



SEMIANNUAL REPORT TO THE CONGRESS



OFFICE OF INSPECTOR GENERAL

U.S. GENERAL SERVICES ADMINISTRATION

October 1, 2019 – March 31, 2020

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MESSAGE FROM THE IG



As of March 31, 2020, the office ended another 6-month reporting period of oversight activities.

During this reporting period, our audit to determine if GSA provides safe and secure environments for children and staff at GSA child care centers found significant security vulnerabilities at all 11 child care centers we tested. We found security countermeasures unimplemented and centers that did not meet minimum security standards. GSA operates 100 such centers nationwide caring for more than 7,000 children. These are serious issues and I am pleased to report that they have the attention of senior agency leadership and congressional staff.

In another significant audit, we found that GSA's flawed use of its pricing tools is resulting in invalid price determinations for government service contracts. We have urged GSA to ensure that the data in these automated tools is correct and less prone to human error and that the agency improve the documentation of its price analyses. While GSA management agreed with these recommendations, they rejected our recommendation that the agency cease use of two of the tools until good policy and controls are in place. This carries significant risk that the government may overpay for services.

We continue to find and aggressively investigate cases of contractors importing foreign-made goods and fraudulently selling them to the U.S. government as being American-made. Last period, we reported on the conviction of Ramin Kohanbash for trafficking counterfeit military equipment yielding a recovery of more than \$20 million to the U.S. government. During this period, Daren Arakelian pleaded guilty to misrepresenting that more than \$1.7 million of Chinese-made military and law enforcement tactical gear sold to the government was manufactured in the United States. Additionally, our agents executed search and arrest warrants in two other similar cases; one in New York and one in Northern Virginia.

I am particularly pleased to report that our investigative data analytics capability continues to strengthen and yield results. In January, our investigative efforts led to the successful prosecution of Hurriyet Arslan for his role in a scheme that involved illegally accessing and manipulating a government contractor's account in GSA's System for Award Management (SAM) in order to fraudulently divert a \$23.4 million government payment to Arslan's own bank account. Additionally, one of Arslan's co-conspirators has now been indicted. Our use of data analytics significantly aided in this and other related investigations by providing a robust platform to digest and analyze the data from SAM. Thanks to additional funding from Congress, we have recently hired additional technical experts to strengthen our data analytics team.

As always, our work would not be possible without the talent and dedication of the people who are the GSA OIG. My thanks to them, and to GSA and Congress for their support of our efforts.

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

Carol F. Ochoa
Inspector General
March 31, 2020



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, and 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.

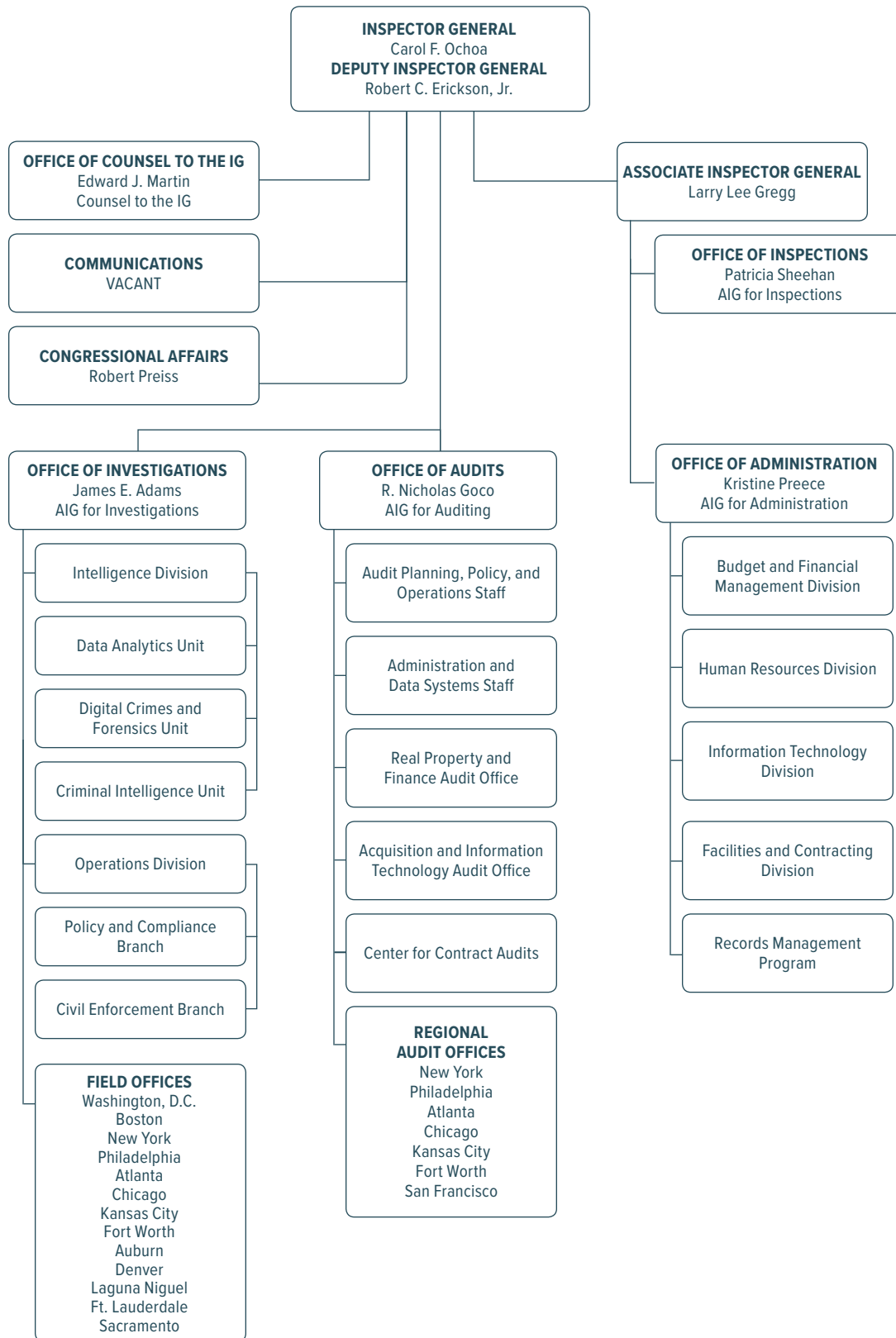
Field and Regional Offices:

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

STAFFING AND BUDGET

As of March 31, 2020, our on-board staffing level was 299 employees. The OIG's Fiscal Year 2020 budget is \$67 million in annual appropriated funds plus \$600 thousand in reimbursable authority.

OIG ORGANIZATION CHART



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 have identified for GSA for Fiscal Year 2020.

CHALLENGE	BRIEF DESCRIPTION OF CHALLENGE
Establishing and Maintaining an Effective Internal Control Environment	GSA faces a continuing significant challenge in establishing a comprehensive and effective system of internal control. While GSA has placed a greater emphasis on internal controls, our audit reports continue to identify weaknesses across the broad spectrum of GSA programs, operations, and acquisitions. This indicates a need for direct management attention to develop a more effective internal control environment across GSA.
Improving Contract and Lease Administration Across GSA	GSA faces a challenge in providing appropriate oversight of its contracts and leases. GSA is responsible for the procurement of billions of dollars' worth of products, services, and facilities for federal government agencies. After award, GSA is required to provide effective oversight of its contracts and leases to ensure that the government is receiving the goods and services it is paying for and to protect taxpayer dollars. Although oversight is a requirement for all contracts and leases, our audit reports have repeatedly identified instances where oversight was either insufficient or lacking entirely. Without the appropriate level of oversight, GSA risks undetected fraud, waste, and abuse and violations of regulations.
Enhancing Government Procurement	GSA has a strategic goal of establishing 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. According to FAS, its core objective is to leverage the buying power of the federal government to obtain necessary products and services at the best value possible. However, as FAS introduces initiatives to provide more efficient and effective acquisition solutions, it faces challenges in implementing its initiatives effectively and meeting its customers' needs.
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 taxpayers. To achieve this goal, PBS should plan the best approach to reducing and consolidating space, reducing leasing costs, disposing of federal property, meeting the operations and maintenance needs of aging buildings, and ensuring effective management of energy and utility contracts.
Managing GSA's Role Under the Comprehensive Plan for Reorganizing the Executive Branch	GSA faces major challenges with the proposed reorganization and transfer of several core functions currently performed by the U.S. Office of Personnel Management (OPM) to GSA, including OPM's IT functions. Since GSA and OPM jointly initiated merger activities, several critical contingencies have not materialized and the original timeline is now unsustainable. To manage the fluid situation, GSA must determine the legal authorities and congressional approvals needed for the transition, determine which OPM services would be feasible GSA offerings and the impact of those offerings, and assess the financial viability and impact of the overall merger.
Prioritizing Agency Cybersecurity	GSA is responsible for delivering secure IT products and services to support GSA programs and personnel. These products and services must comply with applicable federal and GSA security standards. In an environment of constant threats, GSA will continue to face challenges with maintaining the integrity, availability, and confidentiality of its infrastructure and the sensitive information contained within its IT systems. GSA management has a responsibility to protect the systems it operates or systems operated on its behalf and the information contained within. It is imperative that GSA continues to assess and address these challenges to strengthen its security posture and its overall IT security program.
Securing the System for Award Management	FAS is responsible for the System for Award Management (SAM), the end product of a presidential e-government initiative to consolidate 10 procurement-related legacy systems. These systems are used by those who award, administer, and receive federal funds. In the past, significant security incidents exposed SAM's vulnerability related to the identity verification of individuals and their authorization to conduct business. The success of the SAM initiative is critical to enable agencies to share acquisition data and make informed procurement decisions. FAS must ensure the appropriate technical controls and safeguards are implemented to secure the system and protect the users and data from malicious threats.
Managing Human Capital Efficiently to Accomplish GSA's Mission	GSA must focus on hiring and retaining staff with the necessary skills to perform critical functions, especially given the number of GSA employees in mission-critical roles who will be retirement-eligible in the near future. GSA conducted a workforce planning initiative to identify and address gaps between the workforce and human capital needs. According to GSA, this initiative further confirmed the need to address risks associated with turnover rates and high retirement eligibility, through succession management and knowledge transfer.
Safeguarding Federal Facilities and Providing a Secure Work Environment	GSA plays a significant role in providing a safe, healthy, and secure environment for employees and visitors at over 8,600 owned and leased federal facilities nationwide. Under Presidential Policy Directive 21 on <i>Critical Infrastructure Security and Resilience</i> , GSA is responsible for assisting with the development of contracts for the implementation of Physical Access Control systems and coordination with DHS's Federal Protective Service to ensure building occupant security. However, we have found GSA's security clearance process for contractors needs improvement, GSA-managed facilities are at risk for unauthorized access, and facility-specific building badges at GSA-managed facilities are unsecured and unregulated.



Photo: Detail of recovered WPA painting "Landscape" by Theodore Polos

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, IT infrastructure, and compliance with federal laws and regulations. Audits are also performed to assist GSA contracting personnel in obtaining the best value for federal customers. During this reporting period, we issued 38 audit reports, including 26 contract audits. Our contract audit work identified nearly \$52 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. Under GSA's procurement program, there are over 14,700 Multiple Award Schedule (schedule) contracts, which generate over \$32.9 billion in annual sales. We oversee this program by conducting preaward, postaward, and performance audits. Historically, for every dollar invested in our preaward audits, we achieve at least \$10 in savings from 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.

