



SEMIANNUAL REPORT TO THE CONGRESS



OFFICE OF INSPECTOR GENERAL

U.S. GENERAL SERVICES ADMINISTRATION

April 1, 2022 – September 30, 2022

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MESSAGE FROM THE IG



I am pleased to submit to Congress our Semiannual Report for the period of April 1, 2022, through September 30, 2022.

This report closes out a fiscal year in which our office again provided a strong return on the American taxpayers' investment in us. During Fiscal Year 2022, our audit and investigative work identified nearly \$468 million in potential cost savings and recovered more than \$127 million for the federal government.

During this period, we issued to the agency multiple audit documents identifying significant deficiencies in GSA's Multiple Award Schedules (MAS) Program. Most notably, we delivered an alert memorandum warning that although GSA was on track to greatly expand that program's Transactional Data Reporting (TDR) Pilot, persistent and extensive errors in the data render it unusable for pricing purposes. We also issued an audit report finding that price analysis by GSA contracting staff is so deficient across the entire MAS Program that the Federal Acquisition Service cannot provide customer federal agencies with assurance that their purchases under the program meet statutory and regulatory requirements. We will continue to engage in dialogue with GSA's senior leadership to seek agency action addressing the significant deficiencies in the TDR pilot before its further expansion.

We also continued our oversight of GSA's activities in response to the COVID-19 pandemic. During this reporting period, we alerted agency management that GSA's Public Buildings Service did not test water before re-opening child care centers closed due to COVID-19, and we found that the Public Buildings Service faces challenges in its efforts to improve air filtration in GSA-controlled facilities to help prevent workplace exposures to COVID-19.

Our special agents conducted successful investigations of fraud, misconduct, and criminal actions by contractors and governmental officials, including an Oklahoma Assistant Police Chief who stole GSA firearms, an Army Program Office Director who conspired to defraud the government, and a GSA Real Estate Acquisition Director who received an illegal gratuity. They also uncovered a variety of procurement fraud schemes, bringing to justice contractors who made false certifications in GSA's System for Award Management about their eligibility for federal contracts, and companies that provided non-conforming products to government agencies, including one case involving substandard flame retardant clothing.

We appreciate the continued support for our work by Congress and the agency, and the dedicated efforts of OIG staff to protect the integrity of the federal procurement system.

A handwritten signature in black ink that reads "Carol F. Ochoa". The signature is fluid and cursive.

Carol F. Ochoa
Inspector General
September 30, 2022



Photo: The Internal Revenue Service Building, located in Washington, D.C.

OIG PROFILE

OIG PROFILE

ORGANIZATION

The General Services Administration (GSA) Office of Inspector General (OIG) was established on October 1, 1978, as one of the original 12 OIGs created by the Inspector General Act of 1978. The OIG's five components work together to perform the mission mandated by Congress.

The OIG provides nationwide coverage of GSA programs and activities. Our components include:

- **THE OFFICE OF AUDITS**, an evaluative organization staffed with auditors and analysts that provides comprehensive coverage of GSA operations through program, financial, regulatory, and system audits and assessments of internal controls. The office conducts attestation engagements to assist GSA contracting officials in obtaining the best value for federal customers and American taxpayers. The office also provides other services to assist management in evaluating and improving its programs.
- **THE OFFICE OF ADMINISTRATION**, a professional support staff that provides budget and financial management, contracting, facilities and support services, human resources, information technology (IT) services, and administers the OIG's records management program.
- **THE OFFICE OF COUNSEL**, 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 manages the OIG legislative and regulatory review.
- **THE OFFICE OF INSPECTIONS**, a multi-disciplinary organization that analyzes and evaluates GSA's programs and operations through management and programmatic inspections and evaluations that are intended to provide insight into issues of concern to GSA, Congress, and the American public. The office also coordinates quality assurance for the OIG, and analyzes potentially fraudulent or otherwise criminal activities in coordination with other OIG components.
- **THE OFFICE OF INVESTIGATIONS**, a statutory federal law enforcement organization that conducts nationwide criminal, civil, and administrative investigations of illegal or improper activities involving GSA programs, operations, and personnel.

OFFICE LOCATIONS

Headquarters:

Washington, D.C.

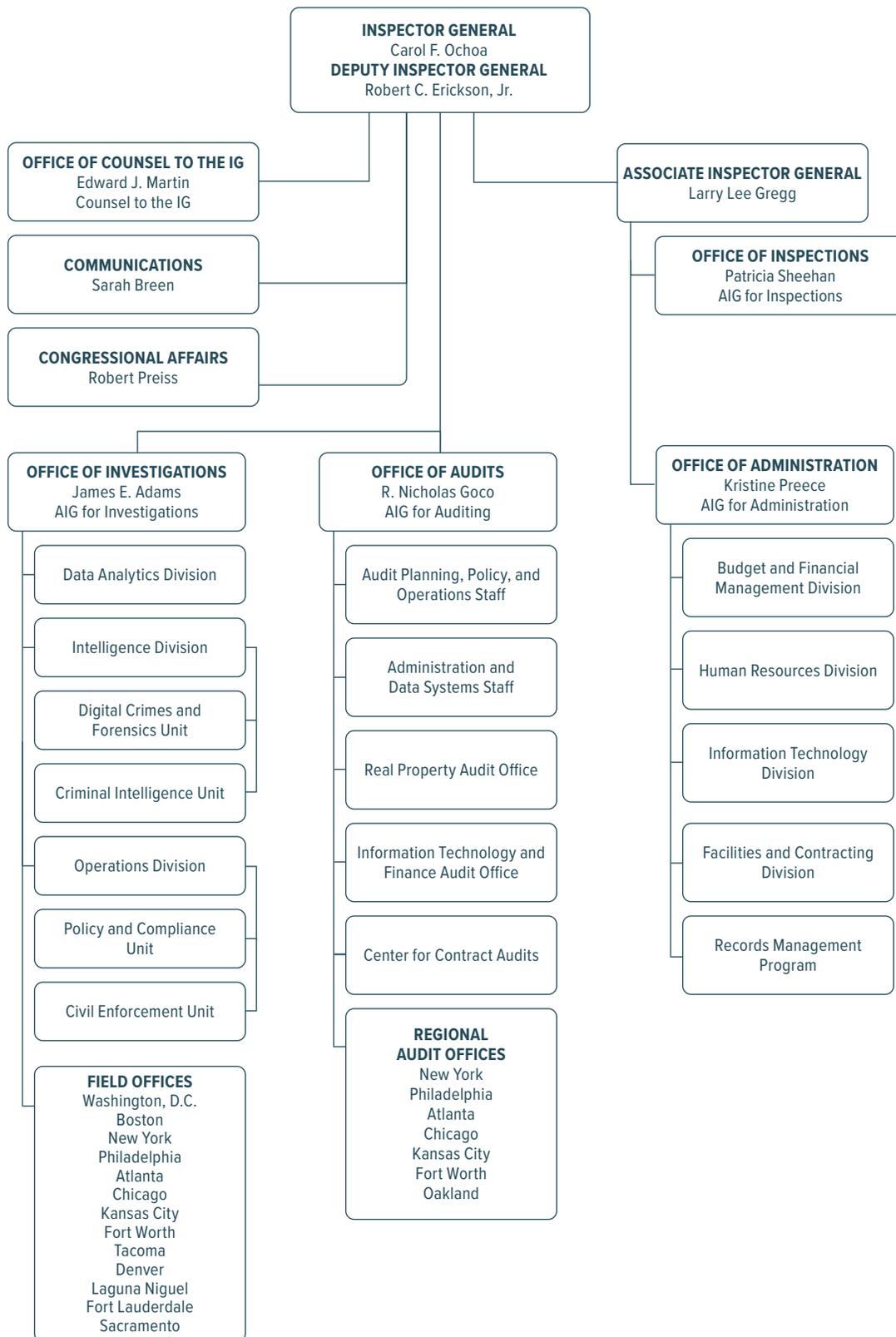
Field and Regional Offices:

Atlanta, Georgia; Tacoma, Washington; Boston, Massachusetts; Chicago, Illinois; Denver, Colorado; Fort Lauderdale, Florida; Fort Worth, Texas; Kansas City, Missouri; Laguna Niguel, California; New York, New York; Oakland, California; Philadelphia, Pennsylvania; Sacramento, California; and Washington, D.C.

STAFFING AND BUDGET

As of September 30, 2022, our on-board staffing level was 266 employees. The OIG's Fiscal Year 2022 budget was \$69 million in annual appropriated funds plus \$600,000 in reimbursable authority.

OIG ORGANIZATION CHART



FISCAL YEAR 2022 RESULTS

During Fiscal Year 2022, OIG activities resulted in:

- Over \$467.5 million in recommendations that funds be put to better use and questioned costs. If adopted, these recommendations ultimately result in savings for the taxpayer.
- Over \$127 million in criminal, civil, administrative, and other investigative recoveries.
- 49 audit reports, 5 audit memoranda, and 1 inspection management alert report that assisted management in improving the efficiency and effectiveness of GSA operations.
- 79 new investigations opened and 96 cases closed.
- 78 subjects accepted for criminal prosecution and 19 subjects accepted for civil litigation.
- 66 criminal indictments/informations and 44 successful prosecutions on criminal matters previously referred.
- 16 civil settlements and judgments.
- 6 employee actions taken on administrative referrals involving government employees.
- 142 contractors/individuals suspended and debarred.
- 3 lost pieces of Works Progress Administration artwork recovered.
- 1,578 hotline contacts received. Of these, 96 were referred to GSA program officials for review and appropriate action, 17 were referred to other federal agencies, 50 were referred to the OIG Office of Audits, 2 were referred to the OIG Office of Counsel, 1 was referred to the OIG Human Resources Division, and 118 were referred to investigative field offices for investigation or further review.

GSA’S MANAGEMENT CHALLENGES

The Reports Consolidation Act of 2000, Public Law 106-531, requires the Inspectors General of major federal agencies to report on the most significant management challenges facing their respective agencies. The following table briefly describes the challenges we identified for GSA for Fiscal Year 2022.

CHALLENGE	BRIEF DESCRIPTION OF CHALLENGE
Establishing and Maintaining an Effective Internal Control Environment	GSA continues to face significant challenges in establishing a comprehensive and effective system of internal control. Since our <i>Assessment of GSA’s Management and Performance Challenges for Fiscal Year 2019</i> , we have cited pervasive internal control weaknesses as a challenge for GSA. During Fiscal Year (FY) 2021, our long-standing concerns were amplified by GSA’s efforts to interfere with our oversight of its response to the COVID-19 pandemic.
Improving Contract Administration	GSA faces a challenge in providing appropriate oversight of its contracts and leases through its contract administration. GSA is responsible for the procurement of billions of dollars’ worth of products, services, and facilities for federal government agencies. GSA has taken action to improve contract administration by strengthening policy, addressing performance and training needs of contracting staff, and implementing contract administration process improvements. However, additional action is needed as we continue to identify deficiencies in GSA’s contract administration practices. GSA should take comprehensive and proactive steps to improve its oversight of contracts and leases to protect the Agency against the risk of undetected fraud, waste, and abuse and violations of applicable laws and regulations.
Enhancing Government Procurement	GSA continues to set the strategic goal to establish itself as the premier provider of efficient and effective acquisition solutions across the federal government. As an integral part of GSA, FAS has significant responsibility in meeting this goal. It is undertaking a number of acquisition solution initiatives intended to help it meet GSA’s strategic goal and ensure compliance with recent legislation. However, the initiatives also significantly change FAS’s processes and programs, creating challenges to FAS’s ability to meet its mission.
Maximizing the Performance of GSA’s Real Property Inventory	GSA must maximize the performance of its real property inventory in order to provide its tenant agencies with space that meets their needs at a reasonable cost to American taxpayers. To achieve this goal, PBS should plan the best approach to reduce and consolidate space, reduce leasing costs, and meet operations and maintenance needs of increasingly aging buildings. Further, GSA must properly administer the capital construction program and ensure effective management of energy and utility contracts.
Managing Agency Cybersecurity Risks	Like all federal agencies, GSA is dependent upon information technology to fulfill its mission. However, as cyber threats continue to emerge, sensitive government information and systems must be adequately secured to safeguard against internal and external threats that could compromise critical information and systems. GSA is not immune to these threats. Accordingly, GSA is challenged in effectively monitoring and efficiently identifying and responding to cyber threats against Agency systems and data. GSA will have to continuously identify technical solutions and implement controls to mitigate such threats as bad actors find new ways to penetrate and navigate government networks and systems undetected.
Safeguarding Federal Facilities and Providing a Secure Work Environment	GSA plays a significant role in providing a safe, healthy, and secure environment for federal employees and visitors at over 8,800 federally owned and leased facilities nationwide. Part of GSA’s responsibility is implementing its PBS Facility Safety and Health program to ensure compliance with safety and health requirements. Additionally, with the U.S. Department of Homeland Security, GSA is responsible for the installation, maintenance, and repair of approved security fixtures, including physical access control systems. However, there is an ongoing need for GSA management to monitor the safety and security of federal facilities. In particular, recent audits and inspections have found problems with GSA’s management of access cards and enforcement of security protocols.
Managing Presidential Initiatives	Since the presidential transition in January 2021, President Biden’s administration has issued multiple executive orders (EOs) that directly impact GSA, addressing areas such as fair contracting practices, the purchase of American-made products, and environmental and sustainability policy. These EOs will require GSA to pivot quickly and refocus purchasing strategies, both within FAS and PBS. GSA must also implement strong controls and oversight to ensure that it consistently achieves the intent of the EOs.
Managing the Impact of COVID-19	GSA faces significant challenges responding to the ongoing COVID-19 pandemic. As of March 27, 2022, there have been over 21,000 reports of suspected or confirmed COVID-19 cases in GSA-owned or GSA-leased facilities. During a pandemic emergency, a primary GSA responsibility is to protect the health and safety of its employees, tenants, contractors, and visitors at its facilities. To do so effectively, PBS must monitor evolving Centers for Disease Control and Prevention, state, and local health department guidance, and ensure that it is adhered to at GSA-owned and GSA-leased facilities. PBS must be able to track suspected and confirmed COVID-19 cases in its facilities, provide timely notification to building occupants when there are COVID-19 incidents, and conduct timely disinfection and cleaning. As GSA and tenant agencies begin to return to facilities, PBS must also ensure that heating, ventilation, and air conditioning systems are updated to increase ventilation and improve air filtration to minimize the spread of the virus. Further, PBS must ensure that potable water is available in facilities where decreased occupancy has increased the potential for water quality degradation.

SIGNIFICANT AUDITS

SIGNIFICANT AUDITS

The Office of Audits conducts independent and objective audits to improve the effectiveness and efficiency of GSA's management and operations. These audits focus on GSA's programs, internal controls, information technology infrastructure, and compliance with federal laws and regulations. Audits are also performed to assist GSA contracting personnel in obtaining the best value and price for federal customers. During this reporting period, we issued 27 audit reports, including 16 contract audits. Our contract audit work identified over \$324.3 million in potential cost savings and recoveries for the federal government.

