



Office of Inspector General

Semiannual
Report to
the Congress

October 1, 1986 to
March 31, 1987

May 1, 1987

FOREWORD

This report, submitted pursuant to the Inspector General Act of 1978, summarizes Office of Inspector General activity over the 6-month period ending March 31, 1987. It is my third Report to the Congress.

Solid support from the Congress, the Office of Management and Budget, and the GSA Administrator has enabled us to start revitalizing the OIG. An active recruitment program was put in place this period, and we also set about providing our staff with the logistical support they need to do their jobs.

I am very pleased to report that the OIG staff is producing results commensurate with the increased investment in our office. Most notably, management commitments to recover funds, management commitments to more efficiently use resources, voluntary recoveries, court-ordered recoveries, and investigative recoveries totaled \$95,836,646 during this 6-month period. This represented a return of \$9.51 for every \$1 budgeted for OIG operations during the same period.

No Office of Inspector General stands alone; these accomplishments would not have been possible without the continued cooperation and support of the GSA Administrator and his management team.

William R. Barton

WILLIAM R. BARTON
Inspector General

April 30, 1987

INTRODUCTION AND OVERVIEW

A. Introduction

This report, submitted pursuant to the Inspector General Act of 1978, chronicles the activities of the General Services Administration (GSA) Office of Inspector General (OIG) between October 1, 1986 and March 31, 1987. It is the seventeenth Report to the Congress since the appointment of GSA's first Inspector General.

B. Overview

The following paragraphs provide an overview of OIG audit and investigative coverage of the Agency, as well as a summary of OIG accomplishments and productivity. In addition, this section highlights significant OIG prevention activities.

1. Audit and Investigative Coverage of GSA Programs

Audit and investigative coverage of GSA programs identified a number of opportunities for more efficient and effective Agency operations. Overall, this report reflects a strong commitment on the part of GSA management to make those improvements.

Public Buildings Service

The OIG expended 39 percent of its direct workhours reviewing Public Buildings Service (PBS) programs. Resultant audits assisted PBS managers in taking action relative to:

- Possible problems associated with a retrofilling process for polychlorinated biphenyl (PCB) contaminated electrical transformers.
- Deferring settlement on the purchase of a building with potential structural deficiencies.
- An unnecessary \$209,000 project to rewire a warehouse.

Actions by the Department of Justice on other audits and investigations resulted in:

- A \$5 million cost avoidance on a contractor claim.
- A \$65,000 consent judgment against a contractor that allegedly violated the false claims act.
- Successful prosecution of a lawn maintenance contractor for bribery of a GSA employee.

Detailed information on these and other activities is presented in Section II.

Federal Supply Service

The OIG invested 40 percent of its direct workhours in audits and investigations of Federal Supply Service (FSS) programs. Noteworthy audits issued this period advised management of:

- Opportunities to achieve price improvements in procurements of prefabricated structures.
- The need to include equitable adjustment provisions in contracts for batch-produced materials.

In response to OIG audits and investigations, the Department of Justice:

- Reached a \$680,000 civil fraud settlement with a laboratory equipment supplier.
- Successfully prosecuted five GSA contractor employees who sold stolen Government property.
- Entered into a \$60,000 civil settlement agreement with an equipment repair firm.

Detailed information on these and other activities is presented in Section III.

Information Resources Management Service

The OIG expended 12 percent of its direct workhours performing audits and investigations involving the programs of the Information Resources Management Service (IRMS). As a result of the cooperative efforts of IRMS and the OIG, \$28.7 million was avoided on a major procurement for general purpose automated data processing (ADP) equipment and software.

The OIG also issued a consolidated report on the President's Council on Integrity and Efficiency (PCIE) review of Federal Telecommunications System (FTS) Utilization (see Section VIII). The report contained recommendations to reduce Government-wide telecommunications costs by an estimated \$125 million.

In addition, OIG audit and investigative efforts resulted in a \$1.75 million settlement agreement with an IRMS contractor. The full amount of the settlement has been paid to the Government.

Detailed information on these and other activities is presented in Section IV.

Other GSA Coverage

The OIG expended over 9 percent of its direct workhours reviewing organizations such as the Office of Administration, the Federal Property Resources Service, and the Office of the Comptroller. The resultant audits addressed a variety of areas, including stockpile operations, consultant service contracts, budget activities, and imprest funds.

In response to issues raised in three audits, management is taking action to improve:

- Reporting procedures for consultant service contracts.
- Fund control over building repair expenditures.
- Operations at a regional printing facility.

In addition, an OIG investigation led to the conviction of a museum owner for theft of Government property.

Detailed information on these and other activities is presented in Section V.

2. OIG Accomplishments and Productivity

The OIG tracks its accomplishments both on an aggregate basis and, in critical areas of our performance, on the basis of actual staffyears incurred. The latter calculations yield productivity data that are less subject to fluctuating staffing levels.

Overall OIG Accomplishments

OIG accomplishments this period included:

- 322 audit reports;
- \$215,707,072 in recommendations for more efficient use of resources and in recovery recommendations;
- \$92,412,088 in management commitments to more efficiently use resources;
- \$3,424,558 in management commitments to recover funds, voluntary recoveries, court-ordered recoveries, and investigative recoveries;
- 183 investigative cases opened and 178 closed;
- 18 case referrals accepted for criminal prosecution and 9 case referrals accepted for civil litigation;

- 24 indictments/informations/complaints on criminal referrals;
- 19 successful criminal prosecutions;
- 6 settlements and 1 civil fraud complaint;
- 29 contractor suspensions and 25 contractor debarments;
- 25 reprimands, 4 suspensions, 2 demotions, and 10 terminations of GSA employees;
- 49 Inspector General subpoenas; and
- 144 legislative initiatives and 111 regulations and directives reviewed.

Management commitments to more efficiently use resources, management commitments to recover funds, voluntary recoveries, court-ordered recoveries, and investigative recoveries totaled \$95,836,646 during the first half of FY 1987. This represented a return of \$9.51 for every \$1 budgeted to OIG operations during the 6-month period.

Detailed information on these and other activities is presented in Sections VI and VII.

OIG Productivity

As noted previously, in critical areas of our performance we compute OIG productivity based on actual staffyears — full-time equivalent (FTE) positions — incurred. Since these data are less subject to fluctuating staffing levels, they are an excellent mechanism for measuring OIG performance over time.

The following table presents these productivity data for FY 1984 through the first half of FY 1987. During the first half of FY 1987, the OIG clearly made significant gains in recovering/avoiding costs and in recommending costs for recovery/avoidance. While our productivity in these areas was influenced by several exceptionally high dollar results, it also reflects the OIG's focus on assuring — principally through contract audits and white collar crime investigations — the prudent expenditure of Government funds.

Productivity Factor	FY 84	FY 85	FY 86	First Half FY 87
Total costs recovered/avoided* per audit, counsel, and investigations FTE	\$522,688	\$444,152	\$368,065	\$615,323
Recommended cost recovery and avoidance per audit FTE	\$1,357,104	\$601,564	\$792,089	\$1,896,159
Audit reports per audit FTE	3.1	2.7	2.9	2.8
Referrals (criminal, civil, and administrative) per investigations FTE	8.4	7.6	6.0	5.6
Positive investigative outcomes (indictments/informations/complaints/successful prosecutions) per investigations FTE.....	0.9	1.2	1.2	1.1
Employee actions (reprimands, terminations, suspensions, and demotions) per investigations FTE	1.6	1.5	1.3	1.1

*Includes management commitments, voluntary recoveries, court-ordered recoveries, and investigative recoveries.

3. Prevention Activities

As detailed in Section VIII, the OIG's program to prevent fraud, waste, and mismanagement encompasses a wide variety of activities.

Highlights of our efforts during the period include:

- Completion of 42 preaward advisory reviews of

leases involving annual rentals in excess of \$200,000.

- Integrity Awareness Briefings for 2,663 GSA employees.
- Receipt of 295 Hotline calls/letters and referral of 76 of these complaints for further action.

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REPORTING REQUIREMENTS

The table below cross-references the reporting requirements prescribed by the Inspector General Act of 1978 to the specific pages where they are addressed. The information requested by the Congress in Senate Report

No. 96-829 relative to the 1980 Supplemental Appropriations and Rescission Bill is also cross-referenced to the appropriate page of the report.

Source	Page
Inspector General Act	
1. Section 4(a)(2)—Review of Legislation and Regulations	26
2. Section 5(a)(1)—Significant Problems, Abuses, and Deficiencies	2, 8, 12, 15
3. Section 5(a)(2)—Recommendations With Respect to Significant Problems, Abuses, and Deficiencies	2, 8, 12, 15
4. Section 5(a)(3)—Prior Recommendations Not Yet Implemented	5, 10, 14, 16
5. Section 5(a)(4)—Matters Referred to Prosecutive Authorities	24
6. Sections 5(a)(5) and 6(b)(2)—Summary of Instances Where Information Was Refused	None This Period
7. Section 5(a)(6)—List of Audit Reports	32
Senate Report No. 96-829	
1. Resolution of Audits	20
2. Delinquent Debts	45

SECTION I—ORGANIZATION, STAFFING, AND BUDGET

Pursuant to the Inspector General Act of 1978, an Office of Inspector General (OIG) was established within the General Services Administration (GSA) on October 1, 1978. As currently configured, the OIG consists of four offices that function cooperatively to perform the missions legislated by the Congress.

A. Organization

The OIG utilizes a functional organizational structure to provide nationwide coverage of GSA programs and activities. It consists of:

- The **Office of Audits**, a multidisciplinary unit staffed with financial and technical experts who provide comprehensive coverage of GSA operations (internal or management audits) as well as GSA contractors (external or contract audits). Headquarters divisions direct and coordinate the audit program, which is performed by the ten field audit offices and one resident office.
- The **Office of Investigations**, an investigative unit that manages a nationwide program to prevent and detect illegal and/or improper activities involving GSA programs, personnel, and operations. Operations officers at headquarters coordinate and oversee the investigative activity of nine field investigations offices and five resident offices.
- The **Office of Counsel to the Inspector General**, an in-house legal staff that provides opinions and advice on matters under OIG review. These attorneys also manage the civil referral system, formulate OIG comments on existing and proposed legislation and regulations, and assist in litigation.
- The **Office of Policy, Plans, and Management Systems**, a centralized unit that oversees the development of OIG policies and plans, evaluates the operations of the other OIG components, provides data systems support, and handles budgetary, administrative, and personnel matters.

B. Office Locations

The OIG is headquartered in Washington, D.C., at GSA's Central Office building. Field audit and investigations offices are maintained in the following cities: Boston, New

York, Philadelphia, Atlanta, Chicago, Kansas City, Fort Worth, San Francisco, and Washington, D.C. In addition to another field office in Auburn, the Office of Audits has a resident office in Denver. The Office of Investigations has resident offices in Auburn, Cleveland, St. Louis, Denver, and Los Angeles.

C. Staffing and Budget

The OIG's approved fiscal year (FY) 1987 budget is approximately \$21.1 million, an increase of \$1.8 million over FY 1986. Some \$10 million was available for obligation during the first half of FY 1987.

Although a personnel ceiling of 452 full-time equivalent positions has long been established as a maximum employment limit for the OIG, only 430 positions are supportable for the entire period of the fiscal year. This period, the OIG initiated recruitment efforts to bring staffing to the 430 level, and also took steps to provide our staff with the logistical support they need to be as productive as possible.

The OIG concluded FY 1986 with a total on-board strength of 340 full time employees, our lowest staffing level since 1979. At the start of FY 1987, a funding lapse and a need to adjust OIG nationwide staffing allocations in light of changing Agency programs served to temporarily delay our recruitment efforts. However, by the end of the first half of FY 1987, the OIG had reached a staffing level of 370 full time employees, a net gain of 30 during the 6-month period. This represents a considerable achievement, since recruitment processes typically involve lags of 4 to 6 months between initiation of a recruitment action and actual employment of the applicant.

Based on current hiring and attrition rates, we expect to reach a staffing level of at least 430 during the fourth quarter of the fiscal year. Our progress toward this goal is being facilitated by full implementation of our inter-agency agreement with the Office of Personnel Management, which permits the use of OIG-conducted pre-employment suitability investigations.

Relative to logistical support, the OIG has concentrated on: locating sufficient office space for our field offices, based on the GSA standard of 135 square feet per person; and providing at least one microcomputer for every three auditors/investigators. In addition, we have developed plans to implement the GSA Administrator's Quality Work Space Program at five regional OIG locations.

SECTION II—PUBLIC BUILDINGS SERVICE

The Public Buildings Service (PBS) manages much of the Federal Government's real estate assets nationwide. Its responsibilities extend from constructing, purchasing, and leasing space for Government use to maintaining and protecting that space. In the first half of FY 1987, the total available funding authority of the Federal Buildings Fund was almost \$2.1 billion. During the same period, PBS obligated almost \$1.4 billion of these funds.

Commensurate with this level of activity, the OIG devoted some 47,997 direct staffhours pursuing 436 audit and investigative assignments. These figures reflect 39 percent of total OIG direct staffhours and approximately 44 percent of all work assignments.

A. Overview of OIG Activity

This period, almost 69 percent of the internal audit reports issued by the OIG addressed PBS programs and activities. We presented findings relative to fire and safety issues, building purchases, repair and alteration projects, and buildings management. Some of the more significant reviews advised PBS managers of:

- The problems associated with using a retrofill process to repair PCB contaminated electrical transformers.
- The need to defer settlement on a building being purchased by the Government until structural design concerns are resolved.
- An unnecessary \$209,000 project to rewire a warehouse.

PBS is now formulating/implementing corrective actions for these reviews based on our recommendations.

The OIG also issued 95 contract audits relative to PBS programs, many evaluating construction claims, change orders, and lease escalation proposals. In total, these audits recommended cost avoidances and cost recoveries of almost \$28 million. Notably, utilization of information contained in OIG reports resulted in:

- The Department of Justice negotiating an agreement yielding a \$5 million cost avoidance on a contractor claim.
- PBS management successfully negotiating \$750,000 in pricing concessions on a sprinkler system contract.

Joint OIG audit and investigative effort resulted in a \$65,000 consent judgment against a building renovation contractor. The OIG review had disclosed that contractor claims contained fabricated costs or were for work never performed.

OIG investigators completed 81 cases involving PBS programs, operations, or employees. Of these cases, 45

percent involved allegations of white collar crimes. Notably, a joint GSA OIG and FBI investigation resulted in the conviction of a GSA contractor on bribery charges. The contractor paid a GSA employee to overlook contract irregularities.

Another investigation resulted in a false claims conviction. A former manager of a construction company had submitted forged and inflated invoices to GSA for smokestack repairs.

B. Significant Audits and Investigations

This section summarizes significant internal audits and investigations dealing with PBS. Significant pre-award contract audits are presented in Section C.

PCB Retrofill Project

As part of the OIG's ongoing assessment of GSA's program to repair/replace electrical transformers containing polychlorinated biphenyls (PCBs), we examined a transformer retrofill project at two Federal buildings. Retrofilling involves the replacement of PCB fluids, which are toxic, non-biodegradable, and carcinogenic, with other chemicals.

We found that the decision to retrofill the PCB transformers was not necessarily the best solution to the problem. We noted that retrofilling is a fairly new, unproven process that the Environmental Protection Agency has never formally endorsed. Eventually, therefore, replacement of the transformers may still be necessary. Moreover, retrofilling is a lengthy process that carries several major drawbacks including increased fire risks and rapid generation of PCB waste.

Relative to fire risks, we found that the replacement fluids possess a lower flash point. While not generally a problem in low use situations, a fire could result if, in switching loads among transformers, one unit approached capacity, thereby allowing its temperature to rise.

In our report dated November 25, 1986, we offered four recommendations to the Regional Administrator to correct these and other deficiencies. These included recommendations to:

- Begin design work for the replacement of all PCB contaminated transformers at the two buildings in the event that the level of PCBs in the transformers has not been reduced, or cannot be maintained, below 50 parts per million after the 18-month retrofill process is completed.

- Develop policies and procedures to assure that personnel responsible for operating and maintaining the retrofilled transformers are aware of the potentially hazardous situation if loads are switched between transformers in a manner that could create overheating.

The Regional Administrator submitted responsive action plans for three recommendations; a revised action plan was requested for the remaining recommendation.

\$65,000 Civil Settlement

On February 6, 1987, a building renovation contractor signed a consent judgment and paid \$65,000 to the Government to settle potential civil fraud issues. The Government alleged that the contractor had submitted false claims for renovation work performed on a Federal building.

The OIG's involvement in this matter began with an audit that detected questionable claims. During the course of the subsequent OIG investigation, a confidential informant alleged that the claims contained fabricated costs and/or involved work never performed. The informant further alleged that the contractor bribed GSA employees to approve the fraudulent claims. When faced with these allegations, the contractor agreed to cooperate with the Government and admitted paying \$13,000 to a GSA employee.

Relative to associated criminal charges, in 1982 the contractor had pled guilty to the charge of conspiracy and was sentenced. The GSA employee was sentenced after pleading guilty to the charge of accepting bribes. In addition to these remedies, the contractor was debarred for 3 years, the employee resigned his GSA position, and a \$13,000 civil judgment was entered against the employee.