Three of our more significant preaward audits were of schedule contracts with combined projected government sales exceeding \$2.1 billion. Through these audits, we identified potential savings of over \$35 million. We also found, among other things, that the commercial sales practices submissions were not accurate, current, or complete; contractors' proposed labor rates were overstated; price reduction provisions were ineffective; billed rates exceeded GSA schedule rates; and unqualified labor was billed.

INTERNAL AUDITS

CHILD CARE CENTERS IN GSA-CONTROLLED BUILDINGS HAVE SIGNIFICANT SECURITY VULNERABILITIES

Report Number A170119/P/6/R20001, dated January 30, 2020

We performed this audit to determine if GSA provides safe and secure environments for children and staff at GSA child care centers. GSA's child care center program provides space in GSA buildings for 100 independently operated child care centers, caring for over 7,000 children daily. We identified significant security vulnerabilities at all 11 child care centers we tested. We found child care centers in GSA-controlled buildings that do not meet the minimum security standards. We also found child care centers in buildings that are or may be at risk. Finally, we found that many of the federal government's recommended security countermeasures have not been implemented.

Based on our audit findings we made recommendations to the PBS Commissioner. First, we recommended that PBS ensures that it maintains child care centers in safe locations that meet minimum security standards. Second, we recommended that PBS address the specific vulnerabilities we identified for the child care centers. Third, we recommended that PBS conduct a comprehensive assessment to identify security vulnerabilities at each child care center located in a GSA-controlled building and expedite action to upgrade these buildings to the minimum security standards. If PBS cannot address vulnerabilities identified in these buildings, we recommended that the child care centers should be moved to safer locations.

The PBS Commissioner agreed with our report recommendations.

FAS'S USE OF PRICING TOOLS RESULTS IN INSUFFICIENT PRICE DETERMINATIONS

Report Number A180068/Q/3/P20002, December 23, 2019

We performed this audit because FAS contracting officers increasingly use and rely on services pricing tools to perform price analyses for schedule contracts. Our objectives were to determine if FAS has sufficient and appropriate policy, guidance, and internal controls related to the use of services pricing tools; FAS contracting specialists/officers are using and documenting the use of services pricing tools in accordance with existing FAS policy and federal regulations; and the services pricing tools provide accurate data for price analysis.

We found that FAS contracting officers used flawed methodologies and practices when performing analyses with the pricing tools. Contracting officers relied either solely or primarily on the pricing tools to establish price reasonableness, inappropriately based pricing comparisons on labor categories that were not the “same or similar,” used inconsistent sampling methods, and used an inappropriate basis to establish acceptable price ranges. We also found that the data in the Contract-Awarded Labor Category (CALC) tool is incomplete, inaccurate, and duplicative; and as a result, may skew the price analyses. Finally, we found that FAS contracting officers did not adequately document their use of the pricing tools to support price analyses and pricing determinations.

Based on our audit findings, we made three recommendations to the Acting FAS Commissioner. We recommended that FAS cease use of the CALC and Contract Operations Division Contractors Database (CODCD) pricing tools until comprehensive policy, guidance, and controls are established and implemented to ensure resultant price analyses are valid. In addition, we recommended that FAS establish controls to ensure that data contained and uploaded into the pricing tools is complete, accurate, and consistent, and seek to automate the process to reduce human error. Lastly, we recommended that FAS develop and implement controls to ensure compliance with FAS policy and procedure in regards to documenting use of the pricing tools.

The Acting FAS Commissioner agreed with our report findings and two of our three report recommendations. However, she disagreed with our recommendation to cease use of the CALC and CODCD pricing tools until comprehensive policy, guidance, and controls are established and implemented. The Acting FAS Commissioner asserted that a temporary cessation in the use of these tools will result in decreased efficiencies and increased costs. However, it is highly inefficient and ineffective for FAS to use flawed methodologies and practices when performing analyses with the pricing tools. Accordingly, we urged the Acting FAS Commissioner to reconsider this recommendation.

AUDIT OF A GSA INFORMATION SYSTEM

Report Number A170116/Q/T/P20001, dated December 20, 2019

We performed this audit after GSA’s Office of Inspector General, Office of Investigations notified us of deficiencies in a GSA information system. We made four recommendations to the Acting FAS Commissioner.

The Acting FAS Commissioner agreed with our report findings and recommendations.

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

ALERT MEMORANDUM ON CONTROLS OVER ACCESS CARDS ISSUED TO GSA CONTRACT EMPLOYEES

Memorandum Number A190085-2, dated November 22, 2019

During the course of an ongoing audit, we identified significant security concerns related to GSA’s controls over the maintenance of access cards for contract employees. We issued an alert memorandum to inform GSA management of these security risks.

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

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, dated March 27, 2020

This audit is a follow-on to our September 2016 and August 2017 audits that covered the award phase of PBS’s Energy Savings Performance Contracts (ESPCs). The objectives of this audit were to determine whether PBS had effective procedures in place to verify that the energy savings calculated by energy service companies (ESCOs) for PBS’s ESPCs are accurate and the ESPC projects are administered in accordance with the applicable regulations and guidance.

Under an ESPC, a government agency enters into a long-term contract with an ESCO that arranges private financing and installs energy-efficiency improvements in federally owned buildings. The agency then makes payments to the ESCO until the improvements have been paid off. The agency’s payments are based on the energy cost savings the ESPC achieves each year. As of December 2019, GSA has awarded over \$2.3 billion of investments under ESPCs since December 2010.

We found that PBS did not realize savings to fully fund payments for two of the seven ESPC projects we examined and that it did not have evidence that other projects were meeting their operations and maintenance savings. In addition, we found that PBS did not provide effective oversight of the accuracy of ESCO-claimed energy savings. On multiple projects, PBS did not witness the ESCO energy measurement and verification activities or review ESCO measurement and verification reports, but instead relied on the contractor to self-monitor and self-report whether it achieved the savings. We also identified deficiencies in PBS’s ESPC contract file administration. PBS was not ensuring the completeness of contract files and was not completing contractor performance assessments in accordance with the Federal Acquisition Regulation (FAR). Finally, PBS did not oversee the administration of ESPC projects after award.

Based on our audit findings, we made seven recommendations to the PBS Commissioner. The recommendations included: improving oversight of ESPC savings evaluation; identifying, and, if possible, recovering savings shortfalls; renegotiating operations and maintenance 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.

AUDIT OF THE COMPLETENESS, ACCURACY, TIMELINESS, AND QUALITY OF GSA'S 2019 DATA ACT SUBMISSION

Report Number A190040/B/R/F20001, dated November 1, 2019

We performed this audit to fulfill Section 6(a) of the Digital Accountability and Transparency Act of 2014 (DATA Act), which requires the Inspector General of each federal agency to review a statistically valid sample of agency spending data and to report on the completeness, timeliness, quality, and accuracy of the data sampled as well as on the agency's implementation and use of data standards. This is the second report that is required under the DATA Act. The first report was issued in November 2017.

The DATA Act has two main requirements. First, it requires agencies to report standardized spending data to the USASpending.gov website, which is administered by the Department of the Treasury's (Treasury) Bureau of the Fiscal Service. Second, the DATA Act requires the Office of Management and Budget (OMB) and Treasury to publish this spending information.

The objectives of our audit were to assess the completeness, timeliness, quality, and accuracy of GSA's financial and award data submitted for publication on the USASpending.gov website for the first quarter of Fiscal Year 2019; and GSA's implementation and use of the government-wide financial data standards established by OMB and Treasury.

We found GSA's financial and award data for the first quarter of Fiscal Year 2019 to be of "higher" quality, as defined by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) audit guide. According to the CIGIE audit guide, higher quality data has an error rate of less than 20 percent for completeness, accuracy, and timeliness. We determined the error rates for completeness, accuracy, and timeliness to be 0.74 percent, 5.32 percent, and 4.54 percent, respectively. However, we also found that GSA overstated obligations for the first quarter of Fiscal Year 2019.

Based on our audit findings, we recommended that the GSA Chief Financial Officer strengthen controls for accurately reporting obligation and de-obligation amounts to the USASpending.gov website.

The GSA Chief Financial Officer agreed with our report findings and recommendation.

AUDIT OF PUBLIC BUILDINGS SERVICE’S PHOTOVOLTAIC INSTALLATIONS IN THE NEW ENGLAND AND NORTHEAST AND CARIBBEAN REGIONS

Report Number A170056/P/2/R20003 dated March 27, 2020

GSA’s extensive investment in green buildings was expected to contribute to an overall reduction in the carbon footprint of federal buildings. A major component of GSA’s strategy to accomplish this reduction is renewable power generation using photovoltaic (PV) solar arrays. We performed this audit to determine whether PBS in the New England and Northeast and Caribbean Regions is collecting and reporting accurate power generation numbers from its PV installations to ensure data integrity, properly maintaining and inspecting its PV installations to ensure effective and continued operations, and taking advantage of rebates that were available at the time of its various PV installations in order to minimize installation costs.

We found that the PBS regions are using inconsistent, unreliable, and unsupported data to report power generation totals for their PV installations. The PBS regions reported inaccurate power generation data for five of the eight PV installations we examined—two installations in the New England Region and three installations in the Northeast and Caribbean Region.

We also found that PBS is not maintaining and inspecting PV installations in accordance with guidance. Specifically, we found that eight installations were not being maintained and inspected in accordance with PBS’s *Preventive Maintenance Guide* and in one case, PBS did not provide sufficient oversight of a maintenance contract for a PV installation.

Based on our findings, we made several recommendations to improve PBS’s management of its PV installations. The recommendations included issuing comprehensive policies and procedures to ensure PV power generation reporting is consistent, reliable, and accurate. We also recommended developing a system to validate that the PV power generation numbers are fully supported and documented and ensuring property management is aware of and enforces the semiannual maintenance and inspection requirements for the PV installations.

The PBS Commissioner agreed with our report recommendations.

ASSESSMENT OF HOTLINE COMPLAINT: PROCUREMENT OF LEASE NUMBER LRI00279 FOR THE DEPARTMENT OF HOMELAND SECURITY, IMMIGRATION AND CUSTOMS ENFORCEMENT IN WARWICK, RHODE ISLAND

Memorandum Number A200973-1, dated March 19, 2020

On December 21, 2018, we received a hotline complaint regarding PBS's procurement process for Lease Number LRI00279 for the Department of Homeland Security, Immigration and Customs Enforcement (DHS ICE) in Warwick, Rhode Island. The confidential source alleged that government personnel committed acts of fraud, waste, and abuse resulting in the projected waste of not less than \$10 million in taxpayer money in just over 10 years. Our objective was to assess the allegations in the hotline complaint and determine whether PBS's procurement process for Lease Number LRI00279 was administered and awarded in accordance with the FAR, General Services Administration Acquisition Regulation, and other applicable regulations, policies, and provisions.