PREAWARD AUDITS

GSA provides federal agencies with products and services through various contract types. We oversee GSA's procurement program, which generates billions of dollars in annual sales through thousands of contracts, by conducting preaward, postaward, and performance audits. Historically, for every dollar invested in our preaward audits, we recommend at least \$20 in cost savings to the government through lower prices or more favorable contract terms and conditions for the benefit of the taxpayer.

The pre-decisional, advisory nature of preaward audits distinguishes them from other audit products. Preaward audits provide vital, current information enabling contracting officers to significantly improve the government's negotiating position to realize millions of dollars in savings on negotiated contracts.

During this reporting period, three of our more significant preaward audits were of schedule contracts with combined projected government sales of over \$639 million. Through these audits, we identified potential savings and recoveries of over \$282 million. We found, among other things, that Commercial Sales Practices (CSP) submissions were not current, accurate, or complete; proposed labor rates were overstated; unqualified labor was used; GSA schedule sales were not adequately accumulated and reported; and price reduction provisions were ineffective.

PERFORMANCE AUDITS

ALERT MEMORANDUM: FAS IS PLANNING TO EXPAND THE TRANSACTIONAL DATA REPORTING RULE DESPITE ONGOING DATA QUALITY AND ACCESS ISSUES

Memorandum Number A210081-2, dated July 18, 2022

We issued an alert memorandum on the ongoing audit of the Federal Acquisition Service's (FAS's) Transactional Data Reporting (TDR) pilot due to concerns regarding FAS's plan to expand the TDR Rule to the entire Multiple Award Schedules (MAS) Program. This expansion is occurring despite persistent issues with the quality of TDR data and contracting personnel's lack of access to TDR data that is usable for pricing decisions.

We found that FAS does not consistently verify the product and pricing information entered by contractors, which could result in the retention of inaccurate information in the TDR database. In fact, in an evaluation of Fiscal Year 2022 TDR data focused on part number information, FAS found that 64 percent, or approximately \$1.6 billion, of all reported TDR product sales listed part numbers and product information that did not match the contractors' price lists. In addition, TDR data for professional services is almost completely unusable and was never included in any GSA evaluations, even though the expansion of TDR will include professional service-based contracts. This is significant because, according to FAS's Schedule Sales Query Plus website, service-based contracts represented 75.5 percent of total reported GSA sales during Calendar Year 2021.

Furthermore, FAS contracting personnel have never used TDR data for pricing decisions during the time periods GSA evaluated the TDR pilot. As a result, FAS is deciding to expand TDR before providing FAS contracting personnel access to TDR data that can be used for pricing decisions, before observing how FAS contracting personnel use TDR data when making pricing decisions, and before evaluating the effects of its actual use.

Therefore, FAS's planned expansion of TDR for all MAS contracts could place government agencies at further risk of overpaying for products and services when ordering from MAS contracts.

FAS CANNOT PROVIDE ASSURANCE THAT MAS CONTRACT PRICING RESULTS IN ORDERS ACHIEVING THE LOWEST OVERALL COST ALTERNATIVE

Report Number A200975/Q/3/P22002, dated September 30, 2022

We performed this audit of FAS's MAS Program due to concerns about how FAS's contracting personnel are performing price analyses for MAS contract awards and option extensions. Our objective was to determine whether FAS's contracting personnel are negotiating and awarding MAS contracts and option extensions in accordance with the intent of the MAS Program, federal regulations, and FAS policy.

According to the Competition in Contracting Act of 1984 (CICA), the procedures established under the MAS Program are competitive as long as MAS orders and contracts result in the lowest overall cost alternative to meet the government's needs. However, after examining 20 recent MAS contract and option awards, valued at \$4.3 billion, we found that FAS price analyses cannot provide customer agencies with assurance that orders placed against MAS contracts will result in the lowest overall cost alternative.

Our audit analyzed the pricing methodologies FAS used on MAS contracts that participate in the TDR pilot, as well as contracts that required CSP disclosures, and found that the price analyses under both methodologies were deficient. When performing price analyses on TDR pilot contracts, we found that FAS contracting personnel do not have access to TDR data that can be used for pricing decisions; as a result, they mainly compared proposed pricing to other MAS and government contracts. However, this approach does not provide customer agencies with assurance that FAS achieved pricing that reflects the offerors' best pricing and will result in the lowest overall cost alternative to meet the government's needs. In addition, 7 of the 11 FAS contracting personnel we interviewed expressed concerns to us about the TDR pilot's value to the MAS Program and concluded that, in their opinion, the TDR pilot should be canceled.

Meanwhile, when performing price analyses for contracts subject to the CSP requirement, we found that FAS contracting personnel frequently accepted commercial pricing information from offerors that was unsupported, outdated, or that identified no comparable commercial sales. As a result, FAS cannot provide customer agencies with assurance that MAS contract pricing will result in the lowest overall cost alternative to meet the government's needs.

Based on our audit finding, we made four recommendations to the FAS Commissioner: (1) cancel the TDR pilot in accordance with FAS Policy and Procedures 2016-11, *Transactional Data Reporting – Federal Supply Schedule Program Implementation*, Paragraph 8(G), Pilot Cancellation; (2) inform customer agencies that they should perform separate and independent price determinations because relying on MAS contract pricing and following the ordering procedures in Federal Acquisition Regulation (FAR) 8.405, *Ordering procedures for Federal Supply Schedules*, may not ensure compliance with the CICA requirement that orders and contracts result in the lowest overall cost alternative; (3) establish requirements and controls to ensure that FAS contracting personnel adequately analyze CSP information; and (4) explore new pricing methodologies that can ensure that FAS’s contracting personnel are able to leverage aggregate government buying power to negotiate and award MAS contracts that result in orders that reflect the lowest overall cost alternative to meet the needs of the government.

The FAS Commissioner disagreed with three of the four report recommendations.

FAS’S USE OF THE 4P TOOL ON CONTRACT AND OPTION AWARDS OFTEN RESULTS IN NONCOMPLIANT PRICE DETERMINATIONS

Report Number A201045/Q/3/P22001, dated July 27, 2022

FAS developed the Price Point Plus Portal tool (4P tool) to help its contracting personnel evaluate proposed pricing on MAS contracts that offer products. We performed an audit of the 4P tool to assess whether FAS is using it in accordance with federal regulations and FAS policy and guidance and if the 4P tool is a reliable source to determine price reasonableness when awarding contracts and option extensions. Our audit objectives were to determine whether: (1) FAS has sufficient and appropriate policy, guidance, and internal controls related to the use of the 4P tool; (2) FAS contracting officers are using the 4P tool in accordance with federal regulations and existing FAS policy and guidance; and (3) the 4P tool provides accurate data for price analysis.

We found that FAS contracting personnel used flawed methodologies and practices when performing analyses with the 4P tool. In doing so, FAS contracting personnel: (1) improperly relied on the 4P tool to establish price reasonableness without conducting additional price analysis; (2) awarded proposed pricing based on a 4P tool comparison to the current pricing on the same contract (self-hits); (3) awarded proposed pricing based on a 4P tool comparison to other government pricing, despite the 4P tool identifying better commercial pricing; and (4) awarded pricing that either exceeded the market thresholds established by the 4P tool or for which the 4P tool found no market research comparisons, without any further justification or analysis. We also found that FAS contracting personnel rely on the 4P tool although it often contains outdated or inaccurate pricing data that could skew price analysis results.

Based on our audit findings, we made seven recommendations to the FAS Commissioner: (1) develop and implement oversight controls to ensure contracting personnel adhere to FAS Policy and Procedures 2020-02 and 2021-05, and only use the 4P tool as part of a larger negotiation strategy that seeks the lowest overall cost alternative to meet the needs of the federal government, as required by the CICA; (2) update the 4P Application User Guide to require contracting personnel to conduct additional price analysis on products for which the 4P tool returns only self-hits; include commercial market pricing information presented in the 4P tool in price evaluations and provide justification when the awarded pricing exceeds the lowest commercial market price found; seek, analyze, and document justification for product pricing that exceeds the market threshold; and manually research an appropriate sample of products for which the 4P tool found no market research comparisons to ascertain applicable market pricing information; (3) provide training to contracting personnel regarding the use of the 4P tool, focusing on updated 4P Application User Guide requirements; (4) develop and implement oversight controls to ensure contracting personnel are following the updated 4P Application User Guide; (5) include commercial market pricing research on the 4P tool overview tab; (6) include “no competitive research found” flags and a competitive research rate in 4P reports, exclusive of self-hits; and (7) design and implement procedures to ensure only accurate, current pricing is included in 4P reports.

The FAS Commissioner largely concurred with our report recommendations, but contended that the methodology used to derive the recommendations does not substantiate the conclusion that the 4P tool often contains outdated or inaccurate pricing data. In addition, the FAS Commissioner disagreed with our report recommendation that contracting personnel should use commercial market pricing information presented in the 4P tool to evaluate GSA schedule pricing and provide justification when the awarded pricing exceeds the lowest commercial market price found.

AUDIT OF SECURITY CAMERA AND ALARM SYSTEMS AT GSA-OWNED BUILDINGS

Report Number A210033/P/5/R22006, dated June 22, 2022

GSA, through its Public Buildings Service (PBS), is the primary federal real property and asset management agency, with a portfolio consisting of more than 9,000 federally owned and leased buildings. In conjunction with the U.S. Department of Homeland Security’s Federal Protective Service, GSA has an important role in protecting these buildings.

Our audit objective was to determine whether the security camera and alarm systems in GSA-owned buildings are effectively protecting the safety of the public, employees, and property. We performed this audit based on concerns over the condition of security camera equipment in GSA-owned buildings raised by GSA officials and prior GSA Office of Inspector General reports.

We found deficiencies in security camera and alarm systems at GSA-owned buildings, some of which were long-standing. Although GSA and the Federal Protective Service have a memorandum of agreement in place to coordinate on these issues, little action is being taken to address the situation.

Based on our audit finding, we made two recommendations to the GSA Administrator, in conjunction with the Federal Protective Service, to (1) assess the conditions, formulate a plan, clarify the interagency memo, and (2) address the related funding issues.

The GSA Administrator agreed with our first report recommendation and partially agreed with our second report recommendation. In response, we made certain revisions to our second report recommendation.

ALERT MEMORANDUM: PBS DID NOT TEST WATER PRIOR TO REOPENING GSA CHILD CARE CENTERS CLOSED DURING THE COVID-19 PANDEMIC

Memorandum Number A201018-8, dated September 6, 2022

In May 2022, we initiated an *Audit of GSA's Response to the Coronavirus Disease 2019 (COVID-19): Assessment of Water Quality in GSA-Controlled Facilities*. During the survey phase of this audit, we learned that PBS did not effectively test for water contamination prior to reopening GSA child care centers that were closed during the pandemic. The purpose of this alert memorandum was to notify PBS of this concern.

GSA's child care center program provides space in GSA facilities across the nation for 92 independently operated child care centers. Prior to COVID-19, these centers provided daily care for more than 7,000 children. In response to the COVID-19 pandemic, GSA temporarily closed 84 of these centers. Since that time, 74 of the 84 child care centers in GSA facilities that closed during the pandemic have reopened.

The Centers for Disease Control and Prevention (CDC) guidance states that a temporary shutdown or reduced building operations and decreased water use can lead to water stagnation in a facility's plumbing system. Stagnant water increases the risk of corrosion in the plumbing systems, which can trigger the release of lead and copper into the facility's drinking water. Stagnant water can also increase the risk of growth and spread of *Legionella* bacteria. Exposure to these contaminants can lead to serious health problems.

Despite these risks, PBS did not conduct water testing before reopening 71 of the 74 child care centers that reopened, including centers that previously reported elevated levels of contaminants. After reopening, PBS tested water in 38 of the 71 child care centers that were previously untested. The testing identified contaminants above the Environmental Protection Agency’s action levels for three GSA child care centers in Kansas City, Missouri; Lakewood, Colorado; and Ogden, Utah. As of June 2022, the remaining 33 child care centers remained untested. Moreover, PBS’s water testing has not been comprehensive because it did not test for potential contamination from Legionella bacteria.

Water testing in child care centers is critical to ensure that children and staff have access to safe drinking water. Although PBS has tested water in some reopened child care centers, the testing has not been comprehensive enough to enable PBS to fully assess potential contamination so that it can take appropriate corrective action.

GSA’S PUBLIC BUILDINGS SERVICE FACES CHALLENGES IN USING FUNDS RECEIVED UNDER THE INFRASTRUCTURE INVESTMENT AND JOBS ACT

Memorandum Number A220036-2, dated August 11, 2022

The purpose of this memorandum was to identify the challenges that PBS faces in using the \$3.418 billion received under the Infrastructure Investment and Jobs Act (IIJA), which was signed into law on November 15, 2021.

Under the IIJA, GSA received \$3.418 billion for the acquisition, construction, and repair and alteration of Land Ports of Entry. PBS faces multiple challenges as it executes these projects, including: (1) ensuring the effective stewardship of taxpayer funds; (2) addressing the need for qualified project managers and contracting officers; (3) providing effective oversight of construction management contractors; (4) managing potential project delays and cost overruns; (5) preparing and maintaining complete and accurate documentation; (6) awarding effective construction contracts; and (7) safeguarding Land Port of Entry access.

PBS should take appropriate measures to address the challenges identified above and strive to meet the Office of Management and Budget’s call to ensure the implementation of IIJA-funded projects is “efficient and effective to deliver the best results, protect taxpayer dollars, and ensure public trust.”

In response to our memorandum, the PBS Commissioner stated that PBS has established a Program Management Office that will guide and oversee the use of the IIJA funding, proactively mitigate risks, and develop a program mitigation plan.

COVID-19: PBS FACES CHALLENGES IN ITS EFFORTS TO IMPROVE AIR FILTRATION IN GSA-CONTROLLED FACILITIES

Report Number A201018/P/4/R22008, dated September 30, 2022

In April 2020, we began monitoring GSA's activities in response to the nationwide public health emergency resulting from COVID-19 and GSA's implementation of the Coronavirus Aid, Relief, and Economic Security Act. During our monitoring efforts, we identified concerns with air filtration practices in GSA-controlled (owned and leased) facilities that may lead to an increased risk of exposure to COVID-19. As a result, we began this audit to determine whether GSA has implemented the CDC recommendations and GSA policy to limit exposure to COVID-19 in GSA-controlled facilities by improving central air filtration in heating, ventilation, and air conditioning (HVAC) systems.

The CDC's *Guidance for Businesses and Employers Responding to Coronavirus Disease 2019 (COVID-19)* recommends improving building ventilation to slow the spread of COVID-19 in the workplace. To do so, the CDC recommends increasing ventilation and air filtration to the highest possible level without significantly reducing design airflow. It also advises employers to check air handling unit air filters to ensure they are within their service lives and appropriately installed.

