

Since our report was issued on September 26, 1994, GSA management had not responded by the September 30, 1994 closing date for this reporting period.

Purchase of Telecommunications Services Contracts

GSA awards contracts which enable Federal agencies to buy telephone equipment and related services at predetermined rates. These Purchase of Telecommunications Services (POTS) contracts offer new or used telephone equipment, including installation, maintenance, and repair services. Other services such as system planning, site preparation, and training are also available. If desired, agencies have the option to obtain equipment and services through alternative sources.

An OIG audit in one region found that the contractors' performance was being adequately monitored, and that customers were satisfied with the services delivered. However, the current contracts may not provide the best value to customer agencies. For example, contractors were not required to provide technologically advanced products. In addition, other Government contracts offer similar or more state of the art telecommunications systems at better prices. As a result, Federal customers, who rely on the contracts to be cost effective without comparing alternatives, may be incurring unnecessary expenses or buying dated equipment. Also, because POTS contracts were

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established for large geographic areas, the contractors have used subcontractors to meet requirements, resulting in additional costs.

Finally, the POTS contracts are not mandatory contracts and agencies can order equipment from other Government contracts or order equipment and services from commercial companies. While the POTS contracts offer one-stop purchasing, the other Government contracts require customers to obtain wiring, maintenance, and repair services separately. We believe the POTS contracts must offer current technology at cost effective prices to customers to remain viable contracts.

The June 15, 1994 report recommended that the Acting Regional Administrator:

- Inform users of the options available to them for telecommunications needs.
- Change specifications to allow contractors to offer technologically advanced telecommunications equipment.
- Evaluate alternatives for contracting to determine whether any other methods would be more effective.

Responsive action plans were provided for implementing the report recommendations.

Bribery Conviction

An OIG investigation resulted in the conviction of a GSA employee for soliciting and receiving bribes from a GSA contractor. The investigation was initiated after the FBI reported to the OIG that a GSA employee had solicited a \$25,000 bribe from a construction contractor renovating a sewage treatment plant at a Federal facility.

The investigation determined that the employee solicited \$25,000 and accepted an initial \$5,000 cash payment from the GSA contractor. In return, the employee was to provide information which would enable the contractor to submit fraudulent payment claims to GSA in connection with the renovation. Also, the employee promised to furnish the contractor with sensitive information concerning an ongoing contract dispute the contractor was having with GSA concerning his performance on the project.

The contractor, cooperating with special agents, participated in a meeting during which the employee accepted an additional \$5,000 bribe. The GSA employee was then arrested and charged with violation of bribery laws.

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The GSA employee subsequently pled guilty. He was sentenced in U.S. District Court to 15 months in prison, 3 years probation, and ordered to pay a \$5,000 fine and \$5,000 in restitution for soliciting and receiving a bribe from a contractor doing business with GSA.

The GSA employee was terminated from employment with the Agency. Also, debarment action, which would preclude him from employment on Federally funded construction projects, is pending. The contractor is continuing to negotiate a settlement with GSA officials concerning the contract dispute and his performance on the project.

Agency Operations

Significant OIG Accomplishments

Real Property Sales

GSA disposes of surplus real property for other Federal agencies on an actual cost reimbursable basis. In Fiscal Year 1993, the Agency sold over \$33 million in real estate and billed other agencies for related preparation, sales, and disposal services. This period, we audited the process for collecting actual cost data and billing customer agencies.

Our evaluation revealed that GSA was not recovering all service related disposal costs and that existing accounting systems did not have the ability to accumulate costs on a project by project basis. For example, supervisory and clerical hours as well as travel time were not always billed, and overhead rates were understated. Also, realty specialists had to maintain manual records of expenses and hours worked by property account so that reconciliations could be made with accounting record totals. The reconciliations took time and often were incomplete.

Finally, the review disclosed that two operating changes were needed to strengthen financial controls. One change involved having reimbursable funds sent directly to the finance office in lieu of remitting directly to the billing office. The other change involved establishing cost reimbursement ceilings with all customer agencies.

The April 13, 1994 report recommended that the Acting Deputy Commissioner, Federal Property Resources Service:

- Develop a labor distribution system for labor and other costs and calculate new overhead rates.
- Work with finance officials to modify the accounting system so that costs can be tracked by project.
- Make changes needed to strengthen financial control.

Responsive action plans were provided for implementing the report recommendations.

Maintenance Control Center Operations

GSA currently operates nine maintenance control centers to provide customer agencies a single point of contact for diagnosing automotive problems and procuring maintenance and repairs from commercial vendors. In Fiscal Year 1993, the centers processed nearly 640,000 invoices totaling over \$74 million in automotive maintenance and repairs. The OIG reviewed maintenance control center operations to determine if they could be improved and if the current number of centers represents an efficient use of resources.

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The review found that the centers used a costly and labor-intensive method to process nearly 250,000 vendor invoices for routine maintenance and minor repairs costing under \$50. The centers expend significant resources to record this maintenance and repair information in the data base. We believe the data is of questionable value for decisions regarding future vehicle maintenance. Also, we found that all data base entries were made manually, although some vendors and agencies can provide automated information.

Our analysis revealed imbalances in the per capita workload among the maintenance control centers. Centers with the fewest employees managed the greatest number of vehicles, processed the highest number of invoices, and serviced more clients with a larger vendor base. Considering this imbalance and the possibilities for increased efficiency through automation and expanding the use of credit cards, we believe that GSA should examine consolidating these centers.

The September 20, 1994 report recommended that the Commissioner, Federal Supply Service:

- Implement cost-effective alternative payment procedures for transactions under \$50.
- Allow use of credit cards for routine automotive maintenance and repairs and work with contractors to provide automated vehicle maintenance repair data.
- Record in the Fleet Management System data base only information needed for future vehicle maintenance and repair decisions.
- Determine what agencies have automated systems which can identify needed automotive maintenance and repair information and work with them to have this information automatically transferred to GSA.
- Streamline the maintenance control center operational structure by consolidating locations.

The Commissioner agreed with the recommendations in the report. The audit is still in the resolution process.

Federal Computer Acquisition Center

We evaluated the management and financial control systems for operations at the Federal Computer Acquisition Center. The Center performs large scale computer acquisitions valued at over \$100 million for other Federal agencies under reimbursable agreements. Services include consultation, system specification development, proposal development and evaluation, contract negotiations, and contract award.

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At the time of our review, the Center was processing six acquisitions with a total estimated cost of over \$2 billion.

The review pointed out that the Center had not established an adequate system of management and financial controls. Controls should be strengthened in planning and monitoring the Center's procurement projects, as well as recording and reporting costs of each phase of the project. The Center needs to implement a project monitoring system which would help identify what has to be done to stay on the planned schedule and within the estimated cost. Financial controls could be improved by estimating costs more accurately and monitoring actual costs for each project phase.

We also noted that the Center needs to fully implement GSA policies and procedures for the security of its automated information systems. Such an improvement would ensure that the computer-processed data is reliable and sensitive information is secure.

The April 6, 1994 report included recommendations that the Assistant Commissioner, Office of Technical Assistance:

- Develop a system of management and financial controls.
- Ensure that the Center implements GSA's automated information security policies and procedures.

Responsive action plans were provided for implementing the report recommendations.

Administrative Support Services

GSA provides various administrative support services to its program activities through a centralized reimbursable program. The program provides accounting, payroll, personnel, legal, and graphic support services. These activities were directly funded until Fiscal Year 1991 when Congress authorized the reimbursable program so that the cost of these services would be recovered from the benefitting GSA offices.

An OIG review found that, while the reimbursable program was operating in accordance with enabling legislation, improvements were needed in several areas. We identified two offices whose operating costs should be funded by direct appropriation rather than through the reimbursable program. As a result, GSA offices incurred approximately \$1.2 million in costs annually for services for which they received little or no specific benefit. GSA officials have since taken corrective action to include the costs of these offices in the appropriated funding requests.

Some improvements in the allocation process would also provide more accurate charges to customer offices. For example, the workload statistics used to distribute the reimbursable costs did not accurately

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reflect the number of personnel that provided dedicated services. Consequently, the benefitting offices were not fully assessed, while others were overassessed, for the services they received. Also, the allocation methodology did not provide for adjustments due to budget revisions or actual program expenditures.

We found that revisions to fund accounts made near the end of the quarter need to be received on time so that managers have accurate information on the status of their account balances. Officials indicated that these revisions are now being sent via facsimile or overnight mail to ensure timeliness. Finally, we believe that customer oversight by serviced offices would potentially reduce program costs, as well as ensure quality services.

The May 19, 1994 report included recommendations that the Associate Administrator for Management Services and Human Resources and/or the Chief Financial Officer:

- Ensure that dedicated staff are appropriately reflected in the workload statistics.
- Adjust assessments based upon budget and actual expenditures.
- Establish an independent oversight body to monitor the activities of the reimbursable program.

The Office of Management Services and Human Resources and Office of the Chief Financial Officer generally agreed with the recommendations in the report. The audit is still in the resolution process.

Real Estate Management

GSA provides space for Federal employees in Government-owned and leased buildings. GSA is responsible for the construction of new Federal buildings as well as the repair and alteration of existing buildings. This period we examined the repair and alteration (R&A) program's inventory of work items in one region. These work items ranged from initial space alteration to repairs and improvements.