Design Deficiencies

This period, the OIG initiated a review of the Building Purchase Program, GSA's vehicle for acquiring privately built buildings. As part of this review, we examined documents relating to the structural design of a building GSA had agreed to purchase.

We found that GSA inspectors had identified potential design weaknesses that could result in the acquisition of a building with structural deficiencies. Since the OIG believed that these design concerns would not be resolved prior to settlement on the building, we issued an interim audit report. The October 31, 1986 report recommended that the Regional Administrator:

- Resolve all major structural design concerns prior to going to settlement.
- Reschedule the settlement to allow adequate time for GSA to receive and evaluate all requested analyses and resolve all major deficiencies.
- Require the seller to fix known correctable structural design defects prior to settlement.

The Regional Administrator submitted responsive action plans for implementing the report recommendations. Resolution was achieved on March 31, 1987.

Bribery Convictions

On March 5, 1987, a GSA lawn maintenance contractor was sentenced in U.S. District Court after pleading guilty to bribing a GSA employee. He was sentenced to 2 years in prison (suspended), 3 years probation, and a \$5,000 fine. He was also ordered to pay \$40,000 in restitution to GSA.

The sentencing resulted from a joint GSA OIG and FBI investigation. The investigation found that the contractor had paid \$1,500 to the GSA employee. In return, the employee extended favorable treatment to the contractor, including overlooking contract performance irregularities.

Previously, the GSA employee had pled guilty to accepting bribes and, on November 21, 1986, was sentenced to 3 years probation, fined \$5,000, and ordered to pay \$1,500 in restitution and to perform 500 hours of community service. In addition, he was removed from his GSA employment effective March 14, 1986.

Proposed Electrical Project Questioned

As part of a review of the Repair and Alteration Work Item Inventory in two GSA regions, the OIG analyzed the necessity of a \$209,000 project to rewire a warehouse. The project provided for replacing frayed and brittle wiring, placing new wiring in conduit, and upgrading electrical panels.

After inspecting the warehouse, the OIG determined that: no frayed or brittle wiring existed; most wiring met the National Electrical Code requirements and was in conduit or flexible metallic armored cable; and circuit breaker panels were in good condition. We did identify some minor code violations concerning four missing junction box covers, one light fixture fed by wiring not in conduit, and some receptacles not fed by the correct breakers.

Based upon the condition of the electrical equipment in the warehouse, we concluded that there was insufficient justification to proceed with the project. Consequently, our November 3, 1986 report recommended that the Assistant Regional Administrator, Office of Public Buildings and Real Property, take action to:

- Delete the work item from the inventory, if the project cannot be justified; and
- Correct the minor electrical code violations.

The Regional Administrator agreed to cancel the project and submitted responsive action plans. Resolution was achieved on March 5, 1987.

False Claims Conviction

On January 30, 1987, a former manager of a construction company under contract to GSA was sentenced in U.S. District Court after pleading guilty to submitting a false claim. He was sentenced to 1 year in prison (suspended), 3 years probation, a \$3,000 fine, and 300 hours of community service.

The conviction resulted from an OIG investigation initiated after a GSA employee advised that questionable documents had been submitted in connection with a contract for smokestack repairs. The investigation found that the former manager had forged subcontractor invoices and inflated cost figures by \$19,000.

The OIG has recommended debarment of the subject.

C. Significant Preaward Audits

The OIG's preaward audit program provides information to contracting officers for use in negotiating contracts. The pre-decisional, advisory nature of preaward audits distinguishes them from other audits.

\$5 Million Avoided Through Preaward Audit

Based on a request from the Department of Justice, the OIG audited a proposal for alleged damages due to Government-caused delays on the construction of a Federal building. The contractor and subcontractors claimed that Government actions extended the contract work period by 247 days, resulting in increased costs of \$3.2 million. The contractor also requested interest of \$3.3 million, making the total amount claimed \$6.5 million.

The January 17 and January 22, 1986 audit reports advised the Department of Justice that costs contained in the claim were overstated and/or unallowable. We questioned claimed costs for: labor hour overruns, extended overhead, concrete and design forming, legal expenses, and general and administrative expense allocations. On December 22, 1986, the Department of Justice utilized this information, along with GSA technical evaluations, to negotiate an agreement whereby the contractor received \$900,000 in full settlement of its \$6.5 million claim. Of the \$5.6 million avoided, \$5 million was attributable to the audit reports and subsequent accounting counsel provided by the auditors.

\$750,000 Avoidance

On November 17, 1986, GSA management committed itself to avoid expenditures of \$750,000 after success-

fully negotiating pricing concessions in that amount from an automatic sprinkler system firm. The commitment stemmed from an OIG audit of the firm's \$3.7 million pricing proposal for the installation of an automatic sprinkler system in a Federal building.

The October 2, 1986 audit report advised the contracting officer that costs contained in the contractor's proposal were overstated and/or unallowable. We therefore questioned \$868,000, primarily in the following cost categories: overhead, direct labor, and subcontractor costs.

\$1.2 Million Recommended For Avoidance

At the request of the Regional Administrator, the OIG audited a proposal for alleged damages due to Government-caused delays on the construction of a Federal building. The contractor claimed that change orders and other Government actions extended the contract work period by 299 days, resulting in increased costs of \$1.6 million.

Our October 10, 1986 audit report advised the contracting officer that costs contained in the contractor's claim were overstated or unallowable. We therefore questioned \$1,217,328 of the claimed amount for: labor, labor and material escalation, interest, overhead, and profit.

The contracting officer agreed with our position and the report was resolved on December 1, 1986. Negotiations are currently underway with the contractor.

\$1.2 Million of Proposed Rent Increase Questioned

An OIG audit of a \$2.1 million lease escalation proposal determined that the proposed escalation did not fully comply with the terms of the lease. In our report dated December 8, 1986, we advised the contracting officer that the proposal included operating costs not subject to escalation as well as unsupported costs. We further advised that the use of historical data, rather than the estimates employed by the lessor, yielded significantly lower cost figures. Also, the lessor computed his proposal to reflect a 6-year escalation period rather than the 5-year term specified by the lease. Based on these findings, we recommended adjustments totaling \$1.2 million.

Negotiations with the lessor are currently underway.

D. Statistical Highlights

The following table compares OIG activity and accomplishments within PBS to the overall GSA totals for the period.

Activity	PBS	All GSA
Audit Reports Issued	168	321
Recommended Cost Avoidance	\$27,496,640	\$204,194,660
Recommended Cost Recovery	\$313,513	\$10,641,885
Management Commitments to Avoid Costs	\$24,776,952	\$92,404,958
Management Commitments to Recover Funds	\$371,318	\$2,840,577
Percentage of Recommended Cost		
Avoidance Agreed to by Management	90	89
Percentage of Recommended Cost		
Recovery Agreed to by Management	98	75
Unresolved Audits Older Than 6 Months (Excluding Preawards)	2	3
Implementation Reviews Finding Unimplemented Recommendations	5	8
New Investigative Cases	69	183
Criminal Referrals (Subjects)	38	80
Civil Referrals (Subjects)	3	16
Administrative Referrals (Subjects)	77	160
Suspension/Debarment Referrals (Subjects)	27	75
Indictments/Informations/Complaints	6	24
Successful Criminal Prosecutions	4	19
Civil Settlements/Judgments	1	6

E. Significant Audits From Prior Reports

Under GSA's audit resolution system, the OIG is responsible for ensuring resolution of audit recommendations, while the Audit Resolution and Internal Controls Division, Office of Administration, is responsible for ensuring implementation of resolved audit recommendations. That office therefore furnished the status information on implementation presented herein.

Thirteen audits highlighted in prior Reports to the Congress require action by PBS management before they are fully implemented. Four reports are not being implemented in accordance with established milestones; the remaining nine are being implemented in accordance with established milestones.

1. Significant Audits Not Being Implemented According to Established Milestones

Energy Conservation in Leased Space

Period First Reported: April 1, 1986 to September 30, 1986

This review of energy usage in leased buildings advised GSA that, while notable progress had been made in identifying and monitoring energy usage problems, additional opportunities for energy conservation still existed. Accordingly, the OIG made ten recommendations; two have been implemented.

Seven of the eight remaining recommendations, which involve energy reduction measures, were scheduled for implementation by March 1987. As of March 31, 1987, the Audit Resolution and Internal Controls Division had not received documentation that the recommendations had been implemented.

The remaining recommendation, which involves performance of energy conservation building studies, is to be fully implemented by April 1990.

Proposed Lease Extension Questioned

Period First Reported: April 1, 1986 to September 30, 1986

This July 10, 1986 review found that the absence of termination rights in a proposed lease extension could obligate GSA to pay operating expenses and rental for vacant space. The report contained five recommendations; four have been implemented.

The remaining recommendation, which involves security issues, was scheduled for implementation by October 1986. An extension was granted and completion was rescheduled for March 31, 1987. As of that date, the Audit Resolution and Internal Controls Division had not received confirmation that it had been implemented.

Lease Enforcement

Period First Reported: October 1, 1985 to March 31, 1986

Two OIG reviews found that Government costs under two leases were significantly higher than expected because contract specifications were not being met. As of March 31, 1987, one report was fully implemented. The other report contained six recommendations to enhance enforcement actions; one has been implemented.

Two of the remaining five recommendations were scheduled for implementation by February 16, 1987. As of March 31, 1987, the Audit Resolution and Internal Controls Division had not received documentation confirming that implementation actions had been completed. The remaining three recommendations are scheduled for completion in December 1987.

Design Deficiencies at a Federal Building

Period First Reported: April 1, 1985 to September 30, 1985

This July 31, 1985 review of the mechanical maintenance contract at a Federal building identified major design deficiencies in the lighting and heating systems. None of the three recommendations contained in the report have been implemented.

The three recommendations involve: (1) determining if the architect/engineering (A/E) firm was negligent during design and then taking appropriate administrative action or seeking damages; (2) evaluating alternatives for increasing lighting levels and selecting the most cost-effective option; and (3) determining the cost effectiveness of retrofitting the heating system so that it is energy efficient. The three recommendations were originally scheduled for completion in February 1986. Extensions were granted to May 1986, since PBS was awaiting completion of an A/E Deficiency Committee report.

Based on the Committee report, PBS submitted revised action plans to the OIG. Upon reviewing the revised action plans, the OIG expressed concern with management's intent relative to the first recommendation. Therefore, on September 16, 1986, we requested that the Commissioner reevaluate planned actions in light of our concerns.

On December 2, 1986, revised action plans, showing all recommendations scheduled for implementation by March 31, 1987, were submitted. As of that date, the Audit Resolution and Controls Division had not received documentation confirming that implementation actions had been completed.

2. Significant Audits Being Implemented According to Established Milestones

Fire and Safety Program

Period First Reported: October 1, 1985 to March 31, 1986

This multiregional review of GSA's Fire and Safety Program advised GSA management that, while many significant improvements had been made in the program, further enhancements were necessary. Accordingly, the OIG made eight recommendations; six have been implemented.

The remaining two recommendations involve: (1) training of regional and buildings operating personnel and

(2) revisions to the Fire and Safety Program Handbook. Both are scheduled for completion in December 1987.

Administration of Cleaning Contracts

Period First Reported: October 1, 1985 to March 31, 1986

This OIG review concluded that regional controls over cleaning contracts required strengthening. Consequently, we made seven recommendations to correct the identified deficiencies; six have been implemented.

The remaining recommendation involves the collection of overpayments to a GSA contractor. On July 14, 1986, a demand letter was written and an account receivable was established in the amount of \$137,082. The contractor has since filed an appeal with the GSA Board of Contract Appeals.

Excessive Tax Escalation Payments

Period First Reported: April 1, 1985 to September 30, 1985

This June 4, 1985 review disclosed that the tax escalation clause contained in GSA leases, coupled with some local taxing practices, resulted in exorbitant Government tax escalation payments. The report contained eight recommendations; five have been implemented.

The three remaining recommendations generally involve specific actions to reduce GSA's liability for excessive tax escalation payments. Two of the recommendations were originally scheduled for completion in November 1985 and the other in March 1986. Implementation dates for all three recommendations have been renegotiated to June 1987.

More Improvements Needed in Lease Award Procedures

Period First Reported: October 1, 1984 to March 31, 1985

This consolidated report identified significant problems adversely affecting lease awards in spite of recent program improvements implemented by PBS. The report contained 20 recommendations; 17 have been implemented.

Implementation dates for the remaining three recommendations, which involve price analysis processes, updating the leasing handbook, and the development of automated solicitations, have been renegotiated to September 1987.

Fire and Life Safety Systems

Period First Reported: April 1, 1984 to September 30, 1984

This consolidated report identified the need for GSA action to ensure the proper functioning of fire and life safety systems in Federal buildings throughout the

country. The report contained ten recommendations; six have been implemented.

Three recommendations, which require action by the regions, were originally due for completion between October 1985 and January 1986. Extensions have been granted and all three are now due in October 1987. The other recommendation, requiring replacement of a fire alarm system, is scheduled for implementation by November 1987.

Fire and Life Safety Systems

Period First Reported: October 1, 1983 to March 31, 1984

A series of seven OIG reviews identified deficiencies in fire and life safety systems in GSA-controlled space. Four reports were fully implemented as of March 31, 1987. The remaining 3 reports contained 11 recommendations; 8 have been implemented.

Implementation of the other three recommendations is generally proceeding in accordance with the action plans, although delays have been experienced and revised implementation dates have been granted. Full im-

plementation is now scheduled for various dates between April 1987 and July 1987.

Implementation of the Public Buildings Cooperative Use Act

Period First Reported: October 1, 1982 to March 31, 1983

Our review disclosed a number of problems associated with GSA's implementation of the Public Buildings Cooperative Use Act of 1976. The report contained 18 recommendations; 15 have been implemented.

The remaining three recommendations involve: (1) development of policy on outleasing; (2) assignment of qualified experts on outleasing projects involving commercial malls; and (3) development of policy and procedures for outleasing of commercial malls. Recommendation (1) was originally due for implementation in August 1983. The second and third recommendations were originally scheduled for completion in May and September 1983, respectively. At least ten successive extensions have been granted on each recommendation. All three recommendations are now scheduled for completion in April 1987.

SECTION III—FEDERAL SUPPLY SERVICE

The Federal Supply Service (FSS) operates a Government-wide service and supply system that contracts for and distributes billions of dollars worth of supplies, materials, and services for customer agencies each year. FSS also controls GSA's personal property program. In the first half of FY 1987, FSS obligated approximately \$76 million in direct operating expense appropriations. Estimated sales through the General Supply Fund during the same period were almost \$1 billion.

Consistent with this level of activity, the OIG expended some 48,823 direct staffhours pursuing 356 audit and investigative assignments. These statistics reflect almost 40 percent of total OIG direct staffhours and approximately 36 percent of all work assignments.

A. Overview of OIG Activity

In a series of internal audit reports issued this period, the OIG presented its findings in a variety of FSS program areas, including contract administration, product warranties, and vehicle sales. Two reports were especially noteworthy:

- Analysis of Federal usage of a multiple award schedule contract for prefabricated structures found that most items purchased were not standard commercial products. We concluded that individual agency procurements would prove more cost beneficial than multiple award schedule contracting.
- Evaluation of the quality of batch-produced materials disclosed that GSA had difficulty obtaining adequate compensation for deficient products. We attributed the problem to contracts lacking equitable adjustment provisions.

OIG contract coverage of FSS continued to emphasize preaward reviews, especially of multiple award schedule contracts. In 80 contract reports issued this period, we recommended \$8.1 million in cost avoidances and \$4.6 million in cost recoveries.

Joint OIG audit and investigative work resulted in a \$680,000 civil fraud settlement. The settlement stemmed from the OIG's disclosure that incomplete and inaccurate pricing data had been submitted to GSA for negotiation purposes.

The OIG completed 63 investigative cases involving FSS programs, operations, or employees. Notably, one investigation, conducted jointly with the FBI, resulted in the convictions of five contractor employees on theft charges. The employees sold Federal property stolen from a GSA supply facility operated by the contractor.

Another investigation, conducted jointly with the Naval Investigative Service and the FBI, resulted in a \$60,000 civil settlement with a firm and its president. The firm had fraudulently overbilled the Government for equipment repairs.

B. Significant Audits and Investigations

This section summarizes significant internal and post-award audits and investigations dealing with FSS. Significant preaward contract audits are presented in Section C.

\$680,000 Civil Settlement

On January 29, 1987, a laboratory equipment supply firm entered into a settlement agreement with the Government whereby it agreed to pay \$680,000 to settle potential civil fraud issues. The full amount was refunded to the Government at settlement.

Joint OIG audit and investigative effort disclosed that the firm supplied incomplete and inaccurate pricing data to GSA contracting officials. These data were relied upon by GSA in negotiating three contracts between 1979 and 1983.

The matter was referred to the U.S. Attorney, which declined criminal prosecution, and the Department of Justice, which accepted the case for civil litigation. The settlement agreement was negotiated by representatives of the Department of Justice Civil Division and the GSA OIG. Debarment action is under consideration.

Multiple Award Schedule Contract Administration

This period, the OIG completed a review of the appropriateness of using a multiple award schedule (MAS) contract to meet Federal agencies' needs for prefabricated structures. Procurement authority for this contract, with an estimated value of \$32 million over its 3-year term, resides in one GSA region.