We found that PBS cannot install the CDC-recommended minimum efficiency reporting value (MERV) air filters in some GSA-owned facilities because the aging HVAC systems cannot handle higher efficiency air filters that are capable of capturing airborne viruses. In addition, PBS has not accurately assessed existing air filter conditions at some of its owned facilities. Further, most operations and maintenance (O&M) contracts we reviewed do not specify a MERV rated air filter, and PBS is not consistently verifying that O&M contractors change air filters or meet preventive maintenance requirements.

We also found that PBS is not consistently inspecting GSA-leased facilities to ensure that air filters meet lease requirements. In some cases, lessors used noncompliant air filters or did not change them regularly. In addition, lessor representatives impeded our efforts to access mechanical rooms to determine if the installed air filters met lease requirements.

Based on our audit findings, we made two recommendations to the PBS Commissioner. For GSA-owned facilities, we recommended the PBS Commissioner: (1) conduct an accurate and complete assessment of HVAC systems to identify deficiencies in air filtration and maximize central air filtration in existing HVAC systems without significantly reducing design airflow; (2) review and update current and future O&M contracts to ensure that they clearly identify the required MERV air filters and preventive maintenance schedules; (3) establish controls to ensure that PBS obtains and maintains complete preventive maintenance records; and (4) ensure that contracting officer representatives conduct inspections of mechanical rooms and preventive maintenance records to ensure that air filters meet MERV requirements. For GSA-leased space, we recommended the PBS Commissioner: (1) review and update current and future lease agreements to ensure that they clearly identify the required MERV air filters and preventive maintenance schedules; (2) ensure that lessors maintain and provide required preventive maintenance records and provide timely access to mechanical rooms; and (3) ensure that PBS representatives inspect mechanical rooms and preventive maintenance records to ensure that air filters meet MERV requirements.

The PBS Commissioner partially agreed with our report recommendations. We made certain revisions to one recommendation, but the revisions did not affect our findings and conclusions.

AUDIT OF THE SECURITY CONTROLS FOR BUILDING AUTOMATION TECHNOLOGIES IN GSA FACILITIES

Report Number A210018/P/T/R22004, dated April 22, 2022

We performed an audit of the security controls for building automation technologies in GSA facilities.

Based on our findings, we made seven recommendations to the PBS Commissioner and GSA Chief Information Officer. The PBS Commissioner and the GSA Chief Information Officer agreed with our report recommendations.

Due to security concerns regarding this matter, this report is restricted from public release.

IMPROVEMENT NEEDED IN PBS'S USE OF CONSTRUCTION MANAGER AS CONSTRUCTOR CONTRACTS

Memorandum Number A220057, dated August 17, 2022

The purpose of this memorandum was to convey our concerns regarding PBS's award and administration of capital construction contracts using the Construction Manager as Constructor (CMc) project delivery method. PBS typically uses this delivery method for large, complex projects, such as courthouses or major modernizations, when construction expertise is essential during design. As of June 2022, PBS used the CMc project delivery method for eight active capital construction projects, totaling approximately \$1.2 billion.

Although PBS has taken steps to address our office's prior concerns with the CMc project delivery method, we continue to observe problems with PBS's award and administration of CMc contracts. Of particular concern, contracting officers need to ensure that construction contractors appropriately accumulate and report project costs. Additionally, contracting officers need to avoid making improper adjustments to the CMc contract's guaranteed maximum price (GMP), and ensure that the CMc contract's GMP is not converted to a firm-fixed price prematurely. In light of PBS's significant current and anticipated CMc workload, failure to mitigate these concerns will put PBS at considerable financial risk for overpaying for construction work.

AUDIT OF PBS'S APPROVAL PROCESS FOR MINOR REPAIR AND ALTERATION PROJECTS

Report Number A190100/P/5/R22005, dated May 9, 2022

PBS's minor repair and alteration projects cover repairs, remodeling, improvements, and associated design and construction services for PBS's inventory of owned and leased federal buildings and courthouses. These projects are designed to keep federal buildings in serviceable condition, preventing small projects from becoming larger and more costly. We initiated an audit of PBS's prioritization process for funding these projects. The audit objective was to determine whether PBS's minor repair and alteration project prioritization process ensures that the most critical projects are funded.

Since Fiscal Year 2015, Congress has authorized GSA to spend an average of \$346.5 million each year to fund minor repair and alteration projects. In recent years, PBS has asserted that the repair and alteration needs of its aging building inventory are far outpacing available funding. Accordingly, PBS must carefully manage these projects to allocate funds to its most critical needs.

In Fiscal Year 2015, the PBS Office of Portfolio Management and Customer Engagement’s Capital Assessment and Allocation Division (Portfolio Management) established a centralized process to review and approve minor repair and alteration project requests submitted by PBS’s 11 regional offices. Portfolio Management’s approval process was intended to prioritize the minor repair and alteration projects based on Decision Lens, a software tool that scores projects nationwide using a common set of objective criteria.

However, we found that Portfolio Management’s review and approval process had no discernible effect on which projects were actually performed in our review period of Fiscal Years 2019 and 2020. Rather, Portfolio Management approved projects based almost exclusively on project rankings submitted by the PBS regions. Additionally, when a PBS region could not perform an approved project, the region was able to redirect funding to other projects without Portfolio Management’s approval.

Based on our finding, we made two recommendations to the PBS Commissioner: (1) conduct a comprehensive assessment to determine if a centralized approval process is the most effective way for the Agency to ensure its limited funding is directed to the most critical needs of its buildings; and (2) improve PBS’s use of its Decision Lens software if the assessment shows that a centralized approval process is most effective.

The PBS Commissioner agreed with our report recommendations.

AUDIT OF PBS NCR’S METROPOLITAN SERVICE CENTER REIMBURSABLE WORK AUTHORIZATIONS

Report Number A210039/P/R/R22007, dated September 23, 2022

We performed this audit based on previous audits that identified deficiencies in PBS service centers’ management and oversight of Reimbursable Work Authorizations (RWAs). Our audit objective was to determine whether the PBS National Capital Region’s (PBS NCR’s) Metropolitan Service Center (MSC) is ensuring that RWAs are completed and closed in a timely manner in accordance with GSA policies and regulations.

The MSC is one of five service centers in the PBS NCR that direct, manage, and coordinate the day-to-day property management operations and programs in GSA-controlled space. The MSC’s property management services include assisting customers with real estate projects and services in GSA-controlled space that are considered “above-standard” because they are not included in a customer’s rental agreement. When a customer needs an above-standard project or service, the customer submits an RWA to GSA. The RWA is an interagency agreement that authorizes GSA to provide a project or service on the customer’s behalf and receive reimbursement for costs plus applicable GSA fees.

We found that the MSC is not fulfilling its stewardship responsibilities for customer agency funding of RWAs. The MSC is not providing customer agencies with milestone schedules or submitting written justifications when contracts are not awarded within a reasonable time frame, as required by the agency's RWA policy. We also found that the MSC and GSA's Office of the Chief Financial Officer (OCFO) are not recording substantial completion dates in the RWA Entry and Tracking Application (RETA) in a timely manner. Taken together, these deficiencies impair the MSC's ability to effectively manage and return customer agency funding and increase the risk of appropriations law violations and inaccurate financial reporting.

Based on our audit findings, we recommended that the PBS Commissioner direct the Reimbursable Services National Program to update all applicable policies and procedures to clarify the roles and responsibilities of PBS project managers and OCFO budget analysts in updating RETA status for substantial completion. We also recommended that the then Acting PBS NCR Regional Commissioner: (1) ensure staff are trained on the RWA Policy requirements to update RETA with a milestone schedule or written justification, (2) ensure staff are trained on the RWA Policy to update RETA status for substantial completion, and (3) coordinate with the OCFO to ensure national RWA policies and goals are met for substantial completion dates to be entered into RETA.

The PBS Commissioner and then Acting PBS NCR Regional Commissioner generally agreed with our report recommendations.

GSA OFFICE OF INSPECTOR GENERAL'S FISCAL YEAR 2021 RISK ASSESSMENT OF GSA'S CHARGE CARD PROGRAM

Audit Memorandum Number A220041, dated September 23, 2022

We conducted a risk assessment of GSA's charge card program to identify and analyze risks of illegal, improper, or erroneous purchases related to GSA's purchase and travel cards. We based our risk assessment on limited purchase and travel card testing.

Through our limited purchase card testing, we found that the Office of Administrative Services should continue to improve controls over cardholders uploading supporting documentation into GSA's purchase card system of record. In addition, the Office of Administrative Services should ensure its updates to their purchase card policies are made in a timely manner, and continue to provide updated training material to purchase cardholders. Based on the findings from our testing, and the centrally billed nature of purchase card accounts, we assessed the risk for GSA's purchase card program as moderate.

Through our limited travel card testing, we noted that the Office of Administrative Services improved its process to ensure that GSA travel cardholders complete mandatory travel card training every 2 years. We identified no significant internal control weaknesses with the travel card program. The risk to GSA is inherently less because the travel card accounts are individually billed and the cardholder is responsible for paying for the charges against the travel card rather than GSA. Therefore, we assessed the risk for GSA’s travel card program as low.

GSA COMPLIED WITH THE PAYMENT INTEGRITY INFORMATION ACT IN FISCAL YEAR 2021

Report Number A220018/B/5/F22003, dated May 27, 2022

We performed this audit as required by the Payment Integrity Information Act of 2019. This law aims to improve efforts to identify and reduce government-wide improper payments and requires federal agencies to review their programs and identify those that were susceptible to significant improper payments. Our audit objective was to determine if GSA complied with the Payment Integrity Information Act of 2019 in Fiscal Year 2021.

We determined that GSA complied with the Payment Integrity Information Act of 2019 in Fiscal Year 2021. Therefore, we had no reportable findings or report recommendations.

IMPLEMENTATION REVIEW OF CORRECTIVE ACTION PLAN: GSA’S PUBLIC BUILDINGS SERVICE DOES NOT TRACK AND REPORT ALL UNUSED LEASED SPACE AS REQUIRED, REPORT NUMBER A160133/P/6/R18002, AUGUST 10, 2018

Assignment Number A220053, dated June 27, 2022

We performed an implementation review to determine whether PBS has taken the actions as outlined in the corrective action plan for our August 10, 2018, audit report, *GSA’s Public Buildings Service Does Not Track and Report All Unused Leased Space as Required*.

The objective of the audit was to determine whether PBS accurately reports the amount of vacant and unused leased space and whether PBS’s controls for managing leased space are effective in preventing and reducing undue costs to the government.

Our audit found that PBS does not track and report all unused leased space as required, and PBS is not consistently following its policy for the use of non-cancelable occupancy agreements.

Based on our audit findings, we made two recommendations to the PBS Commissioner: (1) develop and implement a process to ensure that PBS reports and mitigates all unused space for all non-cancelable occupancy agreements in its lease portfolio; and (2) take action to ensure that existing and future non-cancelable occupancy agreements comply with PBS policy. The PBS Commissioner agreed with our report recommendations.

Our implementation review determined that PBS has taken appropriate corrective action to address the report recommendations and that no further action is necessary.

**IMPLEMENTATION REVIEW OF CORRECTIVE ACTION PLAN:
AUDIT OF PBS’S LEASE EXTENSIONS AND HOLDOVERS,
REPORT NUMBER A190033/P/R/R20007, JUNE 22, 2020**

Assignment Number A220062, dated September 15, 2022

We performed an implementation review to determine whether PBS has taken the actions as outlined in the corrective action plan for our June 22, 2020, audit report, *Audit of PBS’s Lease Extensions and Holdovers*. Our audit objective was to assess if PBS implemented its project life cycle and leasing policies and procedures to minimize the use of lease extensions and holdovers.

Our audit found that PBS leasing staff faced obstacles in adhering to planning milestones, increasing the likelihood that PBS will have to enter into costly extensions or holdovers. We also found that PBS is underutilizing the Simplified Request for Lease Proposals and missing an opportunity to reduce lease acquisition time and prevent extensions and holdovers.

Based on our audit findings, we made three recommendations to the PBS Commissioner: (1) evaluate the upfront planning requirements to determine if revisions are necessary to align the expectations of Central Office and regional offices to reduce extensions and holdovers; (2) increase collaboration with tenant agencies and communicate the importance of compliance with upfront planning milestones to reduce extensions and holdovers; and (3) increase awareness and training of the appropriate uses of all Request for Lease Proposals models. The PBS Commissioner agreed with the report recommendations.

Our implementation review determined that PBS has taken appropriate corrective action to address the report recommendations and that no further action is necessary.

IMPLEMENTATION REVIEW OF CORRECTIVE ACTION PLAN: PBS'S \$1.7 BILLION ENERGY SAVINGS PERFORMANCE CONTRACTS ARE NOT ACHIEVING ENERGY AND COST SAVINGS DUE TO INADEQUATE OVERSIGHT, REPORT NUMBER A180017/P/5/R20004, MARCH 27, 2020

Assignment Number A220060, dated September 23, 2022

We performed an implementation review to determine whether PBS has taken the actions as outlined in the corrective action plan for our March 27, 2020, audit report, *PBS's \$1.7 Billion Energy Savings Performance Contracts Are Not Achieving Energy and Cost Savings Due to Inadequate Oversight*. Our audit objectives were to determine whether PBS: (1) has effective procedures in place to verify that the energy savings calculated by the energy service company are accurate and (2) administers the Energy Savings Performance Contract (ESPC) projects in accordance with the applicable regulations and guidance.

Our audit found that PBS did not realize savings to fully fund payments on two ESPC projects and risks paying for unsupported and overstated O&M savings on other projects due to inadequate oversight. We also found that PBS did not provide effective oversight to verify the accuracy of the energy service company's savings and did not adequately oversee ESPC file administration or the administration of ESPC projects.

Based on our audit findings, we made seven recommendations to the PBS Commissioner including: improving oversight of ESPC savings evaluation; identifying and, if possible, recovering savings shortfalls; renegotiating O&M contracts; ensuring witnessing and proper review of measurement and verification reports; verifying that current and future ESPCs have all required contract documents; ensuring that annual evaluations are completed for all future ESPCs in accordance with the FAR; and increasing the oversight of the regions' administration of ESPCs through the performance period. The PBS Commissioner agreed with our report recommendations.

Our implementation review determined that PBS has taken appropriate corrective action to address the report recommendations and that no further action is necessary.

SUMMARY OF CONTRACT AUDIT REPORTS

The Office of Audits issues contract audit reports to provide assistance to contracting officials in awarding and administering GSA contracts. The two primary types of contract audits include:

- Preaward audits provide GSA contracting officials with information to use when negotiating fair and reasonable GSA contract prices.
- Postaward audits examine GSA contractor’s adherence to contract terms and conditions.

During the period April 1, 2022, to September 30, 2022, we issued 16 contract audit reports. In these reports, we found:

- 11 contractors did not submit accurate, current, and complete information.
- 11 contractors either overcharged GSA customers or overstated their proposed labor rates.¹
- 6 contractors assigned employees who were unqualified for their billable positions to work on GSA schedule task orders.
- 6 contractors either did not comply with price reduction provisions or did not have effective price reduction provisions.
- 3 contractors did not adequately accumulate and report schedule sales for Industrial Funding Fee payment purposes and/or did not correctly calculate and submit their Industrial Funding Fee payments.
- 1 contractor did not follow other terms and conditions of its contract.