Our review pointed out that GSA could develop a more comprehensive plan for completing identified R&A projects. GSA should set a time frame for completion of each project, and assess the relative benefits and priorities of all projects especially where the safety or integrity of a building is a concern. GSA also needs to adequately document the reasons why certain R&A projects were scheduled ahead of others which appeared to be more critical.

In addition, GSA needs to maintain accurate data bases for tracking R&A projects. For example, the status of work items in the R&A tracking system was inconsistent with those in the safety and

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environmental management system. As a result, projects may not be accomplished in an efficient manner. Also, 7 building engineering reports that detailed work needed on 30 buildings were never entered into the R&A tracking system. Many of the work items had estimated construction costs over \$10,000 and should have been entered into the tracking system.

Finally, we found that the building inspection program needs to be strengthened. Buildings which are not GSA's responsibility should be omitted from the inspection schedule. Also, all inspections should be performed within the time frame specified in existing procedures. With these improvements, needed R&A projects should be identified in a timely manner.

The June 20, 1994 report included recommendations that the Regional Administrator:

- Identify and enter into the data base all work items needing to be done and assign a priority to each.
- Validate the R&A tracking system to ensure that data regarding work items is complete, accurate, and current.
- Revise the building inspection schedule to include only buildings for which GSA is responsible.
- Schedule and perform building inspections within the time frame outlined.

The Regional Administrator generally agreed with the recommendations in the report. The audit is still in the resolution process.

Prevention Activities

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. This program provides vital and current information to contracting officers, enabling them to significantly improve the Government's negotiating position. This period, the OIG performed preaward audits of 168 contracts with an estimated value of \$1.9 billion. The audit reports contained over \$128 million in financial recommendations.

Multiple Award Schedule Contracts

This period, we audited three of the more significant Multiple Award Schedule contracts which had estimated Governmentwide sales totaling over \$116 million. Based on our findings, the auditors recommended that over \$18 million in funds be put to better use.

The OIG evaluated discount schedule and marketing data submitted in response to GSA's solicitations for the purchase of learning systems and automatic data processing equipment, and for hardware and software maintenance.

The auditors found common problems among the audits. Companies were offering commercial customers and Federal agencies better pricing than offered to GSA. Also, the companies either did not disclose the full extent of higher discounts granted to other customers or did not provide adequate justification for not offering the higher discounts to GSA.

Other Contracts

The OIG performed three significant audits involving proposals for telecommunications services, software and support services, and for the computation of a real estate tax obligation. The three audits reviewed amounts of over \$89 million and recommended adjustments of more than \$10 million.

- The OIG audited a change order proposal for work related to the FTS2000 telephone system. We advised the contracting officer that adequate cost or pricing data was not submitted. The audit revealed that the company did not adequately support its proposed direct labor charges.
- The OIG audited a cost or pricing data proposal for ADP software and support services. We advised the contracting officer that the contract should not be awarded until the firm implements an accounting system which adequately accumulates and segregates costs. The audit revealed that the firm's accounting system could not support its proposed overhead, general and administrative, or indirect handling rates.

Prevention Activities

- The OIG reviewed a county's real estate tax assessment for two Federal properties. We found that the county overstated the real estate tax obligation.

Integrity Awareness

Integrity Awareness Briefings comprise the OIG's primary vehicle for educating employees on their responsibilities for the prevention of fraud and abuse, and for reinforcing employees' roles in helping to ensure the integrity of Agency operations.

This period, we presented 24 briefings which were attended by 785 regional employees. These briefings explain the statutory mission of the OIG and the methods available for reporting suspected instances of wrongdoing. In addition, through case studies and slides, the briefings expose GSA employees to actual instances of fraud in GSA and other Federal agencies.

Advisory Lease Reviews

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 exceeding established thresholds.

These reviews, although advisory in nature, promote opportunities for economy and efficiency in the leasing area, and the avoidance of problems before they occur.

This period we received 28 lease proposals for review and completed 9 audits. Three of the proposals reviewed had deficiencies. The Agency has identified the leasing program for evaluation as a nationwide reinvention project. We are cooperating with management in this endeavor as leasing practices are studied in several regional locations.

Hotline

The Hotline is another part of our prevention program. It provides an avenue for concerned employees to report suspected wrongdoing. Hotline posters located in GSA-controlled buildings, as well as Hotline brochures, encourage employees to use the Hotline.

During this reporting period, we received 145 Hotline calls and letters. Of these, 103 complaints warranted further action. We also received 1 referral from GAO and 25 referrals from other agencies; 11 of these referrals required further action.

Implementation Reviews

The OIG performs independent reviews of implementation actions, on a test basis, to ensure that management's corrective actions are being accomplished according to established milestones. This period, the OIG performed 4 implementation reviews. In each of these cases, management was successfully implementing the recommendations.

Review of Legislation and Regulations

Pursuant to the Inspector General Act of 1978, the OIG is required to review existing and proposed legislation and regulations to determine their effect on the economy and efficiency of the Agency's programs and operations and on the prevention and detection of fraud and abuse.

During this period, the OIG reviewed 342 legislative matters and 46 proposed regulations and directives. The OIG provided significant comments on the following legislative items:

- **S. 1587, The Federal Acquisition Streamlining Act of 1994. Section 6102, Whistleblower Provisions.** We supported protection for those individuals who assist the Government in detecting violations of law with respect to Government contracts. However, we expressed concern regarding the potential for conflict with the *qui tam* provisions of the False Claims Act and questioned the effectiveness of the relief offered. The *qui tam* provisions allow individuals to bring suit, on behalf of themselves and the Federal Government, against contractors who submit false claims or false statements to the Government. We opposed the provision requiring the Offices of Inspector General to report to the contractor and others the results of whistleblower investigations. Such a reporting mechanism could severely hamper an ongoing investigation involving whistleblowers who also support allegations in *qui tam* actions and could violate the seal requirements in those actions. We also commented that the monetary recovery allowed the whistleblowers in terms of back pay and benefits provided little incentive for contractor employees to report problems and incur those costs. We recommended, instead, that contractor employees who assist the Government in *qui tam* actions and suffer reprisals be entitled to two times the amount of back pay and other costs.
- **Federal Acquisition Regulation Rewrite.** On two separate occasions we commented on the proposal to simplify and streamline the Federal Acquisition Regulation (FAR). We supplied comments relating to the principles around which the FAR would be written. Converting firm regulations into guiding principles may decrease the certainty and uniformity the contracting community has come to expect in the Government procurement process. We recommended that the success of the acquisition system also be measured by the reduction in, and reasonableness of, the prices obtained for products and services on a best value received basis. We supported the proposals for the training and professional development of Government contracting personnel. We also supported the proposal for the consideration of a contractor's past performance in making procurement decisions. We expressed some concern over the interplay of the latter proposal with administrative provisions related to suspension and debarment.

We also commented on two alternative approaches to rewriting the FAR. We endorsed the approach which would consist of a FAR

Review of Legislation and Regulations

containing only mandatory provisions, a nonmandatory Governmentwide acquisition manual, and individual agency supplements to both. We commented that this approach would involve a less radical change of the current FAR system and would allow agencies to retain their FAR supplements, which allow agencies the flexibility and discretion to promulgate regulations necessary for their unique procurement programs. We cautioned against eliminating necessary contractor certifications as they serve to reduce burdensome paperwork requirements and protect the integrity of the procurement process.

- **Proposal to Convert the GSA's Federal Supply Schedule Program to an Industrial Fund.** We provided comments to the Federal Supply Service's Office of Commodity Management regarding its proposal to operate the Federal Supply Schedule program as an industrial fund by charging customer agencies' user fees. Initially, we recommended that the funding model not be fully implemented until 1999 as all current Federal Supply Service contract periods would have expired by that time. We noted that procedures for implementing industrial funding had not yet been established and that these procedures would be key to ensuring the program's sound and efficient operation. We remarked specifically on the importance of establishing procedures to 1) verify schedule orders, 2) verify the receipt of items by client agencies, and 3) authorize offsets against payments to vendors and encourage dispute resolution mechanisms. Finally, we commented that consideration should be given to how the proposed 1 percent discount would be computed where defective pricing or price reductions are subsequently discovered on Multiple Award Schedule contracts.
- **H.R. 4679, The Inspector General Reform Act of 1994.** We made extensive comments regarding the proposals in this piece of legislation as it deals directly with the authority, mission, responsibility, and function of the entire Inspector General community. We supported the portions of the bill that increase the independence and strengthen the operations of the Inspectors General. In particular, we endorsed the establishment of term limitations for Inspectors General, the removal of Inspectors General from the direct supervision of the agency heads, and a grant of authority to directly obtain space, services, and Senior Executive Service positions. Our section-by-section analysis also addressed those areas of the proposed legislation that we believe needed further clarification and consideration, including those provisions which would require more detailed reporting requirements on criminal cases, and which would mandate time limits on referrals of these cases to the Department of Justice.