We found that GSA's PBS procurement process for Lease Number LRI00279 was significantly flawed, resulting in an improper lease award. PBS inappropriately accepted a late proposal, relied on a present value analysis that favored the winning offeror, and used inconsistent evaluation terms. We also found that PBS awarded the lease to an offeror that did not control the property at the time of their lease proposal. Finally, PBS failed to provide an adequate or timely postaward debriefing to the unsuccessful offeror. Taken together, these deficiencies compromised the integrity of the lease procurement.

Based on our assessment, we advised PBS regional management to determine the appropriate steps to remedy the identified issues and prevent them from occurring in the future. We further advised that PBS could benefit by providing training to its lease contracting staff on the issues we reported and by implementing controls to ensure that future lease procurements are administered in accordance with the FAR, General Services Administration Acquisition Regulation, and PBS *Leasing Desk Guide*.

AUDIT OF THE GSA PUBLIC BUILDINGS SERVICE'S COMMERCIAL PARKING OUTLEASES

Report Number A180039/P/4/R20006, dated March 31, 2020

Through its Outlease Program, PBS leverages its authorities to lease vacant or underutilized space to state or local government and private sector entities to increase funds from operations. From October 2012 through January 2018, PBS generated \$14.9 million from parking outleases, 67 percent of which resulted from outlease agreements with commercial parking management companies. We performed this audit to determine whether PBS awarded commercial parking outleases that represent the best interests of the government in accordance with applicable laws, regulations, and PBS guidance; and administered outleases in accordance with PBS guidance and contract requirements.

We found that PBS improperly awarded and administered commercial parking outleases resulting in the misuse of the Public Buildings Cooperative Use Act of 1976, violations of PBS guidance, and lost revenue. We found that PBS used the Act to enter into parking outlease agreements when it did not apply and did not comply with competition requirements. Further, PBS did not establish market-based rental rates for outleases in violation of PBS guidance, resulting in estimated revenue losses of more than \$2.2 million. In addition, PBS exceeded its delegated authority by extending parking outleases beyond 5 years. Lastly, we found that PBS did not verify the accuracy of variable rent payments to ensure that commercial parking management companies are submitting the correct amount.

Based on our audit findings, we made four recommendations to the PBS Commissioner. We recommended that PBS use and comply with the proper authorities when entering into and administering commercial parking outleases and establish rental rates for parking outleases that are equivalent to market rates for comparable space in accordance with PBS guidance. We also recommended that PBS assess whether the 5-year outlease term limitation established in GSA's *Delegations of Authority Manual* is meeting its intended purpose of protecting assets from being encumbered by long-term outleases; and if not, modify the *Delegations of Authority Manual* accordingly. Finally, we recommended that PBS verify reports generated by commercial parking management companies and reconcile fees collected when variable payment terms are included in a parking outlease.

The PBS Commissioner agreed with our report recommendations, but only partially agreed with our first finding. In particular, the PBS Commissioner disagreed with our determination of the number of commercial outleases that improperly invoked the Public Buildings Cooperative Use Act and our calculation of estimated revenue losses. He also did not agree that PBS exceeded its delegated authority by extending parking outleases beyond 5 years. However, the PBS Commissioner did not provide information in his response that was sufficient to affect our findings and conclusions.

GSA'S PBS NORTHWEST/ARCTIC REGION SERVICE CENTER DOES NOT EFFECTIVELY ADMINISTER LEASE AND SERVICE CONTRACTS

Report Number A180053/P/4/R20002, dated February 20, 2020

We performed this audit as part of a series of audits of GSA's PBS service centers. PBS service centers are responsible for ensuring that tenant needs are met efficiently and economically in GSA-owned and leased buildings. This responsibility includes the operation, maintenance, repair, alteration, and improvement of GSA-controlled spaces. The Northwest/Arctic Region (Region 10) Service Center supports the operations for GSA-owned and leased facilities in Alaska, Idaho, Oregon, and Washington. Our objective was to determine if the PBS Region 10 Service Center oversees and manages its lease and service contracts in accordance with contract provisions, PBS policies, and federal regulations.

We found that the PBS Region 10 Service Center was not providing effective oversight of its lease and service contracts. We found that lease administration managers were not conducting annual lease inspections and maintaining complete lease file documentation as required. Additionally, contracting officers' representatives were not ensuring that service contractors were meeting the contracts' performance standards. As a result, PBS and tenant agencies were paying for services that they were not receiving.

Based on our audit findings, we made three recommendations to the PBS Regional Commissioner to strengthen internal controls. First, we recommended that lease administration managers should conduct and document all lease inspections to ensure that lessors are complying with the terms of the lease and providing the required level of services. Next, lease administration managers should maintain all required lease documentation. Lastly, regional management needs to provide contract oversight necessary to ensure compliance with applicable quality control and contract file requirements.

The PBS Commissioner and PBS Regional Commissioner agreed with our report recommendations.

AUDIT OF GSA'S TOTAL WORKPLACE FURNITURE AND INFORMATION TECHNOLOGY PROGRAM

Report Number A170070/P/R/R20005, dated March 31, 2020

We performed an audit of GSA's Total Workplace Furniture and Information Technology (FIT) Program, which allows customer agencies to lease furniture and information technology to help with upfront funding for space reduction projects. GSA's FAS and PBS work together to administer the FIT Program. To qualify for the FIT Program, agencies must commit to changing the size of their operations in an efficient and effective manner. The FIT Program attempts to further the federal government's *Reduce the Footprint* policy to make more efficient use of real property and to reduce total square footage. As of October 1, 2018, GSA had completed 44 FIT Program projects, valued at over \$138 million. The objective of our audit was to determine if GSA administered the FIT Program in accordance with Agency policy and if it billed customer agencies in accordance with its lease agreements.

We found that GSA implemented the FIT Program without clear policies and procedures to ensure the program was administered properly and run effectively. In many cases, roles and responsibilities were unclear, undefined, and not performed. Where policy did exist, it was often not followed. This hindered GSA's ability to effectively and efficiently meet the FIT Program's mission.

GSA did not apply mandatory requirements to projects consistently and often granted exceptions. In addition, GSA did not conduct payback analyses to support project approval decisions. Further, we found that GSA did not appoint tenant agency contracting officer's representatives and in some cases, no one had the responsibility to perform these duties. Aspects of the information technology component of the program were unclear, undefined, and unassigned. Finally, we found that GSA billed its customers late and did not have a standard billing methodology.

Based on audit findings, we made six recommendations. We recommended that the PBS Commissioner work with the FAS Commissioner to establish formalized policy and guidelines that enable the Total Workplace Program Management Office to manage all aspects of the FIT Program. Additionally, we recommended that PBS consolidate all guidance into one finalized FIT Program Administrative Guide that ensures roles and responsibilities are outlined for the project approval process, FIT Program information technology projects, and billing. Finally, we recommended that PBS evaluate the mandatory FIT Program requirements to determine if revisions are necessary to meet customer agency needs, achieve cost savings, and reduce the federal footprint.

We also made recommendations to the FAS Commissioner. Specifically, we recommended that the FAS ensure that FIT Program projects have qualified contracting officers' representatives to verify project delivery in accordance with the terms of agreements, and implement controls to ensure that contractors are not accepting products and recommending payment on behalf of the government. We also recommended that FAS resolve the outstanding billing dispute related to the Broadcasting Board of Governors FIT Program project.

GSA agreed with our report findings and recommendations.

**IMPLEMENTATION REVIEW OF CORRECTIVE ACTION
PLAN: GREAT LAKES REGION NETWORK SERVICES
DIVISION INVOICING PROCESS LACKS TRANSPARENCY,
REPORT NUMBER A130011/Q/5/P15001, FEBRUARY 27, 2015**

Assignment Number A190096, dated February 7, 2020

On February 27, 2015, we issued an audit report, *Great Lakes Region Network Services Division Invoicing Process Lacks Transparency*. We made two recommendations to the FAS Great Lakes Regional Commissioner, which included: requiring the Network Services Division establish formal agreements with customer agencies that set terms and conditions, and disclose all pricing components, including the contract rates that GSA pays to vendors; and implementing a policy that requires full disclosure of all administrative surcharges and service-related costs by clearly itemizing customer invoices.

We performed this implementation review of the corrective actions taken in response to the recommendations in our 2015 audit report. We found that FAS did not fully implement the corrective actions for either audit recommendation. While FAS realigned the Network Services Division to a national reporting function, FAS did not implement its corrective actions to develop nationwide policy for the new organization, develop standardized fees for all customers, and disclose the fees with the aim of entering into formal interagency agreements; and implement a policy that requires full disclosure of all administrative surcharges and service-related costs by clearly itemizing customer invoices.

As a result, FAS must submit a revised corrective action plan addressing these recommendations.

OVERSIGHT OF THE INDEPENDENT AUDITOR’S REPORT ON GSA’S FINANCIAL STATEMENTS FOR FISCAL YEAR 2019

As required by the Chief Financial Officers Act of 1990, Public Law 101-576, as amended, the GSA’s Fiscal Year 2019 Financial Statements Audit was performed by an independent public accounting (IPA) firm. We monitored the audit for compliance with generally accepted government auditing standards and OMB Bulletin No. 19-03, *Audit Requirements for Federal Financial Statements*.

The IPA’s audit did not identify any significant deficiencies or material weakness in internal controls.

OVERSIGHT OF THE INDEPENDENT EVALUATION ON THE EFFECTIVENESS OF THE U.S. GENERAL SERVICES ADMINISTRATION’S INFORMATION SECURITY PROGRAM AND PRACTICES FOR FISCAL YEAR 2019

The Federal Information Security Modernization Act of 2014 (FISMA) requires an annual evaluation of each agency’s information security program and practices. Accordingly, for Fiscal Year 2019, GSA contracted with an IPA to conduct its independent evaluation. We monitored the evaluation for compliance with quality standards and reporting guidance.

As required, the IPA conducted the evaluation and completed the *Fiscal Year 2019 IG FISMA Reporting Metrics*. Based on the IG FISMA Reporting Metrics scoring model, the IPA concluded that GSA’s overall information security program was “effective.” However, the IPA identified control deficiencies in GSA’s information security program related to risk management, identity and access management, and incident response.

During Fiscal Year 2020, the IPA performing the FISMA evaluation will review and follow-up on the identified findings and recommendations under previous FISMA evaluations.

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 October 1, 2019, to March 31, 2020, we issued 26 contract audit reports. In these reports, we found:

- 13 contractors did not submit accurate, current, and complete information.
- 10 contractors did not comply with price reduction provisions.
- 8 contractors overcharged GSA customers.
- 1 contractor 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 assigned employees who were unqualified for their billable positions to work on GSA schedule task orders.

We also recommended nearly \$52 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.

October 1, 2019 – March 31, 2020

CONTRACT AUDIT REPORTS	
Recommendations that funds be put to better use	\$45,401,930
Questioned Costs	\$6,556,454

FAR DISCLOSURE PROGRAM

The FAR 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, the 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 include failure to disclose ownership interests and inflated timesheets. We concluded our evaluation of five disclosures that resulted in almost \$418,000 in settlements and recoveries to the government. We also assisted on 12 disclosures referred by another agency because of the potential impact on GSA operations and continued to evaluate 15 pending disclosures.