We also recommended over \$324.3 million in cost savings. This includes funds that could be put to better use, which is the amount the government could save if our audit findings are implemented. It also includes questioned costs, which is money that should not have been spent such as overbillings and unreported price reductions.

April 1, 2022 – September 30, 2022

CONTRACT AUDIT REPORTS	
Recommendations that funds be put to better use	\$322,934,867
Questioned Costs	\$1,440,607

¹ This includes claims that have been submitted but not yet paid.

FAR DISCLOSURE PROGRAM

The Federal Acquisition Regulation requires government contractors to disclose credible evidence of violations of federal criminal law under Title 18 of the United States Code (18 U.S.C.) and the False Claims Act to agencies' OIGs. To facilitate implementation of this requirement, we developed internal procedures to process, evaluate, and act on these disclosures and created a website for contractor self-reporting.

FAR RULE FOR CONTRACTOR DISCLOSURE

Federal Acquisition Regulation 52.203-13(b) implements the Close the Contractor Fraud Loophole Act, Public Law 110–252, Title VI, and Chapter 1. Under the rule, a contractor must disclose, to the relevant agency's OIG, certain violations of federal criminal law (within 18 U.S.C.), or a violation of the civil False Claims Act, connected to the award, performance, or closeout of a government contract performed by the government contractor or subcontractor. The rule provides for suspension or debarment of a contractor when a principal knowingly fails to disclose, in writing, such violations in a timely manner.

DISCLOSURES FOR THIS REPORTING PERIOD

As disclosures are made, our Offices of Audits, Investigations, and Counsel jointly examine each acknowledgment and make a determination as to what actions, if any, are warranted. During this reporting period, we received two new disclosures. The matters disclosed included small business determination inaccuracies and Trade Agreements Act compliance issues. We concluded our evaluation of 2 disclosures, assisted on 8 disclosures referred by other agencies because of the potential impact on GSA operations, and continued to evaluate 12 existing disclosures during this reporting period. Our efforts resulted in \$868,640 in settlement and recoveries to the Government.

STATISTICAL SUMMARY OF OIG AUDITS

April 1, 2022 – September 30, 2022

OFFICE OF AUDITS	
Total financial recommendations	\$324,375,474*
These include:	
Recommendations that funds be put to better use	\$322,934,867
Questioned costs	\$1,440,607*
Audit reports issued	27
Audit memoranda provided to GSA	5
GSA Management decisions agreeing with audit recommendations	\$129,206,938*

* These totals contain \$868,640 in questioned costs that are also included in the FAR Disclosure Program section.

Audit Reports Issued

The OIG issued 27 audit reports. These reports contained financial recommendations totaling over \$324.3 million, including more than \$322.9 million in recommendations that funds be put to better use and over \$1.4 million in questioned costs. Due to GSA's mission of negotiating contracts for government-wide supplies and services, most of the savings from recommendations that funds be put to better use would be applicable to other federal agencies.

Management Decisions on OIG Audit Reports

Table 1 summarizes the status of audits requiring management decisions during this period, as well as the status of those audits as of September 30, 2022. There were no reports more than 6-months old awaiting management decision as of September 30, 2022. Table 1 does not include three implementation reviews excluded from the management decision process.

Table 1. GSA Management Decisions on OIG Reports

	NUMBER OF REPORTS	REPORTS WITH FINANCIAL RECOMMENDATIONS*	TOTAL FINANCIAL RECOMMENDATIONS
For which no management decision had been made as of 04/01/2022			
Less than 6 months old	8	5	\$35,651,202
Six or more months old	0	0	\$0
Reports issued this period	24	10	\$324,375,474**
TOTAL	32	15	\$360,026,676**
For which a management decision was made during the reporting period			
Issued prior periods	8	5	\$35,651,202
Issued current period	17	8	\$93,555,736**
TOTAL	25	13	\$129,206,938**
For which no management decision had been made as of 09/30/2022			
Less than 6 months old	7	2	\$230,819,738
Six or more months	0	0	\$0
TOTAL	7	2	\$230,819,738

* These totals include audit reports issued with both recommendations that funds be put to better use and questioned costs.

** These totals contain \$868,640 in questioned costs that are also included in the FAR Disclosure Program section.

GSA Management Decisions on OIG Reports with Financial Recommendations

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

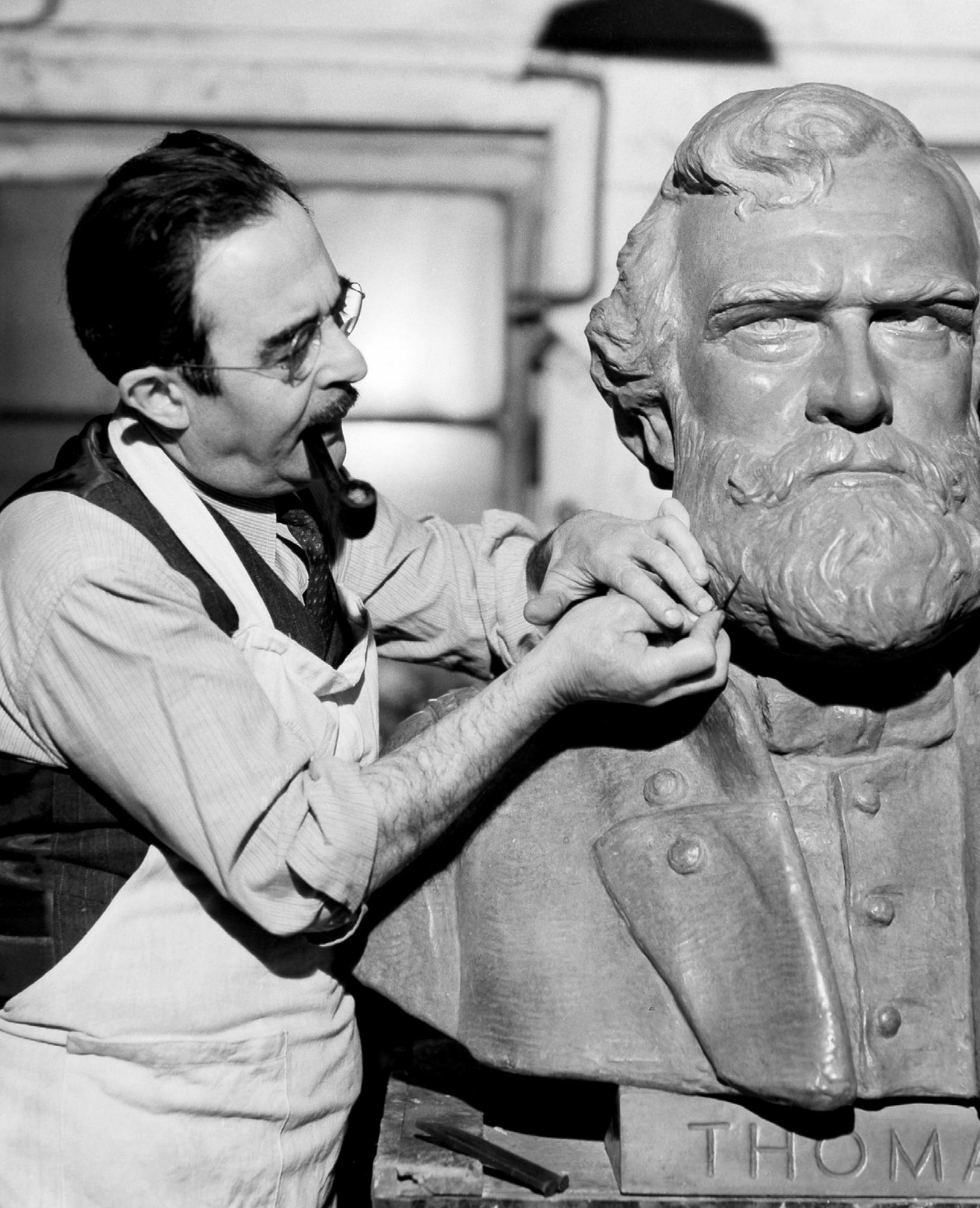
Table 2. GSA Management Decisions on OIG Reports with Recommendations that Funds Be Put to Better Use

	NUMBER OF REPORTS	FUNDS BE PUT TO BETTER USE
For which no management decision had been made as of 04/01/2022		
Less than 6 months old	4	\$35,324,165
Six or more months	0	\$0
Reports issued this period	8	\$322,934,867
TOTAL	12	\$358,259,032
For which a management decision was made during the reporting period		
Recommendations agreed to by management	11	\$127,967,105
Recommendations not agreed to by management	0	\$0
TOTAL	11	\$127,967,105
For which no management decision had been made as of 09/30/2022		
Less than 6 months old	1	\$230,291,927
Six or more months old	0	\$0
TOTAL	1	\$230,291,927

Table 3. GSA Management Decisions on OIG Audit Reports with Questioned Costs

	NUMBER OF REPORTS	QUESTIONED COSTS
For which no management decision had been made as of 04/01/2022		
Less than 6 months old	2	\$327,037
Six or more months old	0	\$0
Reports issued this period	5	\$1,440,607*
TOTAL	7	\$1,767,644*
For which a management decision was made during the reporting period		
Disallowed costs	5	\$1,239,833*
Costs not disallowed	0	\$0
TOTAL	5	\$1,239,833*
For which no management decision had been made as of 09/30/2022		
Less than 6 months old	2	\$527,811
Six or more months old	0	\$0
TOTAL	2	\$527,811

* These totals contain \$868,640 in questioned costs that are also included in the FAR Disclosure Program section.



Since 2001, GSA OIG has worked with the agency's Fine Arts Program to recover for the federal government more than 700 pieces of Works Progress Administration (WPA) artwork with a comparative value of more than \$8 million.

SIGNIFICANT INVESTIGATIONS



Photo: Fresco paintings surrounding doorway to room 5138, Department of Justice, Washington, D.C.

SIGNIFICANT INVESTIGATIONS

The Office of Investigations conducts independent and objective investigations relating to GSA programs, operations, and personnel. The office consists of special agents with full statutory law enforcement authority to make arrests, execute search warrants, serve subpoenas, and carry concealed weapons. Special agents conduct investigations that may be criminal, civil, or administrative in nature and often involve complex fraud schemes. Investigations can also involve theft, false statements, counterfeit or substandard products, embezzlement, bribery, anti-trust violations, credit card fraud, diversion of excess government property, and digital crimes. During this reporting period, the office opened 37 investigative cases, closed 38 investigative cases, referred 76 subjects for criminal prosecution, and helped obtain 29 convictions. Civil, criminal, and other monetary recoveries resulting from our investigations totaled over \$53 million.

CRIMINAL INVESTIGATIONS

FORMER GOVERNMENT CONTRACTOR PLEADED GUILTY IN BRIBERY SCHEME

GSA OIG initiated an investigation into allegations that Keith Seguin, a former U.S. Air Force employee; Rubens Fiuza Lima, the owner of Impex, Inc.; and David J. Bolduc, Jr., one of the owners of QuantaDyn Corporation, conspired in a bribery scheme that spanned more than a decade and involved GSA contracts valued at over \$400 million. In October 2019, a federal grand jury in San Antonio returned an indictment charging QuantaDyn, Bolduc, Seguin, and Fiuza Lima with conspiracy to defraud the United States, conspiracy to commit wire fraud, and conspiracy to commit money laundering. Specifically, from 2007 to 2018, Bolduc and QuantaDyn allegedly paid more than \$2.3 million in bribes to Seguin, who administered GSA and DoD contracts. In return, Seguin used his federal position to steer government contracts for military training simulators to QuantaDyn. The indictment further alleged that a portion of the bribe money paid to Seguin was laundered through Fiuza Lima's company, Impex, Inc.

On August 16, 2022, John Hancock, a former program manager with a defense contractor, pleaded guilty to wire fraud conspiracy for colluding with Seguin, Bolduc, QuantaDyn, and Karen Paulsen, also a former program manager with a defense contractor, and others to steer a \$413 million GSA Alliant Governmentwide Acquisition Contract to his employer with the understanding that work would be sole-sourced in subcontracts to QuantaDyn Corporation. As specified in Hancock's plea agreement, the financial losses to the government directly attributable to his activities were over \$23.7 million. Hancock is awaiting sentencing.

QuantaDyn previously pleaded guilty to conspiracy to commit wire fraud and was sentenced to 5 years' probation. QuantaDyn was also ordered to pay \$37.7 million in restitution, a \$6.3 million fine, forfeit \$7.1 million in seized assets, and pay a \$22.8 million forfeiture money judgment.

Seguin previously pleaded guilty to conspiracy to commit wire fraud, tax fraud, and making false statements for his involvement in the scheme. Seguin also pleaded guilty to additional relevant conduct for his involvement in stealing \$239,388 worth of government-owned simulator parts that he sold online. Seguin was ordered to forfeit two vehicles and \$362,515 in proceeds from the combined sales of two real estate properties and was ordered to pay a \$2.3 million forfeiture money judgment. Seguin is scheduled to be sentenced in October 2022.

Paulsen previously pleaded guilty to conspiracy to defraud the government. As specified in her plea agreement, the financial losses attributed to Paulsen's activities were over \$8 million. Paulsen is scheduled to be sentenced in October 2022. GSA OIG continues to investigate this case with IRS-CI, DCIS, Army CID, and AFOSI.

JURY FINDS CONSTRUCTION COMPANY OWNER GUILTY OF DEFRAUDING SDVOSB PROGRAM

A GSA OIG investigation found that from approximately 2004 through 2017 Michael Padron, Michael Wibracht, and Ruben Villarreal conspired to defraud the United States to obtain valuable government contracts under programs administered by the Small Business Administration (SBA) that their companies were ineligible to receive. As part of the scheme, Padron and Wibracht installed Villarreal, a service-disabled veteran, as the ostensible owner of a general construction company held out as a Service-Disabled Veteran-Owned Small Business (SDVOSB). Villarreal falsely certified in GSA's System for Award Management (SAM) that he and his business earned the majority of the profits and made all decisions involving the joint venture in order to secure over \$250 million in government contracts, despite Padron and Wibracht exercising disqualifying financial and operational control of the company. The two of them were ineligible to receive the contracts due to their larger, non-qualifying businesses. On June 29, 2022, a federal jury convicted Padron on conspiracy to defraud the government and wire fraud for his involvement in the scheme, and he awaits sentencing. Wibracht and Villarreal each previously pleaded guilty to conspiracy to defraud the United States, and they are awaiting sentencing. GSA OIG investigated this case with SBA OIG, VA OIG, DCIS, Army CID, and the Army Audit Agency.