Review of Legislation and Regulations

- **H.R. 4680, Whistleblower Protection Enhancement Act of 1994.** We supported the general idea that whistleblowers should be afforded some additional protections. However, we expressed concerns that the proposed restrictions on disclosure of a whistleblower's identity are too constricting and would, in many cases, compromise the OIG's ability to effectively pursue investigations. We also expressed concern about the proposed requirement that Inspectors General provide what amounts to individual legal advice to whistleblowers.
- **ADM 5450, Delegations of Authority.** The proposed order would change GSA's system for the delegation of management authority by establishing a system for the delegation of authority by exception. While we supported improvements to the delegations system, we commented that the proposed order did not ensure against the inadvertent violation of mandated limitations and legal requirements. We suggested that the system should reflect a structure that would outline levels of delegation throughout GSA. We believe that without a structure to serve as a GSA management guide, opportunities for misunderstandings, cross purpose of efforts, and loss of accountability may occur.
- **Amendment to 41 CFR Part 101-26, Selection of Sources of Supply for Personal Property.** The amendment proposed eliminating Federal Supply Service schedules as mandatory sources of supply. Agencies would be granted the authority to select the best source (GSA vs. open market) that results in the best value to the Federal Government. We did not support the amendment as proposed. We believe that making the use of Federal Supply Service schedules optional may result in the Federal Government losing some of its volume purchasing power in negotiations for schedule contracts and ultimately result in higher prices.

Statistical Summary of OIG Accomplishments

Audit Reports Issued

The OIG issued 241 audit reports, including 25 audits performed for the OIG by another agency. The 241 reports contained financial recommendations totaling \$139,912,888, including \$129,710,560 in recommendations that funds be put to better use and \$10,202,328 in questioned costs. Due to GSA's mission of negotiating contracts for Governmentwide supplies and services, most of the recommended savings that funds be put to better use would be applicable to other Federal agencies.

Management Decisions on Audit Reports

Table 1 summarizes the status of the universe of audits requiring management decisions during this period, as well as the status of those audits as of September 30, 1994. Eight reports more than 6 months old were awaiting management decisions as of September 30, 1994; all of them were preaward audits which are not subject to the 6 month management decision requirement. Table 1 does not include 16 reports excluded from the management decision process because they pertain to ongoing investigations.

Table 1. Management Decisions on OIG Audits

	No. of Reports	Reports with Financial Recommendations	Total Financial Recommendations
For which no management decision had been made as of 4/1/94			
Less than 6 months old	83	63	\$ 108,107,566
More than 6 months old	13	12	14,787,514
Reports issued this period	<u>241</u>	<u>158</u>	<u>139,912,888</u>
TOTAL	337	233	\$262,807,968
For which a management decision was made during the reporting period			
Issued prior periods	88	68	\$ 119,614,772
Issued current period	<u>138</u>	<u>71</u>	<u>33,992,334</u>
TOTAL	226	139	\$153,607,106
For which no management decision had been made as of 9/30/94			
Less than 6 months old	103	87	\$ 105,920,554
More than 6 months old	<u>8</u>	<u>7</u>	<u>3,280,308</u>
TOTAL	111	94	\$109,200,862

Statistical Summary of OIG Accomplishments

Management Decisions on Audit Reports With Financial Recommendations

Tables 2 and 3 present the audits identified in Table 1 as containing financial recommendations by category (funds to be put to better use or questioned costs).

Table 2. Management Decisions on OIG Audits with Recommendations that Funds be Put To Better Use

	No. of Reports	Financial Recommendations
For which no management decision had been made as of 4/1/94		
Less than 6 months old	52	\$ 106,735,145
More than 6 months old	4	12,644,802
Reports issued this period	<u>140</u>	<u>129,710,560</u>
TOTAL	196	\$249,090,507
For which a management decision was made during the reporting period		
Recommendations agreed to by management based on proposed		
• management action	—	\$ 80,389,564
• legislative action	—	—
Recommendations not agreed to by management	—	<u>62,740,958</u>
TOTAL	110	\$143,130,522 *
For which no management decision had been made as of 9/30/94		
Less than 6 months old	80	\$ 102,765,043
More than 6 months old	<u>6</u>	<u>3,280,308</u>
TOTAL	86	\$106,045,351

* Includes \$85,366 that management decided to seek that exceeded recommended amounts.

Statistical Summary of OIG Accomplishments

Table 3. Management Decisions on OIG Audits with Questioned Costs

	No. of Reports	Questioned Costs	Unsupported Costs
For which no management decision had been made as of 4/1/94			
Less than 6 months old	11	\$ 1,372,421	\$—
More than 6 months old	8	2,142,712	—
Reports issued this period	<u>19</u>	<u>10,202,328</u>	<u>—</u>
TOTAL	38	\$13,717,461	\$—
For which a management decision was made during the reporting period			
Disallowed costs	—	\$ 8,363,314*	\$—
Costs not disallowed	—	<u>2,198,636</u>	<u>—</u>
TOTAL	30	\$10,561,950	\$—
For which no management decision had been made as of 9/30/94			
Less than 6 months old	8	\$ 3,155,511	\$—
More than 6 months old	<u>0</u>	<u>0</u>	<u>—</u>
TOTAL	8	\$ 3,155,511	\$—

* \$3,165,243 of this amount was recovered in civil settlements, as reported in Table 5.

Investigative Workload

The OIG opened 97 investigative cases and closed 98 cases. In addition, the OIG received and evaluated 71 complaints and allegations from sources other than the Hotline that involved GSA employees and programs. Based upon our analyses of these complaints and allegations, OIG investigations were not warranted.

Statistical Summary of OIG Accomplishments

Referrals

The OIG makes criminal referrals to the Department of Justice or other authorities for prosecutive consideration and civil referrals to the Civil Division of the Department of Justice or U.S. Attorneys for litigative consideration. The OIG also makes administrative referrals to GSA officials on certain cases disclosing wrongdoing on the part of GSA employees, contractors, or private individuals doing business with the Government.

Table 4. Summary of OIG Referrals

Type of Referral	Cases	Subjects
Criminal	20	57
Civil	7	16
Administrative	<u>42</u>	<u>95</u>
TOTAL	69	168

In addition, the OIG made 36 referrals to GSA officials for informational purposes only.

Actions on OIG Referrals

Based on these and prior referrals, 12 cases (38 subjects) were accepted for criminal prosecution and 6 cases (11 subjects) were accepted for civil litigation. Criminal cases originating from OIG referrals resulted in 27 indictments/informations and 13 successful prosecutions. OIG civil referrals resulted in 7 case settlements (involving 12 subjects) and 2 judgments. Based on OIG administrative referrals, management debarred 46 contractors, suspended 8 contractors, and took 10 personnel actions against employees.

Statistical Summary of OIG Accomplishments

Monetary Results

Table 5 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 \$13,781,416 in money and/or property and \$69,000 in investigative savings during the course of its investigations.

Table 5. Criminal and Civil Recoveries

	<u>Criminal</u>	<u>Civil</u>
Fines and Penalties	\$ 7,650	\$ —
Settlements or Judgments	—	3,718,357*
Restitutions	<u>45,273</u>	<u>—</u>
TOTAL	\$52,923	\$3,718,357

**This amount includes \$3,165,243 reportable pursuant to section 5(a)(8) of the Inspector General Act as management decisions to disallow costs. See Table 3.*

Appendices

Appendix I – Significant Audits From Prior Reports

Under the Agency's audit management decision process, GSA's Office of Management Services and Human Resources, Office of Management Controls and Evaluation, is responsible for tracking implementation of audit recommendations after a management decision has been reached. That office furnished the following status information.

Seventeen audits highlighted in prior Reports to the Congress have not yet been fully implemented; all are being implemented in accordance with currently established milestones.

Federal Protective Service

Period First Reported: October 1, 1993 to March 31, 1994

The review found that GSA needed to strengthen its control over firearms and improve internal security. The report contained 14 recommendations; 12 have been implemented.

The two remaining recommendations involve a plan for the efficient operation of the control centers and vehicle downsizing. Although the two remaining actions are scheduled for completion by October 31, 1994, revised actions are being considered. The final action, which is the regional management follow-up review, is scheduled for completion by March 31, 1995.

Lease Acquisition Program

Period First Reported: October 1, 1993 to March 31, 1994

The review recommended that GSA work with lessors to encourage competition which will help reduce rental rates. The report contained five recommendations; one recommendation was withdrawn and the remaining four have been implemented.

The final action, which is the regional management follow-up review, is scheduled for completion by October 31, 1994.

Inventory Management

Period First Reported: October 1, 1993 to March 31, 1994

The review identified opportunities for savings in the inventory management of stock in depots. The report contained six recommendations; five have been implemented.

The remaining recommendation involves maximizing the use of direct delivery. It is scheduled for completion by January 31, 1995.

Distribution Centers

Period First Reported: October 1, 1993 to March 31, 1994

The review identified opportunities for improvement in inventory management at a wholesale distribution center. The report contained 16 recommendations; 14 have been implemented.

One of the remaining recommendations involves the implementation of stock locator software. It is scheduled for completion by October 31, 1994. The other remaining recommendation involves improvements to stock selection accuracy. All actions related to the implementation have been completed except for a follow-up review. It is scheduled for completion by December 31, 1994.

Management Information System Reports

Period First Reported: October 1, 1993 to March 31, 1994

The review disclosed that the vendor did not provide a totally automated management information system as required by the contract. The report contained two recommendations; one has been implemented.

The remaining recommendation involves seeking appropriate compensation from the contractor until reliable and accurate data is supplied to GSA. It is scheduled for completion by October 31, 1994.

Business Allocation

Period First Reported: October 1, 1993 to March 31, 1994

The review focused on GSA's administration of the 60 percent and 40 percent anticipated business allocation between two FTS2000 contractors. The report contained two recommendations; one has been implemented.