MAS contracts yield significant savings to the Government when the commodity is a common-use item, such as a desk, for which individual purchasers do not have unique product specifications. The savings accrue from the fact that, in bidding for an MAS contract, firms offer discounts off commercial price lists, thereby facilitating straightforward price comparisons and negotiation of prices reflecting the Government's unique position in the marketplace.

Our review found that most items sold under the prefabricated structure schedule were not standard commercial products. In most instances, we found that user agencies were ordering specially designed buildings with widely varying specifications. As a result, procuring agencies were paying disparate prices and, because each purchase was unique, there was no means of determining whether the prices were reasonable.

The OIG believes that individual agency procurements, rather than the MAS contract, would provide a more appropriate means for achieving overall price improvements. Therefore, in our December 15, 1986 report, we recommended that the Assistant Regional Administrator, Federal Supply Service:

- Reevaluate the appropriateness of using MAS contracts to provide Federal agencies with prefabricated structures.
- Submit the results of the reevaluation to the Procurement Management Division for their review and concurrence.
- Depending on the results of the reevaluation, have the contracting officer take immediate action to suspend further contract awards and to cancel already awarded contracts by exercising the contract cancellation clause.

The Regional Administrator submitted responsive plans for implementing the report recommendations. Resolution was achieved on March 13, 1987.

Contractor Employee Thefts of Government Property

This period, five employees of a firm under contract to GSA were convicted on charges of theft of Government property. The employee who directed the theft ring was sentenced to 1 year in prison, 3 years probation, and \$1,600 in restitution. A second subject was sentenced to 10 months in prison; and a third to 2 years probation and \$200 in restitution. Sentencing of the remaining two subjects is pending.

The convictions resulted from a joint GSA OIG and FBI investigation into missing property at a GSA supply distribution facility that was managed and operated by a contractor. The investigation was initiated after a GSA employee advised the OIG that stock was inappropriately being written off as lost. Later, a source inside the facility informed investigators that an independent trucker had been approached by a contractor employee to purchase stolen Government property.

Undercover agents, posing as truckers, later purchased Federal property from the contractor employee on four separate dates, leading to his arrest. The other four defendants were arrested for aiding and abetting in the scheme by obtaining goods from the warehouse and loading them onto trucks in exchange for cash payments.

Product Warranties

GSA contracts for some types of supplies, such as paint, solvents, and cleaners, that are produced by a batch process. Under such contracts, many of GSA's customer agencies may receive materials from the same batch.

This period, the OIG evaluated one GSA region's actions to resolve quality deficiencies with batch-produced materials valued at \$176,000. The review found that the re-

gion was unable to obtain full compensation for deficient materials in half of the transactions reviewed because contract warranty clauses lacked an equitable adjustment provision. Without this provision, GSA can seek remedies only for material retained by users and reported as deficient, even though it is generally assumed that, if a portion of a batch is deficient, the entire batch is deficient. There is no recourse against suppliers when customer agencies use the material, not realizing it is deficient, or discard it as unusable.

Recognizing that this finding could carry nationwide implications, the OIG issued a letter report to the Commissioner, FSS. The October 31, 1986 report recommended that:

- Warranty clauses be revised to include an equitable price adjustment provision.
- Procedures for exercising warranty actions be revised in order to obtain compensation for an entire batch even when deficient material is not reported by user agencies.
- All contract and quality assurance personnel be made aware of the effects and application of each warranty clause.

The Commissioner provided responsive action plans for implementing the report recommendations. Resolution was achieved on February 3, 1987.

\$60,000 Civil Settlement

On December 30, 1986, the Government entered into a civil settlement agreement with an equipment repair contractor and its president. Under the terms of the settlement, the president paid \$60,000 to settle his potential civil liability to the Government.

An OIG investigation, conducted jointly with the Naval Investigative Service and the FBI, disclosed that the contractor had overbilled the U.S. Navy in the amount of \$112,404. The firm, which repaired and rehabilitated heavy equipment under a GSA contract, fraudulently charged non-Government work hours to Government jobs and transferred work hours among Government jobs in order to avoid ceiling billing limitations.

Relative to criminal charges, the company and its president pled guilty to submitting false statements in October 1985. The firm was fined \$1,000; the president was sentenced to 2 years imprisonment (suspended) and 2 years probation, and fined \$5,000. GSA debarred both parties from conducting business with the Government for 3 years, effective November 4, 1985.

C. Significant Preaward Audits

The OIG's preaward audit program provides information to contracting officers for use in negotiating contracts. The pre-decisional, advisory nature of preaward audits distinguishes them from other audits.

\$837,000 Avoidance Through Preaward Audit

In early 1987, GSA management committed itself to avoid expenditures of \$837,000 after successfully negotiating pricing concessions in that amount from a stacking pallet firm. The commitment stemmed from an OIG audit of the firm's \$7 million pricing proposal in response to a GSA solicitation for stacking pallets and frames.

The June 4, 1986 audit report advised the contracting officer that the cost or pricing data contained in the proposal were overstated and/or unallowable. We questioned \$1 million of overhead, selling and administrative expense, and cost of capital.

Preaward Questions \$1.3 Million

The OIG evaluated discount schedule and marketing data submitted in response to a GSA solicitation for graphic re-

coding instruments and laboratory equipment. Estimated sales under the contract are \$3.2 million.

In the February 12, 1987 audit report, we advised the contracting officer of commercial discounts not disclosed in the firm's offer to GSA. We further advised that the firm offered commercial customers product warranties greater than those disclosed to GSA. Based on these findings, we recommended a \$1.3 million cost avoidance.

We are awaiting the contracting officer's position on the questioned costs.

D. Statistical Highlights

The following table compares OIG activity and accomplishments within FSS to the overall GSA totals for the period.

Activity	FSS	All GSA
Audit Reports Issued	87	321
Recommended Cost Avoidance	\$8,106,628	\$204,194,660
Recommended Cost Recovery	\$4,599,683	\$10,641,885
Management Commitments to Avoid Costs	\$4,575,000	\$92,404,958
Management Commitments to Recover Funds	\$696,664	\$2,840,577
Percentage of Recommended Cost		
Avoidance Agreed to by Management	69	89
Percentage of Recommended Cost		
Recovery Agreed to by Management	54	75
Unresolved Audits Older Than 6 Months (Excluding Preawards)	—	3
Implementation Reviews Finding Unimplemented Recommendations	2	8
New Investigative Cases	62	183
Criminal Referrals (Subjects)	30	80
Civil Referrals (Subjects)	6	16
Administrative Referrals (Subjects)	47	160
Suspension/Debarment Referrals (Subjects)	40	75
Indictments/Informations/Complaints	18	24
Successful Criminal Prosecutions	15	19
Civil Settlements/Judgments	4	6

E. Significant Audits From Prior Reports

According to GSA's audit resolution system, the Audit Resolution and Internal Controls Division, Office of Administration, is responsible for ensuring implementation of resolved audit recommendations. Therefore, that office furnished the status information on implementation presented herein.

Two significant audits from prior Reports to the Congress are not implemented. Both are being implemented in accordance with established milestones.

Operation of an Industrial Products Store

Period First Reported: April 1, 1986 to September 30, 1986

This OIG review concluded that inventory controls at an industrial products store required strengthening. Ac-

cordingly, we made 22 recommendations; 20 have been implemented.

The remaining recommendations require: (1) transfer of the bulk yard cash register to the main store; and (2) fixing of responsibility for these controls. Full implementation of both these recommendations is scheduled for July 1987.

Stronger Internal Controls Needed in Customer Supply Center Automated System

Period First Reported: October 1, 1984 to March 31, 1985

This review of the Customer Supply Center automated

system identified internal control weaknesses that could result in improper and undetected changes to master files, unauthorized entry to the system, and inadequate inventory control. The report contained eight recommendations; seven have been implemented.

The remaining recommendation requires preparation and approval of a clearly defined and documented systems development plan. It was originally due for implementation by November 1985; an extension to May 1986 was then granted. Currently, the recommendation carries an open due date in order to accommodate an ongoing study of the Customer Supply Center's computer system requirements. A new completion date will be established upon issuance of the study report.

SECTION IV—INFORMATION RESOURCES MANAGEMENT SERVICE

The Information Resources Management Service (IRMS) coordinates and directs a comprehensive Government-wide program for managing and procuring automated data processing (ADP) and telecommunications equipment and services. In the first half of FY 1987, IRMS obligated an estimated \$11 million in direct operating expense appropriations. Estimated sales through the Federal Telecommunications Fund and the ADP Fund during the same period were almost \$472 million.

Collectively, the OIG expended some 14,946 direct staffhours pursuing 92 audit and investigative assignments. These figures reflect 12 percent of total OIG direct staffhours and 9.4 percent of total work assignments.

A. Overview of OIG Activity

This period, OIG audit coverage of IRMS primarily focused on its contracting activities, particularly preaward audits of multiple award schedule contracts. We issued 38 contract audit reports recommending almost \$43 million in cost avoidances and \$5.7 million in recoveries. Notably, one preaward highlighted this period accounts for almost \$28.7 million of our recommended avoidance.

Internal coverage of IRMS programs and functions primarily focused on GSA's Purchase of Telephones and Services (POTS) program. A series of reports assisted management in ensuring the reasonableness of contract prices. For example, we found that a contractor was billing customer agencies for intercom buzzers as a separate item, instead of considering the buzzers to be an integral phone feature.

The OIG also issued a consolidated report on the PCIE review of Federal Telecommunications System (FTS) utilization (see Section VIII, Part B). The report contained 28 recommendations to reduce Government-wide telecommunications costs.

Joint OIG audit and investigative work resulted in a \$1.75 million civil settlement with an IRMS contractor. The firm, which supplied electronic equipment, voluntarily disclosed contract violations. The OIG quantified the losses suffered as a result of these violations. The full amount of the settlement has been paid to the Government.

OIG investigators completed 6 cases this period involving IRMS programs, operations, and employees; most involved white collar crimes.

B. Significant Audits and Investigations

This section summarizes significant internal and post-award audits and investigations dealing with IRMS operations. Significant preaward contract audits are presented in Section C.

\$1.75 Million Civil Settlement

On January 8, 1987, a contractor entered into a settlement agreement with the Government providing for payment of \$1.75 million to settle its potential civil liability in connection with excess charges. The overbillings took place under a series of contracts for electronic equipment that the firm held with IRMS between 1980 and 1984.

The firm voluntarily disclosed the contract violations in January 1985. After comprehensive audit and investigation, which included quantifying the loss to the Government, the OIG referred the case to the U.S. Attorney.

The U.S. Attorney, the Department of Justice Civil Division, and the GSA OIG participated in the settlement negotiations.

Purchase of Telephones and Services (POTS) Program

This period, the OIG continued to review GSA's POTS program. As part of this review, the OIG evaluated POTS usage in one GSA region.

Our review disclosed that a POTS contractor had required a customer agency to purchase intercom buzzers for its phones as a separate item. We found that the GSA contracting officer (CO) had obtained an IRMS initial position that buzzers are a necessary feature, not an option. If this position is maintained, we estimate that the Government could recoup overcharges of over \$275,000.

On October 20, 1986, the OIG issued an audit report to the Commissioner, IRMS recommending that:

- A final decision on intercom buzzers be issued.
- If the decision is that buzzers should be included at no extra cost, then action be taken to: (1) advise COs and POTS vendors; and (2) notify customer agencies so that action to recover overcharges may be taken.

On February 26, 1987, the Commissioner submitted action plans. The OIG has requested further information on the planned actions.

C. Significant Preaward Audits

The OIG's preaward audit program provides information to contracting officers for use in negotiating contracts. The pre-decisional, advisory nature of preaward audits distinguishes them from other audits.

Preaward Questions \$28.7 Million of Proposed Costs

The OIG evaluated discount schedule and marketing data submitted in response to a GSA solicitation for the purchase and rental of general purpose ADP equipment and software. Estimated sales under the contract exceed several hundred million dollars.

In our February 24, 1987 audit report, we advised the contracting officer of discounts offered to commercial customers that were not disclosed in the firm's initial offer to GSA. We also advised that the firm included a risk factor in the proposed lease-to-buy base rate, although risk is an element of profit already considered in the base rate. In addition, we advised that some rental items should be removed from contract consideration unless the firm changes its position that these items are not eligible for discounting. Based on these findings, we recommended a \$28.7 million cost avoidance.

The contracting officer successfully negotiated the contract and obtained \$28.7 million in pricing concessions.

Preaward Questions \$1.7 Million of Proposed Costs

The OIG evaluated discount schedule and marketing data submitted in response to a GSA solicitation for the purchase, rental, maintenance, and repair of general purpose ADP equipment and software. Estimated sales under the contract are \$13.6 million.

In our December 17, 1986 audit report, we advised the contracting officer that the firm's discount and sales data were unacceptable for negotiation purposes because they did not properly disclose discounts granted to commercial end-user customers. Moreover, these undisclosed discounts exceeded the best discounts offered to GSA. Under the terms of such a contract, GSA is entitled to discounts at least equal to the best commercial customer in the same category. Accordingly, the auditors recommended a cost avoidance of \$1.7 million.

Negotiations are currently underway with the contractor.

D. Statistical Highlights

The following table compares OIG activity and accomplishments within IRMS to the overall GSA totals for the period.

Activity	IRMS	All GSA
Audit Reports Issued	48	321
Recommended Cost Avoidance	\$167,838,615	\$204,194,660
Recommended Cost Recovery	\$5,728,689	\$10,641,885
Management Commitments to Avoid Costs	\$62,176,398	\$92,404,958
Management Commitments to Recover Funds	\$1,769,800	\$2,840,577
Percentage of Recommended Cost		
Avoidance Agreed to by Management	93	89
Percentage of Recommended Cost		
Recovery Agreed to by Management	83	75
Unresolved Audits Older Than 6 Months (Excluding Preawards)	1	3
Implementation Reviews Finding Unimplemented Recommendations	—	8
New Investigative Cases	12	183
Criminal Referrals (Subjects)	9	80
Civil Referrals (Subjects)	6	16
Administrative Referrals (Subjects)	5	160
Suspension/Debarment Referrals (Subjects)	—	75
Indictments/Informations/Complaints	—	24
Successful Criminal Prosecutions	—	19
Civil Settlements/Judgments	1	6

E. Significant Audits From Prior Reports

According to GSA's audit resolution system, the OIG is responsible for ensuring resolution of audit recommendations, while the Audit Resolution and Internal Controls Division, Office of Administration, is responsible for ensuring implementation of resolved audit recommendations. That office therefore furnished the status information on implementation presented herein.

Three IRMS audits highlighted in prior Reports to the Congress have not been fully implemented. One report is not resolved; the remaining two are not being implemented in accordance with established milestones.

1. Unresolved Significant Audits

Erroneous Payment of Sales Tax

Period First Reported: April 1, 1986 to September 30, 1986

This OIG review found that GSA was erroneously paying state sales tax on telecommunications equipment. As of March 31, 1987, the report was still unresolved.

The report contained recommendations to: (1) issue a memorandum to all contracting officers that the Government, in most cases, is exempt from state sales tax; and (2) instruct contracting officers to review POTS contracts to ensure incorporation of tax exempt clauses and, where not included, to recover any overpayments and modify the contract. On March 5, 1987, the Commissioner, IRMS, submitted action plans for implementing the recommendations. The plans are currently under review.

2. Significant Audits Not Being Implemented According to Established Milestones

Telecommunications Systems Management

Period First Reported: October 1, 1985 to March 31, 1986

This OIG review concluded that IRMS needed to strengthen its oversight role relative to Government telecommunications systems. We therefore made 12 recommendations; 5 have been implemented.

Two of the seven remaining recommendations, which generally involve actions to improve agency procurements of telecommunications systems, were scheduled for implementation by December 31, 1986. The remaining five recommendations were scheduled for implementation by March 31, 1987. As of this date, the Audit Resolution and Internal Controls Division had not received documentation confirming that any of the seven recommendations had been implemented.

Teleprocessing Services Program

Period First Reported: October 1, 1985 to March 31, 1986

This OIG review found that IRMS needed to strengthen its oversight role over payments for commercial data processing services. Accordingly, we made one recommendation to assure verification of invoices by Federal agencies.

The recommendation consisted of four parts; three are complete. The remaining part was scheduled for implementation by March 31, 1987. As of that date, the Audit Resolution and Internal Controls Division had not received confirmation that it had been implemented.

SECTION V—OTHER GSA COVERAGE

Other GSA services and staff offices comprised the focus for the remainder of the OIG's efforts this period. The OIG devoted approximately 11,612 direct staffhours pursuing 93 audit and investigative assignments within these other areas of GSA. These figures reflect 9.4 percent of total OIG direct staffhours and approximately 9.5 percent of all work assignments.

A. Overview of OIG Activity

OIG coverage of the Federal Property Resources Service, the Office of the Comptroller, the Office of Administration, and other GSA organizations consisted primarily of internal management reviews. These reviews resulted in findings and recommendations in areas such as consultant service contracts, budget activities, printing operations, imprest funds, and stockpile operations.

Three especially noteworthy reviews aided management in taking action to improve:

- Reporting procedures over the use of consultant service contracts.
- Fund controls over expenditures for building repairs.
- Operations at a printing facility.