FORMER ASSISTANT POLICE CHIEF PLEADED GUILTY TO STEALING FIREARMS

A GSA OIG investigation concluded that former Assistant Police Chief Shawn Karr of the Boswell Police Department in Boswell, Oklahoma, pawned seven federally-owned firearms that were loaned to the Department through GSA's Federal Surplus Personal Property Donation Program and the Defense Logistics Agency's Law Enforcement Support Office. Agents conducted exhaustive searches of pawn shops throughout Oklahoma and obtained transfer documents associated with each transaction to prove Karr pawned the firearms as collateral in exchange for cash. Agents successfully recovered all of the firearms, and on August 17, 2022, Karr pleaded guilty in federal court to possession of stolen firearms. GSA OIG investigated this case with DCIS.

JURY FINDS GOVERNMENT CONTRACTOR GUILTY IN HUBZONE FRAUD SCHEME

A GSA OIG investigation revealed that officers and employees of Odyssey International, Inc. (Odyssey), falsely certified in SAM that the company was located in a Historically Underutilized Business Zone (HUBZone) in order to bid on federal contracts set aside for HUBZone businesses. On June 1, 2022, a jury found Odyssey and its owner, Whitney McBride, guilty of conspiracy to commit wire fraud, wire fraud, and major fraud against the United States. McBride was also found guilty of making false official statements and false declarations to a court. McBride is awaiting sentencing.

Kin Shing Paul Lee, Chief Financial Officer, and Michael Tingey, Chief Operating Officer, previously admitted to conspiring to generate documents that supported their claim that Odyssey employees resided in a HUBZone, knowing the documents were fictitious. As a result of the scheme, Odyssey received over \$90 million in federal government construction contracts that it was not eligible to receive. Tingey pleaded guilty to wire fraud, and Lee pleaded guilty to wire fraud, money laundering, and aiding and abetting in the filing of a false tax return. As part of their guilty pleas, Lee and Tingey agreed to asset forfeitures totaling over \$7.8 million. Both are awaiting sentencing. GSA OIG investigated this case with SBA OIG, IRS-CI, Army CID, AFOSI, and the FBI.

CONTRACTOR SENTENCED FOR ROLE IN A GOVERNMENT PURCHASE CARD FRAUD SCHEME

A GSA OIG investigation revealed that two Department of Energy (DOE), Western Area Power Administration (WAPA), contract employees conspired with associates to make nearly \$1 million in illicit government purchase card (GPC) purchases. The WAPA contract employees intentionally deleted warehouse supplies from the electronic inventory system and purported to replenish the items by making fictitious GPC purchases from companies created by the associates. The investigation found the items were never removed from the warehouse shelves, and the supplies were never actually purchased. On June 8, 2022, Jared Newman, who worked as a contract employee in the WAPA warehouse, was sentenced to 55 months' imprisonment, 3 years' probation, and ordered to pay \$879,392 in restitution, jointly and severally with co-conspirators for his role in the scheme. Additionally, he was ordered to forfeit \$652,292. Four other co-conspirators were previously convicted and sentenced for their roles in the scheme. GSA OIG investigated this case with DOE OIG and the FBI.

DEBARRED BUSINESS OWNER SENTENCED FOR WIRE FRAUD AND AGGRAVATED IDENTITY THEFT

A GSA OIG investigation found that Kentey R. Fielder, owner of Clean Contracting Services, Inc., fraudulently registered his company in SAM by falsely claiming that he was not presently debarred from doing business with the U.S. Government. Fielder was subsequently awarded a U.S. Army contract for janitorial services, and he caused another company to believe that it had been awarded the same contract. He collected over \$14,000 on the contract while the other company performed the work. Fielder previously pleaded guilty to wire fraud and aggravated identity theft. On May 10, 2022, Fielder was sentenced to 40 months' incarceration, 3 years' supervised release, and was ordered to pay \$14,220 in restitution. GSA OIG investigated this case with AFOSI, Army CID, Department of Commerce OIG, DCIS, DHS OIG, DOJ OIG, DOS OIG, EPA OIG, HHS OIG, IRS-CI, NCIS, SBA OIG, and VA OIG.

COMMISSARY CONTRACTOR SENTENCED IN VETERAN FRAUD SCHEME

A GSA OIG investigation found that Vicki Rice, owner of CAM Services, Inc. (CAM), devised a scheme to fraudulently obtain SDVOSB set-aside contracts. From October 2012 to May 2018, Rice made material false certifications in SAM that CAM was owned and controlled by a service-disabled veteran and that it was qualified to obtain set-aside contracts. In fact, the company was actually controlled by Rice, who was not a service-disabled veteran. On behalf of CAM, Rice fraudulently submitted bids and was awarded over \$11 million in commissary contracts at two military bases. On April 12, 2022, Rice pleaded guilty to a false statement charge, and she was sentenced on June 28, 2022, to 14 months' incarceration, 3 years' probation, and ordered to pay \$480,000 in restitution and a \$7,500 fine. GSA OIG investigated this case with DCIS, SBA OIG, and IRS-CI.

FORMER PROGRAM OFFICE DIRECTOR FOUND GUILTY FOR INVOLVEMENT IN A \$7 MILLION 8(A) FRAUD SCHEME TO OBTAIN SET-ASIDE CONTRACTS

A GSA OIG investigation revealed that three government contractors and a lobbyist submitted false statements through GSA's Central Contractor Registration and Online Representations and Certifications Application and were subsequently awarded \$7 million in set-aside contracts that they were not eligible to receive. The individuals conspired to charge lobbying and other unauthorized costs to U.S. Army contracts through falsified invoices. The contracts supported the Big Crow Program Office (BCPO) of the U.S. Army Space and Missile Defense Command, which operated electronic warfare testing aircraft.

The four individuals were indicted in 2017 for conspiracy, wire fraud, major fraud against the United States, and false statements. Contractors Joe Diaz and Arturo Vargas previously pleaded guilty in 2018 for their roles in the scheme, and lobbyist George Lowe pleaded guilty in 2020. On June 27, 2022, a federal jury seated in the District of New Mexico found Milton Boutte, former director of the BCPO, guilty of conspiracy to defraud the United States and conspiracy to commit wire fraud. All four are awaiting sentencing. GSA OIG investigated this case with Army CID, DCIS, SBA OIG, and the DCAA.

PRISON FOOD CONTRACTOR PLEADS GUILTY FOR INVOLVEMENT IN COLLUSIVE BIDDING SCHEME

The investigation determined that from 2013 to 2018, Edgar Porras, a food supply contractor, conspired with other contractors to win low bid food supply contracts from the United States Bureau of Prisons (BOP). In perpetrating the fraud scheme, Porras submitted false certifications in SAM and conspired with other contractors to suppress and restrain competition by rigging bids to obtain 111 food supply contracts worth \$1.9 million awarded by BOP. On April 5, 2022, Porras pleaded guilty to violating the Sherman Antitrust Act, and he is awaiting sentencing. GSA OIG investigated this case with DOJ OIG in collaboration with the DOJ's Procurement Collusion Strike Force for the Central District of California.

CONTRACTOR SENTENCED IN SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS FRAUD

A GSA OIG investigation determined that Valerie Gonzalez, owner of Primus Group, a furniture and flooring wholesaler located in Overland Park, Kansas, acted as a figurehead and lent her name and service-disabled veteran status to a scheme that allowed another contractor to fraudulently obtain \$4.2 million in SDVOSB federal contracts. Gonzalez falsely claimed, on a Veterans Administration vendor verification form, that she owned 99% of Primus Group. This enabled her to obtain government contracts for a Johnson County flooring and furniture business that was ineligible to receive SDVOSB contracts. On July 5, 2022, Gonzalez was sentenced to 3 years' supervised release and ordered to pay a \$6,000 fine. Gonzalez previously pleaded guilty to wire fraud and was suspended from receiving government contracts. GSA OIG investigated this case jointly with VA OIG and DOL OIG.

CONSTRUCTION CONTRACTORS SENTENCED TO PRISON IN SERVICE-DISABLED VETERAN OWNED SMALL BUSINESS AND 8(A) FRAUD SCHEME

A GSA OIG investigation determined that Stephon Ziegler, owner of Zieson Construction Company (Zieson), acted as a figurehead and allowed Matthew McPherson and his co-conspirators to run the business and perform almost all of its daily functions. This allowed Zieson to fraudulently obtain \$335 million in federal contracts set aside for veteran and disadvantaged businesses that it was ineligible to receive. The investigation also found that Rusty Simon, owner of Simcon Corp., whose company was eligible for SBA 8(a) disadvantaged business set-aside contracts, received payments from Michael Dingle to allow Dingle, McPherson, and Matthew Torgeson to use Simcon's name and status to fraudulently obtain \$11.3 million in such contracts. On September 22, 2022, Dingle was sentenced to 8 years' incarceration with 3 years of supervised release. Dingle was also ordered to forfeit over \$4.6 million and pay \$615,847 in restitution to the IRS. On May 12, 2022, Ziegler was sentenced to 12 months' incarceration with 3 years of supervised release. Previously, McPherson and Simon were sentenced for their roles in the scheme and a court ordered forfeitures totaling more than \$12.2 million from the alleged co-conspirators and their affiliated companies. GSA OIG investigated this case with DCIS, VA OIG, SBA OIG, IRS-CI, USDA OIG, USSS, DOL OIG, Army CID, AFOSI, and NCIS.

GUILTY VERDICT, SENTENCING BASED ON ILLEGAL ACCESS TO GSA'S SYSTEM FOR AWARD MANAGEMENT

A GSA OIG investigation revealed that the SAM account of a government vendor was fraudulently accessed, and the vendor's bank account information was altered to deliberately misdirect government payments into an account controlled by Hurriyet Arslan. The illegal access was facilitated by a phishing attack through which the authorized user's credentials were obtained. On October 10, 2018, the Defense Logistics Agency attempted to issue a payment of \$23.4 million to the vendor, but those funds were illegally diverted into Arslan's account. On April 28, 2022, Arslan's co-conspirator, Sercan Oyuntur, was found guilty of conspiracy to commit wire, mail and bank fraud; bank fraud; use of unauthorized access devices to commit fraud; aggravated identity theft; and making false statements to law enforcement. Oyuntur fled the United States while awaiting sentencing. On September 20, 2022, Arslan was sentenced to 20 months' incarceration, 3 years' supervised release, and was ordered to pay over \$23.4 million in restitution jointly with co-conspirator Oyuntur. Arslan previously pleaded guilty to money laundering and conspiracy to commit mail, wire, and bank fraud. This case is being investigated by GSA OIG, DCIS, HSI, and DOJ.

FORMER GSA EMPLOYEE PLEADED GUILTY AND TWO GSA CONTRACTORS SENTENCED IN CORRUPTION SCHEME

A GSA OIG investigation found that Charles Jones, a former GSA Supervisory Construction Control Representative, received bribes and gratuities from Jennifer Strickland, President of SDC Contracting, LLC, and Daniel Crowe, President of Contractors USA Inc., in exchange for steering government contracts to their companies. On April 15, 2022, Strickland pleaded guilty to paying Jones over \$43,000 in bribes in return for favorable treatment on GSA construction contracts. On August 12, 2022, Strickland was sentenced to 18 months' monitored home confinement, 36 months' probation, fined \$20,000 and was ordered to forfeit \$43,500. On April 19, 2022, Crowe pleaded guilty to paying Jones over \$411,000 in gratuities for favorable treatment on GSA construction contracts. On August 30, 2022, Crowe was sentenced to 8 months' incarceration, 1 year of probation, and he was ordered to forfeit \$252,742. On June 17, 2022, Jones pleaded guilty to receiving bribes and is awaiting sentencing. GSA OIG investigated this case with the FBI, DCIS, and NCIS.

CIVIL SETTLEMENTS

HENSEL PHELPS CONSTRUCTION AGREED TO PAY \$2.8 MILLION TO RESOLVE SMALL BUSINESS SUBCONTRACTING FRAUD ALLEGATIONS

On May 6, 2022, Hensel Phelps Construction Company agreed to pay \$2.8 million to resolve allegations that it improperly manipulated a federal subcontract designated for a business owned and operated by a service-disabled veteran. The subcontract was awarded under Hensel Phelps Construction's GSA contract to construct the Armed Forces Retirement Home's New Commons and Health Care Building located in the District of Columbia. GSA OIG investigated this case with VA OIG, DCIS, DHS OIG, AFOSI, Army CID, and NCIS.

DAKOTA OUTERWEAR AGREED TO \$1 MILLION SETTLEMENT TO RESOLVE FALSE CLAIMS ACT VIOLATIONS

On May 26, 2022, Dakota Outerwear, a GSA contract holder, agreed to pay \$1 million to resolve allegations that the company violated the False Claims Act by supplying counterfeit military clothing and other goods that did not comply with the Trade Agreements Act or Berry Amendment. This investigation revealed that, between 2013 and 2018, multiple individuals and companies supplied counterfeit military uniforms and equipment made in China and Pakistan through GSA contracts. We previously reported that Terry Roe, Sales Manager, Dakota Outerwear, conspired with Ramin Kohanbash, owner of California Surplus, Inc., FR-HQ LLC, and Gan Eden LLC; and Bernard Klein, owner of the Almont Group, to manufacture (using other unnamed/uncharged companies) and supply Dakota with uniforms and equipment made in China and Pakistan, while claiming they were Berry Amendment and Trade Agreements Act compliant.

Previously, Kohanbash pleaded guilty to conspiring to commit wire fraud and agreed to forfeit \$20 million. In addition, Kohanbash agreed to pay \$694,398 to settle a claim under the False Claims Act and is awaiting sentencing. Kohanbash and his businesses were indefinitely suspended from federal procurements.

Additionally, Klein was previously arrested and pleaded guilty to an information charging him with conspiracy to commit mail fraud. Klein admitted to conspiring with Kohanbash to supply the counterfeit goods, including some items that did not meet standards for flame resistance or possess the required near-infrared signature management technology to make the wearer more difficult to detect with night-vision goggles. Klein agreed to pay \$348,000 to settle a claim under the False Claims Act. Klein was also sentenced to 18 months' incarceration, 3 years' supervised release, and was ordered to pay a \$15,000 fine and \$200,000 in restitution. Klein and his businesses were also indefinitely suspended from federal procurements. GSA OIG investigated the case with DCIS, HSI, and AFOSI.

VE SOURCE LLC AND OWNERS AGREED TO PAY OVER \$7.9 MILLION TO RESOLVE FALSE CLAIMS ALLEGATIONS

On August 2, 2022, VE Source LLC, a government contract holder, agreed to pay \$7.6 million under a consent judgment for its role in a scheme to defraud the federal government by falsely claiming that VE Source was eligible for government contracts set aside for SDVOSBs. VE Source services included specialty textile apparel design, raw material sourcing, and product manufacturing. Additionally, the company's owners, Sherman Barton and Christopher Neary, and a related entity, Vertical Source LLC, finalized a civil settlement agreement and agreed to pay \$75,000, \$120,000, and \$180,000 respectively, to resolve allegations they violated the False Claims Act. GSA OIG investigated this case with USDA OIG and DCIS.