The remaining recommendation involves determining what GSA's role in contractor revenue allocation will be in the future and stating it in future proposals. It is scheduled for completion by September 30, 1995.

Appendix I – Significant Audits From Prior Reports

Payments to Contractors and Billings to Customer Agencies

Period First Reported: October 1, 1993 to March 31, 1994

The review identified opportunities to improve billing information provided to Federal agencies for FTS2000 telecommunications services. The report contained nine recommendations; eight have been implemented.

The remaining recommendation involves developing procedures to be used when individuals are in an acting capacity and ensuring that adequate separation of duties exists. It is scheduled for completion by October 31, 1994.

Procurement Personnel Development

Period First Reported: April 1, 1993 to September 30, 1993

This review advised management to streamline and update its development programs for procurement personnel. The report contained one recommendation; it has not yet been implemented.

This recommendation involves improving the warranting, training, and certification programs. These improvements are scheduled for completion by December 31, 1994.

Occupant Emergency Plans

Period First Reported: April 1, 1993 to September 30, 1993

The review identified the need to improve occupant emergency plans to ensure the safety of people in Federal buildings. The report contained three recommendations; one has been implemented.

One of the remaining recommendations involves performing annual reviews of occupant emergency plans for multi-story buildings. A policy letter implementing the recommendation has been issued. A follow-up review to verify that the annual reviews are being conducted is scheduled for completion by December 31, 1994. The other remaining recommendation requires instituting a training program to assist Federal agencies in develop-

ing and maintaining their occupant emergency plans. It is scheduled for completion by November 30, 1994.

Local Telephone Service Program

Period First Reported: April 1, 1993 to September 30, 1993

The review disclosed the need to provide better service to Federal customers of the local telecommunications program. The report included six recommendations; none have been implemented.

One of the recommendations involves using multi-year rates to determine local telephone service. Two recommendations involve comparing costs with telephone services available from the private sector and identifying customers who should be provided service from another type of system. Three recommendations involve improving payment processing, rate agreements, and management of toll calls. All recommendations are scheduled for completion by October 31, 1994.

7 to 10 Digits Dialing Conversion

Period First Reported: April 1, 1993 to September 30, 1993

This review advised management to determine if interest charges may be assessed due to an advance payment for services not yet provided. The report contained seven recommendations; six have been implemented.

The remaining recommendation concerns determining if the actions taken by employees warrant appropriate administrative action. It is scheduled for completion by October 31, 1994. A management follow-up review is scheduled for completion by November 30, 1994.

Vacant Space Management

Period First Reported: October 1, 1992 to March 31, 1993

This review revealed that GSA needed to improve its management of vacant space. The report contained five recommendations; four have been implemented.

Appendix I – Significant Audits From Prior Reports

The remaining recommendation involves updating assignment files and drawings with current data and correcting reports. A follow-up review to ensure that assignment files and drawings have been updated is scheduled for completion by October 31, 1994.

Special Order Program for Tools

Period First Reported: October 1, 1992 to March 31, 1993

This review identified the need to improve the management of the special order program for tools. The report contained nine recommendations; eight have been implemented.

The remaining recommendation involves strengthening controls over the processing of memoranda. All actions related to the implementation of the recommendation have been completed except for the follow-up review. It is scheduled for completion by October 31, 1994.

Employee Benefit Programs

Period First Reported: October 1, 1992 to March 31, 1993

This review found that the processing of health benefit insurance transactions needed improvement. The report contained two recommendations; one has been implemented.

The remaining recommendation required a determination whether it would be cost beneficial to recover health benefit insurance contributions for prior years and to take appropriate action based on that determination. While all pertinent actions have been taken on this recommendation, it remains open until all recovery actions are completed.

Contract Workload Management

Period First Reported: April 1, 1992 to September 30, 1992

This review revealed the need to develop a strategy for addressing procurement workload concerns. The report

contained one recommendation; it has not yet been implemented.

This recommendation involves establishing a working group to develop a system for addressing identified issues and to give attention to the Multiple Award Schedule program concerns. An implementation plan is expected to be issued by mid-November 1994.

Transportation Audit Program

Period First Reported: October 1, 1991 to March 31, 1992

This review revealed that document controls over bills sent to contractors needed strengthening. The report contained four recommendations; three have been implemented.

The remaining recommendation involves the reinstatement of a quality assurance program with measurable performance standards for contractors, with tests of performance and follow-up action. It is scheduled for completion by October 31, 1994.

Controls Over Receivables

Period First Reported: October 1, 1991 to March 31, 1992

This review identified needed improvements to the billing procedures and financial computer programs for receivables. The report contained three recommendations; two have been implemented.

The last recommendation requires the development of a computer program which allowed updates to multiple bills automatically for the same customer. A reevaluation of this recommendation determined that the program should not be implemented because of its undesired effects on records involving multiple funds using the same billing office address code. A revised action plan is scheduled for implementation by November 1994.

Appendix II – Audit Report Register

Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
<i>(Note: Due to the pre-decisional nature of some audits, the financial recommendations pertaining to these reports are not listed in this Appendix.)</i>				
PBS INTERNAL AUDITS				
04/12/94	A40325	Preaward Lease Review: U.S. District Court and U.S. Marshal, Lease Number GS-01B(PEL)03893 NEG.		
04/12/94	A43034	Preaward Lease Review: 1331 Pennsylvania Avenue, NW; Washington, DC, Lease Number GS-11B-40085		
04/22/94	A41530	Audit of Postaward Lease Administration: U.S. Attorney's Office, 280 North High Street, Columbus, Ohio, Lease Number GS-05B-15249, Region 5		
04/29/94	A41815	Postaward Lease Audit: 500 South Ewing, St. Louis, Missouri, Lease Number GS-06P-49099		
04/29/94	A42125	Postaward Lease Review: Austin Building, Austin, Texas, Lease Number GS-07B-13950		
05/17/94	A42132	Audit of Federal Protective Service Division's Controls Over Firearms, Region 7		
05/18/94	A40921	Audit of the Federal Protective Service Division's Controls Over Firearms and Ammunition, Region 3, Philadelphia, PA		
05/24/94	A41504	Audit of Postaward Lease Administration: U.S. Secret Service, 300 South Riverside Plaza, Chicago, Illinois, Lease Number GS-05B-14867, Region 5		
05/26/94	A43035	Preaward Lease Review: Patrick Henry Building, Lease Number GS-03B-5875		
05/31/94	A43025	Postaward Lease Audit: One Lafayette Centre, Lease Number GS-11B-30056		
06/02/94	A42726	Review of Public Buildings Service, "Buildings in Inventory" Performance Measure		
06/20/94	A32453	Audit of Repair and Alteration Inventory, Region 10		
06/23/94	A42425	Audit of Lease Administration, Phoenix Field Office, Region 9		

Appendix II – Audit Report Register

Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
06/28/94	A42448	Postaward Lease Review: 1860 Howe Avenue, Sacramento, California, Lease Number GS-09B-92093		
06/30/94	A40631	Review of the Albany, New York Buildings Management Field Office, Region 2		
06/30/94	A40632	Review of the San Juan, Puerto Rico Buildings Management Field Office, Region 2		
06/30/94	A43026	Audit of Buildings Management Field Office, Lafayette Field Office, Washington, DC		
06/30/94	A43032	Audit of Controls Over the Conservation and Safeguarding of GSA Owned Artwork		
07/15/94	A40657	Preaward Lease Review: Ten Waterview Plaza, Parsippany, New Jersey, Lease Number GS-02B-22789		
07/22/94	A10859	Audit of the Expenditure of Repair and Alteration (Budget Activity 54) Funds at the Field Office Level, Region 5		
07/28/94	A43044	Preaward Lease Review: 201 West Service Road, Chantilly, VA 22021, Lease Number GS-11B-40111		
07/28/94	A43045	Preaward Lease Review: 600 West Service Road, Chantilly, VA 22021, Lease Number GS-11B-40112		
08/05/94	A40662	Preaward Lease Review: 195 Montague Street, Brooklyn, New York, Lease Number GS-02B-22794		
08/16/94	A31525	Audit of Contract Award Practices, Design and Construction Contracts Branch, Contracts Division, Region 5		
09/20/94	A40653	Audit of the Federal Protective Service Division Controls Over Firearms and Ammunition		
09/20/94	A41221	Audit of Firearms Inventory in Federal Protective Service Division, Region 4		
09/20/94	A43046	Preaward Lease Review: The Portals Building, 1250 Maryland Avenue, SW, Washington, DC 20024, Lease Number GS-11B-40114		
09/26/94	A41216	Audit of GSA Owned Artwork, Region IV		