STATISTICAL SUMMARY OF OIG AUDITS

October 1, 2019 – March 31, 2020

OFFICE OF AUDITS	
Total financial recommendations	\$51,959,992
These include:	
Recommendations that funds be put to better use	\$45,401,930
Questioned costs	\$6,558,062
Audit reports issued	38
Audit memoranda provided to GSA	3
GSA Management decisions agreeing with audit recommendations	\$88,027,375

Audit Reports Issued

The OIG issued 38 audit reports. These reports contained financial recommendations totaling nearly \$52 million, including more than \$45.4 million in recommendations that funds be put to better use and over \$6.5 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 March 31, 2020. There were two reports more than 6-months old awaiting management decision as of March 31, 2020. Table 1 does not include two implementation reviews that were issued during this period because they were excluded from the management decision process. Table 1 also does not include three reports 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 10/01/2019			
Less than 6 months old	13	7	\$57,920,585
Six or more months old	3	3	\$199,904,199
Reports issued this period	36	19	\$51,959,992
TOTAL	52	29	\$309,784,776
For which a management decision was made during the reporting period			
Issued prior periods	14	8	\$61,135,472
Issued current period	22	12	\$33,014,475
TOTAL	36	20	\$94,149,947
For which no management decision had been made as of 03/31/2020			
Less than 6 months old	14	7	\$18,945,517
Six or more months	2	2	\$196,689,312
TOTAL	16	9	\$215,634,829

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

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).

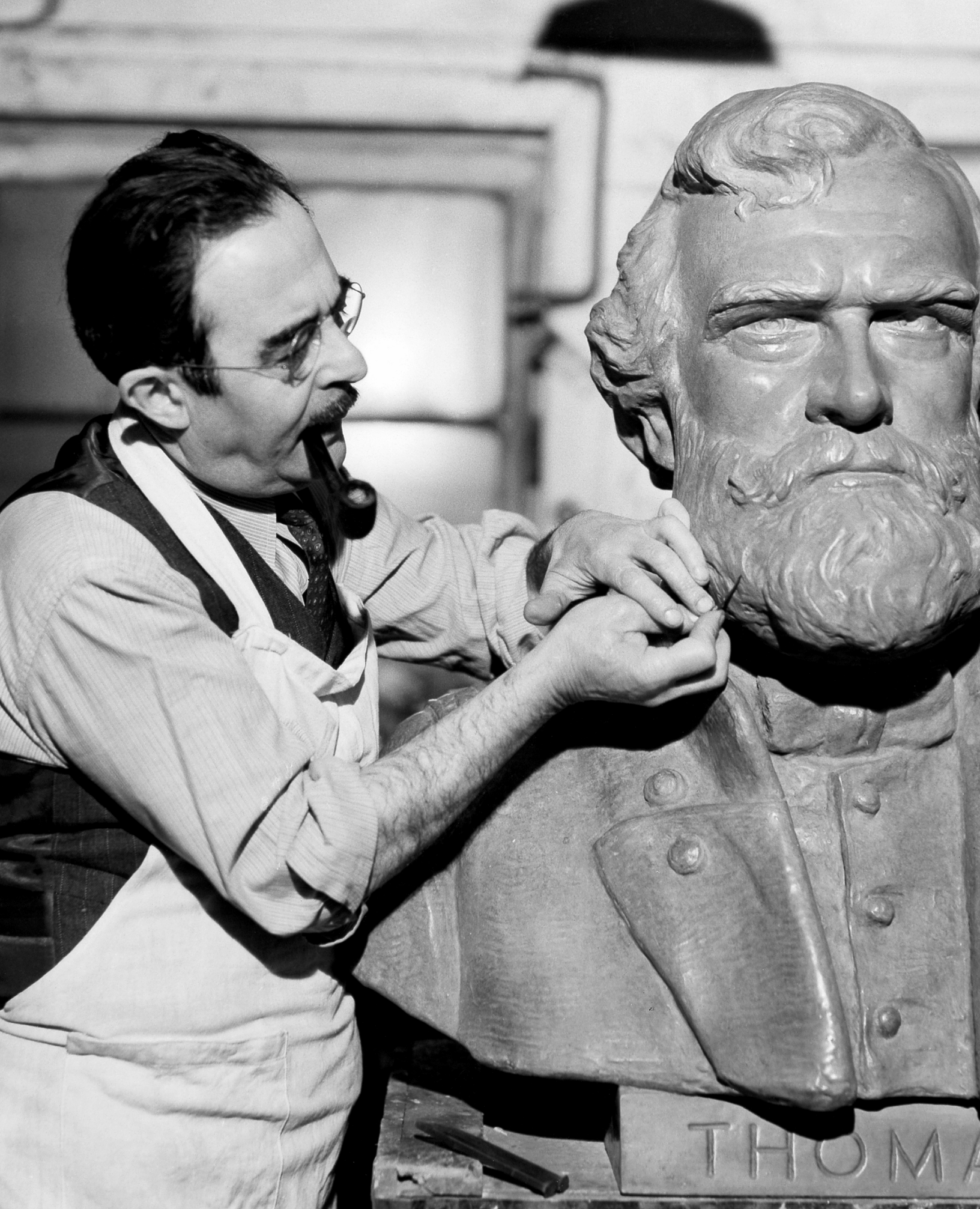
Table 2. GSA Management Decisions on OIG Reports with Recommendations that Funds Be Put to Better Use

	NUMBER OF REPORTS	FUNDS BE PUT TO BETTER USE
For which no management decision had been made as of 10/01/2019		
Less than 6 months old	4	\$56,509,162
Six or more months	3	\$198,727,123
Reports issued this period	11	\$45,401,930
TOTAL	18	\$300,638,215
For which a management decision was made during the reporting period		
Recommendations agreed to by management	11	\$81,184,232
Recommendations not agreed to by management	2	\$5,456,809
TOTAL	13	\$86,641,041
For which no management decision had been made as of 03/31/2020		
Less than 6 months old	3	\$18,223,511
Six or more months old	2	\$195,773,663
TOTAL	5	\$213,997,174

GSA Management Decisions on OIG Reports with Questioned Costs

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 10/01/2019		
Less than 6 months old	5	\$1,411,423
Six or more months old	2	\$1,177,076
Reports issued this period	9	\$6,558,062
TOTAL	16	\$9,146,561
For which a management decision was made during the reporting period		
Disallowed costs	8	\$6,843,143
Costs not disallowed	2	\$665,763
TOTAL	10	\$7,508,906
For which no management decision had been made as of 03/31/2020		
Less than 6 months old	5	\$722,006
Six or more months old	1	\$915,649
TOTAL	6	\$1,637,655



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 INSPECTIONS

SIGNIFICANT INSPECTIONS

The Office of Inspections conducts systematic and independent assessments of the Agency's operations, programs, and policies, and makes recommendations for improvement. Reviews involve on-site inspections, analyses, and evaluations to provide information that is timely, credible, and useful for Agency managers, policymakers, and others. Inspections may include an assessment of efficiency, effectiveness, impact, and sustainability of any Agency operation, program, or policy. Inspections are performed in accordance with the Council of Inspectors General for Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

During this reporting period, the office received responses to one public and one nonpublic Management Alert reports issued in the prior reporting period.

AGENCY MANAGEMENT ALERT: GSA'S CONTINUITY PLAN IS OUTDATED AND INSUFFICIENT

Report Number JE19-006, dated September 26, 2019

In the previous reporting period, we provided the GSA Deputy Administrator with a Management Alert report that found GSA's National Continuity Plan was outdated and insufficient. We recommended the Office of Mission Assurance Associate Administrator to review, update, and obtain approval for the agency-wide GSA national continuity plan and to establish an annual process of reviewing GSA's national continuity plan. During this reporting period, the Office of Mission Assurance Associate Administrator agreed with, and implemented, our recommendations.

IDENTIFICATION OF SENSITIVE GSA BUSINESS INFORMATION SENT OUTSIDE THE GSA NETWORK

Report Number JE19-004, dated July 2, 2019

In the previous reporting period, we provided the GSA Chief Information Security Officer with four nonpublic Management Alert reports on suspected security violations and security incidents. During this reporting period, the Office of the Chief Information Security Officer advised that a memorandum of reprimand was issued to a GS-15 employee of the Public Buildings Service, regarding one of the four previous Management Alert reports (JE19-004). The GS-15 PBS employee violated the GSA IT Security Policy by sending sensitive information and personally identifiable information to their private email account outside of the GSA network.

Examples of the sensitive information sent by the GS-15 employee to their email account included: a document marked “PRIVILEGED AND CONFIDENTIAL INFORMATION, NOT SUBJECT TO RELEASE TO THE PUBLIC UNDER THE FREEDOM OF INFORMATION ACT”; a resume, Request for Superior Qualifications Appointment, and a form 1099-MISC of another GSA employee; GSA Independent Government Estimates for nine contract employee positions for interim/bridge contracts of four contractors; and a development plan report by a contractor with a chart annotated, “We would request that you keep the information in this chart confidential as it does represent proprietary pricing and value engineering.”

The purpose of the memorandum of reprimand, dated February 27, 2020, was to make an official written record of the misconduct and to warn the PBS employee that any such future misconduct may result in more severe disciplinary action.



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

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, extortion, embezzlement, bribery, anti-trust violations, credit card fraud, diversion of excess government property, and digital crimes. During this reporting period, the office opened 70 investigative cases, closed 72 investigative cases, referred 99 subjects for criminal prosecution, and helped obtain 17 convictions. Civil, criminal, and other monetary recoveries resulting from our investigations totaled over \$2 million.

CRIMINAL INVESTIGATIONS

COMPANY OWNER SENTENCED AND CERTIFIED PUBLIC ACCOUNTANT FOUND GUILTY IN FRAUD AND MONEY LAUNDERING SCHEME INVOLVING OVER \$200 MILLION IN SMALL BUSINESS CONSTRUCTION CONTRACTS

A GSA OIG investigation found that Brian Ganos, the president of Sonag Company, Inc., and vice president of Nuvo Construction Company, Inc., conspired with others to make false representations in order to obtain over \$200 million worth of government construction contracts in the Milwaukee area. The contracts were issued under the U.S. Small Business Administration 8(a), Department of Transportation Disadvantaged Business Enterprise, and Department of Veterans Affairs Serviced-Disabled Veteran-Owned Small Business set-aside programs. On December 16, 2019, Ganos was sentenced to 78 months' incarceration and 24 months' probation, and was ordered to pay a forfeiture money judgment of \$1.9 million. Ganos previously pleaded guilty to wire and mail fraud. On January 24, 2020, Mark Spindler, who provided accounting services to Ganos and the companies he controlled, was found guilty of conspiring with Ganos and others and is currently awaiting sentencing. GSA OIG investigated this case with the FBI, VA OIG, DOT OIG, SBA OIG, DCIS, Army CID, and the Defense Contract Audit Agency.