CAPE HENRY ASSOCIATES AGREED TO PAY \$425,000 TO SETTLE FALSE CLAIMS ALLEGATIONS

On May 18, 2022, Cape Henry Associates (CHA), a GSA contract holder, agreed to pay \$425,000 and take other corrective actions to resolve allegations that it failed to disclose relevant information to contracting officers about two separate conflict of interest issues related to their government contracts. First, an officer of CHA allegedly held an undisclosed ownership interest in KOVA Global, a CHA subcontractor. Second, CHA allegedly failed to disclose a conflict of interest arising from the advisory and assistance services performed by Q.E.D. Systems, Inc., a CHA subcontractor, in 2015. GSA OIG investigated this case with DCIS, Army CID, DCAA, and NCIS.

INVESTIGATIONS OF SENIOR OFFICIALS

FORMER GSA OFFICIAL SENTENCED FOR RECEIVING ILLEGAL GRATUITY

A GSA OIG investigation determined that Kevin Richards, the former GS-15, Director of Real Estate Acquisition in PBS for the New England Region, held an outside position as a licensed real estate agent for a real estate company for 3 years. Without disclosing his relationship with the company owner to GSA, Richards notified that person about a job opening within his purview, substantively edited the applicant's resume, provided confidential GSA interview questions, and hired this person. Richards also recommended and obtained approval from other GSA officials for this new employee to receive an above-normal salary and an increased accrual rate for annual leave. Although Richards received no commissions from his outside employment at the real estate company for almost 2 years, shortly after the company owner began working for GSA, this person chose Richards to be a listing agent for two different properties and paid Richards a \$10,250 commission when one of the properties sold. Additionally, when Richards filed his financial disclosure report for 2020 with GSA, he falsely stated that he had not held any positions outside GSA that year. The investigation found when Richards filed his 2020 federal tax returns, he reported a net loss of \$14,592 working for the real estate company. Richards previously pleaded guilty to receiving illegal gratuity as a public official and making false statements to a federal agency. On July 12, 2022, he was sentenced to 4 months' incarceration, 1 year of supervised release, ordered to pay a \$7,500 fine, and forfeit \$10,250.

FLEET CARD FRAUD

The Office of Investigations collaborates with GSA's Fleet Loss Prevention Team to prevent, detect, and investigate fraud involving GSA's government-wide Fleet Program. These investigations have uncovered unauthorized personal use of GSA Fleet credit cards, fraudulent charges by vehicle repair and maintenance facilities for work not rendered, and complex credit card skimming operations led by organized criminal groups.

During this reporting period, our Fleet card fraud investigations resulted in 16 arrests and 5 pretrial diversion agreements.

One Fleet card investigation found that between 2018 and 2021, Umer Hassan Mir, while working as the manager of a gas station in Metuchen, New Jersey, collected and saved the credit card numbers from at least 17 people who purchased fuel, including transactions made with GSA fuel cards for vehicles owned by GSA. Mir later used the fuel card numbers to manually enter fictitious purchases into the gas station's point of sale system and withdrew cash in the amount of the fraudulent sales. On July 12, 2022, Mir pleaded guilty to fraud and related activity in connection with an access device, and he awaits sentencing.

Another investigation resulted in Emmanuel Nina-Perez, Jandry Artigas Reyes, and Iraldo Pereda-Mendez each pleading guilty to conspiracy to commit bank fraud and aggravated identity theft for their roles in a credit card skimming and fuel theft ring. They were jointly and severally ordered to forfeit \$38,372. Previously, Yarislani Padron-Cruz was sentenced to 4 years' imprisonment and 5 years' probation, and ordered to pay \$201,468 in restitution for her role in the scheme, and Yofre Napoleon Almonte was sentenced to 180 days' imprisonment.

Additionally, Shannon Wheeler, an employee of the Bureau of Indian Affairs, admitted to using multiple GSA Fleet cards to make over \$11,000 in fraudulent purchases for his personal benefit. On June 28, 2022, he pleaded guilty to theft and is awaiting sentencing.

WPA ART INVESTIGATIONS

The Works Progress Administration (WPA) was an employment program created in 1935 as a result of the staggering unemployment rate during the Great Depression. WPA artwork was produced by artists who created thousands of paintings, sculptures, and works on paper. The federal government loaned the available art to public agencies and nonprofit institutions throughout the nation. GSA is responsible for stewardship of the WPA artwork, which includes inventorying and accounting for the loaned pieces of art. This is an ongoing project, which now encompasses more than 23,000 pieces of WPA artwork.

As a direct result of the cooperative efforts between the OIG and the GSA Office of the Chief Architect's Fine Arts Program Office (FAP), two lost pieces of WPA artwork were recovered during this reporting period; "Wilmette Harbor" by Walter Burt Adams, and "The Wizard of Oz" by Ruth Harper. WPA artwork is not subject to public sale, but the comparative value of the two recovered pieces totals \$18,000. Since cooperative efforts between the OIG and FAP began in 2001, 793 WPA pieces have been recovered, with a comparative value of \$8,759,850.*

* This number includes all pieces of artwork recovered through the joint publicity/recovery efforts of the OIG and FAP. Not all recoveries require direct intervention by the OIG; some are direct "turn ins" to the FAP as result of our combined public information campaigns and/or internet searches which reveal the claim of ownership by the government.



"The Wizard of Oz" by Ruth Harper



"Wilmette Harbor" by Walter Burt Adams

OTHER SIGNIFICANT WORK

SUSPENSION AND DEBARMENT INITIATIVE

The Federal Acquisition Regulation (FAR) authorizes federal agencies to suspend or debar individuals or companies for the commission of any offense indicating a lack of business integrity or business honesty that directly affects the present responsibility of a government contractor or subcontractor. The OIG has made it a priority to refer to GSA instances of misconduct by individuals and companies so GSA can take appropriate suspension and debarment actions and protect the government from fraud, waste, and abuse.

During this reporting period, the OIG made 28 referrals for consideration of suspension or debarment to the GSA Office of Acquisition Policy or other federal debarment officials. There were 73 actions issued based on current and previous OIG referrals.

INTEGRITY AWARENESS

The OIG presents Integrity Awareness Briefings nationwide to educate GSA employees on prevention of fraud, waste, and abuse. This period, we presented 28 briefings attended by 1,167 GSA employees, other government employees, and government contractors. These briefings explain the statutory mission of the OIG and the methods available for reporting suspected instances of wrongdoing. In addition, through case studies, the briefings make GSA employees aware of actual instances of fraud in GSA and other federal agencies and thus help to prevent their recurrence.

HOTLINE

The OIG hotline provides an avenue for employees and other concerned citizens to report suspected wrongdoing. Hotline posters located in GSA controlled buildings encourage employees to use the hotline. Our hotline also allows internet submission of complaints. During the reporting period, we received 783 hotline contacts. Of these, 58 were referred to GSA program officials for review and appropriate action, 8 were referred to other federal agencies, 21 were referred to the OIG Office of Audits, 1 was referred to the OIG Office of Counsel, and 73 were referred to investigative field offices for investigation or further review.

STATISTICAL SUMMARY OF OIG INVESTIGATIONS

April 1, 2022 – September 30, 2022

OFFICE OF INVESTIGATIONS	
Referrals for criminal prosecution, civil litigation, administrative action, suspension & debarment	148
Indictments and informations on criminal referrals*	35
Subjects accepted for criminal prosecution	46
Subjects accepted for civil action	15
Convictions	29
Civil settlements/judgments	7
Contractors/individuals suspended and debarred	73
Employee actions taken on administrative referrals involving government employees	1
Investigative Reports**	5
Number of subpoenas	36
Total Investigative Receivables and Recoveries***	\$53,596,241

* The total number of criminal indictments and criminal informations include all criminal charging documents resulting from any prior referrals to prosecutive authorities.

** The total number of investigative reports include reports of investigations and letterhead reports, which summarize the results of an official investigation and were referred to GSA officials for a response in consideration of taking administrative action or for information only.

*** This includes civil judgments and settlements; ordered criminal fines, penalties, and restitution; forfeiture; administrative recoveries; and recovered government property.

Investigative Workload

The OIG opened 37 investigative cases and closed 38 cases during this period.

Referrals

The OIG makes criminal and civil referrals to the DOJ or other authorities for prosecutive and 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.

Actions on OIG Referrals

Based on these and prior referrals, 46 subjects were accepted for criminal prosecution and 15 subjects were accepted for civil litigation. Criminal cases originating from OIG referrals resulted in 35 indictments or informations and 29 convictions. OIG civil referrals resulted in 7 subject settlements/judgments. Based on OIG administrative referrals, GSA management debarred 56 contractors or individuals, suspended 17 contractors or individuals, and took 1 personnel action against a government employee.

Table 4. Summary of OIG Referrals

TYPE OF REFERRAL	CASES	SUBJECTS
Civil	15	31
Criminal (DOJ)*	27	52
Criminal (State/Local)**	10	24
Administrative Referrals for Action/Response		13
Suspension	1	2
Debarment	7	26
TOTAL	60	148

* The total number of persons referred to DOJ for criminal prosecution includes both individuals and companies which have been referred to DOJ for criminal prosecutorial consideration.

** The total number of persons referred to state and local authorities includes both individuals and companies which have been referred to authorities, other than DOJ, for criminal prosecution. Referrals to military authority for prosecution under the Uniform Code of Military Justice are also included in this metric.

Monetary Results

Table 5 presents the amounts of fines, penalties, settlements, recoveries, forfeitures, judgments, and restitutions payable to the U.S. government as a result of criminal and civil actions arising from OIG referrals. Table 6 presents the amount of administrative recoveries and forfeitures as a result of investigative activities. Criminal, civil, and other monetary recoveries arising from our work totaled more than \$53 million.

Table 5. Criminal and Civil Results

	CRIMINAL	CIVIL
Fines and Penalties	\$50,500	
Settlements/Judgments		\$12,204,110
Recoveries/Forfeitures	\$14,465,847	
Restitutions	\$25,970,790	
TOTAL	\$40,487,137	\$12,204,110

Table 6. Non-Judicial Recoveries*

Administrative Recoveries	\$904,994
Forfeitures/Restitution	\$0
TOTAL	\$904,994

* This total includes the FAR disclosures reported on page 24.

GOVERNMENT-WIDE POLICY ACTIVITIES

GOVERNMENT-WIDE POLICY ACTIVITIES

We regularly provide advice and assistance on government-wide policy matters to GSA, as well as to other federal agencies and committees of Congress.

In addition, as required by the Inspector General Act of 1978, as amended, we review existing and proposed legislation and regulations to determine their effect on the economy and efficiency of GSA's programs and operations and on the prevention and detection of fraud and mismanagement. Because of the central management role of GSA in shaping government-wide policies and programs, most of the legislation and regulations reviewed affect government-wide issues such as procurement, property management, travel, and government management and IT systems.

Interagency and Intra-Agency Committees and Working Groups

- **Council of the Inspectors General on Integrity and Efficiency (CIGIE).** The IG is a member of the CIGIE Budget, Investigations, and Legislation Committees. Through CIGIE, we also participate in the following:
 - **Pandemic Response Accountability Committee.** The Office of Audits and the Office of Investigations both participate in CIGIE's Pandemic Response Accountability Committee. The government's coronavirus response includes \$2.6 trillion in economic relief to individual citizens, loans for businesses, and support for hospitals and other medical providers, as well as economic relief for affected businesses; industries; and state, local, and tribal governments. The committee's mission is to promote transparency and ensure coordinated, comprehensive oversight of the government's spending and coronavirus response.
 - **Federal Audit Executive Council Information Technology Committee.** The Office of Audits participates in the Federal Audit Executive Council (FAEC) IT Committee. This committee provides a forum to share information and coordinate audits of significant IT issues with the OIG community and the federal government. The committee also develops and recommends best practices to be used by OIGs in addressing IT issues.
 - **Federal Audit Executive Council Digital Accountability and Transparency Act Working Group.** The Office of Audits participates in the FAEC Digital Accountability and Transparency Act (DATA Act) Working Group. The working group's mission is to assist the OIG community in understanding and meeting its DATA Act oversight requirements by: (1) serving as a working-level liaison with the U.S. Department of the Treasury, (2) consulting with the GAO, (3) developing a common review approach and methodology, and (4) coordinating key communications with other stakeholders. The Office of Audits participates in the working group to stay abreast of the latest DATA Act developments in order to monitor GSA's implementation of the DATA Act.

- **Federal Audit Executive Council Contracting Committee.** The Office of Audits participates in the FAEC Contracting Committee. The committee is involved with addressing contract, program, and acquisition management issues that have common interest throughout the OIG community. The committee shares information on audit topics, successful audits, and related techniques.
- **Diversity, Equity, Inclusion, and Accessibility Working Group.** The IG participates in CIGIE’s Diversity, Equity, Inclusion, and Accessibility (DEIA) Working Group, which seeks to promote DEIA throughout the OIG community. This working group is an important resource; it guides our strategy on how to engage our workforce and enhance our workplace environment to deliver maximum value to the diverse public we serve.
- **Enterprise Risk Management Working Group.** The Office of Audits participates in CIGIE’s Enterprise Risk Management (ERM) Working Group. The working group’s mission is to contribute to the promotion and implementation of ERM principles in accordance with OMB Circular A-123, *Management’s Responsibility for Enterprise Risk Management and Internal Control*, within OIGs and their respective agencies. The Office of Audits participates in the working group as part of a collaborative effort with other OIGs to oversee the sharing of processes and best practices used to analyze, prioritize, and address risks identified and relevant to implementing ERM in the federal government.
- **Geospatial Data Act Working Group.** The Office of Audits participates in the Geospatial Data Act (GDA) Working Group. The working group’s mission is to assist the OIG community in understanding and meeting its GDA oversight requirements by: (1) consulting with the Federal Geospatial Data Committee, (2) developing a common review approach and methodology, and (3) coordinating key communications with other stakeholders. The Office of Audits participates to stay abreast of the latest GDA developments in order to monitor GSA’s compliance with GDA requirements.
- **Infrastructure Working Group.** The Office of Audits participates in CIGIE’s Infrastructure Working Group. The working group was established to share information and coordinate oversight of the Infrastructure Investment and Jobs Act. The Infrastructure Investment and Jobs Act provided \$1.2 trillion in funding for infrastructure programs across the transportation, energy, and water sectors through a combination of grants and loans. The working group shares information on oversight and audit issues.
- **Blue Book Working Group.** The Office of Inspections participates in the CIGIE Blue Book Working Group. The working group is comprised of inspection and evaluation (I&E) professionals from the IG community who worked to review, update, and revise the CIGIE Quality Standards for Inspection and Evaluation (Blue Book) issued in December 2020. The working group continues to provide education and instruction on the revised Blue Book standards.