Appendix II – Audit Report Register

Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
09/27/94	A41545	Audit of Controls Over the Conservation, Preservation and Safeguarding of GSA Owned Art in Region 3		
09/28/94	A43049	Preaward Lease Review: 7681 Boston Boulevard, Building Number 8, Springfield, Virginia 22154, United States Customs Service Data Center, Lease Number GS-11B-40129		
09/29/94	A41210	Audit of Procurement Program, Memphis, TN Field Office, Region 4		
PBS CONTRACT AUDITS				
04/07/94	A41541	Preaward Audit of Architect and Engineering Services Contract: C. H. Guernsey & Company, Solicitation Number GS-07P-93-JUD-0017		
04/11/94	A43442	Preaward Audit of Change Order Proposal: Truland Systems Corporation, a Subcontractor to George Hyman Construction Company, Contract Number GS-11P-90MKC0197		
04/13/94	A40625	Audit of Claim for Equitable Adjustment: Applied Electric Corporation, Contract Number GS-02P86CUC0096		
04/13/94	A43444	Preaward Audit of Sole Source Contract: Security U.S.A., Inc., Solicitation Number GS-11P93MJC0071		
04/21/94	A40326	Audit of Settlement Proposal: Jackson Construction Company, Contract Number GS-02P-92-CUC-0032		
04/21/94	A40621	Preaward Audit of Cost or Pricing Data: Linpro New York Realty, Inc., Contract Number GS02P91CUC0058		
04/25/94	A41222	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Paramount Contracting Company, Solicitation Number GS-04P-94-EXC-0005		
04/28/94	A40634	Preaward Audit of Cost or Pricing Data: Caribco International, Corp., Solicitation Number GS-02P-93-CUC-0091		
04/29/94	A41822	Preaward Audit of Architect and Engineering Services Contract: Dana Larson Roubal and Associates, Inc., Solicitation Number GS06P94GYC0024		

Appendix II – Audit Report Register

Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
05/03/94	A41544	Preaward Audit of Architect and Engineering Services Contract: 3D/International, Inc., Solicitation Number GS-07P-94-JUD-0001		
05/03/94	A42531	Preaward Audit of Cost or Pricing Data: Asian Rehabilitation Services, Inc., Solicitation Number GS-09P-93-KSC-0116		
05/04/94	A42533	Preaward Audit of Cost or Pricing Data: Dependable Janitorial Service & Supply, Inc., Solicitation Number GS-09P-94-KSC-0008		
05/09/94	A42459	Preaward Audit of a Claim: North American Construction Corporation, Contract Number GS05P-90-GBC-0068		
05/11/94	A42532	Preaward Audit of Change Order Proposal: The Weitz Company, Inc., Contract Number GS-09P-91-KTC-0101		
05/17/94	A41236	Preaward Audit of Small Business Administration 8(A) Pricing Proposal: Sunshine Construction and Engineering, Incorporated, Solicitation Number GS-04P-94-EXC-0008		
05/17/94	A43465	Preaward Audit of Architect and Engineering Services Contract: National Institute of Building Sciences, Solicitation Number GS11P94EGD0010		
05/18/94	A43455	Preaward Audit of Sole Source Contract: Systems Training and Resource Technologies, Inc., Solicitation Number GS-11P94MJC0014		
05/19/94	A42491	Preaward Audit of Cost or Pricing Data: Appian Construction, Inc., Contract Number GS-08P-93-JXC-0094		
05/24/94	A40633	Preaward Audit of Cost or Pricing Data: Imperial Electric, Inc., Solicitation Number GS-02P-94-CUC-0042		
05/24/94	A43446	Preaward Audit of Cost or Pricing Data: Desouza Construction, Inc., RFP Number GS11P93MQC0025		
05/24/94	A43447	Preaward Audit of Cost or Pricing Data: Virginia Paving Company, RFP Number GS11P93MQC0025		

Appendix II – Audit Report Register

Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
05/25/94	A40923	Preaward Audit of Change Order Proposals: W. M. Schlosser Company, Incorporated, Contract Number GS-03P-92-DXC-0021		
05/27/94	A40635	Audit of Termination Settlement Proposal: Gisbert Construction Company, Inc., Contract Number GS-02P-091-CUC-0085(N)(8a)		
05/31/94	A42503	Preaward Audit of Architect and Engineering Services Contract: Lehrer McGovern Bovis, Inc., Solicitation Number GS-09P-93-KTC-0069		
05/31/94	A42549	Preaward Audit of Lease Escalation Proposal: C & C Investments, Lease Number GS-09B-88730		
05/31/94	A42551	Preaward Audit of Lease Escalation Proposal: C & C Investments, Lease Number GS-09B-06600		
06/01/94	A41555	Preaward Audit of Architect and Engineering Services Contract: Wigen, Tinchnell, Meyer & Associates, Inc., Solicitation Number GS05P94GBD0010		
06/07/94	A40638	Preaward Audit of Cost or Pricing Data for the Cleaning, Reconstruction and Initial Data Collection of the African Burial Ground, Howard University, Contract Number GS-02P-93-CUC-0071		
06/07/94	A42534	Preaward Audit of Cost or Pricing Data: Gateway Roofing, Inc., Contract Number GS-08P-93-JXC-0094		
06/08/94	A42554	Preaward Audit of Change Order Proposal: CRSS Constructors, Inc., Contract Number GS-07P-88-HUC-0212		
06/08/94	A43408	Preaward Audit of Lease Escalation Proposal: LHL Realty Co., Patrick Henry Building, Lease Number GS-03B-5875		
06/10/94	A40641	Preaward Audit of Architect and Engineering Services Contract: Pei Cobb Freed and Partners, Subcontractor Under Dana Larson Roubal and Associates, Inc., Solicitation Number GS06P94GYC0024		
06/10/94	A41553	Preaward Audit of Architect and Engineering Services Contract: Betsym, Inc., Solicitation Number GS05P94-GBD0010		

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Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
06/13/94	A40639	Preaward Audit of Cost or Pricing Data: BPT Properties Foley Square, L. P., Contract Number GS-02P-91-CUC-0057		
06/13/94	A43472	Preaward Audit of Architect and Engineering Services Contract: Einhorn Yaffee Prescott, Solicitation Number GS11P93EGC0003		
06/14/94	A42528	Preaward Audit of Cost or Pricing Data: O'Brien-Kreitzberg & Associates, Inc., Contract Number GS-00P-90-BQD-0075		
06/14/94	A42530	Preaward Audit of Cost or Pricing Data: Miranda Landscape, Solicitation Number GS-09P-93-NPC-0074		
06/15/94	A42529	Preaward Audit of Cost or Pricing Data: RKM Construction Company, Inc., Contract Number GS-08P-93-JXC-0094		
06/22/94	A40642	Preaward Audit of Cost or Pricing Data: Linpro New York Realty, Inc., Contract Number GS02P91CUC0058		
06/27/94	A40646	Preaward Audit of Cost or Pricing Data: Zwicker Electric Co., Inc., Second-Tier Subcontractor to BPT Properties Foley Square, L.P., Contract Number GS-02P-91-CUC-0057		
06/27/94	A42460	Preaward Audit of a Claim: Coast Fabricators, Inc., Subcontractor to Radcliffe Construction Co., Inc., Contract Number GS-09P-88-LTC-0059		
06/27/94	A42461	Preaward Audit of a Claim: Radcliffe Construction Co., Inc., Contract Number GS-09P-88-LTC-0059		
06/28/94	A40624	Preaward Audit of Change Order Proposal: Laquila Construction, Inc., Second Tier Subcontractor to BPT Properties, L.P., Contract Number GS-02P-91CUC0057		
06/29/94	A40336	Preaward Audit of Architect and Engineering Services Contract: Finegold Alexander & Associates Inc., Solicitation Number GS-01P-92-BZC-0142		
06/29/94	A40655	Preaward Audit of Cost or Pricing Data: URS Consultants, Inc./Crow Construction Company, Contract Number GS02P89CUC0020(N)		

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Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
07/07/94	A40936	Preaward Audit of Change Order Proposal: W. M. Schlosser Company, Incorporated, Contract Number GS-03P-DXC-0044		
07/08/94	A41244	Preaward Audit of Small Business Administration 8(A) Pricing Proposal: Little Cleaning Services, Incorporated, Solicitation Number GS-04P-94-EWC-0101		
07/19/94	A43471	Preaward Audit of Cost or Pricing Data: Program and Construction Management Group, Inc., Solicitation Number GS11P94MKC0019		
07/20/94	A40337	Preaward Audit of Architect and Engineering Services Contract: Edward Rowse Architects, Inc., Solicitation Number GS-01P-92-BZC-0142		
07/22/94	A43451	Preaward Audit of Change Order Proposal: Amtech Reliable Elevator Co., Contract Number GS-11P91MQC-0169		
07/26/94	A43478	Preaward Audit of Cost or Pricing Data: Program and Construction Management Group, Inc., Solicitation Number GS11P94MKC0034		
07/28/94	A40623	Preaward Audit of Change Order Proposal: Lehrer, McGovern, Bovis, Inc., Subcontractor to BPT Properties, L.P., Contract Number GS-02P-91CUC0057		
07/29/94	A42516	Preaward Audit of a Claim: KMS Development Company, Ltd., Lease Number GS-09B-87281		
07/29/94	A43467	Preaward Audit of Sole Source Contract: D&M General Contracting, Inc., Solicitation Number GS-11P-94MQC-0005		
08/02/94	A40334	Preaward Audit of Claim for Payment of Relocation Expenses: A.C. Cruise Line, Inc.		
08/02/94	A41247	Audit of Base Year Final Invoice: MManTec, Incorporated, Contract Number GS-04P-91-EWC-0055		
08/03/94	A43481	Preaward Audit of Architect and Engineering Services Contract: BRC Group, Ltd., Solicitation Number GS11P94EGD0007		