GUILTY PLEA, INDICTMENT BASED ON ILLEGAL ACCESS TO SYSTEM FOR AWARD MANAGEMENT

A GSA OIG investigation revealed that the System for Award Management (SAM) account of a government vendor was fraudulently accessed, and the vendor's bank account information was altered to reflect an account controlled by Hurriyet Arslan in order to deliberately misdirect the government payments into his account. 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 a bank account that Arslan controlled. On January 6, 2020, in the U.S. District Court for the District of New Jersey, Arslan was charged by criminal information, and he pleaded guilty to money laundering and conspiracy to commit mail, wire, and bank fraud. Arslan agreed to forfeit the proceeds of the crime, including the \$23.4 million that was illegally diverted. In May 2019, special agents arrested one of Arslan's co-conspirators in North Hollywood, California. On January 22, 2020, a grand jury in Camden New Jersey issued an indictment charging the individual with Conspiracy, Bank Fraud, Unauthorized use of Access Device to Commit Fraud, Aggravated Identify Theft, and False Statements. GSA OIG's data analytics significantly aided in this and other related investigations by providing a robust platform to digest and analyze the data from SAM. This case is being investigated by GSA OIG with DCIS, HSI, and DOJ.

GSA CONTRACTORS SENTENCED IN A \$50 MILLION HUBZONE FRAUD SCHEME

A GSA OIG investigation determined that from 2009 to 2012, GSA contractor MASS Service and Supply (MASS) submitted false statements to GSA and DoD in order to obtain approximately \$50 million in set-aside HUBZone contracts that it would not otherwise have been eligible to receive. On July 9, 2019, in the District of Colorado, MASS Owner Catherine Grasmick was charged in a criminal information with falsifying records with intent to obstruct a federal investigation. On September 5, 2019, she pleaded guilty to obstruction of justice and, on December 17, 2019, she was sentenced to 36 months' probation and 250 hours' community service. In addition, as part of a global resolution, Grasmick agreed to pay \$500,000. On September 27, 2019, MASS Office Manager Angela Petersen pleaded guilty to misprision of a felony. On December 20, 2019, she was sentenced to 12 months' probation and 100 hours' community service. GSA OIG investigated this case with DCIS, Army CID, and AFOSI.

LOBBYIST PLEADED GUILTY IN A \$7 MILLION 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 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. On March 5, 2020, lobbyist George Lowe pleaded guilty to conspiracy. Contractors Joe Diaz and Arturo Vargas previously pleaded guilty in 2018 for their roles in the scheme. All three are currently awaiting sentencing. GSA OIG investigated this case with Army CID, DCIS, SBA OIG, and Defense Contract Audit Agency.

THREE GOVERNMENT CONTRACTORS PLEADED GUILTY FOR THEIR INVOLVEMENT IN SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS AND HISTORICALLY UNDER-UTILIZED BUSINESS ZONES FRAUD SCHEME

A GSA OIG investigation determined that Frank Apicella and Michael Sforza, Owners, FENS Associates, LLC, used the service-disabled status and residence of Apicella's step-son, James, to establish Tactical Office Solutions, LLC, as a Service-Disabled Veteran-owned HUBZone furniture dealership to fraudulently obtain approximately \$16 million in set-aside contracts. On February 5, 2020, Frank Apicella, Michael Sforza, and James Apicella pleaded guilty to an information charging them with conspiracy for their roles in defrauding the Service-Disabled Veteran-owned Small Business and HUBZone programs. GSA OIG investigated this case with VA OIG and Army CID.

GOVERNMENT CONTRACTOR SENTENCED AND ANOTHER PLEADED GUILTY IN BRIBERY AND KICKBACK SCHEME

A GSA OIG investigation found that, over a 5-year period, a former senior project manager for a GSA prime contractor received more than \$2.5 million in kickbacks in exchange for awarding the prime contractor's federal contracts to subcontractors. On August 6, 2018, the project manager pleaded guilty to violating anti-kickback and bribery laws. On October 23, 2019, Reinaldo Cruz Taura, President, RCT Mechanical Engineering, pleaded guilty to providing over \$1.2 million in kickbacks to the aforementioned project manager to obtain government work. Taura falsely inflated the expenses billed under the subcontract to cover the kickbacks. Additionally, on October 15, 2019, David Wikel, President, Therma Seal Roof Systems, LLC, pleaded guilty to providing kickbacks to the project manager and his son in connection with a \$1.7 million federal government subcontract. On February 13, 2020, Wikel was sentenced to 18 months' imprisonment and three years' supervised release, and was required to pay \$218,800 in restitution and a \$4,000 fine. GSA OIG investigated this case with VA OIG, NCIS, USDA OIG, USCG, and the FBI.

GSA CONTRACTOR PLEADED GUILTY TO HIS INVOLVEMENT IN FRAUD SCHEME

A GSA OIG investigation determined that Daren Arakelian, owner of Great 4 Image, misrepresented that more than \$1.7 million of Chinese-made military and law enforcement tactical gear sold on GSA Advantage and through direct GSA contract sales was manufactured in the United States. GSA OIG successfully obtained samples from government customers who purchased products from Great 4 Image and then used the labels, tags and unique features to determine that the products were actually manufactured in China. Furthermore, GSA OIG obtained records and other documents that proved Arakelian was not only aware the products were made in China, but took steps to conceal the scheme, which included falsely certifying to federal contracting officials the products were manufactured in compliance with the Buy American Act and Trade Agreements Act. On March 10, 2020, Arakelian was arrested and pleaded guilty to an Information charging him with wire fraud. In addition, he agreed to pay \$702,000 to resolve allegations the company violated the False Claims Act. GSA OIG investigated this case with Army CID, DCIS, DHS OIG, and TIGTA.

FORMER TRIBAL EXECUTIVE PLEADED GUILTY AND THREE OTHERS INDICTED AND ARRESTED IN SCHEME TO STEAL FEDERAL FUNDS

A GSA OIG investigation determined that executives and controllers of the Alabama-Quassarte Tribal Town (AQTT), Wetumka, Oklahoma, participated in a fraud scheme to falsely certify in SAM that AQuate Corporation was an SBA 8(a) company, and that it complied with the performance requirements of the set-aside government contracts it received. During his employment as an executive at AQTT-owned companies, Aaron Terry utilized federal assistance funds from several company subsidiaries for his personal benefit. One of Terry's co-conspirators failed to account for and fully pay the Internal Revenue Service the federal income and Federal Insurance Contributions Act taxes that were withheld from employees' pay. Another co-conspirator fraudulently misrepresented adjusted gross income amounts on Terry's official tax filings. On October 18, 2019, Terry pleaded guilty to theft by an agent of an Indian Tribal Government receiving federal funds, bribery, and conspiracy to commit bribery. Both co-conspirators were indicted and arrested in January 2020 for their roles in the scheme. Previously, in August 2019, George P. Tiger, the former Chairman of the Economic Development Authority Board on behalf of the AQTT, was indicted and arrested for accepting bribes while serving as Chairman of the board. On September 13, 2019, he pleaded guilty to one count of bribery and is awaiting sentencing. GSA OIG investigated this case with DCIS, VA OIG, SBA OIG, IRS-CI, USDA OIG, USSS, DOL OIG, Army CID, AFOSI, and NCIS.

GSA CONTRACTOR SENTENCED FOR FRAUDULENTLY RECEIVING SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS CONTRACTS

A GSA OIG investigation found that Dennis Pomante, owner of Denn-Co Construction, Inc., and co-conspirators falsely represented to federal agencies that US Builders Group, Inc., an affiliated business of Denn-Co, was an SDVOSB. Pomante and the co-conspirators knew that US Builders Group was not owned and controlled by a service-disabled veteran and did not qualify as a small business; however, they falsely certified that it was in order to obtain set-aside federal construction contracts valued in excess of \$100 million. On December 19, 2019, Pomante was sentenced to 12 months' incarceration and 24 months' probation, fined \$50,000, and ordered to pay a forfeiture money judgment of \$30,000. Pomante previously pleaded guilty to conspiracy to defraud the United States. GSA OIG investigated this case with VA OIG, SBA OIG, and DCIS.

PENNSYLVANIA MAN PLEADED GUILTY TO DEPREDATION OF U.S. PROPERTY AND FALSE STATEMENTS

A GSA OIG investigation revealed that, while under the influence of drugs, Joshua Keller randomly vandalized two GSA-owned vehicles that were leased to the Department of Veterans Affairs, causing more than \$27,000 in damage. Upon presenting this case to the U.S. Attorney's Office (USAO), Middle District of Pennsylvania (MDPA), for criminal prosecution, GSA OIG agents learned that Keller was also being investigated by ATF for an unrelated firearms violation stemming from his involvement in the purchase of a firearm for someone who was not eligible to purchase it. Keller was charged with both unrelated criminal charges under the same complaint. On November 5, 2019, Keller appeared in the U.S. District Court, and pleaded guilty to Depredation of U.S. Property for damaging the two vehicles and Making a False Statement During Purchase of a Firearm. Sentencing is pending.

FORMER GSA CONTRACTING OFFICER CONVICTED OF BRIBERY

A GSA OIG investigation found that Ronnie Simpkins, a former GSA Senior Contracting Officer, accepted cash, meals, and furniture totaling over \$12,000 from a GSA schedule vendor in return for approving their contract and advising the vendor on how to avoid contract cancellation, despite failing to meet GSA program requirements. Simpkins was the GSA contracting officer for the vendor's GSA schedule contracts for 13 years. On December 19, 2019, Simpkins pleaded guilty to bribery pursuant to an information filed in the U.S. District Court for the District of Columbia. As part of the plea, Simpkins agreed to forfeit \$12,108. He is awaiting sentencing. GSA OIG investigated this case with the FBI.

SUBCONTRACTOR PLEADED GUILTY AND SENTENCED FOR THEFT

A GSA OIG investigation found that Matthew Allen, Vice President of Illinois Valley Glass and Mirror, a GSA subcontractor, participated in a scheme to defraud HOF Construction, a GSA prime contractor. Specifically, Allen provided HOF fraudulent purchase orders and invoices in order to receive payment for windows and other materials that had not been purchased. His actions caused HOF to unwittingly submit false documentation to GSA in order to receive \$24,000 for the materials. On October 24, 2019, Allen pleaded guilty to one count of theft by deception and was sentenced to 100 days' incarceration and 24 months' probation.

GUILTY PLEA IN COMPUTER HACKING SCHEME TARGETING GOVERNMENT EMPLOYEES

A GSA OIG investigation found that Olumide Ogunremi participated in a computer hacking and identity theft scheme that defrauded vendors of office products valued at nearly \$1 million. The scheme employed “phishing” attacks using emails and websites that mimicked legitimate emails and web pages of the U.S. Government, which led employees of targeted agencies to visit fake web pages where they provided their email account user names and passwords. The conspirators used these stolen credentials to access the employees’ email accounts in order to place fraudulent orders for office products, in the employees’ names, from vendors who were authorized to do business with U.S. Government agencies. Ogunremi and his co-conspirators directed the vendors to ship the fraudulent orders to individuals in New Jersey and elsewhere. The office products were repackaged and shipped to overseas locations, with the intended final destination of Nigeria where they were sold on the black market. On February 20, 2020, Ogunremi pleaded guilty to conspiracy to commit wire fraud pursuant to an indictment filed in the District of New Jersey. GSA OIG investigated the case with the FBI, EPA OIG, DOC OIG, and DCIS.

CIVIL SETTLEMENTS

GREAT 4 IMAGE, INC. AGREED TO A \$702,000 SETTLEMENT TO RESOLVE FALSE CLAIMS ALLEGATIONS

On January 9, 2020, Daren Arakelian, Owner, Great 4 Image, Inc., agreed to pay \$702,000 to resolve allegations that the company violated the False Claims Act by falsely representing that their products were in compliance with the Trade Agreements Act and Buy American Act. Arakelian misrepresented that over \$1.7 million of Chinese-made military and law enforcement tactical gear sold through GSA contracts was manufactured in the United States. GSA OIG investigated this case with Army CID, DCIS, DHS OIG, and TIGTA.