The OIG also completed 29 investigations involving the personnel, programs, and operations of these other GSA areas. One of these cases resulted in the conviction of a museum owner/president for theft of Federal property.

B. Significant Audits and Investigations

This section summarizes significant internal audits and investigations involving the programs and operations of the remaining GSA services and staff offices.

Reporting on Consultant Contracts

Section 1114 of the Money and Finance Act requires the Inspector General to submit to the Congress a yearly report on GSA's consultant service contracts. Specifically, this report is to evaluate GSA's progress in establishing effective management controls and improving the accuracy and completeness of information reported in the Federal Procurement Data System (FPDS). During Fiscal Year 1986, GSA awarded five consulting service contracts with a total value of \$738,000.

We found that GSA had established comprehensive procedures for awarding and reporting on consulting ser-

vice contracts; however, the Agency was not following the procedures for reporting in the FPDS. At the time of our review only one consulting service contract had been entered into FPDS. An attempt had been made to enter a second contract; but the entry had been rejected due to an input error, and it was then placed on a suspense file. We found no evidence that action had been taken to enter the other three contracts. Further, the Agency did not reconcile computer listings with individual contract action reports submitted by the Regions and Services/Staff Offices to ensure entry of all contract data into FPDS.

In our February 5, 1987 report, we recommended that the Associate Administrator for Acquisition Policy take action to:

- Assure compliance with established document reporting procedures.
- Enter the unrecorded contracts into the system.
- Establish new procedures for reconciling total reported contract data with individual contract action reports.

We are awaiting the action plans for implementing the report recommendations.

Misclassification of Funds

In response to a request from the Regional Administrator, the OIG evaluated regional use of Budget Activity (BA) 61, Real Property Operations, to fund maintenance repairs. We found that regional buildings management field offices inappropriately used \$140,628 of BA 61 funds to accomplish work properly chargeable to BA 54, Repairs and Alterations. In our opinion, the misclassifications were attributable to field office emphasis on accomplishing needed work, with fund control being given a secondary priority. While the misclassifications allowed the speedy accomplishment of projects the field offices perceived as necessary, the continuation of this practice could result in potentially serious consequences regarding fund control.

In our March 2, 1987 report, we directed seven recommendations to the Assistant Regional Administrator, Public Buildings Service, to correct identified deficiencies. These included recommendations to: correct identified misclassified transactions; emphasize the importance of fund control through additional training; and monitor field office compliance with GSA's budgetary and fund control system.

The Regional Administrator generally concurred with the recommendations in the draft report; however, some differences of opinion remain regarding charges requiring reclassification. We are awaiting the action plans for implementing the recommendations and clarification of classification concerns by Central Office.

Museum Owner Convicted of Theft

On November 10, 1986, a museum owner/president was sentenced in U.S. District Court after pleading guilty to theft charges. He was sentenced to 5 years in prison (all but 4 months suspended), placed on probation for almost 5 years, ordered to pay GSA \$35,600 in restitution, and directed to perform 500 hours of community service.

The conviction stemmed from an OIG investigation disclosing improper diversion of property the museum received under GSA's Donated Property Program. The investigation found that the subject sold donated property items, such as generators, compressors, and engines, and retained the proceeds for his personal use.

Internal Controls Require Strengthening

This period, the OIG completed an evaluation of one GSA region's printing, reproduction, and distribution operations. The review disclosed that, while customer needs were satisfactorily met, some internal controls needed to be strengthened.

We found that a vendor was overpaid due to inadequate invoice review. Clerks did not compare vendor invoice prices to contractually agreed prices prior to approving payments. Also, billing errors caused some customers

to be overcharged for services. The overbillings occurred because the region did not use required pricing worksheets and/or compute prices in accordance with existing regulations.

In our March 18, 1987 audit report, we offered seven recommendations to correct these and other identified deficiencies. For instance, we recommended that the Regional Administrator ensure:

- Establishment of an invoice review procedure to verify that vendor charges are correct and proper.
- Documentation of prices charged on GSA Form 2956, Printing and Duplicating Pricing Worksheet.
- Computation of prices charged for reproduction paper be in accordance with Chapter 2 of GSA Handbook FSS P 1860.7.

The Regional Administrator agreed with the recommendations in the draft report. We are awaiting action plans for their implementation.

C. Statistical Highlights

The following table compares OIG activity and accomplishments in other GSA areas to the overall GSA totals for the period.

Activity	Other GSA	All GSA
Audit Reports Issued	18	321
Recommended Cost Avoidance	\$752,777	\$204,194,660
Recommended Cost Recovery	\$2,554	\$10,641,885
Management Commitments to Avoid Costs	\$876,608	\$92,404,958
Management Commitments to Recover Funds	\$2,795	\$2,840,577
Percentage of Recommended Cost Avoidance Agreed to by Management	27	89
Percentage of Recommended Cost Recovery Agreed to by Management	109	75
Unresolved Audits Older Than 6 Months (Excluding Preawards)	—	3
Implementation Reviews Finding Unimplemented Recommendations	1	8
New Investigative Cases	40	183
Criminal Referrals (Subjects)	3	80
Civil Referrals (Subjects)	1	16
Administrative Referrals (Subjects)	31	160
Suspension/Debarment Referrals (Subjects)	8	75
Indictments/Informations/Complaints	—	24
Successful Criminal Prosecutions	—	19
Civil Settlements/Judgments	—	6

D. Significant Audits From Prior Reports

According to GSA's audit resolution system, the OIG is responsible for ensuring resolution of audit recommendations, while the Audit Resolution and Internal

Controls Division, Office of Administration, is responsible for ensuring implementation of resolved audit recommendations. That office therefore furnished the status information on implementation presented herein.

With regard to GSA services and staff offices other than PBS, FSS, and IRMS, only one significant audit from a

prior Report to the Congress is not implemented; however, it is being implemented in accordance with established milestones.

Accountability Over Automated Equipment

Period First Reported: April 1, 1986 to September 30, 1986

This June 4, 1986 review found that current procedures did not ensure accountability over Agency-owned com-

puter and office automation equipment. The report contained six recommendations to correct the identified deficiencies; two have been implemented.

The four remaining recommendations involve amending GSA Order OAD P 7800.3 to ensure updating of the inventory, maintenance of documentation, and certification of inventory changes. Action on all four recommendations is scheduled for completion in June 1987.

SECTION VI—STATISTICAL SUMMARY OF OIG ACCOMPLISHMENTS

The previous sections of this report presented OIG activity and accomplishments by GSA service and staff office. In the pages that follow, overall OIG accomplishments are comprehensively reported. To facilitate cross-referencing, the GSA organizational orientation is maintained in these summary statistics. However, there is not a one-to-one correspondence between the data reported by GSA organization and the overall statistics, because a portion of our work involved non-GSA operations.

A. OIG Accomplishments

During the reporting period, the OIG issued 322 audit reports, including 19 performed for the OIG by another agency. These reports contained financial recommendations totaling \$215,707,072, including \$205,065,187 in recommendations for more efficient use of resources (cost avoidance) and \$10,641,885 in recommendations for the recovery of funds.

Based on audit reports issued in this and prior periods, management committed itself to use \$92,412,088 more efficiently and to recover \$2,840,577. This latter figure includes \$2,430,000 resulting from efforts that involved OIG audit, investigative, and legal collaboration.

The OIG opened 183 investigative cases and closed 178. We referred 48 cases (80 subjects) for criminal prosecu-

tion, 10 cases (16 subjects) for civil litigation, and 8 cases for further investigation by other Federal or State agencies. Based on these and prior referrals, 18 cases (44 subjects) were accepted for criminal prosecution and 9 cases (12 subjects) were accepted for civil litigation.

Criminal cases originating from OIG referrals resulted in 24 indictments/informations/complaints and 19 successful prosecutions. Civilly, OIG referrals resulted in 1 civil fraud complaint and 6 settlements. These actions resulted in determinations that \$2,800,921 is owed the Government. Through investigations, we also identified for recovery money/property worth \$213,060. These monetary figures include \$2,430,000 also reported under management commitments to recover funds, since they resulted from collaborative efforts involving OIG auditors, investigators, and attorneys.

We referred 157 cases to GSA management for administrative action. This total includes 20 case referrals (75 subjects) for suspension/debarment and 137 case referrals (160 subjects) for other administrative actions. Based on these and prior referrals, management debarred 25 contractors, suspended 29 contractors, reprimanded 25 employees, suspended 4 employees, demoted 2 employees, and terminated 10 employees.

The following subsection presents detailed information on these and other quantifiable accomplishments.

B. Summary Statistics

1. Audit Reports Issued

Table 1 summarizes OIG audit reports issued this period by GSA program area. The table includes 19 audits, recommending a total cost avoidance of \$6,275,804, which were performed for the GSA OIG by the Defense Contract Audit Agency.

2. Audit Reports Resolved

Table 2 summarizes the universe of audits to be resolved by the OIG and GSA management during this period, as well as the status of those audits as of March 31, 1987. Thirty-two reports more than 6 months old were unresolved as of March 31, 1987; but 29 of them were preaward audits, which are not subject to the 6-month resolution requirement. Thus, only three reports were actually overdue — a statistic that reflects creditably on GSA's audit resolution efforts.

Table 1. Summary of OIG Audits

GSA Program	Reports Issued	Percentage of Total Audits	Recommended Cost Avoidance	Recommended Cost Recovery
PBS				
—Internal	73		\$ 1,113,555	\$ 313,513
—Contract.....	95		26,383,085	—
	168	52	\$ 27,496,640	\$ 313,513
FSS				
—Internal	7		\$ —	\$ —
—Contract.....	80		8,106,628	4,599,683
	87	27	\$ 8,106,628	\$ 4,599,683
IRMS				
—Internal	10		\$124,875,611	\$ —
—Contract.....	38		42,963,004	5,728,689
	48	15	\$167,838,615	\$ 5,728,689
Other GSA				
—Internal	17		\$ —	\$ —
—Contract.....	1		752,777	—
	18	6	\$ 752,777	\$ —
Non-GSA				
—Internal	—		\$ —	\$ —
—Contract.....	1		870,527	—
	1	—	\$ 870,527	\$ —
TOTAL	322	100	\$205,065,187	\$10,641,885
TOTAL COSTS RECOMMENDED.....	\$215,707,072			

It should be noted that Table 2 does not include: reports issued to other agencies (one this period) and reports excluded from the resolution system because they pertain to ongoing investigations. As of March 31, 1987, 30 re-

ports (10 issued this period, 20 issued in prior periods) had been excluded from the resolution system for the latter reason.

Table 2. Resolution of OIG Audits

	No. of Reports	Reports With Financial Recommendations	Total Financial Recommendations
Unresolved as of 10/1/86			
—Less than 6 months old	130	99	\$ 61,003,414
—More than 6 months old	26	24	11,767,255
Reports issued this period	<u>311</u>	<u>159</u>	<u>206,583,612</u>
TOTAL TO BE RESOLVED	467	282	\$279,354,281
Reports resolved			
—Issued prior periods	124	93	\$ 52,305,480
—Issued current period	<u>186</u>	<u>72</u>	<u>53,656,916</u>
TOTAL RESOLVED	310	165	\$105,962,396
Unresolved as of 3/31/87			
—Less than 6 months old	125	87	\$152,926,696
—More than 6 months old			
—Preaward	29	29	20,205,189
—Internal	<u>3</u>	<u>1</u>	<u>260,000</u>
TOTAL UNRESOLVED	157	117	\$173,391,885

3. Resolution Decisions on Financial Recommendations

Table 3 provides detailed information on the 165 reports involving financial recommendations of \$105,962,396 that are identified in Table 2 as being resolved this period. Notably, \$98,928,627 or almost 93 percent was upheld in the audit resolution process. It should be noted that the table also includes \$3,539,841

in financial recommendations and \$3,259,841 in resolved cost avoidance that occurred, but were not reported, last period.

In accordance with GSA Order ADM 2030.2A, resolution decisions on financial recommendations contained in contract audit reports result in resolved cost avoidance or recovery. Management commitments occur subsequently, at the time of contract settlement. For internal audits, management commitments occur at the time of resolution.

Table 3. Resolution Decisions on OIG Audits

GSA Program	Recommended Cost Avoidance	Resolved Cost Avoidance	Recommended Cost Recovery	Resolved Cost Recovery
PBS				
—Internal.....	\$ 7,297,570*	\$ 6,929,076**	\$ 94,880	\$ 88,265
—Contract.....	23,567,748	24,977,674	—	—
	\$ 30,865,318*	\$31,906,750**	\$ 94,880	\$ 88,265
FSS				
—Internal.....	\$ 3,000	\$ 3,000	\$ 10,000	\$ 10,000
—Contract.....	7,104,752	6,475,092	1,307,389	709,598
	\$ 7,107,752	\$ 6,478,092	\$1,317,389	\$ 719,598
IRMS				
—Internal.....	\$ 11,000,000	\$11,000,000	\$ —	\$ —
—Contract.....	53,372,886	48,982,031	2,491,691	2,134,329
	\$ 64,372,886	\$59,982,031	\$2,491,691	\$2,134,329
Other GSA				
—Internal.....	\$ 590,000	\$ 590,000	\$ 2,554	\$ 2,795
—Contract.....	2,659,767	286,608	—	—
	\$ 3,249,767	\$ 876,608	\$ 2,554	\$ 2,795
TOTAL.....	\$105,595,723*	\$99,243,481**	\$3,906,514	\$2,944,987
TOTAL RESOLVED COSTS.....	\$102,188,468**			

*Includes \$3,539,841 in recommended cost avoidance that occurred, but were not reported, last period.

**Includes \$3,259,841 in resolved cost avoidance that occurred, but were not reported, last period.

4. Contract Audit Settlements

Table 4 compares contract audit resolution amounts with the corresponding management commitments

achieved in negotiations with contractors. Overall, management commitments on GSA audits represented almost 95 percent of the resolved amounts.

Table 4. Summary of Contract Audit Settlements

GSA Program	No. of Reports	Avoidance		Recovery	
		Costs Resolved	Management Commitment	Costs Resolved	Management Commitment
PBS					
—Prior.....	62	\$16,479,334	\$14,903,306	\$ 283,053	\$ 283,053
—Current.....	20	4,141,704	2,944,570	—	—
	82	\$20,621,038	\$17,847,876	\$ 283,053	\$ 283,053
FSS					
—Prior.....	13	\$ 5,603,126	\$ 4,462,478	\$ —	\$ —
—Current.....	8	351,131	109,522	690,111	686,664
	21	\$ 5,954,257	\$ 4,572,000	\$ 690,111	\$ 686,664
IRMS					
—Prior.....	30	\$19,513,518	\$19,139,080	\$1,769,800	\$1,769,800
—Current.....	6	32,037,338	32,037,318	—	—
	36	\$51,550,856	\$51,176,398	\$1,769,800	\$1,769,800
Other GSA					
—Prior.....	3	\$ 286,608	\$ 286,608	\$ —	\$ —
—Current.....	—	—	—	—	—
	3	\$ 286,608	\$ 286,608	\$ —	\$ —
Subtotal—GSA.....	142	\$78,412,759	\$73,882,882	\$2,742,964	\$2,739,517
Non-GSA					
—Prior.....	3	\$ 7,130	\$ 7,130	\$ —	\$ —
—Current.....	—	—	—	—	—
Subtotal—Non-GSA.....	3	\$ 7,130	\$ 7,130	\$ —	\$ —
TOTAL.....	145	\$78,419,889	\$73,890,012	\$2,742,964	\$2,739,517*
TOTAL MANAGEMENT COMMITMENTS.....		\$76,629,529*			

*Includes \$2,430,000 also reported under Monetary Results.

5. Total Management Commitments

Drawing upon the information presented in Tables 3 and 4, OIG audits involving GSA programs resulted in total management commitments to avoid \$92,404,958 and to recover \$2,840,577. Adding the \$7,130 from the non-GSA audits, total management commitments to avoid equaled \$92,412,088.

6. Recoveries

The General Accounting Office recommended that OIG Reports to the Congress include data on actual monetary recoveries in addition to management commitment information. Although such a requirement has not yet been instituted, the GSA OIG requested data on actual audit recoveries from GSA's Audit Resolution and Internal Controls Division.

Between October 1, 1986 and March 31, 1987, Agency records show that \$3,337,644 was recovered and deposited in the Treasury, as the result of OIG audits.

instances, recommendations were not being implemented in accordance with the action plans. Five of these audits involved PBS programs; two involved FSS programs; and the remaining one involved a Comptroller function.

7. Audit Followup

GSA Order ADM 2030.2A places primary responsibility for followup on the implementation of resolved audit recommendations with the Audit Followup Official. The Audit Resolution and Internal Controls Division, Office of Administration, acts as staff to the Audit Followup Official in this function.

The OIG performs its own independent reviews of implementation actions on a test basis. This period, the OIG performed 16 implementation reviews. Management had successfully implemented the recommendations contained in 8 of these reviews. In the other 8

8. Investigative Workload

Table 5 presents detailed information on investigative workload by case category. The OIG opened 183 cases and closed 178 cases; only 3 of these cases were administratively closed without referral.