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Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
08/05/94	A41830	Preaward Audit of Small Business Administration 8(A) Pricing Proposal: Rodriguez Mechanical Contractors, Inc., Solicitation Number GS06P94GYC0032(N)		
08/08/94	A41256	Report on Audit of Proposal for Design Modification Under Contract No. GS-04B-31363: The Haskell Company, Jacksonville, Florida		
08/09/94	A43404	Preaward Audit of Cost or Pricing Data: Potomac Electric Power Company, Contract Number GS-00P-90-BSD-0027		
08/09/94	A43469	Preaward Audit of Sole Source Contract: WEB Environmental Group, RFP Number GS-11P-94-MJD-0018		
08/10/94	A40338	Preaward Audit of Architect and Engineering Services Contract: Design Group, Inc., Solicitation Number GS-01P-92-BZC-0142		
08/10/94	A40622	Preaward Audit of Change Order Proposal: BPT Properties, Foley Square, L.P., Contract Number GS-02P-91CUC0057		
08/10/94	A42513	Preaward Audit of a Claim: Sandstrom Plumbing and Heating, Contract Number GS-09P-91-LTC-0014		
08/16/94	A41250	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: SCG, Incorporated, Solicitation Number GS-04P-94-EWC-0196		
08/16/94	A43491	Preaward Audit of Architect and Engineering Services Contract: VHT Associates, Solicitation No. GS05P93-GBD0001-ZIL92270		
08/17/94	A43476	Preaward Audit of Architect and Engineering Services Contract: VHT Associates, Solicitation Number GS11P94-EGD0006		
08/17/94	A43480	Preaward Audit of Architect and Engineering Services Contract: Enviro-Management & Research, Inc., Solicitation Number GS11P94EGD0007		
08/25/94	A41253	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Cagebilt, Inc., Solicitation Number GS-04P-94-EXC-0007		

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Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
08/25/94	A41573	Preaward Audit of Architect and Engineering Services Contract: Odle, McGuire & Shook Corporation, Solicitation Number GS05P94GBD0019		
08/31/94	A41252	Preaward Audit of Supplemental Architect and Engineer Services Contract: Hanscomb Associates, Incorporated, Solicitation Number GS-11P-94-EGD-0009		
08/31/94	A41572	Preaward Audit of Architect and Engineering Services Contract: Fanning/Howey Associates, Inc., Solicitation Number GS05P94GBD0019		
08/31/94	A43479	Preaward Audit of Sole Source Contract: D&M General Contracting, Inc., Solicitation Number GS-11P94-MKC0041		
09/07/94	A41577	Preaward Audit of Architect and Engineering Services Contract: Teng & Associates, Incorporated, Solicitation Number GS05P94GBD0021		
09/12/94	A41254	Preaward Audit of Small Business Administration 8(A) Pricing Proposal: All-Tech Electrical Company, Incorporated, Solicitation Number GS-04P-94-EXC-0042		
09/14/94	A43490	Preaward Audit of Change Order Proposal: Beta Construction Company, Contract Number GS-11P91-MCK0252		
09/22/94	A41835	Preaward Audit of Small Business Administration 8(A) Pricing Proposal: Kansas City Missouri Construction Services, Inc., Solicitation Number GS06P94GYC0043(N)		
09/22/94	A43495	Preaward Audit of Sole Source Contract: 4-S Construction, Inc., Solicitation Number GS-11P94-MKC0028		
09/28/94	A41257	Preaward Audit of Architect and Engineering Services Contract: Reynolds, Smith and Hills, Incorporated, Solicitation Number GS-04P-94-EXC-0045		

FSS INTERNAL AUDITS

04/20/94	A33471	Audit of the Foreign Gifts and Decorations Program		
05/12/94	A42725	Review of Federal Supply Service, Total Stock Requisition Average Response Time		

Appendix II – Audit Report Register

Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
07/29/94	A43029	Audit of Password Controls in the Muffin System		
08/03/94	A41826	Audit of Federal Supply Service Vendor Complaint: Trammell Ventures Incorporated		
09/20/94	A43700	Audit of Maintenance Control Center Operations	\$675,000	
FSS CONTRACT AUDITS				
04/04/94	A40627	Preaward Audit of Multiple Award Schedule Contract: White Storage & Retrieval Systems, Inc., Solicitation Number FCCGE-93-0134-N		
04/06/94	A40630	Preaward Audit of Multiple Award Schedule Contract: RAO Contract Sales, Incorporated, Solicitation Number 3FNH-93-A333-N		
04/06/94	A40904	Preaward Audit of Multiple Award Schedule Contract: Mettler-Toledo, Inc., Solicitation Number FCGS-X2-93-0037-B		
04/12/94	A41537	Preaward Audit of Multiple Award Schedule Contract: Armstrong Medical Industries, Inc., Solicitation Number 2FYG-JI-94-0004-B		
04/12/94	A41540	Preaward Audit of Multiple Award Schedule Contract: Spacesaver Corporation, Solicitation Number 3FNO-93-M106-N-1-4-94		
04/15/94	A41534	Preaward Audit of Multiple Award Schedule Contract: Clarke Industries, Inc., Solicitation Number 7FXG-Z3-93-7927-B		
04/22/94	A41542	Limited Scope Audit of Government Billings: Armstrong Medical Industries Inc., Contract Number GS-02F-3031A		\$1,561
04/25/94	A43462	Preaward Audit of Cost or Pricing Data: Camillus Cutlery Company, Solicitation Number 6FEP-CO-AY-940055-N		
04/26/94	A43452	Preaward Audit of Multiple Award Schedule Contract: Parker Systems Inc., Solicitation Number 7FXI-T5-93-1901-B		

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Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
04/28/94	A30708	Postaward Audit of Multiple Award Schedule Contract: Sharp Electronics Corporation, Contract Number GS-00F-4429A		\$461,862
04/28/94	A40637	Preaward Audit of Multiple Award Schedule Contract: A.S.R.S. of America, Incorporated, Solicitation Number 3FNO-93-M106-N		
05/03/94	A41538	Preaward Audit of Multiple Award Schedule Contract: Learn PC, Inc., Solicitation Number 2FYG-JI-94-0004-B		
05/04/94	A41539	Preaward Audit of Multiple Award Schedule Contract: Que/Prentice Hall Computer Publishing, Government Sales Division, Solicitation Number 2FYG-JI-94-0004-B		
05/05/94	A00528	Postaward Audit of Multiple Award Schedule Contract: C&D Charter Power Systems, Inc., (Formerly C&D Power Systems Division of Allied Corporation), Contract Number GS-04F-00843 for the Period June 4, 1984 to May 31, 1987		\$475,306
05/09/94	A40916	Preaward Audit of Multiple Award Schedule Contract: Iron Age Corporation, Solicitation Number 7FXG-E4-93-8409-B		
05/09/94	A40922	Preaward Audit of Multiple Award Schedule Contract: Nilfisk of America, Incorporated, Solicitation Number 7FXG-Z3-93-7927-B		
05/10/94	A41224	Preaward Audit of Multiple Award Schedule Contract: Lifesaving Systems Corporation, Solicitation Number 7FXG-E4-93-8409-B		
05/10/94	A41234	Limited Scope Postaward Audit: Lifesaving Systems Corporation, Contract Number GS-07F-4206A		\$141,562
05/11/94	A43457	Preaward Audit of Multiple Award Schedule Contract: Actronics, Inc., Solicitation Number 2FYG-JI-94-0004-B		
05/12/94	A41237	Preaward Audit of Multiple Award Schedule Contract: Firearms Training Systems, Incorporated, Solicitation Number 2FYG-JI-94-0004-B		

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Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
05/12/94	A90932	Postaward Audit of Multiple Award Schedule Contract: Haworth, Inc., Contract Number GS-00F-76612 for the Period July 30, 1985 Through September 30, 1988		\$967,273
05/17/94	A41241	Price Adjustments on Multiple Award Schedule Contract: Toter, Incorporated, Contract Number GS-07F-4642A as of April 1, 1994		
05/18/94	A40636	Preaward Audit of Multiple Award Schedule Contract: Micro Video Learning Systems, Incorporated, Solicitation Number 2FYG-JI-94-0004-M		
05/18/94	A42485	Preaward Audit of Multiple Award Schedule Contract: Vestec Corporation, Solicitation Number FCGS-Z3-90-0020-2-N		
05/19/94	A41220	Postaward Audit of Multiple Award Schedule Contract: Toter, Incorporated, Contract Number GS-07F-4642A for the Interim Period September 1, 1991 through March 31, 1994		\$133,127
05/26/94	A40927	Limited Audit of Government Billings Under Contract Number GS-07F-4358A: Iron Age Corporation		\$2,523
06/06/94	A40934	Limited Audit of Government Billings Under Contract Number GS-00F-0751F: Douglass Industries, Inc.		\$1,903
06/08/94	A40330	Postaward Survey of Multiple Award Schedule Contract: Leeman Labs, Inc., Contract Number GS-00F-11166		
06/16/94	A41556	Preaward Audit of Multiple Award Schedule Contract: SeaArk Boats, Inc., Solicitation Number 7FXI-T5-93-1901-B		
06/21/94	A41547	Preaward Audit of Cost or Pricing Data: Panther Air Boat Corporation, Solicitation Number 7FXI-T5-93-1901-B		
06/23/94	A42112	Postaward Audit of Multiple Award Schedule Contract: Tekmar Corporation, Contract Number GS-00F-4799A		\$214,481
06/30/94	A41824	Preaward Audit of Multiple Award Schedule Contract: Franklin Quest Co., Solicitation Number 2FYG-JI-94-0004-B		
07/01/94	A41548	Preaward Audit of Cost or Pricing Data: SeaArk Marine, Inc., Solicitation Number 7FXI-T5-93-1901-B		