ARROW LEATHER FINISHING, INC., AGREED TO A \$7,000 SETTLEMENT TO RESOLVE FALSE CLAIMS ALLEGATIONS

On October 17, 2019, Joseph DeCristofaro, former owner, Arrow Leather Finishing, Inc., agreed to pay \$7,000 to resolve allegations under the False Claims Act. The investigation determined DeCristofaro supplied leather that was not compliant with the Berry Amendment to LaCrosse Footwear, Inc., a U.S. Government contract holder, for use in its Danner line of boots that were distributed and sold to other government vendors and customers. GSA OIG investigated this case with DCIS and NCIS.

ADMINISTRATIVE MISCONDUCT

GSA PBS ARCHITECT TERMINATED FOR LEAVE ABUSE AND USE OF GOVERNMENT RESOURCES FOR PERSONAL GAIN

A GSA OIG investigation determined that a PBS architect abused telework and sick leave to engage in unauthorized outside employment. Additionally, it was determined the employee misused government resources for personal gain at another job. On December 10, 2019, the employee was fired from federal service.

GSA PBS EMPLOYEE SUSPENDED FOR 30 DAYS

A GSA OIG investigation determined that a PBS Leasing Contracting Officer operated a government vehicle while on leave without pay status. The employee received a 30-day suspension.

GSA FAS EMPLOYEE RESIGNED AND MISSOURI ARMY NATIONAL GUARDSMAN REPRIMANDED FOR MISCONDUCT RELATED TO MISAPPROPRIATION OF EXCESS GOVERNMENT PROPERTY

A GSA OIG investigation determined that a FAS property disposal specialist knowingly allowed others to obtain government property for non-official purposes, took excess property for personal use, and made false statements to agents during the investigation. On December 2, 2019, the employee resigned from GSA after receiving a notice of proposed removal. On October 5, 2019, a member of the Missouri Army National Guard was issued a General Officer Memorandum of Reprimand for wrongfully appropriating federal property and wrongfully selling or neglecting federal property. GSA OIG investigated this case with Army CID.

INVESTIGATIONS OF SENIOR GOVERNMENT EMPLOYEES

The GSA OIG initiated an investigation based on misconduct identified during a GSA OIG audit of the pricing for the renewal of a professional services contract with McKinsey & Company, Inc. The audit found that a GSA Division Director used invalid price comparisons, relied on unsupported information, and performed insufficient analyses to justify the awarded contract pricing. Additionally, the audit found that the Division Director inappropriately advocated on behalf of the contractor to other procurement officials. He also impeded the audit by failing to take appropriate action as required by the Federal Acquisition Regulation to obtain required data to complete the preaward audit. The Division Director resigned while GSA was determining the appropriate administrative action to take in this case.

FLEET CARD FRAUD

Carlos Espinola, Don Wright, and Emmanuel Alvarado, all current or former members of the Texas Army National Guard, were indicted, arrested, and pleaded guilty to conspiracy to defraud the United States for their roles in a scheme to steal GSA Fleet credit card credentials and sell counterfeit cards. Espinola, Wright, and Alvarado each pleaded guilty to conspiracy. On October 7, 2019, Wright was sentenced to three months' imprisonment, three years' probation, and payment of \$81,405 in restitution. On December 6, 2019, Espinola was sentenced to four years' imprisonment, one year probation, and payment of \$150,720 in restitution. Alvarado is awaiting sentencing.

On October 18, 2019, a GSA OIG proactive investigation identified that a large quantity of government customers were being double- or triple-billed for GSA Fleet credit card purchases at various SavOn gas stations in New York dating back to December 2018. The investigation identified a computer error with the credit card processing system. The error was corrected and on November 25, 2019, SavOn paid GSA \$21,615 to resolve the over-billings.

Kyle Sidney Freedman Flournoy, a former VA employee, allowed others to use government vehicles in exchange for cash and used GSA Fleet credit cards to purchase gas for himself and others, who then paid him in cash. Flournoy previously pleaded guilty to conspiracy to steal and retain government property in the Central District of California for his role in the scheme. On December 16, 2019, Flournoy was sentenced to six months' home confinement, and two years' probation, and ordered to pay \$18,366 in restitution. GSA OIG investigated this case with VA OIG.

Sergeant Sabis Adams, United States Army, pleaded guilty to one count of theft of government property for his fraudulent use of GSA Fleet credit cards to purchase fuel, car washes, and oil changes for his personal vehicle. On February 19, 2020, Adams was sentenced to three months' probation and forty hours' community service, and ordered to pay restitution in the amount of \$1,927.

Devin Case, a former employee of the Puyallup Tribal Fisheries Program, used GSA Fleet credit cards to purchase approximately \$1,300 in fuel for his personal benefit. On November 25, 2019, Case pleaded guilty to theft and was ordered to pay \$1,300 in restitution.

Daniel James McLemore, Byran Bertran Sweeney, and Shawn Berry were indicted, arrested and pleaded guilty for their roles in a scheme to use multiple GSA Fleet credit cards to purchase fuel for personal vehicles, steal identities, and possess unauthorized access devices during the commission of crimes in the Central District of California. On January 9, 2020, McLemore pleaded guilty to aggravated identity theft. On February 6, 2020, Sweeney pleaded guilty to aggravated identity theft. Berry previously pleaded guilty to bank fraud. On November 7, 2019, Berry was sentenced to six months' confinement, two years' probation, and restitution of \$265 to the VA. GSA OIG investigated this case with USPIS, DCIS, and VA OIG.

WPA ART INVESTIGATIONS

On January 30, 2020, special agents recovered the WPA painting “The Stallion,” by Thomas Savage, after learning the piece was being auctioned on a website. The painting has an estimated value of \$8,000.



“The Stallion” by Thomas Michael Savage. Oil on Masonite, 28 1/4” x 52 1/4” x 1 5/8”, 1935-1945.

As a direct result of the cooperative efforts between the OIG and the GSA Office of the Chief Architect’s Fine Arts Program (FAP), three lost pieces of Works Progress Administration (WPA) artwork were reclaimed and inventoried during this reporting period. These pieces of American history are not subject to public sale, but their comparative value totals \$48,000. The FAP will be conserving the pieces before placing them on loan to institutions across the country for display.

Since cooperative efforts between the OIG and FAP began in 2001, a total of 771 WPA pieces have been recovered, with a comparative value of \$8,626,350.¹

¹ 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 “turn-ins” as a result of publicity or internet searches that reveal the government’s ownership.

OTHER SIGNIFICANT WORK

SUSPENSION AND DEBARMENT INITIATIVE

GSA has a responsibility to ascertain whether the people or companies it does business with are eligible to participate in federally assisted programs and procurements, and that they are not considered “excluded parties.” Excluded parties are declared ineligible to receive contracts by a federal agency. The FAR authorizes an agency 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 process and forward referrals to GSA, so GSA can ensure that the government does not award contracts to individuals or companies that lack business integrity or honesty.

During this reporting period, the OIG made 91 referrals for consideration of suspension or debarment to the GSA Office of Acquisition Policy or other federal debarment officials. There were 91 actions issued based on current and previous OIG referrals.

INTEGRITY AWARENESS

The OIG presents Integrity Awareness Briefings nationwide to educate GSA employees on their responsibilities for the prevention of fraud and abuse. This period, we presented 40 briefings attended by 589 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. GSA employees are the first line of defense against fraud, abuse, and mismanagement. They are a valuable source of investigative information.

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 650 hotline contacts. Of these, 60 were referred to GSA program officials for review and appropriate action, 14 were referred to other federal agencies, 14 were referred to the OIG Office of Audits, 2 were referred to the OIG Office of Evaluations, 1 was referred to the OIG Office of Counsel, and 69 were referred to investigative field offices for investigation or further review.

STATISTICAL SUMMARY OF OIG INVESTIGATIONS

October 1, 2019 – March 31, 2020

OFFICE OF INVESTIGATIONS	
Referrals for criminal prosecution, civil litigation, administrative action, suspension & debarment	262
Indictments and informations on criminal referrals*	41
Subjects accepted for criminal prosecution	44
Subjects accepted for civil action	10
Convictions	17
Civil settlements/judgments	5
Contractors/individuals suspended and debarred	91
Employee actions taken on administrative referrals involving government employees	13
Investigative Reports**	8
Number of subpoenas	32
Civil settlements and court-ordered and investigative recoveries	\$2,027,085

* 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.

Investigative Workload

The OIG opened 70 investigative cases and closed 72 cases during this period.

Referrals

The OIG makes criminal and civil referrals to the Department of Justice (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, 44 subjects were accepted for criminal prosecution and 10 subjects were accepted for civil litigation. Criminal cases originating from OIG referrals resulted in 41 indictments or informations and 17 convictions. OIG civil referrals resulted in 5 subject settlements/judgments. Based on OIG administrative referrals, GSA management debarred 47 contractors or individuals, suspended 44 contractors or individuals, and took 13 personnel actions against government employees.

Table 4. Summary of OIG Referrals

TYPE OF REFERRAL	CASES	SUBJECTS
Civil	13	36
Criminal (DOJ)*	46	93
Criminal (State/Local)**	6	6
Administrative Referrals for Action/Response		36
Suspension	10	36
Debarment	17	55
TOTAL	92	262

* 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 \$2 million.

Table 5. Criminal and Civil Results

	CRIMINAL	CIVIL
Fines and Penalties	\$59,301	
Settlements		\$943,571
Recoveries/Forfeitures	\$148,000	\$0
Restitutions	\$391,398	
TOTAL	\$598,699	\$943,571

Table 6. Non-Judicial Recoveries*

Administrative Recoveries	\$483,815
Forfeitures/Restitution	\$1,000
TOTAL	\$484,815*

* This total includes the FAR disclosures reported on page 21.

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 the chair of the Budget Committee and is a member of the Executive Council and Investigations and Legislation Committees. Through CIGIE, we also participate in the following:
 - **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 IG community in understanding and meeting its DATA Act oversight requirements by: (1) serving as a working level liaison with the 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 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 Federal Audit Executive Council 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.

- **Enterprise Risk Management Working Group.** The Office of Audits also participates in CIGIE’s Enterprise Risk Management (ERM) working group. The working group’s charge is to contribute to the promotion and implementation of ERM principles in accordance with OMB Circular A-123 within OIGs and their respective agencies. The Office of Audits participates in the working group as a 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.
- **Disaster Assistance Working Group.** In response to the damage caused by Hurricanes Harvey, Irma, and Maria, CIGIE reactivated the Disaster Assistance Working Group to coordinate the OIG community’s oversight of the federal response and recovery efforts as well as the resources appropriated by Congress for disaster recovery programs. The Office of Audits participates in the Disaster Assistance Working Group to identify any overlapping issues and coordinate any related work.
- **Data Analytics Working Group.** The Office of Investigations participates in the CIGIE Data Analytics Working Group. The working group’s projects include developing training forums in data analytics, updating a repository of databases and other sources of information used by the OIG community, and identifying cross-cutting initiatives utilizing data analytics to detect fraud.
- **Blue Book Working Group.** The Office of Inspections participates in the Blue Book Working Group. The working group is comprised of I&E professionals from the IG Community tasked with updating the CIGIE Quality Standards for Inspection and Evaluation (Blue Book) published in 2012.