- **Inspection and Evaluation Peer Review Working Group.** The Office of Inspections participates in the I&E Peer Review Working Group. The working group is comprised of I&E professionals from the IG community responsible for promulgating and interpreting the Guide for Conducting Peer Reviews of Inspection and Evaluation Organizations of Federal Offices, along with administering the 3-year cycle of peer reviews. The working group updated the Guide in December 2021 to coincide with the new Blue Book published in December 2020. Currently, the working group is continuing to provide education and instruction on the external peer review process.
- **Collaboration Working Group.** The Office of Inspections participates in CIGIE’s Collaboration Working Group. The working group is comprised of I&E professionals from the IG Community who are working to enhance the I&E collaboration site. The working group continues to identify best practices, templates, and other items to encourage collaboration across the IG Community.
- **Inspection and Evaluation Roundtable.** The Office of Inspections participates in the CIGIE I&E Roundtable. The Roundtable provides a forum to share information and coordinate issues of importance within the OIG inspections and evaluations community.
- **Data Analytics Working Group.** The Office of Investigations participates in the CIGIE Data Analytics Working Group. The working group’s projects include identifying new data analytics methods and techniques, sharing information about data and data sources available to the OIG community, and identifying crosscutting initiatives using data analytics to detect fraud.
- **Investigations Training Subcommittee.** The Office of Investigations participates in the CIGIE Investigations Training Subcommittee. The subcommittee establishes and promotes training resources for investigative staff throughout the OIG community.
- **Investigations Undercover Review Committee.** The Office of Investigations participates in the CIGIE Undercover Review Committee. This committee provides recommendations and approvals on the suitability of undercover operations involving sensitive circumstances in accordance with CIGIE and Attorney General’s guidelines.

- **DOJ Antitrust Division’s Procurement Collusion Strike Force (PCSF).** The Office of Investigations is a partner agency of the PCSF. The PCSF leads a coordinated national response to combat antitrust crimes and related schemes in government procurement, grant, and program funding at all levels of government-federal, state, and local.
- **DOJ Civil Cyber-Fraud Initiative Working Group.** GSA OIG investigators, attorneys, and auditors participate in the OIG’s partnership with the Civil Cyber- Fraud Initiative Working Group. The working group leverages the False Claims Act to hold accountable entities or individuals that put U.S. information or systems at risk by knowingly providing deficient cybersecurity products or services, misrepresenting their cybersecurity practices or protocols, or violating obligations to monitor and report cybersecurity incidents and breaches.



Photo: John Minor Wisdom U.S. Court of Appeals Building, New Orleans, LA

APPENDIXES

APPENDIX I

ACRONYMS AND ABBREVIATIONS

4P Tool	Price Point Plus Portal Tool	GDA	Geospatial Data Act of 2018
AFOSI	U.S. Air Force Office of Special Investigations	GMP	Guaranteed Maximum Price
Army CID	U.S. Army Criminal Investigation Division	GPC	Government purchase card
BCPO	Big Crow Program Office	GSA	General Services Administration
BOP	Bureau of Prisons	HHS	Department of Health and Human Services
CDC	Centers for Disease Control and Prevention	HSI	Homeland Security Investigations
CICA	Competition in Contracting Act of 1984	HUBZone	Historically Underutilized Business Zone
CIGIE	Council of the Inspectors General on Integrity and Efficiency	HVAC	Heating, Ventilation, and Air Conditioning
CMc	Construction Manager as Constructor	I&E	Inspection and evaluation
COVID-19	Coronavirus disease 2019	IJA	Infrastructure Investment and Jobs Act
CSP	Commercial Sales Practices	IRS-CI	Internal Revenue Service Criminal Investigations Division
DATA Act	Digital Accountability and Transparency Act of 2014	IT	Information technology
DCAA	Defense Contract Audit Agency	ITP	Insider Threat Program
DCIS	Defense Criminal Investigative Service	MAS	Multiple Award Schedules
DEIA	Diversity, Equity, Inclusion, and Accessibility	MERV	Minimum Efficiency Reporting Value
DHS	Department of Homeland Security	MSC	Metropolitan Service Center
DoD	Department of Defense	NCIS	Naval Criminal Investigative Service
DOE	Department of Energy	NCR	National Capital Region
DOJ	Department of Justice	O&M	Operations and maintenance
DOL	Department of Labor	OCFO	Office of the Chief Financial Officer
DOS	Department of State	OIG	Office of Inspector General
EOs	Executive Orders	OMB	Office of Management and Budget
EPA	Environmental Protection Agency	PBS	Public Buildings Service
ERM	Enterprise Risk Management	PCSF	Procurement Collusion Strike Force
ESPC	Energy Savings Performance Contract	RETA	RWA Entry and Tracking Application
FAEC	Federal Audit Executive Council	RWA	Reimbursable Work Authorization
FAP	Fine Arts Program	SAM	System for Award Management
FAR	Federal Acquisition Regulation	SBA	Small Business Administration
FAS	Federal Acquisition Service	SDVOSB	Service-Disabled Veteran-Owned Small Business
FBI	Federal Bureau of Investigation	TDR	Transactional Data Reporting
FSH	Fire, Safety and Health	Treasury	Department of the Treasury
FY	Fiscal Year	U.S.C.	United States Code
GAO	Government Accountability Office	USDA	U.S. Department of Agriculture
		USSS	United States Secret Service
		WAPA	Western Area Power Administration
		WPA	Works Progress Administration

APPENDIX II

SIGNIFICANT RECOMMENDATIONS FROM PRIOR REPORTS

The GSA Office of the Chief Financial Officer, Office of Audit Management and Accountability is responsible for tracking the implementation of audit and inspection recommendations after a management decision has been reached, and thus furnished the following status.

Prior Semiannual Reports to the Congress included eight reports with recommendations that have not yet been fully implemented. These recommendations are currently being implemented in accordance with established milestones.

AUDIT OF PBS LEASE ADMINISTRATION

Period First Reported: April 1, 2021 to September 30, 2021

Our audit objective was to determine if PBS administers lease contracts in accordance with GSA policies and regulations, oversees the completion of required annual inspections, and ensures that lessors comply with lease terms and conditions. We made three recommendations; one has not been implemented.

The remaining recommendation involves the PBS Commissioner reviewing, updating, and providing adequate lease administration manager training by ensuring training addresses the importance of obtaining and maintaining required documentation for proper lease administration. The recommendation is scheduled for completion by October 31, 2022.

EVALUATION OF THE GENERAL SERVICES ADMINISTRATION'S USE OF AN AD HOC APPRAISAL PROCESS FOR AN EXECUTIVE

Period First Reported: April 1, 2021 to September 30, 2021

Our objective was to examine the circumstances that resulted in an outside third-party disciplinary report used to determine a senior executive final summary rating for FY 2017. We made two recommendations which have not been implemented.

The recommendations included that the Administrator should take appropriate action to remedy the harm caused to the senior executive by a tainted performance review process that resulted in an unsatisfactory rating and in their removal from the Associate Administrator position, as well as the loss of any opportunity for a FY 2017 performance period pay increase or bonus. In addition, the GSA General Counsel and Chief Human Capital Officer should review current processes and procedures to ensure sufficient oversight of employee misconduct and disciplinary reviews, including timely referral to the OIG. The recommendations do not have a completion date.

UNRESTRICTED SUMMARY: FACILITY SECURITY INSPECTION OF A HIGH-RISK GSA BUILDING

Period First Reported: April 1, 2021 to September 30, 2021

Our objective of the inspection was to determine whether GSA had assessed, prioritized, and implemented facility security controls of a high-risk GSA building. We made two recommendations; one has not been fully implemented.

The recommendation addresses issues categorized as physical security information under GSA Order *Security for Sensitive Building Information Related to Federal Buildings, Grounds, or Property*, PBS 3490.3 CHGE 1, March 22, 2021. Therefore, the recommendation is not available to the public. However, the recommendation is scheduled for completion by October 31, 2022.

PBS HAS NOT IDENTIFIED ALL HIGH-RISK USES OF SPACE, RESULTING IN POTENTIAL SAFETY RISKS

Period First Reported: October 1, 2021 to March 31, 2022

Our audit objective was to determine whether PBS is performing fire, safety, and health space evaluations on GSA-controlled (both owned and leased) space to identify all high-risk uses of space, in accordance with PBS Order 1000.4 CHGE 1, *Fire, Safety and Health (FSH) Space Evaluation Policy* (space evaluation policy). We made five recommendations: four have not been implemented.

The recommendations involve the PBS Commissioner: (1) revising and strengthening the space evaluation policy, including the permit referenced in “Appendix B. GSA Fire, Safety and Health (FSH) Program Potentially High Risk Use Permit,” by using plain language and better defining policy terms and conditions; (2) developing and implementing a centralized tracking mechanism for all high-risk use space types in the PBS Real Estate Across the United States system; (3) providing formal, standardized training to the Office of Facilities Management, the Office of Portfolio Management and Customer Engagement, and the Office of Leasing regarding the space evaluation policy and the offices’ respective roles and responsibilities; and (4) developing and implementing appropriate internal controls to ensure program oversight of the space evaluation process. The recommendations are scheduled for completion by March 24, 2023.

AUDIT OF PBS’S MANAGEMENT OF ASBESTOS AT THE CHET HOLIFIELD FEDERAL BUILDING IN LAGUNA NIGUEL, CALIFORNIA

Period First Reported: October 1, 2021 to March 31, 2022

Our audit objective was to determine whether PBS adheres to applicable asbestos management laws, regulations, and policies at the Chet Holifield Federal Building in Laguna Niguel, California, to ensure the health and safety of individuals in the building. We made two recommendations; one has not been implemented.

The remaining recommendation involves the PBS Regional Commissioner of the Pacific Rim Region developing and implementing internal controls to ensure adherence to federal and state regulations and PBS policy for asbestos management. These controls should ensure that PBS develops and maintains an accurate, current, and complete Chet Holifield Federal Building asbestos-containing materials inventory. The recommendation is scheduled for completion by January 31, 2023.

AUDIT OF A HOTLINE COMPLAINT: PBS GREATER SOUTHWEST REGION’S OPERATIONS AND MAINTENANCE CONTRACTS

Period First Reported: October 1, 2021 to March 31, 2022

Our audit objectives were to determine whether PBS Greater Southwest Region: (1) conducted price reasonableness, realism, and responsibility determinations for the award of the 2017 operations and maintenance (O&M) contracts and the 2018 replacement O&M contracts in accordance with federal regulations and PBS national and regional policies; and (2) administered the O&M contracts in accordance with federal regulations, PBS national and regional policies, and contract terms and conditions. We made three recommendations; two have not been implemented.

The remaining recommendations involve the Greater Southwest PBS Regional Commissioner reviewing current O&M contracts and developing and implementing policies for current and future O&M contracts as follows: (1) when procuring O&M contracts, ensuring price reasonableness by: (a) using price analysis techniques recommended by the Federal Acquisition Regulation, such as evaluating labor, equipment and material, and subcontractor cost categories of price proposals; and (b) ensuring independent government estimates are prepared using detailed analysis of the required work, including appropriate staffing levels and labor rates, equipment and material costs, and subcontractor costs; and (2) when administering O&M contracts: (a) ensuring consistent application of the shared liability clause and seeking approval from contracting officers prior to requesting additional services work orders, (b) following contract terms and conditions for costs related to additional services performance, including the application of overhead on subcontract labor and reimbursement of contract labor for personnel to escort subcontractors, (c) enforcing staffing requirement in O&M contracts and ensuring consistent interpretation of prescriptive- and performance-based contract language, and (d) developing detailed quality assurance surveillance plans and performing and tracking quality assurance and building inspections in accordance with PBS policy and contract terms and conditions. The recommendations are scheduled for completion by December 15, 2022.

AUDIT OF GSA'S INSIDER THREAT PROGRAM

Period First Reported: October 1, 2020 to March 31, 2021

Our objective was to assess whether GSA's Insider Threat Program (ITP) has controls in place to prevent, deter, detect, and mitigate actions by trusted insiders who represent a potential threat to Agency personnel, facilities, operations, and resources. We made two recommendations which have not been implemented.

The recommendations involve the GSA Deputy Administrator and the ITP Senior Designated Official establishing effective controls to: (1) enhance cross-organizational communication and collaboration with the ITP by re-establishing consistent group collaboration with the Office of Human Resource Management, Office of GSA IT, the Office of the Chief Financial Officer, the Office of Mission Assurance, and other relevant offices to consult on broader, non-case-specific, insider-threat-related issues; and (2) enhance oversight of the employee separation and termination process by establishing procedures that ensure the ITP is informed and aware of insider threat risks posed by separated and terminated employees. The recommendations are scheduled for completion by October 31, 2022.

GSA'S NATIONAL CAPITAL REGION INTERNAL FLEET IS UNDERUTILIZED**Period First Reported: October 1, 2020 to March 31, 2021**

Our objective was to determine whether GSA managed its National Capital Region (NCR) internal fleet throughout FY 2019 in accordance with federal and GSA requirements. We made four recommendations; one has not been implemented.

The remaining recommendation involves the Office of Administrative Services Chief Administrative Services Officer evaluating the Executive Driver Program current usage against commercially available transportation sources and rates to balance needs and achieve cost savings beneficial to the Government. The recommendation is scheduled for completion by October 31, 2022.