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Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
07/11/94	A43464	Preaward Audit of Multiple Award Schedule Contract: Learning International, Solicitation Number 2FYG-JI-94-0004-B		
07/12/94	A41559	Postaward Audit of Multiple Award Schedule Contract: A & A Sheet Metal Products, Inc., Contract Number GS-28F-0010B for the Interim Period March 1, 1994 through May 27, 1994		
07/13/94	A43486	Preaward Audit of Cost or Pricing Data: KPMG Peat Marwick, Solicitation No. FCXA-SN-930001		
07/14/94	A40938	Preaward Audit of Cost or Pricing Data: ITT Electro-Optical Products Division, Solicitation Number 7FXG-B3-91-8411-B		
07/15/94	A41554	Preaward Audit of Multiple Award Schedule Contract: SRA Technology Training, Solicitation Number 2FYG-JI-94-0004-B		
07/19/94	A43460	Preaward Audit of Cost or Pricing Data: Federal Sales Service, Inc., Solicitation No. 2FYS-AV-92-0001B		
07/20/94	A42563	Preaward Audit of Cost or Pricing Data: Willard Marine, Inc., Solicitation Number 7FXI-T5-94-1902-B		
07/27/94	A41562	Preaward Audit of Multiple Award Schedule Contract: Hamilton Sorter Co., Inc., Solicitation Number 3FNH-94-F701-N		
07/29/94	A41563	Preaward Audit of Multiple Award Schedule Contract: Outboard Marine Corporation, Solicitation Number 7FXI-T5-94-1902-B		
07/29/94	A41564	Preaward Audit of Multiple Award Schedule Contract: Mercury Marine, Division of Brunswick Corporation, Solicitation Number 7FXI-T5-94-1902-B		
08/02/94	A43470	Preaward Audit of Cost or Pricing Data: Gardiner, Kamyra & Associates, P.C., Solicitation No. FCXA-SN-930001		
08/05/94	A41242	Preaward Audit of Multiple Award Schedule Contract: Boston Whaler, Incorporated, Solicitation Number 7FXI-T5-93-1901-B		

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Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
08/25/94	A41549	Preaward Audit of Multiple Award Schedule Contract: National Education Training Group, Inc., Solicitation Number 2FYG-JI-94-0004-B		
08/30/94	A40343	Preaward Audit of Multiple Award Schedule Contract: Rainin Instrument Co., Inc., Solicitation Number FCCG-X5-94-0039-B-N		
09/07/94	A41566	Audit of Termination Claim: Freeway Ford Truck Sales, Inc., Contract Number GS-00F-04107		
09/15/94	A10686	Postaward Audit of Multiple Award Schedule Contract: Honda of Russellville, Arkansas, Contract Number GS-00F-04120		\$57,744
09/15/94	A21270	Limited Postaward Audit of Multiple Award Schedule Contract: Kaplan School Supply Corporation, Contract Number GS-07F-16552		\$24,021
09/16/94	A41821	Postaward Audit of Multiple Award Schedule Contract: Beckman Instruments, Inc., Contract Number GS-00F-06849 for the Period April 26, 1989 through January 31, 1991		
09/16/94	A43474	Preaward Audit of Multiple Award Schedule Contract: Zodiac of North America, Inc., Solicitation Number 7FXI-T5-93-1901-B		
09/20/94	A40654	Preaward Audit of Cost or Pricing Data: Applied Fabric Technologies, Incorporated, Solicitation Number 7FXI-T5-93-1901-B		
09/22/94	A41248	Preaward Audit of Multiple Award Schedule Contract: Lanier World-wide, Inc., Solicitation Number FCGR-92-0041-1		
09/22/94	A41570	Preaward Audit of Multiple Award Schedule Contract: Abbott Laboratories, Diagnostics Division, Solicitation Number FCCG-X5-94-0039-B-N		
09/27/94	A42137	Postaward Audit of Multiple Award Schedule Contract: Johnson World-wide Associates, Contract Number GS-07F-18103		

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Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
09/27/94	A42521	Preaward Audit of Cost or Pricing Data: Mustang Engineered Technical Apparel Corporation, Solicitation Number 7FXG-E4-93-8409-B		
09/28/94	A22148	Postaward Audit of Multiple Award Schedule Contract: Minnesota Mining and Manufacturing Company, Visual Systems Division, Contract Number GS-00F-01307		\$684,016
09/29/94	A41569	Preaward Audit of Multiple Award Schedule Contract: Boehringer Mannheim Corporation, Solicitation Number FCGS-X5-94-0039-B-N		
09/29/94	A41574	Preaward Audit of Multiple Award Schedule Contract: Leica, Inc., Solicitation Number FCGS-Y8-94-0040-B-N		
09/29/94	A90889	Postaward Audit of Multiple Award Schedule Contract: TAB Products Company, Contract Number GS-00F-76000		\$717,478

IRMS INTERNAL AUDITS

04/06/94	A30317	Audit of Federal Computer Acquisition Center's System of Internal Controls		
05/16/94	A41536	Audit of ADP/OA Equipment Inventory, Region 5		
06/15/94	A32526	Audit of the Regional Administration of GSA Purchase of Telecommunications Services (POTS) Contracts, Region 9		
06/21/94	A41806	Audit of GSA's Inventory Control System for Automated Data Processing and Office Automation Equipment		
09/26/94	A43707	Audit of MAS Pilot Project, Interim Report		
09/29/94	A41845	Audit of Federal Information Systems Support Program		

IRMS CONTRACT AUDITS

04/04/94	A43449	Preaward Audit of Cost or Pricing Data: Biospherics, Inc., Solicitation Number KECI-93-005		
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Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
04/07/94	A42540	Preaward Audit of Cost or Pricing Data: Science Applications International Corporation, Solicitation Number 9KC-RH-93-0004		
04/07/94	A42544	Preaward Audit of Cost or Pricing Data: Ogden Government Services Systems Group, Solicitation Number 9KC-EC-93-0002		
04/13/94	A42543	Preaward Audit of Cost or Pricing Data: OAO Corporation, Solicitation Number 9KC-EC-93-0002		
04/18/94	A41226	Report on Audit of Proposal for Initial Pricing Under Solicitation No. 4KC-JD-92-001: CBIS Federal Inc., Fairfax, Virginia		
04/18/94	A41231	Report on Audit of Proposal for Initial Pricing Under Solicitation No. 4KC-JD-92-001: Computer Data Systems, Incorporated, Rockville, Maryland		
04/18/94	A41232	Report on Audit of Proposal for Initial Pricing Under Solicitation No. 4KC-JD-92-001: Computer Sciences Corporation, Falls Church, Virginia		
04/18/94	A42541	Preaward Audit of Cost or Pricing Data: Computer Data Systems, Incorporated, Solicitation Number 9KC-RH-93-0004		
04/20/94	A43438	Audit Report on Termination Settlement Proposal, FFP Contract No. GS00K88AFD2759: PRC Inc., McLean, Virginia		
04/20/94	A43459	Report on Audit of Subcontractor Proposal to Washington Data Systems Under Solicitation No. GS-KEGB-9310 Submitted by E. L. Hamm & Associates, Inc., Virginia Beach, Virginia		
04/21/94	A43453	Preaward Audit of Cost or Pricing Data: Wilcox Electric, Inc., Kansas City, Missouri, RFP No. GSC-KEGD-93-1007		
04/25/94	A43454	Report on Audit of Proposal for Initial Pricing Under RFP No. GSC-KEGD-93-1007: E-Systems, Inc., Montek Division, Salt Lake City, Utah		
04/28/94	A42545	Preaward Audit of Cost or Pricing Data: CTA Incorporated, Solicitation Number 9KC-RH-93-0004		

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Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
05/05/94	A43456	Preaward Audit of Cost or Pricing Data: Horizon Data Corporation Request for Proposal Number GSC-KEGB-9401		
05/13/94	A43463	Preaward Audit of Proposal for Initial Pricing: Unisys Corporation, Solicitation Number RFP GSC-KEGD-94-1001		
05/16/94	A41233	Report on Audit of Proposal for Initial Pricing Under Solicitation No. 4KC-JD-92-001: CTA Incorporated, Rockville, Maryland		
05/18/94	A42130	Limited Postaward Audit of Multiple Award Schedule Contract Refund: Motorola, Incorporated, Contract Number GS00K90AGS0703		\$2,119,764
05/23/94	A43466	Preaward Audit of Sole Source Contract Proposal: Digital Support Corporation, Solicitation Number KECI-94-002		
05/31/94	A43461	Preaward Audit of Cost or Pricing Data: AEC Data Systems, Inc., Request for Proposal Number GSC-KEGB-9310		
06/06/94	A32184	Preaward Audit of Multiple Award Schedule Contract: Storage Technology Corporation, Solicitation Number GSC-KESO-C-00049-N-4-20-93		
06/22/94	A42107	Postaward Audit of Multiple Award Schedule Contract: Compaq Computer Corporation, Contract Number GS-00K-92-AGS-5473		\$126,621
06/28/94	A42477	Preaward Audit of Multiple Award Schedule Contract: Excalibur Technologies Corporation, Solicitation Number KESO-94-0001 (4-19)		
06/30/94	A40648	Preaward Audit of Multiple Award Schedule Contract: Syncsort Incorporated, Solicitation Number KESO-94-0001		
06/30/94	A43441	Audit of Equitable Adjustment Proposal: PRC Inc., Contract Number GS00K88AFD2759		
06/30/94	A43458	Audit of Proposal for Initial Pricing: Washington Data Systems, Inc., RFP Number GSC-KEGB-9310		