Photo: East lobby decorative door, EPA East and West, located on 12th and Constitution Avenue, N.W., Washington, D.C.

APPENDIXES

APPENDIX I

ACRONYMS AND ABBREVIATIONS

AFOSI	Air Force Office of Special Investigations
Army CID	U.S. Army Criminal Investigation Division
CALC	Contracted-Awarded Labor Category
CIGIE	Council of the Inspectors General on Integrity and Efficiency
CODCD	Contract Operations Division Contractors Database
CSP	Commercial Sales Practices
DATA Act	Digital Accountability and Transparency Act of 2014
D.C.	District of Columbia
DCIS	Defense Criminal Investigative Service
DHS	Department of Homeland Security
DOC	Department of Commerce
DOJ	Department of Justice
DOL	Department of Labor
DOT	Department of Transportation
EPA	Environmental Protection Agency
ESCO	energy service companies
ESPC	Energy Savings Performance Contracts
ERM	Enterprise Risk Management
FAEC	Federal Audit Executive Council
FAR	Federal Acquisition Regulation
FAS	Federal Acquisition Service
FBI	Federal Bureau of Investigation
FISMA	Federal Information Security Modernization Act of 2014
FY	Fiscal Year
GAO	Government Accountability Office
GLS	GSA Leasing Support Services
GSA	General Services Administration
HSI	Homeland Security Investigations
ICE	Immigration and Customs Enforcement
IFF	Industrial Funding Fee
IPA	independent public accounting
IRS-CI	Internal Revenue Service Criminal Investigation Division
IT	Information Technology
NCIS	Naval Criminal Investigative Service
OIG	Office of Inspector General
OMB	Office of Management Budget
OPM	Office of Personnel Management
PBS	Public Buildings Service
SAM	System for Award Management
SBA	Small Business Administration
Schedule	Multiple Award Schedule
SDVOSB	Service-Disabled Veteran-owned Small Business
TIGTA	U.S. Treasury Inspector General for Tax Administration
Treasury	Department of the Treasury
USCG	United States Coast Guard
USDA	U.S. Department of Agriculture
USPIS	U.S. Postal Inspection Service
USSS	United States Secret Service
VA	U.S. Department of Veterans Affairs
WPA	Works Progress Administration

APPENDIX II

SIGNIFICANT RECOMMENDATIONS FROM PRIOR REPORTS

The GSA Office of Administrative Services 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 five reports with recommendations that have not yet been fully implemented. These recommendations are currently being implemented in accordance with established milestones.

IMPROPER PRICING ON THE MCKINSEY PROFESSIONAL SERVICES CONTRACT MAY COST THE UNITED STATES AN ESTIMATED \$69 MILLION

Period First Reported: April 1, 2019, to September 30, 2019

Our objective was to determine whether FAS administered Contract Number GS-10F-0118S in accordance with applicable laws, regulations, and policies. We made eight recommendations; four were not implemented as of March 31, 2020.

However, on April 16, 2020, GSA issued a notice to cancel the two McKinsey & Company's contracts that were recommended for cancellation in our July 2019 audit report.

The remaining recommendations involve: creating a plan based on the results of the review of all FAS contracts with team-based pricing to ensure they comply with Federal Acquisition Regulation requirements, and establishing additional controls to ensure contracting staff obtain required audit records to perform audits prior to awarding contract actions. The recommendations are scheduled for completion by June 30, 2020.

GSA'S NORTHEAST AND CARIBBEAN REGION LACKS POLICIES AND PROCEDURES FOR EMERGENCIES AND EVACUATIONS IN PUERTO RICO

Period First Reported: April 1, 2019, to September 30, 2019

Our objectives were to determine whether: (1) the Northeast and Caribbean Region has policies and procedures in place to effectively respond to disasters in Puerto Rico and (2) all supply and equipment distributions for and travel and subsistence payments made to and on behalf of GSA employees are accounted for, supported, and justified. We made four recommendations; two have not been implemented.

The remaining recommendations involve the Office of Mission Assurance coordinating the development of policies and procedures for emergencies and evacuations in all areas where GSA has a presence based on lessons learned and applicable federal regulations; and the PBS Regional Commissioner in the Northeast and Caribbean Region attempting to recover the \$2,868 in lodging tax paid and issuing a reminder to cardholders and approving officials of their responsibility to provide effective oversight of government charge card transactions. The recommendations are scheduled for completion by July 31, 2020.

AUDIT OF IT SECURITY REQUIREMENTS IN GSA LEASING SUPPORT SERVICES CONTRACTS

Period First Reported: October 1, 2018, to March 31, 2019

Our objective was to determine whether GSA's award and administration of the GSA Leasing Support Services (GLS) contracts sufficiently protected government data. In particular, we focused on GSA's changes to the IT security requirements for the GLS contracts. We made two recommendations; one has not been implemented.

The remaining recommendation involves coordinating with GSA IT to ensure that the IT requirements and solutions for the pending GLS Plus real estate broker solicitation accurately reflect the actual IT security requirements for contractor performance. The recommendation is scheduled for completion by May 29, 2020.

GSA'S PUBLIC BUILDINGS SERVICE DOES NOT TRACK AND REPORT ALL UNUSED LEASED SPACE AS REQUIRED

Period First Reported: April 1, 2018, to September 30, 2018

Our objectives were to determine whether: (1) PBS accurately reports the amount of vacant and unused leased space and (2) PBS's controls for managing unused leased space are effective in preventing and reducing undue costs to the government. We made two recommendations, which have not been implemented.

The recommendations involve: (1) developing and implementing a process to ensure that PBS reports and mitigates all unused space for all non-cancelable occupancy agreements in its lease portfolio and (2) taking action to ensure that existing and future non-cancelable occupancy agreements comply with PBS's policy. The recommendations are scheduled for completion by May 31, 2021.

REPORTS THAT HAVE BEEN REOPENED AS A RESULT OF OUR IMPLEMENTATION REVIEWS

PBS FAILED TO ENFORCE KRESS BUILDING LEASE PROVISIONS AND MAY HAVE EXPOSED TENANTS TO HEALTH RISKS

Period First Reported: October 1, 2016, to March 31, 2017

Our objectives were to determine whether: (1) PBS enforces the health, safety, and security terms of the full service lease at the Kress Building in Tampa, Florida; and (2) PBS's approach to handling mold and other environmental issues exposed tenants to health risks. We made two recommendations, which were closed.

We completed an implementation review to determine whether PBS fully completed the corrective action steps to resolve the original audit report recommendations. We found that PBS did not fully implement several corrective actions. PBS did not: (1) enforce the terms of the lease and take measures to ensure that all necessary maintenance and repair issues were addressed in a timely manner, (2) pursue the strategies included in the corrective action plan to keep the lease procurement on schedule and move the tenant by the 2018 lease expiration date, and (3) provide training that addressed the communication of environmental concerns and test results to affected building tenants. As a result, PBS reopened the recommendations and submitted a revised Corrective Action Plan to remedy these deficiencies. The recommendations have not been implemented.

The recommendations involve: (1) enforcing the terms of the lease and taking measures to ensure that all necessary maintenance and repair issues are addressed in a timely manner and (2) developing and distributing guidance that ensures the immediate communication of environmental concerns and test results to affected building tenants. The recommendations are scheduled for completion by June 30, 2020.

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 INTERNAL AUDITS				
10/23/2019	A190102	Implementation Review of Corrective Action Plan - The Robert A. Young Federal Building Needs Vehicle Collision Prevention Controls		
01/30/2020	A170119	Child Care Centers in GSA-Controlled Buildings Have Significant Security Vulnerabilities		
02/20/2020	A180053	GSA's PBS Northwest/Artic Region Service Center Does Not Effectively Administer Lease and Service Contracts		
03/27/2020	A170056	Audit of Public Buildings Service's Photovoltaic Installations in the New England and Northeast and Caribbean Regions		\$1,608
03/27/2020	A180017	PBS's \$1.7 Billion Energy Savings Performance Contracts Are Not Achieving Energy and Cost Savings Due to Inadequate Oversight		
03/31/2020	A170070	Audit of PBS's Total Workplace Furniture and Information Technology Program		
03/31/2020	A180039	Audit of the GSA Public Buildings Service's Commercial Parking Outleases		
PBS CONTRACT AUDITS				
11/14/2019	A190078	Examination of a Request for Equitable Adjustment: The Robins & Morton Group, Contract Number GS-P-07-15-HH-D-7028		
11/29/2019	A190086	Examination of a Conversion Proposal: Messer Construction Company, Contract Number GS-05P-16-GB-C-7005		
12/12/2019	A190090	Examination of an Architect/Engineer Proposal: Liollo Hartman Cox Joint Venture, Solicitation Number 47PE0318R0005		
01/29/2020	A190087	Examination of a Final Settlement Proposal: D.E.W. Construction Corp., Contract Number GS-01-P-16-BW-C-7011		\$548,225
02/28/2020	A180098	Examination of a Claim: Archer Western Construction, LLC., Contract Number GS-07P-14-HH-C-0052		
FAS INTERNAL AUDITS				
12/20/2019	A170116	Audit of a GSA Information System		
12/23/2019	A180068	FAS's Use of Pricing Tools Results in Insufficient Price Determinations		
02/07/2020	A190096	Implementation Review of Corrective Action Plan, Great Lakes Region Network Services Division Invoicing Process Lacks Transparency, Report Number A130011/Q/5/P15001, February 27, 2015		
02/21/2020	A160043	Audit of GSA's Management of Excess Personal Property in the Northeast and Caribbean Region		
FAS CONTRACT AUDITS				
10/07/2019	A180108	Preaward Examination of Multiple Award Schedule Contract Extension: Atlantic Diving Supply, Inc., Contract Number GS-07F-5965P		
10/24/2019	A140150	Limited Scope Postaward Examination of Multiple Award Schedule Contract: Fisher Scientific Company LLC, Contract Number GS-25F-7087G		\$1,700,000
10/29/2019	A190034	Preaward Examination of Multiple Award Schedule Contract Extension: Science Applications International Corporation, Contract Number GS-00F-002CA		