APPENDIX III

AUDIT AND INSPECTION REPORT REGISTER

DATE OF REPORT	REPORT NUMBER	TITLE	FINANCIAL RECOMMENDATIONS	
			FUNDS BE PUT TO BETTER USE	QUESTIONED COSTS
(Note: Because some audits pertain to contract awards or actions that have not yet been completed, the financial recommendations related to these reports are not listed in this Appendix.)				
PBS PERFORMANCE AUDITS				
04/22/2022	A210018	Audit of the Security Controls for Building Automation Technologies in GSA Facilities		
05/09/2022	A190100	Audit of PBS's Approval Process for Minor Repair and Alteration Projects		
06/22/2022	A210033	Audit of Security Camera and Alarm Systems at GSA-Owned Buildings		
06/27/2022	A220053	Implementation Review of Corrective Action Plan: GSA's Public Buildings Service Does Not Track and Report All Unused Leased Space as Required, Report Number A160133/P/6/R18002, August 10, 2018		
09/15/2022	A220062	Implementation Review of Correction Action Plan: Audit of PBS's Lease Extensions and Holdovers, Report Number A190033/P/R/R20007, June 22, 2020		
09/23/2022	A210039	Audit of PBS NCR's Metropolitan Service Center Reimbursable Work Authorizations		
09/23/2022	A220060	Implementation Review of Corrective Action Plan: PBS's \$1.7 Billion Energy Savings Performance Contracts Are Not Achieving Energy and Cost Savings Due to Inadequate Oversight, Report Number A180017/P/5/R20004, March 27, 2020		
09/30/2022	A201018	COVID-19: PBS Faces Challenges in Its Efforts to Improve Air Filtration in GSA-Controlled Facilities		
PBS CONTRACT AUDITS				
04/22/2022	A210079	Independent Examination of a Claim: FEI-Winmar Joint Venture, Contract Number GS-11-P-17-MK-C-0017		
08/15/2022	A220015	Independent Examination of a Claim: At Your Service Companies, LLC, Contract Number GS-09P-09-KS-D-0229		
09/15/2022	A220021	Independent Examination of a Cost Accounting Standards Board Disclosure Statement: Brasfield & Gorrie, LLC, Contract Number 47PD0121C0005		
FAS PERFORMANCE AUDITS				
07/27/2022	A201045	FAS's Use of the 4P Tool on Contract and Option Awards Often Results in Noncompliant Price Determinations		
09/30/2022	A200975	FAS Cannot Provide Assurance That MAS Contract Pricing Results in Orders Achieving the Lowest Overall Cost Alternative		

DATE OF REPORT	REPORT NUMBER	TITLE	FINANCIAL RECOMMENDATIONS	
			FUNDS BE PUT TO BETTER USE	QUESTIONED COSTS
FAS CONTRACT AUDITS				
04/19/2022	A210056	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Reston Consulting Group, Inc., Contract Number GS-35F-457GA		
04/26/2022	A210061	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Research Management Consultants Inc., Contract Number GS-35F-493GA		
04/26/2022	A210065	Independent Preaward Examination of Multiple Award Schedule Contract Extension: NTT Data Federal Services, Inc., Contract Number GS-35F-518GA		
05/12/2022	A220023	Independent Limited Scope Postaward Examination of Multiple Award Schedule Contract: Axiologic Solutions, LLC, Contract Number GS-35F-159DA		\$868,640
05/25/2022	A210078	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Java Productions, Inc., Contract Number GS-35F-0637T		
06/03/2022	A220020	Independent Preaward Examination of Multiple Award Schedule Contract Extension: DCI, Inc., Contract Number 47QSMA18D0004		
06/13/2022	A210047	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Signet Technologies, Inc., Contract Number GS-07F-0322T		
06/29/2022	A210077	Independent Preaward Examination of Multiple Award Schedule Contract Extension: IntelliWare Systems, Inc., Contract Number GS-10F-0473Y		\$38,538
07/26/2022	A220025	Independent Preaward Examination of Multiple Award Schedule Contract: Hill ASC, Inc., Solicitation Number 47QSMD20R0001		
07/29/2022	A210058	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Lyme Computer Systems, Inc., Contract Number GS-35F-465GA		\$5,618
08/12/2022	A220045	Independent Preaward Examination of Multiple Award Schedule Contract: Dexis Interactive, Contract Number GS-10F-098AA		
08/23/2022	A201029	Independent Limited Scope Postaward Examination of Multiple Award Schedule Contract: Capp, Inc., Contract Number GS-21F-0116X		\$277,956
09/26/2022	A210080	Independent Preaward Examination of Multiple Award Schedule Contract: Maximus Federal Services, Inc., Contract Number GS-35F-685GA		\$249,855
OTHER PERFORMANCE AUDITS				
05/27/2022	A220018	GSA Complied with the Payment Integrity Information Act in Fiscal Year 2021		

APPENDIX IV OIG REPORTS OVER 12 MONTHS OLD, FINAL AGENCY ACTION PENDING

Section 6009 of the Federal Acquisition Streamlining Act of 1994, Public Law 103-55, as amended by Section 810 of Public Law 104-106, requires the head of a federal agency to complete final action on each management decision required with regard to a recommendation in an Inspector General’s report within 12 months after the date of the report. If the head of the agency fails to complete final action within the 12-month period, the Inspector General shall identify the matter in the semiannual report until final action is complete.

The Office of Audit Management and Accountability provided the following list of reports with action items open beyond 12 months:

DATE OF REPORT	REPORT NUMBER	TITLE
CONTRACT AUDITS		
03/30/2017	A150001	Preaward Examination of Multiple Award Schedule Contract Extension: Noble Sales Co., Inc., Contract Number GS-06F-0032K
05/27/2020	A190070	Independent Postaward Examination of Multiple Award Schedule Contract: KPaul Properties, LLC, Contract Number GS-21F-0095U
06/02/2020	A200959	Independent Postaward Examination of Multiple Award Schedule Contract: Exponent, Inc., Contract Number GS-23F-0390K
09/29/2020	A190088	Independent Preaward Examination of Multiple Award Schedule Contract Extension: United Rentals, Inc., Contract Number GS-06F-0068R
11/02/2020	A180025	Independent Limited Scope Postaward Examination of Multiple Award Schedule Contract Extension: CSP Enterprises, LLC, Contract Number GS-35F-045BA
02/11/2021	A200986	Independent Examination of a Claim: Balfour Beatty Construction, LLC, Contract Number GS-11-P-17-MM-C-0002
03/31/2021	A201040	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Invictus International Consulting, LLC, Contract Number GS-35F-305DA
06/09/2021	A201000	Independent Examination of a Claim: Berkel & Company Contractors, Inc., Subcontractor to Balfour Beatty Construction, LLC, Contract Number GS-11-P-17-MM-C-0002
08/27/2021	A200997	Independent Examination of a Claim: Kirlin Design Build, LLC, Subcontractor to Balfour Beatty Construction, LLC, Contract Number GS-11-P-17-MM-C-0002
09/17/2021	A201024	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Promark Technology, Inc., Contract Number GS-35F-303DA
09/28/2021	A210024	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Slalom, LLC, Contract Number GS-35F-053GA
09/30/2021	A201025	Independent Preaward Examination of Multiple Award Schedule Contract Extension: Hyland Software, Inc., Contract Number GS-35F-249DA

DATE OF REPORT	REPORT NUMBER	TITLE	PROJECTED FINAL ACTION DATE
INTERNAL AUDITS			
02/17/2021	A190016	Audit of GSA's Insider Threat Program	10/31/2022
09/21/2021	A201011	Audit of PBS Lease Administration	10/31/2022

DATE OF REPORT	REPORT NUMBER	TITLE	PROJECTED FINAL ACTION DATE
INSPECTION REPORTS			
02/25/2021	JE21-001	GSA's National Capital Region Internal Fleet is Underutilized	10/31/2022
09/14/2021	JE21-002	Evaluation of the General Services Administration's Use of an Ad Hoc Appraisal Process for an Executive	none
09/30/2021	JE21-003	Unrestricted Summary: Facility Security Inspection of a High Risk GSA Building	10/31/2022

APPENDIX V

OIG REPORTS WITHOUT MANAGEMENT DECISION

Section 5(a)(10)(A) of the Inspector General Act of 1978, as amended, requires a summary of each report issued before the commencement of the reporting period for which no management decision has been made by the end of the reporting period.

There are no OIG reports that meet this requirement this reporting period.

APPENDIX VI MANAGEMENT DECISIONS REVISED OR WITH WHICH THE INSPECTOR GENERAL IS IN DISAGREEMENT

Section 5(a)(11) of the Inspector General Act of 1978, as amended, requires a description and explanation of the reasons for any significant revised management decision made during the reporting period. Section 5(a)(12) of the Act requires information concerning any significant management decision with which the Inspector General is in disagreement. There were no such decisions during this reporting period.

APPENDIX VII

PEER REVIEW RESULTS

Section 5(a) (14)-(16) of the Inspector General Act of 1978, as amended, requires each Inspector General to submit an appendix containing the results of any peer review conducted by another Office of Inspector General (OIG) during the reporting period or, if no peer review was conducted, a statement identifying the date of the last peer review conducted; a list of any outstanding recommendations from any peer review conducted by another OIG that have not been fully implemented, the status of the recommendation, and an explanation why the recommendation is not complete; and a list of any peer reviews conducted by the OIG of another Office of Inspector General during the reporting period, including a list of any outstanding recommendations made from any previous peer review that have not been fully implemented.

In FY 2021, the GSA OIG Office of Audits underwent a peer review by the Department of Labor OIG. On September 30, 2021, the Office of Audits received a peer review rating of “pass.” The peer review team found that the Office of Audits’ system of quality control is suitably designed and complied with to provide it with reasonable assurance of performing and reporting in conformity with the quality standards established by CIGIE in all material aspects. No outstanding recommendations exist from any peer review conducted by another OIG.

Also in FY 2021, the GSA OIG Office of Inspections underwent a peer review by the Library of Congress OIG and Architect of the Capital OIG. The peer review team found the Office of Inspections’ policies and procedures generally met the selected seven standards established in the January 2012 CIGIE Quality Standards for Inspection and Evaluation. The peer review team also found the selected report generally met the quality standards and complied with the Office of Inspections’ internal policies and procedures. No outstanding recommendations exist for the Office of Inspections.

In FY 2022, the GSA OIG Office of Inspections conducted a peer review of the United States Office of Personnel Management, Office of Evaluations. The peer review team found the Office of Evaluations’ policies and procedures generally met the selected seven standards established in the January 2012 CIGIE Quality Standards for Inspection and Evaluation. The peer review team also found the selected report generally met the quality standards and complied with the Office of Evaluations’ internal policies and procedures. No outstanding recommendations exist for external peer reviews performed by GSA OIG Office of Inspections.

In FY 2020, the GSA OIG Office of Investigations underwent a peer review by the Department of Education OIG and received a passing rating. The peer review team found that the systems of internal safeguards and management procedures for the Office of Investigations complied with the standards established for investigations by the Attorney General Guidelines and CIGIE. There were no outstanding recommendations from prior peer reviews.

APPENDIX VIII

GOVERNMENT CONTRACTOR SIGNIFICANT AUDIT FINDINGS

The National Defense Authorization Act for FY 2008, Public Law 110-181, Section 845, requires each IG appointed under the Inspector General Act of 1978, as amended, to submit an annex on final, completed contract audit reports issued to the contracting activity as part of its Semiannual Report to the Congress.

The annex addresses significant audit findings — unsupported, questioned, or disallowed costs in excess of \$10 million — or other significant contracting issues. During this reporting period, there are no OIG reports that met these requirements.

APPENDIX IX UNIMPLEMENTED RECOMMENDATIONS

UNIMPLEMENTED RECOMMENDATIONS FROM REPORTS ISSUED BEFORE THE COMMENCEMENT OF THIS SEMIANNUAL REPORTING PERIOD

The table below provides a summary of each audit, inspection, or evaluation report issued before the commencement of the reporting period for which there are any outstanding unimplemented recommendations, including the aggregate potential cost savings of those recommendations.

RECOMMENDATIONS UNIMPLEMENTED THAT ARE IN PROCESS			
FISCAL YEAR	TITLE	NUMBER OF UNIMPLEMENTED RECOMMENDATIONS	POTENTIAL COST SAVINGS
2021	Audit of GSA's Insider Threat Program	2	\$0
2021	Audit of PBS Lease Administration	1	\$0
2021	GSA's National Capital Region Internal Fleet is Underutilized	1	\$2,073,129
2021	Evaluation of the General Service Administration's Use of an Ad Hoc Appraisal Process for an Executive	2	\$0
2021	Unrestricted Summary: Facility Security Inspection of a High-Risk GSA Building	1	\$0
2022	Audit of a Hotline Complaint: PBS Greater Southwest Region's Operations and Maintenance Contracts	2	\$0
2022	Audit of PBS's Management of Asbestos at the Chet Holifield Federal Building in Laguna Niguel, California	1	\$0
2022	PBS Has Not Identified All High-Risk Uses of Space, Resulting in Potential Safety Risks	4	\$0
Totals:	8	14	\$2,073,129

RECOMMENDATIONS UNIMPLEMENTED DUE TO AGENCY MANAGEMENT DISAGREEMENT

The table below provides a summary of each audit, inspection, or evaluation report for which there are any outstanding unimplemented recommendations due to an Agency management decision with which the Inspector General is in disagreement.

RECOMMENDATIONS UNIMPLEMENTED DUE TO DISAGREEMENT			
FISCAL YEAR	TITLE	NUMBER OF UNIMPLEMENTED RECOMMENDATIONS	POTENTIAL COST SAVINGS
2017	GSA's Decisions to Vacate And Renovate the Leased Federal Courthouse in Pensacola Are Based on Faulty Premises	2	\$0
2017	PBS National Capital Region's \$1.2 Billion Energy Savings Performance Contract for White Oak was Not Awarded or Modified in Accordance with Regulations and Policy	3	\$0
2018	Evaluation of GSA Nondisclosure Policy	1	\$0
2019	Evaluation of GSA's Management and Administration of the Old Post Office Building Lease	1	\$0
2021	GSA's Transactional Data Reporting Pilot Is Not Used to Affect Pricing Decisions	2	\$0
Totals:	5	9	\$0

APPENDIX X

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 required by the National Defense Authorization Act for Fiscal Year 2008 and the Federal Acquisition Streamlining Act of 1994, as amended, are also cross-referenced to the appropriate pages of the report.

REQUIREMENTS INSPECTOR GENERAL ACT OF 1978, AS AMENDED		PAGE
SECTION		
4(a)(2)	Review of Legislation and Regulations	50
5(a)(1)	Significant Problems, Abuses, and Deficiencies	i, 6
5(a)(2)	Recommendations with Respect to Significant Problems, Abuses, and Deficiencies	8-22
5(a)(3)	Prior Recommendations Not Yet Implemented	57-61
5(a)(4)	Matters Referred to Prosecutive Authorities	46-47
5(a)(5) and 6(c)(2)	Summary of Instances Where Information Was Refused	none
5(a)(6)	List of OIG Reports	62-63
5(a)(7)	Summary of Each Particularly Significant Report	8-23
5(a)(8)	Statistical Tables on Management Decisions on Questioned Costs	28
5(a)(9)	Statistical Tables on Management Decisions on Recommendations That Funds Be Put to Better Use	27
5(a)(10)(A)	Summary of OIG Reports Issued Before the Commencement of the Reporting Period Which No Management Decision Has Been Made	none
5(a)(10)(B)	Summary of OIG Reports Issued Before the Commencement of the Reporting Period Which No Agency Comment was Returned within 60 Days	none
5(a)(10)(C)	Summary of OIG Reports Issued Before the Commencement of the Reporting Period for Which there are Unimplemented Recommendations	70-71
5(a)(11)	Description and Explanation for Any Significant Revised Management Decision	none
5(a)(12)	Information on Any Significant Management Decisions with Which the Inspector General Disagrees	none
5(a)(13)	Compliance with Federal Financial Management Improvement Act	none
5(a)(14)-(16)	Peer Review Results	68
5(a)(17)	Statistical Tables of Investigation Metrics	46-48
5(a)(18)	Description of Investigation Metrics	46-47
5(a)(19)	Investigations of Senior Employees where Misconduct was Substantiated	42
5(a)(20)	Description of any Instance of Whistleblower Retaliation	none
5(a)(21)	Description of any Attempt by the Agency to Interfere with OIG Independence	none
5(a)(22)(A)	Description of each Inspection, Evaluation and Audit Not Publicly Disclosed	62-63
5(a)(22)(B)	Description of Investigations involving a Senior Government Employee Not Publicly Disclosed	42
OTHERS		
PL 103-355, Sec 6009	Management Decisions and Implementation of Audit Recommendations	64
PL 110-181, Sec. 845	Government Contractor Significant Findings	69



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Photo: Staircase alcove in former General Post Office, Tariff Building; now the Monaco Hotel, Washington, D.C.



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