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Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
06/30/94	A43483	Audit of Subcontractor Proposal to Unisys Corporation Under RFP No. GSC-KEGD-94-1001, Submitted by CACI, Inc.–Federal, Arlington, Virginia		
07/07/94	A41557	Preaward Audit of Multiple Award Schedule Contract: Cincom Systems, Inc., Solicitation Number KESO-94-0001		
07/11/94	A43482	Audit of Subcontractor Proposal to Unisys Corporation Under RFP No. GSC-KEGD-94-1001 Submitted by Sterling Software (U.S.), Inc., Bellevue, Nebraska		
07/15/94	A42478	Preaward Audit of Multiple Award Schedule Contract: Viasoft, Inc., Solicitation Number KESO-94-0001 (4-19)		
07/22/94	A43450	Preaward Audit of Termination Claim: Science Applications International Corporation, Contract Number GS-00K-90-AJC0530		
07/26/94	A40335	Preaward Audit of Multiple Award Schedule Contract: Centerline Software, Inc., Solicitation Number KESO-94-0001		
07/28/94	A40640	Preaward Audit of Cost or Pricing Data: AT&T Communications, Contract Number GS-00K-89A-HD0008		
08/04/94	A42552	Preaward Audit of Multiple Award Schedule Contract: Dynamic Graphics, Inc., Solicitation Number GSC-KESO-94-0001(4-19)		
08/04/94	A42556	Preaward Audit of Multiple Award Schedule Contract: Coastcom, Contract Number GS00K93AGS0543PS01		
08/05/94	A41558	Preaward Audit of Multiple Award Schedule Contract: Compuware Corporation, Solicitation Number KESO-94-0001		
08/08/94	A40649	Preaward Audit of Multiple Award Schedule Contract: Linotype-Hell Company, Solicitation Number KESO-94-0001		
08/11/94	A40331	Preaward Audit of Multiple Award Schedule Contract: Gartner Group, Inc., Solicitation Number KESO-94-0001		

Appendix II – Audit Report Register

Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
08/15/94	A40941	Preaward Audit of Multiple Award Schedule Contract: Swanson Analysis Systems, Inc., Contract Number GS-00K-93AGS-5669 PS01		
08/15/94	A42486	Preaward Audit of Multiple Award Schedule Contract: Plantronics, Inc., Solicitation Number GSC-KES-00065-N-05-18-94		
08/24/94	A42475	Preaward Audit of Multiple Award Schedule Contract: Oracle Corporation, Solicitation Number KESO-94-0001 (4-19)		
08/25/94	A41565	Preaward Audit of Multiple Award Schedule Contract: ADC Telecommunications, Inc., Solicitation Number GSC-KES-00065-N-05-18-94		
09/13/94	A41833	Preaward Audit of Multiple Award Schedule Contract: Midland International Corporation, Solicitation Number GSC-KES-00065-N-05-18-94		
09/20/94	A40660	Preaward Audit of Cost or Pricing Data: AT&T Communications, Contract Number GS-00K-89AHD0008		
09/20/94	A42481	Preaward Audit of Multiple Award Schedule Contract: Anacomp, Inc., Solicitation Number KESO-94-0001 (4-19)		
09/22/94	A31824	Postaward Audit of Multiple Award Schedule Contract: Novell, Inc., Contract Number GS00K87AGS6130 for the Period June 25, 1987 through March 31, 1990		\$1,790,194
09/26/94	A40333	Preaward Audit of Multiple Award Schedule Contract: Digital Equipment Corporation, Solicitation Number KESO-94-0001		
09/27/94	A10024	Postaward Audit of Multiple Award Schedule Contract: Dell Computer Corporation, Contract Number GS00K-87AGS6127		\$388,826
09/27/94	A10025	Postaward Audit of Multiple Award Schedule Contract: Dell Computer Corporation, Contract No. GS00K-88AGS6206		\$1,744,951

Appendix II – Audit Report Register

Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
09/27/94	A43497	Report on Audit of Proposal for Revised Pricing: Unisys Corporation Request for Proposal Number GSC-KEGD-94-1001		

FTS2000 INTERNAL AUDITS

04/15/94	A33722	Audit of Procedures for Granting FTS2000 Waivers		
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OTHER INTERNAL AUDITS

04/13/94	A33035	Audit of Reimbursable Billings for Real Property Disposal		
04/13/94	A33733	Audit of Imprest Fund, Arlandria Field Office, Alexandria, Virginia		
04/20/94	A42722	Audit of Travel Vouchers Submitted by the Administrator, General Services Administration		
05/19/94	A32718	Audit of the General Management and Administration, Internal Reimbursable Program		
05/31/94	A43033	Audit of Support Services Provided to Presidential Commissions		
06/01/94	A32717	Audit of the Consumer Information Center Fund for Fiscal Year 1992		
06/10/94	A32491	Audit of GSA Automatic Data Processing and Office Automation Equipment Inventory Control, Region 9		
08/05/94	A42558	Audit of Proposed Systems Furniture Procurement, Region 9		

OTHER CONTRACT AUDITS

07/21/94	A41551	Review of Real Estate Tax Obligation for the Harold Washington Social Security Payment Center and the Federal Archives and Records Center, Chicago, Illinois		
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Appendix III – Delinquent Debts

GSA's Office of the Chief Financial Officer provided the following information.

GSA Efforts To Improve Debt Collection

During the period April 1, 1994 through September 30, 1994, GSA efforts to improve debt collection and reduce the amount of debt written off as uncollectible focused on upgrading the collection function and enhancing debt management. These activities included the following:

- Implemented the Accounts Receivable Claims System (ARCS) which automatically generates monthly follow-up letters for delinquent accounts; accrues interest, penalties, and administrative charges; posts payments; makes entries into the main accounting system; and produces various reports. The ARCS frees technicians from performing many clerical tasks, allowing them to pursue additional collection actions.
- Began requesting social security numbers of potential buyers at sealed bid sales. The availability of a social security number will facilitate any necessary future collection activity.
- Continued to participate in the IRS Tax Refund Offset Program which now includes consumers in addition to commercial debtors. GSA also participated in the interagency debt/credit forum.
- Continued to offer to personal property collection officers training intended to help minimize losses and therefore claims against employees.
- Increased emphasis on the use of credit cards for purchasing items from GSA. Credit cards permit immediate verification of the availability of funds whereas checks must be processed and sometimes returned for insufficient funds, thus necessitating additional collection action.
- Referred to the U.S. Army for the first time some existing delinquent accounts. These debtors will be listed in the U.S. Army's, "List of Contractors Indebted to the United States." Users of this book will be made aware of the debtors' delinquent status and may not extend credit or contractual arrangements.
- Participated in quarterly follow-ups with Public Buildings Service contracting officers concerning disputed claims and with the Office of Audit Resolution and Management Controls regarding audit-related items.
- Continued to stay abreast of policy guidance issued by external sources. Recently, the Financial Management Service of the Department of the Treasury issued "Managing Federal Receivables." Adherence to guidance of this nature helps improve debt collection and reduces write-offs.

Non-Federal Accounts Receivable

	As of April 1, 1994	As of September 30, 1994	Difference
Total Amounts Due GSA	\$44,384,572	\$46,503,700	\$2,119,128
Amount Delinquent	\$25,888,394	\$25,932,404	\$ 44,010
Total Amount Written Off as Uncollectible Between 4/1/94 and 9/30/94	\$ 2,317,896		

Of the total amounts due GSA and the amounts delinquent as of April 1, 1994 and September 30,

1994, approximately \$1 million and \$963,000, respectively, are being disputed.

Appendix IV – Reporting Requirements

The table below cross-references the reporting requirements prescribed by the Inspector General Act of 1978, as amended, 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.

Requirement	Page
Inspector General Act	
Section 4(a)(2)–Review of Legislation and Regulations	15
Section 5(a)(1)–Significant Problems, Abuses, and Deficiencies.....	2,8
Section 5(a)(2)–Recommendations With Respect to Significant Problems, Abuses, and Deficiencies	2,8
Section 5(a)(3)–Prior Recommendations Not Yet Implemented	25
Section 5(a)(4)–Matters Referred to Prosecutive Authorities.....	21
Sections 5(a)(5) and 6(b)(2)–Summary of Instances Where Information Was Refused	None
Section 5(a)(6)–List of Audit Reports	28
Section 5(a)(7)–Summary of Each Particularly Significant Report	2,8
Section 5(a)(8)–Statistical Tables on Management Decisions on Questioned Costs	20
Section 5(a)(9)–Statistical Tables on Management Decisions on Recommendations That Funds Be Put to Better Use.....	19
Section 5(a)(10)–Summary of Each Audit Report Over 6 Months Old for Which No Management Decision Has Been Made	None
Section 5(a)(11)–Description and Explanation for Any Significant Revised Management Decision.....	None
Section 5(a)(12)–Information on Any Significant Management Decisions With Which the Inspector General Disagrees	None
Senate Report No. 96-829	
Resolution of Audits	18
Delinquent Debts.....	48

Notes