In addition to these cases, the OIG received and evaluated 108 complaints/allegations from sources other than the Hotline that involved GSA employees and programs. Based upon an analysis of these allegations, OIG investigations were not warranted.

Table 5. Investigative Workload

Case Category	Cases Open 10/1/86	Cases Opened	Cases Closed	Cases Open 3/31/87
White Collar Crimes	203	69	78	194
Other Crimes Involving GSA Operations	39	29	20	48
Contractor Suspension/Debarment	38	17	17	38
Employee Misconduct	39	31	36	34
Other	13	37	27	23
TOTAL	332	183	178	337

Table 6 distributes the 183 new investigative cases opened this period (Table 5) by case category and GSA program area. Notably, 38 percent of the cases opened

fell within the white collar crime category. Most of the new cases (72 percent) involved PBS and FSS programs.

Table 6. Distribution of Cases Opened This Period

Case Category	PBS	FSS	IRMS	Other GSA
White Collar Crimes	26	32	8	3
Other Crimes Involving GSA Operations	14	12	2	1
Contractor Suspension/Debarment	6	9	-	2
Employee Misconduct	16	5	1	9
Other	7	4	1	25
TOTAL	69	62	12	40

9. Referrals

The OIG makes three types of referrals to officials outside GSA: criminal, civil, and investigative. During this period, we referred 48 cases involving 80 subjects to the Department of Justice or other authorities for criminal prosecutive consideration. The status of OIG criminal referrals is as follows:

	Cases	Subjects
Pending Prosecutive Decision as of 10/1/86	34	64
Referrals.....	48	80
Declinations.....	36	57
Accepted for Prosecution.....	18	44
Pending Prosecutive Decision as of 3/31/87	28	43

The OIG also referred 10 cases involving 16 subjects to either the Civil Division of the Department of Justice or a U.S. Attorney for civil fraud litigation consideration. The status of OIG civil referrals is as follows:

	Cases	Subjects
Pending Litigation Decision as of 10/1/86	11	14
Referrals.....	10	16
Declinations.....	3	6
Accepted for Litigation.....	9	12
Pending Litigation Decision as of 3/31/87	9	12

The OIG made 8 case referrals to other Federal or State agencies for further investigation or other action.

10. Administrative Referrals and Actions

Frequently, OIG investigations disclose nonprosecutable wrongdoing on the part of GSA employees, contractors, or private individuals doing business with the GSA. The OIG refers these cases to GSA officials for administrative action.

During the period, we referred 137 cases involving 160 subjects for administrative action. In addition, we referred 77 cases involving 82 subjects to GSA officials for informational purposes only.

The status of OIG administrative referrals is as follows:

	Cases	Subjects
Pending Decision as of 10/1/86	38	74
Referrals.....	137	160
Action Completed.....	134	173
Pending Decision as of 3/31/87	41	61

Of the 137 cases referred for administrative action this period, 78 cases (88 subjects) involved GSA employees. As a result of these and prior referrals, management took the following actions against GSA employees:

Reprimands	25
Suspensions.....	4
Demotions.....	2
Terminations.....	10

11. Contractor Suspensions and Debarments

This period, the OIG referred 6 cases involving 27 subjects for suspension and 14 cases involving 48 subjects for debarment. As a result of these and prior referrals, management imposed 29 suspensions and 25 debarments. Management disapproved 8 suspensions and 18 debarments.

The status of OIG suspension and debarment referrals is as follows:

Suspensions	Cases	Subjects
Pending as of 10/1/86.....	7	16
Referrals.....	6	27
Action Completed.....	10	37
Pending as of 3/31/87.....	3	6

Debarments	Cases	Subjects
Pending as of 10/1/86.....	13	36
Referrals.....	14	48
Action Completed.....	10	43
Pending as of 3/31/87.....	17	41

12. Summary of Referrals by GSA Program Area

Table 7 summarizes OIG referrals this period by type of referral and GSA program area.

Table 7. Summary of OIG Subject Referrals

GSA Program	Criminal	Civil	Administrative	Suspension/Debarment
PBS	38	3	77	27
FSS	30	6	47	40
IRMS	9	6	5	—
Other GSA	3	1	31	8
TOTAL	80	16	160	75

13. Criminal and Civil Actions

Cases accepted for criminal prosecution during this and prior periods resulted in 24 indictments/informations/complaints and 19 successful prosecutions. Civil referrals from this and prior periods resulted in a civil fraud

complaint against 1 individual. In addition, settlements were reached in 4 cases with 6 subjects.

Table 8 summarizes individual criminal and civil actions by GSA program area. In addition, there were 3 unsuccessful civil cases against 6 subjects and 1 unsuccessful criminal case against 1 subject.

Table 8. Summary of Criminal and Civil Actions

GSA Program	Indictments/ Informations/ Complaints	Successful Prosecutions	Civil Settlements/ Judgments
PBS	6	4	1
FSS	18	15	4
IRMS	—	—	1
Other GSA	—	—	—
TOTAL	24	19	6

14. Monetary Results

Table 9 presents the amounts determined to be owed the Government as a result of criminal and civil actions. The amounts do not necessarily reflect actual monetary recoveries.

In addition, the OIG identified for recovery \$213,060

in money and/or property during the course of its investigations.

Because of the collaborative nature of OIG activities, \$2,430,000 of the amounts reported as investigative recoveries and criminal and civil recoveries is also reported under management commitments to recover funds.

Table 9. Criminal and Civil Recoveries

	Criminal	Civil	Total
Fines and Penalties.....	\$ 78,150	\$ —	\$ 78,150
Settlements/Judgments	—	2,555,000	2,555,000
Restitutions	167,771	—	167,771
TOTAL	\$245,921	\$2,555,000	\$2,800,921

15. OIG Subpoenas

During the period, 49 OIG subpoenas were issued. The majority of these subpoenas involved an ongoing investigation of a construction contract. They were issued to obtain subcontractor and bank records containing vital evidence.

Notably, the GSA OIG also participated in a project sponsored by the Council of Counsels to the Inspectors General this period. The effort involved the development of practice materials that would be useful to all OIGs in enforcing OIG subpoenas, particularly against claims of privilege.

SECTION VII—REVIEW OF LEGISLATION AND REGULATIONS

Section 4(a)(2) of the Inspector General Act of 1978 requires the OIG to review existing and proposed legislation and regulations relating to the programs and operations of GSA. In order to fulfill this legislated responsibility, the OIG maintains a clearance system that ensures OIG review of all proposed legislation, regulations, and internal directives having impact on any aspect of GSA operations.

A. Legislation/Regulations Reviewed

During the period, the OIG reviewed 144 legislative matters and 111 proposed regulations and directives. We provided substantive comments on 6 legislative matters and 12 regulations and directives.

The OIG legal staff coordinates the clearance function, seeking input from the other components as appropriate.

B. Significant Comments

The OIG provided significant comments on the following legislation, regulations, orders, and directives:

- *S. 330, the proposed Department of International Trade and Industry Act of 1985.* We noted that Title III of the bill, which would make the National Atmospheric and Oceanic Administration an independent agency, contained no provision for an Inspector General. We suggested that the bill be amended to provide for an Inspector General in accordance with the provisions of the Inspector General Act of 1978.
- *H. R. 106, the proposed Congressional Oversight of Agency Rules Act of 1987 and H. R. 539, the proposed Regulatory Oversight and Control Act of 1987.* We opposed both of these bills which, through somewhat differing approaches, would substantially alter the Federal rule-making process by requiring direct Congressional review and approval of agency rules. We noted that existing procedures and requirements for agency rule-making, including those of the Administrative Procedures Act, provide adequate opportunity for public or Congressional participation. We also noted certain constitutional concerns and commented that the requirements contemplated by these bills would add greatly to the burdens of Government without appreciable benefit.
- *S. 265, a bill to require executive branch agencies to contract with private sector sources for the performance of commercial activities.* While we endorsed the objective of this bill, we commented that this area is best addressed by administrative and executive action, notably OMB Circular A-76. We expressed concern that making these contracting and cost comparison issues matters of legislative mandate might lead to undue restrictions on Government operations and uneconomic results.
- *General Services Acquisition Regulation Change 5-140, the proposed subpart on bankruptcy, insolvency, or dissolution of a business.* We endorsed the proposed subpart prescribing the procedures to be followed when a contractor is in financial difficulty or has filed for bankruptcy. We proposed that a provision be added providing that the Inspector General be advised whenever there is reason to believe that a contractor may have fraudulently transferred assets.
- *Draft model regulation for the Program Fraud Civil Penalties Act of 1978.* We provided detailed technical comments and suggested that:
 - the guidelines for determining the amount of penalty be less rigid;
 - the discovery provisions be somewhat modified; and
 - a provision be made for designating a substitute reviewing official when the initial reviewing official or administrative law judge is disqualified.
- *Draft GSA Order ADM P 2300.1, the Civil Rights Handbook.* We suggested that a paragraph be added to Chapter 8 (Discrimination Complaints) stating that if, while processing a complaint, the complaints officer develops information indicating that wrongdoing has occurred, he/she notify the Assistant Inspector General for Investigations immediately.
- *Draft GSA Order OHR P 5440.1, proposed changes in the organization of GSA's Office of the Comptroller.* We commented that the proposed order did not address certain responsibilities assigned to the Comptroller by the Administrator, notably the requirement to assure the quality of GSA's financial information. We suggested that the draft order needed to be modified so that prompt action would be initiated to improve the quality of this information.

- *Proposed Federal Information Resources Management Regulation Bulletin, GSA's management and control of long-distance telephone services.* We provided detailed technical comments on the proposed bulletin. In particular, we noted areas where, based on the PCIE Report on Federal Telecommunications System (FTS) Utili-

zation (see Section VIII, Paragraph B{1}), modifications needed to be made to ensure that:

- agency users have sufficient information to identify and follow up on unofficial FTS calls; and
- exception reports, sample data, and call detail information are useful and cost effective.

SECTION VIII—OTHER OIG ACTIVITIES

In addition to detecting problems in GSA operations, the OIG is responsible for initiating actions to prevent fraud, waste, and abuse and to promote economy and efficiency. This section details: the OIG program responding to these legislated prevention responsibilities, and OIG involvement in projects sponsored by the President's Council on Integrity and Efficiency (PCIE).

A. OIG Prevention Program

The OIG prevention program is comprised of four elements that simultaneously focus on minimizing opportunities for fraud, waste, and abuse and promoting awareness among GSA employees. This four-pronged approach consists of:

- Defining areas vulnerable to fraud, waste, and abuse and assessing the degree of vulnerability.
- Anticipating potential problem areas and performing front-end reviews to help ensure that programs will operate within applicable laws, policies, and procedures.
- Educating GSA employees on the manifestations of fraud and the mechanisms for reporting suspicions or allegations to the OIG.
- Communicating the OIG presence and establishing mechanisms that promote a dialogue between GSA employees and the OIG.

1. Definition

The OIG considers the identification of vulnerable areas to be a major prerequisite to the prevention of fraud, waste, and abuse. Toward this end, the OIG expended considerable resources this period on the redesign of its Management Inventory of Auditable Entities. The redesigned inventory, which is scheduled for completion in April 1987, will present GSA's universe of auditable entities in a format that can readily be used to develop the OIG's annual audit plans. This approach will greatly enhance the OIG's capability to target priority audit areas and take action to provide the requisite coverage in a timely fashion.

2. Anticipation

OIG anticipation activities this period focused on review of proposed legislation and regulations (Section VII) and continued preaward coverage of GSA's leasing program. These activities stem from the belief that many of tomorrow's problems can be avoided through decisive action today.

The OIG's program for reviewing leases prior to award provides front-end assurance that GSA is adhering to regulations and procedures before awarding selected leases involving annual rentals in excess of \$200,000. The reviews, although purely advisory in nature, limit opportunities for fraud, waste, and abuse in the leasing area.

The program achieved the following results during the reporting period:

Lease proposals submitted for review	100
Lease proposals reviewed	42
Lease proposals with deficiencies	22
Lease proposals with no deficiencies	20

Major deficiencies identified through OIG preaward advisory reviews related to: potential overpayments because a proposed lease did not adequately consider a local tax abatement program that lowered the lessor's real estate tax liability; and a termination clause that did not adequately define GSA's rights in the event a portion of the space became vacant. Other deficiencies included: unspecified overtime service rates; an incomplete appraisal report; no fire and safety review; and unspecified utility payments.

3. Education

Integrity Awareness Briefings comprise the OIG's primary vehicle for educating employees on the manifestations of fraud and abuse. These briefings explain the statutory mission of the OIG and the functions executed by each of our component offices. In addition, through case studies and slides, the briefings expose GSA employees to actual instances of white collar crime in GSA and other Federal agencies. They conclude with a presentation on bribery that teaches employees how to recognize bribery attempts; how to respond to them; and the employee's potential role in an ensuing investigation. Since the inception of this program in 1981, 6,890 GSA employees have attended Integrity Awareness Briefings.

In our last report, we advised that, at the Administrator's request, a series of program-specific Integrity Awareness Briefings were under development. This effort was based on the premise that the integrity message would be more meaningful if discussed in relation to the particular program in which each employee works.

This period, we presented the program-specific briefings to our first target group, employees of GSA's buildings management program. Since November, 2,600 employees in 10 regions have been briefed.

Meanwhile, development of a second briefing package, aimed at the Federal Supply Service's quality and contract administration program, is nearly complete. These briefings are scheduled to commence in May 1987.

4. Communication

A free flow of information between GSA employees and the OIG is a vital prevention and detection element. Recognizing this fact, the OIG issues brochures on the Hotline and its Report to the Congress and displays Hotline posters in all GSA buildings nationwide.

This period, we received 295 Hotline calls and letters. Of these, 76 complaints warranted further action. We also received 10 referrals from GAO and 17 referrals from other agencies; 25 of these referrals required further action. The remaining 219 Hotline complaints required no further action and were closed.

B. Projects Sponsored by the PCIE

The OIG continued to participate in interagency projects sponsored by the PCIE. Specific involvement this period is delineated by project in the paragraphs that follow. In addition to these efforts, OIG staff members also provided ongoing support to several PCIE committees.

1. Review of Federal Telecommunications System (FTS) Utilization

The GSA OIG has been the lead agency on this PCIE review aimed at:

- Evaluating the utilization of telecommunications resources.
- Identifying ways of reducing telecommunications costs through more effective and efficient management of these resources.

The 17 participating agencies have issued a total of 29 reports to improve telecommunications management and operations in their respective departments and agencies. Estimated cost avoidances of \$6.4 million can already be attributed to actions that have been or will be taken as a result of these efforts.

The overall review, which was completed this period, showed that unofficial use of FTS long distance services is significant, widespread, and expensive. We estimated that at least 22 percent (or about one out of five) FTS long distance calls are placed for unofficial purposes at a cost of approximately \$165 million annually. This figure includes \$89 million for the calls and \$76 million in expenditures for unproductive employee work time.

The review also identified that agencies were paying for an estimated 18,500 telephone lines that were either disconnected or not needed. This situation occurred because many agencies were not conducting required annual inventories of equipment or reviewing bills to identify discrepancies.

On March 16, 1987, the GSA OIG issued the PCIE's consolidated report to GSA management. The report contained 28 recommendations aimed at reducing Government-wide telecommunications costs through improvements in management controls and changes in policy. The major recommended actions included:

- Taking greater advantage of specific controls that prevent, deter, and detect unofficial long distance calls;
- Allowing agencies to collect both the value of unofficial calls and associated administrative expenses to fully compensate the Government;
- Conducting an employee awareness program on the use and cost of FTS services;
- Revising the Government's policy on the use of telephones to recognize the needs of employees to make personal calls, at their own expense, from their place of work;
- Strengthening controls over the ordering, receipt, and verification of telephone services; and
- Issuing a Telecommunications Managers Handbook to assist agencies in managing their telecommunications operations.

GSA management officials are working with other members of the Federal community to ensure that the actions taken in response to these recommendations will be effective. We estimate that implementation of these corrective actions could result in an additional \$125 million in cost avoidances annually.

This project is now considered complete, although the GSA OIG will monitor resolution of the report and implementation of its recommendations.

2. Review of Compliance With IRS Information Return Filing Requirements (Form 1099)

The GSA OIG was one of 14 agencies that participated in this two-phased review. The project was initiated to assess:

- Federal agencies' compliance with the Form 1099 filing requirement for nonwage payments.
- Whether Federal program recipients were filing Forms 1099 for nonwage payments to third parties.

The Internal Revenue Service (IRS) uses Form 1099 information to determine whether taxpayers have properly reported payments from Government agencies in their income tax returns. Individual agency reports were issued by each participating agency; the GSA OIG's report was issued on December 8, 1986. The Department of Treasury OIG, which was the lead agency on this project, issued the consolidated report to the Chairman of the PCIE on December 16, 1986. This action completed the project effort.

3. Auditor/Accountant Job Analysis Project

The GSA OIG is participating, in conjunction with other Federal agencies, in this evaluation of the auditors/accountants referred by the Office of Personnel Management (OPM) for entry level positions. The review will evaluate whether methods for screening applicants for placement on OPM registers require change.