DATE OF REPORT	REPORT NUMBER	TITLE	FINANCIAL RECOMMENDATIONS	
			FUNDS BE PUT TO BETTER USE	QUESTIONED COSTS
11/06/2019	A190057	Preaward Examination of Multiple Award Schedule Contract Extension: Technical Communities, Inc., Contract Number GS-35F-0311R		
11/07/2019	A190038	Limited Scope Postaward Examination of Multiple Award Schedule Contract: Overwatch Systems, Ltd., Contract Number GS-35F-0616X		\$1,772,722
11/21/2019	A190065	Preaward Examination of Multiple Award Schedule Contract Extension: Navigant Consulting, Inc., Contract Number GS-00F-094CA		
12/03/2019	A180109	Preaward Examination of Multiple Award Schedule Contract Extension: Atlantic Diving Supply, Inc., Contract Number GS-07F-6072P		
12/05/2019	A190045	Preaward Examination of Multiple Award Schedule Contract Extension: Verizon Connect NWF, Incorporated, Contract Number GS-07F-5559R		
12/23/2019	A190075	Preaward Examination of Multiple Award Schedule Contract Extension: Learning Tree International USA, Inc., Contract Number GS-35F-369CA		
12/23/2019	A190076	Preaward Examination of Multiple Award Schedule Contract Extension: MOI, Inc., Contract Number GS-27F-0029W		
01/06/2020	A160116	Limited Scope Postaward Examination of Multiple Award Schedule Contract: Xerox Corporation, Contract Number GS-25F-0062L		\$2,357,322
01/06/2020	A190036	Preaward Examination of Multiple Award Schedule Contract Extension: Carlos L. Lopez & Associates, Contract Number GS-02F-0075W		\$6,012
01/14/2020	A190080	Preaward Examination of Multiple Award Schedule Contract Extension: Price Modern, LLC, Contract Number GS-28F-0031R		
01/29/2020	A170113	Preaward Examination of Multiple Award Schedule Contract Extension: Palmetto GBA, LLC, Contract Number GS-02F-0089U		\$153,067
02/27/2020	A190084	Preaward Examination of Multiple Award Schedule Contract Extension: Purisolve, Inc., Contract Number GS-35F-0485W		
02/28/2020	A190069	Preaward Examination of Multiple Award Schedule Contract Extension: Environmental Systems Research Institute, Inc., Contract Number GS-35F-253CA		
03/05/2020	A190055	Limited Scope Postaward Examination of Multiple Award Schedule Contract: FedEx Supply Chain Distribution System, Inc., Contract Number GS-03F-0169X		
03/20/2020	A190059	Preaward Examination of Multiple Award Schedule Contract Extension: Tecolote Research, Inc., Contract Number GS-00F-052CA		
03/24/2020	A190053	Preaward Examination of Multiple Award Schedule Contract Extension: Jacobs Technology, Inc., Contract Number GS-00F-038CA		\$9,782
03/31/2020	A190060	Preaward Examination of Multiple Award Schedule Contract Extension: Highrise Consulting, Inc., Contract Number GS-35F-0236W		\$9,324
03/31/2020	A190074	Preaward Examination of Multiple Award Schedule Contract Extension: FLIR Surveillance, Inc., Contract Number GS-03F-099CA		
OTHER INTERNAL AUDITS				
11/01/2019	A190040	Audit of the Completeness, Accuracy, Timeliness, and Quality of GSA's 2019 DATA Act Submission		

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 Administrative Services provided the following list of reports with action items open beyond 12 months:

DATE OF REPORT	REPORT NUMBER	TITLE
CONTRACT AUDITS		
11/10/2014	A140110	Examination of Claims: Suffolk Construction Company, Inc., Contract Number GS-01P-05-BZ-C-3010
01/30/2015	A140116	Examination of a Claim: City Lights Electrical Company, Inc., Subcontractor to Suffolk Construction Company, Inc., Contract Number GS-01P-05-BZ-C-3010
06/10/2015	A140074	Preaward Examination of Multiple Award Schedule Contract Extension: TASC, Inc., Contract Number GS-23F-0008K
11/10/2015	A150083	Preaward Examination of Multiple Award Schedule Contract Extension: LCG Systems LLC, Contract Number GS-35F-0047L
11/13/2015	A140118	Examination of a Claim: N.B. Kenney Company, Inc., Subcontractor to Suffolk Construction Company, Inc., Contract Number GS-01P-05-BZ-C-3010
08/08/2016	A160039	Preaward Examination of Multiple Award Schedule Contract Extension: Carahsoft Technology Corporation, Contract Number GS-35F-0119Y
09/08/2016	A160027	Preaward Examination of Multiple Award Schedule Contract Extension: Agilent Technologies, Inc., Contract Number GS-07F-0564X
10/13/2016	A150083	Limited Scope Postaward Examination of Multiple Award Schedule Contract: LCG Systems, LLC, Contract Number GS-35F-0047L
03/30/2017	A150001	Preaward Examination of Multiple Award Schedule Contract Extension: Noble Sales Co., Inc., Contract Number GS-06F-0032K
05/17/2017	A160088	Preaward Examination of Multiple Award Schedule Contract Extension: CSRA, Inc., Contract Number GS-15F-0018M
04/20/2018	A170046	Preaward Examination of Multiple Award Schedule Contract Extension: Enlightened, Inc., Contract Number GS-35F-0703M
06/07/2018	A170086	Preaward Examination of Multiple Award Schedule Contract Extension: VT Aepco, Inc., Contract Number GS-23F-0191N

DATE OF REPORT	REPORT NUMBER	TITLE
06/12/2018	A180035	Preaward Examination of Multiple Award Schedule Contract Extension: Millennium Systems Services, Inc., Contract Number GS-10F-0594N
12/18/2018	A180049	Preaward Examination of Multiple Award Schedule Contract Extension: Guidehouse LLP, Contract Number GS-35F-0263P
01/07/2019	A180045	Preaward Examination of Multiple Award Schedule Contract Extension: Technica Corporation, Contract Number GS-35F-0171V
02/05/2019	A180037	Preaward Examination of Multiple Award Schedule Contract Extension: Keysight Technologies, Inc., Contract Number GS-07F-280AA
02/08/2019	A180082	Preaward Examination of Multiple Award Schedule Contract Extension: The CBE Group, Inc., Contract Number GS-23F-0230P
02/21/2019	A180052	Examination of a Termination Settlement Proposal: Honeywell International Inc., Contract Number GS-P-08-16-JE-7081
03/07/2019	A180077	Preaward Examination of Multiple Award Schedule Contract Extension: Sapient Government Services, Inc., Contract Number GS-35F-0442V
03/20/2019	A180048	Preaward Examination of Multiple Award Schedule Contract Extension: Corporate Lodging Consultants, Inc., Contract Number GS-33F-0009P
03/29/2019	A170049	Preaward Examination of Multiple Award Schedule Contract Extension: DLH Solutions, Inc., Contract Number GS-10F-0092N

DATE OF REPORT	REPORT NUMBER	TITLE	PROJECTED FINAL ACTION DATE
INTERNAL AUDITS			
02/27/2015	A130011	Great Lakes Region Network Services Division Invoicing Process Lacks Transparency	12/31/2020*
01/27/2017	A160019	PBS Failed to Enforce Kress Building Lease Provisions and May Have Exposed Tenants to Health Risks	6/30/2020*
08/10/2018	A160133	GSA's Public Buildings Service Does Not Track and Report All Unused Leased Space as Required	05/31/2021
03/21/2019	A170092	Audit of IT Security Requirements in GSA Leasing Support Services Contracts	05/29/2020

*These audits were reopened as a result of an implementation reviews.

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 two OIG reports that meet this requirement this reporting period.

PREAWARD EXAMINATION OF A TECHNOLOGY CONTRACTOR

We performed this examination to determine whether the contractor disclosed and submitted accurate, current, and complete information in the Commercial Sales Practices (CSP); maintains sales monitoring and billing systems that ensure proper administration of the price reduction and billing provisions of the GSA contract; and adequately accumulates and reports schedule sales for Industrial Funding Fee (IFF) payment purposes.

We concluded that the contractor's CSP is not accurate, current, or complete; the price reduction provisions of the contract are ineffective because the contractor lacks sales to the basis of award customer; and the contractor does not have adequate controls to properly accumulate and report schedule sales for IFF purposes.

GSA is finalizing negotiations with the contractor.

PREAWARD EXAMINATION OF A TRAVEL SERVICES CONTRACTOR

We performed this examination to determine whether the contractor disclosed and submitted accurate, current, and complete information in the CSP; maintains sales monitoring and billing systems that ensure proper administration of the price reduction and billing provisions of the GSA contract; and adequately accumulates and reports schedule sales for IFF payment purposes.

We concluded that the contractor did not submit a proposal or updated CSP information for its upcoming option, collected and remitted IFF on non-contract items, and overbilled GSA customers.

We are continuing to work with GSA officials to resolve the examination.

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.

The Office of Investigations received a compliance rating from its last peer review, which was conducted by the Department of Education OIG in 2020. In June 11, 2018, the Office of Investigations concluded a peer review of the Environmental Protection Agency (EPA) OIG. The peer review team found EPA OIG's system of internal safeguards and management procedures complied with the standards established for investigations by the Attorney General Guidelines and CIGIE.

In FY 2018, the GSA OIG Office of Audits underwent a peer review by the USDA OIG. On September 26, 2018, 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.

In addition, the GSA OIG Office of Audits completed an external peer review of TIGTA. TIGTA has no outstanding recommendations issued by any previous peer review that have not been fully implemented.

The Office of Inspections is scheduled to be peer reviewed in 2020.

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 were no 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
2015	Great Lakes Region Network Services Division Invoicing Process Lacks Transparency	2*	\$0
2017	PBS Failed to Enforce Kress Building Lease Provisions and May Have Exposed Tenants to Health Risks	2*	\$0
2018	Audit of GSA's Public Buildings Service Does Not Track and Report All Unused Leased Space as Required	2	\$0
2019	Audit of IT Security Requirements in GSA Leasing Support Services Contracts	1	\$0
2019	GSA's Northeast and Caribbean Region Lacks Policies and Procedures for Emergencies and Evacuations in Puerto Rico	2	\$11,930
2019	Improper Pricing on the McKinsey Professional Services Contract May Cost the United States an Estimated \$69 Million	4	\$0
2019	Audit of the PBS Great Lakes Region's Lease Financial Performance	1	\$0
Totals:	7	14	\$11,930

* These recommendations were reopened as a result of implementation reviews.

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
Totals:	4	7	\$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	48
5(a)(1)	Significant Problems, Abuses, and Deficiencies	5
5(a)(2)	Recommendations with Respect to Significant Problems, Abuses, and Deficiencies	8-27
5(a)(3)	Prior Recommendations Not Yet Implemented	53-55
5(a)(4)	Matters Referred to Prosecutive Authorities	44-45
5(a)(5) and 6(c)(2)	Summary of Instances Where Information Was Refused	none
5(a)(6)	List of OIG Reports	56-57
5(a)(7)	Summary of Each Particularly Significant Report	8-19, 28-29
5(a)(8)	Statistical Tables on Management Decisions on Questioned Costs	25
5(a)(9)	Statistical Tables on Management Decisions on Recommendations That Funds Be Put to Better Use	24
5(a)(10) (A)	Summary of OIG Reports Issued Before the Commencement of the Reporting Period Which No Management Decision Has Been Made	60
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	64-65
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	61
5(a)(13)	Compliance with Federal Financial Management Improvement Act	none
5(a)(14)-(16)	Peer Review Results	62
5(a)(17)	Statistical Tables of Investigation Metrics	44-46
5(a)(18)	Description of Investigation Metrics	44-45
5(a)(19)	Investigations of Senior Employees where Misconduct was Substantiated	40
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	10-11, 29
5(a)(22)(B)	Description of Investigations involving a Senior Government Employee Not Publicly Disclosed	40
OTHERS		
PL 103-355, Sec 6009	Management Decisions and Implementation of Audit Recommendations	58
PL 110-181, Sec. 845	Government Contractor Significant Findings	63



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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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