During the period, a decision was made to separately analyze the requirements for auditors and accountants. The GSA OIG, which is participating in the study of en-

try-level auditors, assisted in the development of two questionnaires. The first, which will be used to solicit information from supervisors, focuses on the specific performance levels expected of GS-5, 7, and 9 auditors and the background necessary to perform at these levels. The second, targeted at the auditors, solicits information on the backgrounds possessed by incumbents and the nature of the work they are currently performing.

The questionnaires will be sent out in June. After analysis, the findings will be summarized in a report, scheduled for issuance in September 1987, that will identify recommended improvements to OPM's examination process.

APPENDICES

APPENDIX I - AUDIT REPORT REGISTER

Assignment Number	Title	Date of Report
PBS	Contract Audits	
A60490	Preaward Audit of Cost or Pricing Data: Fire Security Systems, Inc., Solicitation No. GS-05P-86-GBC-0098	10/02/86
A60605	Preaward Audit of Cost or Pricing Data: Stowell Plastering Company, Subcontractor to Fire Security Systems, Inc., Solicitation No. GS-05P-86-GBC-0098	10/03/86
A60487	Preaward Audit of Lease Escalation Proposal: Twelfth and L. Limited Partnership, Lease No. GS-03B-05729	10/08/86
A60463	Preaward Audit of a Claim for Increased Costs: Mercury Masonry Corp., Subcontractor to Terminal Construction Corp., Contract No. GS-02P-23256	10/10/86
A60477	Preaward Audit of a Claim for Increased Costs: Rich, Inc., Subcontractor to Powers Regulator Company, Contract No. GS-00B-02850	10/10/86
A60478	Preaward Audit of a Claim for Increased Costs: Rich, Inc., Subcontractor to Powers Regulator Company, Contract No. GS-09B-7519SF	10/10/86
A60479	Preaward Audit of a Claim for Increased Costs: Rich, Inc., Subcontractor to Powers Regulator Company, Contract No. GS-05BC-81422	10/10/86
A60510	Preaward Audit of a Claim for Increased Costs: Active Fire Sprinkler Corp., Contract No. GS-02B-77081	10/10/86
A60599	Preaward Audit of Architect and Engineering Services Contract: Kaplan/McLaughlin/Diaz Architects, Project No. NCA01700	10/10/86
A60600	Preaward Audit of Architect and Engineering Services Contract: Cygna Consulting Engineers, Consultant to Kaplan/McLaughlin/Diaz, Project No. NCA01700	10/10/86
A60601	Preaward Audit of Architect and Engineering Services Contract: Syska/Hennessy, Consultant to Kaplan/McLaughlin/Diaz, Project No. NCA01700	10/10/86
A60618	Preaward Audit of Architect and Engineering Services Contract: Welton Becket Associates, Project No. ZCA70198	10/10/86
A60619	Preaward Audit of Architect and Engineering Services Contract: John A. Martin and Associates, Structural Engineer Consultant to Welton Becket Associates, Project No. ZCA70198	10/10/86
A60454	Preaward Audit of a Claim for Increased Costs: Trataros Painting & Construction Corp., Contract No. GS-02B-77266	10/14/86
A60580	Preaward Audit of Architect and Engineering Services Contract: Moisture Systems, Incorporated, Solicitation No. GS-11B-69020	10/16/86
A60617	Preaward Audit of Architect and Engineering Services Contract: Gobbell Hays Partners, Incorporated, Solicitation No. ICT86409 (INY86434)	10/16/86
A60566	Preaward Audit of Construction Administration Services Contract: MH Golden Company, Project No. NCA01400	10/17/86
A60634	Preaward Audit of Architect and Engineering Services Contract: JCA Engineers, Solicitation No. B/206186000	10/17/86
A60635	Preaward Audit of Architect and Engineering Services Contract: Building System Evaluation Inc., Solicitation No. B/206186000	10/17/86
A60536	Preaward Audit of Lease Escalation Proposal: A.D. Brown Building, St. Louis, Missouri, Lease No. GS-06B-14033	10/21/86
A60595	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Eccles Security Agency, Inc., Solicitation No. GS-003-86-00R-0023	10/21/86

A60472	Preaward Audit of Change Order Proposal: Olde Line Maintenance, Inc., Contract No. GS-11C-50155	10/27/86
A60613	Audit of Termination Proposal: Instrument Control Service, Inc., Contract No. GS-11C-50010	10/28/86
A60545	Preaward Audit of Change Order Proposal: A.I. Smith Electrical Contractors, Inc., Subcontractor to Arnell Construction Corp., Contract No. GS-02B-23112	10/30/86
A60544	Preaward Audit of a Claim for Increased Costs: Samson Stone Co., Inc., Subcontractor to Terminal Construction Corp., Contract No. GS-02P-23256	11/04/86
A70017	Preaward Audit of Architect and Engineering Services Contract: Seelye Stevenson Value & Knecht, Subcontractor to Urbahn Associates, Inc., Solicitation No. 02-PPC-CM-086-0506	11/06/86
A60615	Preaward Audit of Lease Escalation Proposal: Umiak, Ltd., A California Limited Partnership, Lease No. GS-08B-09926	11/07/86
A60630	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Stop Private Investigation Agency, Inc., Solicitation No. GS-003-86-00R-0026	11/07/86
A70050	Review of Proposal for Initial Pricing Under GSA Contract No. GS-11B-69028: Science Applications International Corporation	11/07/86
A60606	Preaward Audit of Proposed Lease Costs: Detroit International Bridge Company, Solicitation No. GS-05B-14114	11/12/86
A60581	Preaward Audit of Architect and Engineering Services Contract: Weller & Scott, Contract No. GS-11B-69023	11/13/86
A70010	Preaward Audit of Architect and Engineering Services Contract: Sussna Design Office, Solicitation No. 02-PPC-CM-086-0523	11/13/86
A70077	Review of Lease Escalation for Lease No. GS-04B-15943: Columbus Building, 5205 N.W., 84th Avenue, Miami, Florida	11/13/86
A60496	Preaward Audit of Change Order Proposal: The Davis Corporation, Contract No. GS-11B-38074	11/14/86
A60414	Preaward Audit of A Claim for Increased Costs: Tyger Construction Company, Contract No. GS-04B-83034	11/17/86
A70036	Preaward Audit of Architect and Engineering Services Contract: GHI Architects, Project No. ZCA70203	11/19/86
A70007	Preaward Audit of Architect and Engineering Services Contract: Federman Construction Consultants, Inc., Solicitation No. 02-PPC-CM-086-0521	11/21/86
A60484	Preaward Audit of Architect and Engineering Services Contract: Gibbs & Hill Inc., Solicitation No. 02-PPC-CM-086-0510	11/24/86
A70037	Preaward Audit of Supplemental Architect and Engineering Services in Northern California: Reid & Tarics Associates, Project No. ZCA 86100	11/26/86
A70039	Preaward Audit of Architect and Engineering Services Contract: Cygna Consulting Engineers, Solicitation No. GS-05-BC-P-86-C-0121	11/26/86
A60587	Preaward Audit of Architect and Engineering Services Contract: Holmes, Sabatini, Smith & Eeds, (A Partnership), Solicitation No. GS-07P-HUC-0095	12/01/86
A70085	Preaward Audit of Small Business Administration 8(a) Price Proposal: State Janitorial Services, Inc., Solicitation No. OPR-9PPB-860286	12/01/86
A70040	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Metropolitan Cleaning Corporation, Inc., Solicitation No. GS-11P-86-MJC-0090	12/04/86
A70064	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Brown's Maintenance and Security Co. Inc., Leavenworth, Kansas, Solicitation No. 6PPB-86-0075	12/04/86
A70072	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Ridley Southside Janitorial Service, Inc., Kansas City, Missouri, Solicitation No. 6PPB-86-0082	12/05/86
A60563	Preaward Audit of Lease Escalation Proposal: Fred Schnider Company, Lease No. GS-03B-5734	12/08/86

A70049	Preaward Audit of Architect and Engineering Services Contract: Peck-Peck & Associates, Inc., Solicitation No. ZDE-00801	12/09/86
A70093	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Hyde's Security Services, Inc., Solicitation No. GS-04P-EWC-0082	12/11/86
A60585	Preaward Audit of Lease Escalation Proposal: Equitable Real Estate, Lease No. GS-09B-73066	12/12/86
A60640	Preaward Audit of Cost or Pricing Data: Webb, Murray & Associates, Inc., Contract No. GS-07P-86-HUD-0100	12/12/86
A70091	Preaward Audit of Architect and Engineering Services Contract: Kidde Automated Systems, Inc., Project No. RCA-89999	12/15/86
A60612	Preaward Audit of Architect and Engineering Services Contract: The Gruzen Partnership, The Ehrenkrantz Group, and Syska & Hennessy, A Joint Venture, Contract No. GS-02B-23092	12/16/86
A60267	Preaward Audit of Change Order Proposal: The Davis Corporation, Contract No. GS-11B-38074, Change Order No. 2 (PDL)	12/17/86
A70022	Preaward Audit of Architect and Engineering Services Contract: Notter, Finegold & Alexander, Inc., Contract No. GS-11B-69034	12/19/86
A60602	Preaward Audit of Change Order Proposal: Blake Construction Co., Inc., Contract No. GS-11B-08981	12/22/86
A70015	Preaward Audit of Architect and Engineering Services Contract: Summer Consultants, Inc., Contract No. GS-11B-69034	12/22/86
A70116	Preaward Audit of Architect and Engineering Services Contract: Randall Lamb Associates, Project No. ZCA86120	12/22/86
A60608	Preaward Audit of Architect and Engineering Services Contract: Benbassat & Sporidis Co., Contract No. GS-11B-69022	12/31/86
A70174	Review of Proposal for Initial Pricing under RFP No. GS-PPB-86-063-DB00: Booz, Allen & Hamilton, Inc., Bethesda, Maryland	01/07/87
A60511	Preaward Audit of Architect and Engineering Services Contract: TAMS Consultants, Inc./Applied Technology Consultants, Inc., Joint Venture, Solicitation No. 02-PPC-CM-086-0511	01/13/87
A70062	Preaward Audit of Architect and Engineering Services Contract: Sargent Webster Crenshaw & Folley, Solicitation No. 2PPC-CM-086-0524	01/13/87
A60556	Preaward Audit of a Claim for Increased Costs: L & L Painting Co., Inc., Subcontractor to Terminal Construction Corp., Contract No. GS-02P-23256	01/15/87
A60603	Preaward Audit of Architect and Engineering Services Contract: Urbahn Associates, Inc., Solicitation No. 02-PPC-CM-086-0506	01/15/87
A70129	Preaward Audit of Architect and Engineering Services Contract: Abend Singleton Associates, Inc., Kansas City, Missouri, Solicitation No. ZM071240	01/15/87
A60588	Preaward Audit of Architect and Engineering Services Contract: The Carlson Group, Project No. IMA 78545	01/16/87
A70197	Preaward Audit of Architect and Engineering Services Contract: Clayton Environmental Consultants, Inc., Solicitation No. 02-PPC-CM-086-0510	01/20/87
A70128	Preaward Audit of Architect and Engineering Services Contract: Turpin, Wachter Associates, Inc., Solicitation No. ZDE-00801	01/21/87
A60179	Preaward Audit of Change Order Proposal: Bechtel Constructors Corporation, Contract No. GS-08B-93135	01/22/87
A70013	Preaward Audit of Architect and Engineering Services Contract: Northern Engineering and Testing, Inc., Solicitation No. GS-07P-86-HUD-0124	01/22/87

A70054	Preaward Audit of Architect and Engineering Services Contract: Edwards & Daniels Associates, Architects, Solicitation No. GS-07P-86-HUD-0110	01/22/87
A70055	Preaward Audit of Architect and Engineering Services Contract: Allred/Fisher, Architects/Engineers, P.C., Solicitation No. GS-07P-86-HUD-0176	01/22/87
A70101	Preaward Audit of Architect and Engineering Services Contract: Wank Adams Slavin Associates, Solicitation No. 02-PPC-CM-086-0527	01/28/87
A60553	Audit of the Application for Award of Attorneys' Fees and Expenses Under the Equal Access to Justice Act: Warwick Holding Company, Inc., Contract No. GS-02B-17185	01/29/87
A70028	Preaward Audit of a Claim for Increased Costs: CMS Contractors, Inc., Contract No. GS-11B-59023	02/06/87
A70230	Review of Proposal for Initial Pricing Under RFP No. GS-PPB-86-063-DB00: System Development Corporation Services Group, Camarillo, California	02/06/87
A60643	Preaward Audit of Architect and Engineering Services Contract: Research Planning Associates, Solicitation No. ZPA-00117	02/10/87
A70065	Preaward Audit of an Architect and Engineering Services Contract: Widom/Wein & Partners, Inc., Solicitation No. ICA-11180	02/11/87
A70192	Preaward Audit of Supplemental Mechanical and Electrical Engineering Design Services in Southern California: Lee and Ro Consulting Engineers, Project No. ZCA 86130	02/17/87
A70094	Preaward Audit of Lease Escalation Proposal: Poughkeepsie Financial Plaza, Lease No. GS-02B-18578	02/19/87
A60616	Audit of Cost Reimbursable Contract: J&J Maintenance, Inc., Solicitation No. GS-07B-21602	02/24/87
A70117	Preaward Audit of Lease Escalation Proposal: California State Automobile Association, Lease No. GS-09B-75262	02/24/87
A70213	Preaward Audit of Change Order Proposal: M.C. Hodom Construction Company, Inc., Contract No. GS-02P-23444	02/26/87
A70164	Evaluation of Subcontractors' Claims for Equitable Adjustment: P. Francini and Company, Inc., Contract No. GS-01B-02350	02/27/87
A70016	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Daute Contractors, Inc., Solicitation No. GS-11P-86-MKC-7278	03/04/87
A70218	Preaward Audit of Cost or Pricing Data: AEC Corporation, Solicitation No. RFL86066	03/04/87
A60508	Preaward Evaluation of Lease Escalation Proposal: Town Center Management Corporation, Contract No. GS-03B-05788	03/05/87
A60554	Preaward Audit of a Claim for Increased Costs: Terminal Construction Corp., Contract No. GS-02P-23256	03/05/87
A70125	Audit of Contract Extension: Northern Virginia Service Corporation, LaGrange, Georgia	03/09/87
A70120	Preaward Audit of Architect/Engineering Services Contract: The Gruzen Partnership, The Ehrenkrantz Group, and Syska & Hennessy, A Joint Venture, Contract No. GS-02B-23092	03/16/87
A70177	Preaward Audit of Change Order Proposal: Centex Construction Company, Inc., Contract No. GS-11B-19066	03/17/87
A70233	Preaward Audit of Elevator Design and Construction Inspection Services Contract: Professional Engineers, Inc., Solicitation No. ZDE-70006	03/20/87
A70096	Preaward Audit of Architect and Engineering Services Contract: C.W. Fentress and Associates, P.C., Solicitation No. GS-07P-86-HUC-0171	03/23/87
A60610	Preaward Audit of Lease Alteration Proposal: Comsite International Co., Contract No. GS-11B-60198	03/27/87

A70199	Preaward Audit of Change Order Proposal: Holtze Construction Co., Sioux City, Iowa, Contract No. GS-06P-86-GYC-0066	03/27/87
A70363	Review of Proposal for Initial Pricing Under RFP No. GS-PPB-86-063-DB00: SASC Services Incorporated, A Systems and Applied Sciences Corporation Company, Vienna, Virginia	03/31/87

PBS Internal Audits

A60637	Preaward Lease Review: Six Skyline Place, 5109 Leesburg Pike, Falls Church, Virginia, Lease No. GS-11B-60253	10/01/86
A60551	Review of the Revised A-76 Mechanical Services Study, Tampa/Sarasota, Florida	10/07/86
A60336	Review of Tax Escalation Payments, Chester Federal Building, 7th & Welsh Streets, Chester, Pennsylvania, Lease No. GS-03B-20007	10/08/86
A70021	Preaward Lease Review: Lakeside Building, 6000 Lakeside Boulevard, Indianapolis, Indiana, Lease No. GS-05B-14296	10/09/86
A60103	Review of GSA Planning, Acquisition, Award, and Administration of Federal Leased Construction in Support of the Internal Revenue Service, Andover Service Center	10/10/86
A60641	Preaward Lease Review: 402 West 35th Street, National City, California, Lease No. GS-09B-86764	10/14/86
A60126	Review of Controls Over Polychlorinated Biphenyls (PCBs) in the National Capital Region (NCR)	10/15/86
A70019	Preaward Lease Review: Limestone Mine, Boyers, PA., Lease No. GS-03B-60663	10/17/86
A60438	Review of Operations of the Des Moines, Iowa, Buildings Management Field Office	10/20/86
A70020	Preaward Lease Review: 100 Van Ness Avenue, San Francisco, California, Lease No. GS-09B-75262	10/20/86
A60126	Review of Controls Over the Identification, Inspection and Documentation of Polychlorinated Biphenyls Contaminants	10/24/86
A60636	Preaward Lease Review: Park Center One Building, 3101 Park Center Drive, Alexandria, Virginia, Lease No. GS-11B-60251	10/28/86
A60177	Review of San Diego Field Office, Region 9	10/30/86
A60411	Interim Report on Status of Structural Concerns for One White Flint North	10/31/86
A70047	Preaward Lease Review: Nash Street Building, 1400 Key Boulevard, Arlington, Virginia	10/31/86
A60621	Interim Report on Review of Repair and Alteration Work Item Inventory, Regions 9 & 10: Item No. 0120, Upgrade Electrical Service, RCA 20926	11/03/86
A70042	Preaward Lease Review: 400 Oceangate Blvd., Long Beach, California, Lease No. GS-09B-38073	11/06/86
A70044	Preaward Lease Review: 400 Oceangate Blvd., Long Beach, California, Lease No. GS-09B-38137	11/06/86
A70046	Proposed Award of Lease: Lease No. GS-08B-09926, Lea Building, Cheyenne, Wyoming	11/07/86
A70048	Review of Lease Option to Acquire Two White Flint North, 11555 Rockville Pike, North Bethesda, Maryland, Contract No. GS-11-P-8601	11/14/86
A70060	Proposed Award of Lease, Lease No. GS-01B(PEL)-03509 Neg., Building No. 4, Shaw's Cove, New London, Connecticut	11/24/86
A60321	Review of Old and New Executive Office Buildings Retrofill Project for Reducing Polychlorinated Biphenyls (PCBs)	11/25/86
A70090	Proposed Award of Lease: Lease Number GS-04B-26289, Customs House, 701 Broadway, Nashville, Tennessee	11/25/86
A70099	Preaward Lease Review: Glopax Building, Norfolk, VA, Lease No. GS-03B-06448	11/25/86
A70041	Proposed Award of Lease: Lease No. GS-02B-22327, Guaranty Building, 28 Church Street, Buffalo, NY	11/26/86

A70115	Proposed Award of Lease, Lease No. GS-01B(PEL)-03521 Neg., Norwalk Office Tower, 24 Belden Avenue, Norwalk, Connecticut	11/28/86
A70043	Proposed Award of Lease: 300 Rabro Drive, Hauppauge, New York, Lease No. GS-02B-22343	12/01/86
A70113	Proposed Award of Lease Renewal: Yakima Tribe Building, Toppenish, Washington, Lease No. GS-10B-04360	12/02/86
A60621	Review of Repair and Alteration Work Item Inventory, Regions 9 and 10: Item No. 0125, Replace Existing Water Supply Lines with Copper, RCA 20957	12/03/86
A60177	Review of the North Spring Street Field Office, Region 9	12/04/86
A60323	Review of the Draft Amendment Proposal by the Office of the Regional Counsel Dated September 11, 1986	12/04/86
A70130	Preaward Lease Review: 525 Vine Building, Cincinnati, Ohio, Lease No. GS-05B-14463	12/04/86
A50621	Review of the Lease Enforcement Program in the National Capital Region	12/09/86
A70145	Preaward Lease Review: 210 Grandview Avenue, Camp Hill, Pennsylvania, Lease No. GS-03B-79005	12/10/86
A60435	Review of the Prospectus Requirement for Relocation of the FBI Washington Field Office	12/15/86
A70122	Preaward Lease Review: Todd Building, 550 11th Street, N.W., Washington, D.C., Lease No. GS-11B-60264	12/15/86
A60177	Review of Sacramento Field Office	12/16/86
A70075	Preaward Lease Review: Phillips Building Annex, 4915 St. Elmo Avenue, Bethesda, Maryland, Lease No. GS-11B-20050	12/17/86
A50226	Review of Indefinite Quantity Contracts for Repair and Alteration, Region 9	12/22/86
A70158	Preaward Lease Review: 425 East Colorado Street, Glendale, California, Lease No. GS-09B-86921	12/23/86
A70133	Summary Report of Preaward Lease Reviews, June 1984 through July 1986	12/24/86
A70159	Preaward Lease Review: South West Quadrant, Interstate 80 and Business 80, Sacramento, California	12/30/86
A70161	Preaward Lease Review: Monument Parking Co., Inc., Judiciary Square, 555 4th Street, N.W., Washington, D.C., Lease No. GS-11B-60246	12/30/86
A70163	Preaward Lease Review: Scuderi Building, 4235 28th Avenue, Temple Hills, Maryland, Lease No. GS-11B-70049	12/30/86
A60548	Review of Lease No. GS-04B-26148, Nashville, Tennessee	01/07/87
A70123	Preaward Lease Review: Century Building, 2341 Jefferson Davis Highway, Arlington, Virginia, Lease No. GS-11B-70030	01/07/87
A70170	Preaward Lease Review: 300 S. Wacker Building, Chicago, Illinois, Lease No. GS-05BR-9612	01/15/87
A70162	Preaward Lease Review: The Olmstead Foundation Building, 3100 Clarendon Boulevard, Arlington, Virginia, Lease No. GS-11B-60231	01/16/87
A70194	Preaward Lease Review: Christiansen Building, Vancouver, Washington, Lease No. GS-10B-05337	01/21/87
A70195	Preaward Lease Review: 175 W. Jackson, Chicago, Illinois, Lease No. GS-05B-14402	01/22/87
A50373	Review of Unit Price Agreements for Leased Buildings	01/29/87
A70217	Preaward Lease Review: Southpark, Building K, 4175 Friedrich Lane, Austin, Texas, Lease No. GS-07B-11906	01/29/87
A70097	Preaward Lease Review: 923 St. Louis Street, Springfield, Missouri, Lease Number GS-06P-78605	02/05/87
A60621	Interim Report on Review of Repair and Alteration Work Item Inventory, Regions 9 and 10: Item No. 0156, Install Metal Conduit for Smoke Detector Wiring, Included in RCA 49210	02/09/87

A70053	Review of Bidder's List for New Lease Project	02/10/87
A50621	Review of Region 2's Lease Enforcement Procedures	02/13/87
A60146	Review of IRS Lease at Mercantil Plaza, Hato Rey, Puerto Rico, Lease No. GS-02B-18851	02/13/87
A50621	Review of Lease Enforcement, Region 9	02/20/87
A70268	Preaward Lease Review: 205 13th Street, San Francisco, California, Lease No. GS-09B-87305	02/20/87
A70066	Review of the Circumstances Surrounding the Cancellation of Solicitation No. R7-38H-85FT for Lease of Federal Courts Space, Houma, Louisiana	02/24/87
A70267	Preaward Lease Review: Willard Road, Henrico County, Richmond, Virginia, Lease No. GS-03B-79017	02/25/87
A60468	Review of Lease No. GS-04B-23285, Fayetteville, North Carolina	02/26/87
A70290	Preaward Lease Review: Galaxy Building, 330 2nd Avenue South, Minneapolis, Minnesota, Lease No. GS-05B-14458	03/04/87
A70308	Preaward Lease Review: Banker's Building, 105 W. Adams Street, Chicago, Illinois, Lease No. GS-05B-14403	03/05/87
A70246	Preaward Lease Review: One Greenway Plaza, Melville, New York 11747, Lease No. GS-02B-22373	03/11/87
A70302	Review of the Proposed Transaction Concerning East Union Center Plaza	03/12/87
A70313	Preaward Lease Review: Lease Extension, IRS, 1 N. Wacker Drive, Chicago, Illinois, Lease No. GS-05B-12276	03/13/87
A70334	Preaward Lease Review: 215 Fremont Street, San Francisco, California, Lease No. GS-09B-60245	03/13/87
A60377	Review of Hazardous Waste Management at GSA Laboratory, 390 Main Street, San Francisco, California, Region 9	03/16/87
A70314	Preaward Lease Review: Two Arboretum Lakes, 901 Warrenville Road, Lisle, Illinois, Lease No. GS-05B-14441	03/16/87
A70316	Review of Fire and Safety Program, Region 1, New Federal Office Building, Boston, Massachusetts	03/20/87
A70323	Preaward Lease Review: New Construction, Market and Darlington Streets, Wilmington, North Carolina, Lease No. GS-04B-26309	03/24/87
A60607	Review of Buildings Management Field Office, Indianapolis, Indiana, Region 5	03/31/87

FSS Contract Audits

A60466	Preaward Audit of Multiple Award Schedule Contract: Schriock's Lawn & Trail, Inc., Solicitation No. 7PM-52835/S5/7FC	10/02/86
A60497	Preaward Audit of Cost or Pricing Data: Roger Carter Corporation, Solicitation No. GS-08-1572	10/02/86
A60503	Preaward Audit of Multiple Award Schedule Contract: Southern Bleacher Company, Inc., Solicitation No. 7PM-52840-J4-7FC	10/02/86
A60622	Audit of Agencies' Vehicle Repair and Maintenance Costs: LF&J Automotive, Inc., St. Louis, Missouri, Contract No. GS-06W-00981 et al.	10/08/86
A40045	Postaward Audit of Multiple Award Schedule Contract: American Sterilizer Company, Contract No. GS-00S-41165	10/09/86
A60594	Preaward Audit of Cost or Pricing Data: T.G. Faust, Inc., Solicitation No. BO/FS-D-00637 (N)	10/10/86
A60380	Preaward Audit of Multiple Award Schedule Contract Pricing Proposal: National Micrographic Systems, Inc., Solicitation No. FCG-B3-75363-N-3-20-86	10/14/86
A60604	Preaward Audit of Multiple Award Schedule Contract: Gould Inc., Recording Systems Division, Solicitation No. FCGS-Z7-40007-N-7-29-86	10/14/86

A70006	Preaward Audit of Multiple Award Schedule Contract: Miracle Recreation Equipment Company, Grinnell, Iowa, Solicitation No. 7PM-52840/J4/7FC	10/27/86
A70018	Preaward Audit of Multiple Award Schedule Contract: Iron Mountain Forge, Farmington, Missouri, Solicitation No. 7PM-52840/J4/7FC	10/27/86
A60592	Preaward Audit of Cost or Pricing Data: Ortho Pharmaceutical Corp., Solicitation No. FCGA-A3-XV247-N	10/28/86
A60633	Preaward Audit of Cost or Pricing Data: Harvard Interiors Mfg. Co., St. Louis, Missouri, Solicitation No. FNP5-S6-1633-N	10/28/86
A50645	Postaward Audit of Multiple Award Schedule Contract: Gould Incorporated, Imaging and Graphics Division, Contract No. GS-00S-45271 for the Period 7/19/82 to 5/31/84	10/29/86
A60178	Postaward Audit of Multiple Award Schedule Contract: Gould Incorporated, Imaging and Graphics Division, Contract No. GS-00F-78072 for the Period 11/30/84 to 9/30/85	10/31/86
A60614	Preaward Audit of Cost or Pricing Data: Progressive Apparel, Inc., Solicitation No. B0/FS-B-00637	11/03/86
A60473	Preaward Audit of Multiple Award Schedule Contract: Fort Worth Tower Company, Solicitation No. GS-08-1572	11/07/86
A70005	Preaward Audit of Multiple Award Schedule Contract: Advanced Systems, Incorporated, Solicitation No. FCGE-D7-75371	11/12/86
A60550	Preaward Audit of Cost or Pricing Data: Andrew Corporation, Grandview, Missouri, Solicitation No. GS-08-1572	11/18/86
A70095	Review of Proposal for Initial Pricing Under RFP No. FGS-Y2-39000-N-6-25-85: Technical Services Laboratory, Inc., Fort Walton Beach, Florida	11/20/86
A70003	Preaward Audit of Multiple Award Schedule Contract: E.I. DuPont De Nemours & Company, Inc., Solicitation No. FCGS-Y9-37002-N-6-11-86	11/21/86
A70012	Preaward Audit of Cost or Pricing Data: Michael Business Machines Corp., Solicitation No. FGE-A4-75361-N	11/24/86
A60167	Postaward Audit of Multiple Award Schedule Contract: Stadiums Unlimited, Inc., Grinnell, Iowa, Contract No. GS-10S-45788 for the Period 9/1/83 to 10/31/84	11/25/86
A60529	Postaward Audit of Multiple Award Schedule Contract: Stadiums Unlimited, Inc., Grinnell, Iowa, Contract No. GS-10F-46881 for the Period 2/14/85 to 10/31/86	11/25/86
A60520	Preaward Audit of Cost or Pricing Data: A. Brandt Company, Inc., Solicitation No. FCNH-F5-1880-N-5-6-86	12/01/86
A60639	Preaward Audit of Multiple Award Schedule Contract: Honeywell, Inc., Solicitation No. FCGS-Z7-40007-N-7-29-86	12/02/86
A60302	Postaward Audit of Multiple Award Schedule Contract: Reliance Electric Company, Toledo Scale Division, Contract No. GS-00S-70178	12/05/86
A60303	Postaward Audit of Multiple Award Schedule Contract: Reliance Electric Company, Toledo Scale Division, Contract No. GS-00S-57088	12/05/86
A60304	Postaward Audit of Multiple Award Schedule Contract: Reliance Electric Company, Toledo Scale Division, Contract No. GS-00F-78055	12/05/86
A60631	Preaward Audit of Cost or Pricing Data: Mosler Safe Company, Solicitation No. FNP-C1-1542-N	12/08/86
A70056	Preaward Audit of Cost or Pricing Data: Deft Inc., Solicitation No. 10PN-ZBS-0441	12/12/86
A70126	Preaward Audit of Cost or Pricing Data: Sargent & Greenleaf, Inc., Solicitation No. 7PRT-52884/CG/7FXI	12/23/86
A70079	Preaward Audit of Multiple Award Schedule Contract: Packard Instrument Co., Solicitation No. FCGS-Z2-40010-N-10-16-86	12/24/86
A70100	Preaward Audit of Multiple Award Schedule Contract: EIKI International, Inc., Laguna Niguel, California, Solicitation No. FCGE-B7-75382-N	01/07/87
A70118	Preaward Audit of a Partial Termination Proposal: Dean's Security Professionals, Contract No. GS-09F-50522	01/08/87

A70134	Preaward Audit of Multiple Award Schedule Contract: The Perkin-Elmer Corporation, Solicitation No. FCGS-Z2-40010-N-10-16-86	01/09/87
A70193	Review of Proposal for Initial Pricing Under RFP No. 10PR-XPD-0390: CAAP Company, Inc., Milford, Connecticut	01/14/87
A70119	Preaward Audit of Multiple Award Schedule Contract: Beckman Instruments, Inc., Spinco Division, Solicitation No. FCGS-Y5-37003-N-4-15-86	01/16/87
A70157	Discount and Commerciality Survey of Multiple Award Schedule Contract: Johnston-Tombigbee Furniture Manufacturing Co., Inc., Contract No. GS-00F-76114	01/21/87
A70069	Preaward Audit of Multiple Award Schedule Contract: Ciba Corning Diagnostics Corp., Gilford Systems, Solicitation No. FCGS-Z2-40010-N-10-16-86	01/22/87
A70107	Preaward Audit of Multiple Award Schedule Contract: Nuclear Data Instrument Division, Solicitation No. FCGS-Z2-40010-N-10-16-86	01/23/87
A50230	Postaward Audit of Multiple Award Schedule Contract: John Savoy & Son, Inc., Contract No. GS-00S-38102 for the Period 7/1/80 to 12/31/83	01/26/87
A70080	Preaward Audit of Multiple Award Schedule Contract: Dukane Corporation, Solicitation No. FCGE-B7-75382-N-9-15-86	01/27/87
A70202	Preaward Audit of Cost or Pricing Data: Curtiss-Wright/Marquette, Inc., Solicitation No. FCEN-EW-A6111-N-5-14-86	01/29/87
A70086	Preaward Audit of Multiple Award Schedule Contract: Kevex Corporation, Solicitation No. FCGS-Z2-40010-N-10-16-86	02/04/87
A70057	Preaward Audit of Multiple Award Schedule Contract: Western Graphtec, Inc., Solicitation No. FCGS-Z7-40007-N-7-29-86	02/12/87
A70084	Preaward Audit of Multiple Award Schedule Contract: Hewlett-Packard Company, Solicitation No. FCGS-Z2-40010-N-10-16-86	02/12/87
A60297	Postaward Audit of Multiple Award Schedule Contract: Hobart Corporation, Contract No. GS-00S-63349 for the Period 8/1/83 through 9/30/84	02/13/87
A70045	Audit of Claim for Increased Costs: Southwest-Tex Leasing Company, Inc., Contract Nos. GS-07S-03715 and GS-07S-03804	02/17/87
A70124	Preaward Evaluation of Pricing Proposal: Costar Corporation, Solicitation No. FCGS-Z1-40008-N-10-02-86	02/19/87
A70191	Preaward Audit of Multiple Award Schedule Contract: Huntington Laboratories, Inc., Solicitation No. 10PN-SKS-6051	02/20/87
A70201	Preaward Audit of Multiple Award Schedule Contract: Wexford Labs, Inc., Kirkwood, Missouri, Solicitation No. 10PN-SKS-6051	02/23/87
A70103	Preaward Audit of Multiple Award Schedule Contract: Eastman Kodak Company, Solicitation No. FCGE-B7-75382-N	02/24/87
A70127	Preaward Audit of Multiple Award Schedule Contract: VG Instruments Inc., Solicitation No. FCGS-Z2-40010-N-10-16-86	02/24/87
A70139	Preaward Audit of Multiple Award Schedule Contract: Tennant Company, Solicitation No. 7PM-53003/F5/7FX	02/24/87
A70114	Preaward Audit of Multiple Award Schedule Contract: Canon U.S.A. Inc., Solicitation No. FCGE-B7-75382-N-10-16-86	02/25/87
A70168	Preaward Audit of Multiple Award Schedule Contract: Nikon Inc., Solicitation No. FCGE-B7-75382-N	02/26/87
A70136	Preaward Audit of Multiple Award Schedule Contract: Advance Machine Company, Solicitation No. FPM-53003/F5/7FX	02/27/87
A70200	Preaward Audit of Multiple Award Schedule Contract: Vestal Laboratories, Inc., St. Louis, Missouri, Solicitation No. 10PN-SKS-6051	02/27/87
A70175	Preaward Audit of Multiple Award Schedule Contract: Beckman Instruments, Inc., Bioanalytical Systems Group, Scientific Instruments Division (SID), Solicitation No. FCGS-Z2-40010-N-10-16-86	03/03/87

A70205	Preaward Audit of Multiple Award Schedule Contract: Bruel & Kjaer Instruments, Inc., Solicitation No. FCGS-Y4-37004-N-12-11-86	03/03/87
A70141	Preaward Audit of Multiple Award Schedule Contract: Brunswick Bowling and Billiards Corporation, Solicitation No. 10PN-NTS-0279	03/06/87
A70247	Preaward Audit of Multiple Award Schedule Contract: 3M Company, Audio Visual Division, Solicitation No. FCGE-A7-75402-N-2-3-87	03/09/87
A70254	Preaward Evaluation of Price Proposal: Marconi Instruments Division, Marconi Electronics, Inc., Allendale, New Jersey, Solicitation No. FCGS-Y4-37004-N-12-11-86	03/09/87
A70225	Postaward Audit of Emergency Power Engineering, Inc., Contract No. GS-00F-70447	03/12/87
A70076	Preaward Audit of Multiple Award Schedule Contract: Nicolet Instrument Corporation, Analytical Instrument Division, Solicitation No. FCGS-Z2-40010-N-10-16-86	03/13/87
A70076	Preaward Audit of Multiple Award Schedule Contract: Nicolet Instrument Corporation, Analytical Instrument Division, Solicitation No. FCGS-Z2-40010-N-10-16-86	03/17/87
A70228	Preaward Audit of Multiple Award Schedule Contract: Uniforms Manufacturing Inc., Solicitation No. 7PM-53245/Z3/7FX	03/17/87
A70140	Preaward Audit of Multiple Award Schedule Contract: Clark Equipment Company/Melroe Division, Solicitation No. 7PM-53003/FS/FX	03/18/87
A70184	Preaward Audit of Multiple Award Schedule Contract: Genrad, Inc., Solicitation No. FCGS-Y4-37004-N-12-11-86	03/18/87
A70279	Preaward Audit of Multiple Award Schedule Contract: Industrial Footwear of America, (Titan), Solicitation No. 7PM-53245/Z3/7PM	03/18/87
A70176	Preaward Audit of Multiple Award Schedule Contract: Becton Dickinson Labware/Falcon Labware, Solicitation No. FCGS-Z1-40008-N-10-2-86	03/19/87
A70110	Audit of Compliance with Contract Provisions: Meredith Relocation Corporation, dba Better Homes and Gardens, Des Moines, Iowa, Contract No. GS-00F-87040	03/25/87
A70229	Preaward Audit of Multiple Award Schedule Contract: Rainfair, Inc., Solicitation No. 7PM-53245/Z3/7FX	03/25/87
A70255	Preaward Audit of Multiple Award Schedule Contract: RICOH Corporation, Solicitation No. FCGE-A7-75402-N-2-3-87	03/26/87
A70137	Preaward Audit of Multiple Award Schedule Contract: Desco Manufacturing Co., Inc., Solicitation No. 7PM-53003/F5/7FX	03/27/87
A70180	Preaward Audit of Cost or Pricing Data: National Micrographics Systems, Inc., Solicitation No. FGE-B3-75363-N-3-20-86	03/27/87
A70243	Preaward Audit of Multiple Award Schedule Contract: Bruning, Division of AM International, Inc., Solicitation No. FCGE-A7-75402-N-2-3-87	03/27/87
A70305	Preaward Audit of Multiple Award Schedule Contract: Mustang, Inc., Solicitation No. 7PM-53245/Z3/7FX	03/27/87
A70227	Preaward Audit of Multiple Award Schedule Contract: Edmont, Division of Becton Dickinson, Solicitation No. 7PM-53245/Z3/7FX	03/30/87
A70280	Preaward Audit of Multiple Award Schedule Contract: Fashion Seal Uniform, Division of Superior Surgical Manufacturing, Solicitation No. 7PM-53245/Z3/7FX	03/30/87

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Internal Audits

A50567	Review of Resolution of Quality Deficiencies of Batch Produced Material	10/31/86
A60499	Review of Inventory Surveillance Branch and Priority Effectiveness of Shipments at the Wholesale Distribution Center, Belle Mead, New Jersey	11/24/86
A60108	Review of Vehicle Warranties and Repairs Region 4	11/26/86
A60166	Review of Multiple Award Procurements of Prefabricated Structures	12/15/86
A70051	Observation of the Physical Inventory at the Franconia Distribution Center, Franconia, VA	12/22/86

A70031	Review of Vehicle Sales, Region 4	02/11/87
A60512	Limited Review of the International Supply Schedule	03/23/87

IRMS Contract Audits

A50033	Postaward Audit of Multiple Award Schedule Contract: CPT Corporation, Contract No. GS-00K-8401S-5673 for the Period 10/1/83 to 9/30/84	10/03/86
A50152	Postaward Audit of Multiple Award Schedule Contract: CPT Corporation, Contract No. GS-00C-03566 for the Period 12/14/82 to 9/30/83	10/03/86
A60152	Postaward Audit of Multiple Award Schedule Contract: CPT Corporation, Contract No. GS-00K-8501S-5928 for the Period 10/1/84 to 12/19/85	10/03/86
A60406	Postaward Audit of Multiple Award Schedule Contracts: Data General Corporation, Contract Nos. GSC-00C-03078, GS-00C-03401, GS-00K-84-01-S5763, and GS-00K-85-01-S5927 for the Periods 3/22/82 to 9/30/85	10/07/86
A60569	Preaward Audit of Cost or Pricing Data: Applied Technology Associates, Inc., Solicitation No. KECA-86-007	10/21/86
A60542	Preaward Audit of Cost or Pricing Data: Databeam Corporation, Solicitation No. GSC-KESCV-0038-N-4-17-86	10/22/86
A70024	Audit Report on Evaluation of Price Proposal Submitted by: Denro Laboratories, Inc., Gaithersburg, Maryland, Solicitation No. GSC-KESCR-0039-N-5-13-86	10/23/86
A40674	Postaward Audit of Multiple Award Schedule Contract: Dysan Corporation, Contract No. GS-00K-830IS-5133 for the Period 5/2/83 to 6/30/84	10/29/86
A70058	Review of Price Proposal for GSA Catalog Update Under Contract No. GS-00K-86-AGS-0679: Rockwell International Corporation, Collins Defense Communications, Cedar Rapids, Iowa	11/03/86
A60458	Preaward Audit of Multiple Award Schedule Contract: Storage Technology Corporation, Solicitation No. GSC-KESA-C-00033-N-4-15-86	11/10/86
A60516	Preaward Audit of Multiple Award Schedule Contract: Memorex Corporation, Solicitation No. GSC-KESA-C-00033-N-4-15-86	11/17/86
A60475	Preaward Audit of Multiple Award Schedule Contract: Data Resources, Inc., Solicitation No. GSEC-KECT-A-00008-N-4-10-85	11/19/86
A60447	Preaward Audit of Multiple Award Schedule Contract: Vion Corporation, Solicitation No. GSC-KESA-C-00033-N-4-15-86	12/10/86
A70152	Review of Firm Fixed Price Bid Proposal Submitted in Response to GSA RFP No. KECA 86-011: D. P. Associates, Inc. Huntsville, Alabama	12/15/86
A60370	Preaward Audit of Multiple Award Schedule Contract: UNISYS Corporation, McLean, Virginia, Solicitation No. GSC-KESA-C-00033-N	12/17/86
A70132	Preaward Audit of Cost or Pricing Data: Vanguard Technologies Corporation, Solicitation No. KECA-86011	12/19/86
A70156	Review of Price Proposal Submitted by Intellect, Inc., Honolulu, Hawaii	12/19/86
A60540	Postaward Audit of Multiple Award Schedule Contracts: REI/Inforex, Inc., Contract Nos. GS-00K-84-01S-5688 and GS-00K-86-AGF-5740 for the Periods 10/1/84 to 9/30/85 and 1/6/86 to 9/30/86	12/31/86
A70171	Review of Firm Fixed Price Proposal Submitted in Response to General Services Administration RFP No. KECA-86-011 by: Colsa, Incorporated, Huntsville, Alabama	01/06/87
A70102	Preaward Audit of Cost or Pricing Data: Comsi-O'Fallon, Inc., Solicitation No. GSC-OIT-6066	01/09/87
A70189	Evaluation of Proposal Submitted by: The Corporation for Applied Systems, Rockville, Maryland, Solicitation No. GSC-OIT-6066	01/13/87
A70190	Review of Proposal for Initial Pricing Under Multiple Award Schedule Indefinite Quantity Solicitation No. GSC-KESCV-00038-N-41786: American Sattelite Company, Government Systems Division (GSD), McLean, Virginia	01/13/87

A70135	Preaward Audit of Multiple Award Schedule Contract: Infotron Systems Corporation, Solicitation No. GSC-KESF-G-00034-N-11-19-86	01/28/87
A60577	Preaward Audit of Multiple Award Schedule Contract: Finalco, Inc., Contract No. GS-00K-86-AGS-5737	01/30/87
A70216	Review of Proposal for Initial Pricing Under Government Solicitation No. GSC-OIT-6066: Technical Software Associates, Inc., Atlanta, Georgia	01/30/87
A70038	Preaward Audit of Cost or Pricing Data: Applied Technology Associates, Inc., Solicitation No. KECA-86-011	02/02/87
A70061	Preaward Audit of Multiple Award Schedule Contract: Systemhouse Inc., Solicitation No. GSC-KESA-G-00032-N-12-17-85	02/02/87
A60419	Preaward Evaluation of Multiple Award Schedule Contract: Finalco, Inc., Contract No. GS-00K-86-AGS-5737	02/03/87
A70153	Preaward Audit of Multiple Award Schedule Contract: Digital Communications Associates, Inc., Contract No. GS-00K-86-AGS-5264	02/09/87
A70106	Preaward Audit of Cost or Pricing Data: GTE Data Services Incorporated, Solicitation No. GSC-KECT-A-00008-N-4-10-85, Amendment Two	02/20/87
A60364	Preaward Audit of Pricing Proposal: IBM Corporation, Solicitation No. GSC-KESA-C-00033-N-4-15-86	02/24/87
A70150	Preaward Audit of Multiple Award Schedule Contract: Commart, Inc., Solicitation No. GSC-KESF-G-00034-N-11-19-86	02/25/87
A70165	Preaward Audit of Multiple Award Schedule Contract: International Data Sciences, Inc., Solicitation No. GSC-KESF-G-00034-N-11-19-86	02/26/87
A70151	Preaward Audit of Multiple Award Schedule Contract: Data Access Systems, Inc., Solicitation No. GSC-KESF-G-00034-N-11-19-86	02/27/87
A70149	Preaward Audit of Multiple Award Schedule Contract: Genicom Corporation, Solicitation No. GSC-KESF-G-00034-N-11-19-86	03/06/87
A70317	Review of Proposal for Initial Pricing Under GSA Solicitation No. GSC-KESV-00041-N-12-4-86 Submitted by: Datatape Incorporated, A Kodak Company, Pasadena, California	03/11/87
A70173	Preaward Audit of Multiple Award Schedule Contract: Sharp Electronics Corp., Solicitation No. GSC-KESS-B-00035-N-11-26-86	03/16/87
A70188	Preaward Evaluation of Multiple Award Schedule Contract: Technology Services, Inc., Solicitation No. GSC-KESS-B-00035-N-11-26-86	03/25/87

IRMS Internal Audits

A60537	Review of Pricing Evaluations for Purchase of Telephones and Services (POTS) Contracts	10/02/86
A60537	Review of Pricing Evaluations for Purchase of Telephones and Services (POTS) Contracts	10/08/86
A60537	Review of Pricing Evaluations for Purchase of Telephones and Services (POTS) Contracts	10/27/86
A60537	Review of Pricing Evaluations for Purchase of Telephones and Services (POTS) Contracts	11/14/86
A60273	Review of ADP Systems Acquisition Procedures in the National Capital Region	11/21/86
A70002	Review of Information Provided to Users of the Purchase of Telephones and Services (POTS) Contract, Region 9	01/09/87
A60537	Interim Audit Report - Review of Pricing Evaluations for Purchase of Telephones and Services (POTS) Contracts, Report No. A60537	01/26/87
A60453	Review of the Procurement Process Used for POTS Contracts	01/30/87
A50275	Consolidated Report on Review of Federal Telecommunications System (FTS) Utilization	03/16/87
A50309	Review of Acquisition and Use of Office Automation and ADP Equipment	03/31/87 43

**Other
GSA**

Contract Audits

A70248 Preaward Audit of Cost of Money Proposal: Elkem Metals Company, Solicitation No. DMC-A106 03/23/87

**Other
GSA**

Internal Audits

A50275 Review of Federal Telecommunications System Utilization (Phase I), GSA Central Office 10/07/86

A50437 Review of the Administration of the Stockpile Program, Zone 2 10/15/86

A60567 Review of the Office of Inspector General Confidential Fund 10/15/86

A60644 Review of GSA's Procedures for Receiving and Processing Monies from the National Archives and Records Administration in Kansas City, Missouri 10/21/86

A60299 Review of Management Controls Over the Consolidation of Financial Functions in Region 6 11/04/86

A60425 Maintaining GSA Forms 19 for Authorization to Requisition Reproduction Service Is Not Needed 11/20/86

A60053 Review of GSA's Compliance with IRS Information Return Requirements 12/08/86

A70068 Review of Imprest Fund and Travelers Checks at the Regional Office Building in Region 5 01/23/87

A60465 Review of Contract Modification for the Purchase of Computer Software 01/29/87

A70034 Review of Imprest Fund and Travelers Checks at the Regional Office Building, Region 4 01/29/87

A70144 Review of Controls Over the Reporting of Fiscal Year 1986 Consulting Service Contracts 02/05/87

A50391 Review of Indefinite Quantity Contracts for Repair and Alterations Awarded by Region 3 02/06/87

A60299 Review of Controls Over the Consolidation of Financial Functions in Region 7 02/24/87

A70014 Review of Imprest Fund, Houston Field Office, Buildings Management Division 02/27/87

A60263 Review of Budget Activity 61 Maintenance Repairs for Fiscal Year 1985 in Region 5 03/02/87

A70181 Review of Imprest Fund at Battery Park Buildings Management Field Office, 6 World Trade Center, New York, N.Y. 03/16/87

A60425 Review of the Operations of the Cincinnati Printing Plant 03/18/87

**Non-
GSA**

Contract Audits

A60528 Preaward Audit of Cost or Pricing Data: University of Texas at Austin, Solicitation No. LBJINARA 11/12/86

APPENDIX II — DELINQUENT DEBTS

GSA's Office of Comptroller provided the information presented herein.

- Twenty-seven delinquent accounts were referred to collection agencies.
- A review of receivable operations was performed by finance personnel, who recommended initiation of more aggressive follow-up on delinquent non-Federal accounts receivable.

GSA Efforts to Improve Debt Collection

During the period October 1, 1986 through March 31, 1987, GSA efforts to improve debt collection and reduce the amount of debt written off as uncollectible focused on upgrading collections functions and enhancing debt management. These activities included the following:

- As a result of a letter sent to all mortgagors, eight mortgages valued at approximately \$2.1 million were paid off. The letter suggested that mortgagors take advantage of current low interest rates and obtain private loans to pay off their GSA mortgages.

Non-Federal Accounts Receivable

In the past, the OIG reported these data for the periods July through December and December through July due to our understanding that more current data were not available at the time of publication of this report. The Office of Finance has advised that data corresponding to our reporting periods are now available. Therefore, in order to bridge the gap between this and our last Report to the Congress, we are providing data for the period June 30, 1986 through March 31, 1987, as well as for the period October 1, 1986 through March 31, 1987.

	As of June 30, 1986	As of March 31, 1987	Difference
Total Amounts			
Due GSA	\$29,063,286	\$28,908,306	(\$154,980)
Amount Delinquent	\$16,068,816	\$14,880,512	(\$1,188,304)
Total Amount Written Off as Uncollectible Between 6/30/86 and 3/31/87	\$176,333		

	As of October 1, 1986	As of March 31, 1987	Difference
Total Amounts			
Due GSA	\$32,962,623	\$28,908,306	(\$4,054,317)
Amount Delinquent	\$16,195,165	\$14,880,512	(\$1,314,653)
Total Amount Written Off as Uncollectible Between 10/1/86 and 3/31/87	\$61,970		

Of the total amounts due GSA and the amounts delinquent as of June 30, 1986 and October 1, 1986, \$11.1 million and \$9.4 million, respectively, were in

dispute. Of the total amounts due GSA and the amount delinquent as of March 31, 1987, \$12 million is being disputed.

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