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# Office of Inspector General

Semiannual  
Report to  
the Congress

October 1, 1987 to  
March 31, 1988

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May 1, 1988



## FOREWORD

*This report, submitted pursuant to the Inspector General Act of 1978, summarizes Office of Inspector General (OIG) activity over the 6-month period ending March 31, 1988. It is my fifth Report to the Congress.*

*The report reflects an effective and broad-ranging Inspector General presence in the General Services Administration. The benefits of this presence can be seen, in part, by the level of dollar savings accruing to the Government. This period, such savings—in terms of management commitments to recover funds, management commitments to more efficiently use resources, voluntary recoveries, court-ordered recoveries, and investigative recoveries—totaled \$96,778,353.*

*This Office's accomplishments have been made possible by the strong support we have received from GSA management. Notably, during the audit resolution process, agency management upheld 86 percent of the \$110,898,602 in OIG financial recommendations.*

*William R. Barton*

WILLIAM R. BARTON  
Inspector General

April 29, 1988



# 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, 1987 and March 31, 1988. It is the nineteenth 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. 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

This period, 48 percent of the OIG audit reports issued addressed Public Buildings Service (PBS) programs. These audits advised PBS managers of:

- The need to recover overpayments for rent, tenant agency overtime services, and elevator maintenance services.
- Opportunities to improve energy practices in leased buildings.
- Potential cost avoidances of \$3.9 million on three contractor claims for damages and \$2.4 million on a procurement for facility management services.

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

- A \$218,424 civil settlement agreement with a lessor's representative who submitted a lease escalation proposal containing overstated costs.
- Successful prosecution of a repair and alterations contractor for bribery of a GSA employee.

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

#### Federal Supply Service

OIG coverage of the Federal Supply Service (FSS) focused on multiple award schedule contracting. In response to significant OIG audits and investigations, the Department of Justice and/or FSS officials:

- Reached a \$43,620 civil fraud settlement with a medical equipment supplier.
- Successfully prosecuted a partition supplier for submitting falsified laboratory test results and a hardware supply company for violating the False Claims Act.
- Avoided \$5.1 million in expenditures on a contract for office photographic equipment.

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

#### Information Resources Management Service

The OIG's coverage of the Information Resources Management Service (IRMS) continued to focus on its contracting function, particularly the multiple award schedule program. As a result of the findings developed through several OIG postaward and preaward audits, IRMS management:

- Negotiated the recovery of \$778,183 from a multiple award schedule supplier of ADP equipment.
- Avoided \$23.2 million in expenditures for the purchases of ADP equipment and software, and communications equipment.

In addition, a series of internal reviews issued this period assisted IRMS managers in improving security and fire safety at computer facilities.

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

#### Other GSA Coverage

The OIG issued 30 internal reviews evaluating organizations such as the Office of Administration, the Federal Property Resources Service, and the Office of the Comptroller. These reviews addressed such diverse areas as payment procedures, GSA's implementation of the Federal Managers' Financial Integrity Act (FMFIA), printing operations, real property disposal, and imprest funds.

Two especially noteworthy reviews assisted management in taking action to:

- Strengthen controls over payments to contractors.

- Improve GSA's process for implementing Section 4 of the FMFIA.

In addition, ten imprest fund reviews advised management of the need to improve internal controls and security safeguards.

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

## 2. Overall OIG Accomplishments

OIG accomplishments this period included:

- 405 audit reports;
- \$168,576,556 in recommendations for more efficient use of resources and in recovery recommendations;
- \$91,161,766 in management commitments to more efficiently use resources;
- \$5,616,587 in management commitments to recover funds, voluntary recoveries, and court-ordered and investigative recoveries;
- 241 investigative cases opened and 175 closed;
- 14 case referrals accepted for criminal prosecution and 4 case referrals accepted for civil litigation;
- 6 indictments/informations on criminal referrals;
- 9 successful criminal prosecutions;
- 6 settlements, 3 judgments, and 1 civil fraud complaint;

- 9 contractor suspensions and 27 contractor debarments;
- 15 reprimands, 3 suspensions, 2 demotions, and 6 terminations of GSA employees;
- 34 Inspector General subpoenas; and
- 208 legislative initiatives and 104 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 \$96,778,353 during the first half of FY 1988. This represented a return of \$7.97 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.

## 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 included:

- Completion of 43 preaward advisory reviews of leases involving annual rentals in excess of \$200,000.
- Integrity Awareness Briefings for 124 GSA employees.
- Receipt of 282 Hotline calls/letters and referral of 75 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
<b>Inspector General Act</b>	
1. Section 4(a)(2)—Review of Legislation and Regulations .....	24
2. Section 5(a)(1)—Significant Problems, Abuses, and Deficiencies .....	2, 7, 11, 14
3. Section 5(a)(2)—Recommendations With Respect to Significant Problems, Abuses, and Deficiencies .....	2, 7, 11, 14
4. Section 5(a)(3)—Prior Recommendations Not Yet Implemented .....	5, 10, 13, 15
5. Section 5(a)(4)—Matters Referred to Prosecutive Authorities .....	22
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 .....	30
<b>Senate Report No. 96-829</b>	
1. Resolution of Audits .....	18
2. Delinquent Debts .....	46

# 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 directs and coordinates the audit program, which is performed by the twelve field audit offices and one resident office. This period, a major reorganization of Washington, DC operations resulted in the establishment of four field audit offices, each with responsibility for a major GSA program area, in place of a single field 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 four 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, regulations, and GSA policy issuances, and assist in litigation.

- The **Office of Policy, Plans, and Management Systems**, a centralized unit that oversees the development of OIG policies and strategic plans, provides data systems support, and handles budgetary, administrative, and personnel matters.

## B. Office Locations

The OIG is headquartered in Washington, DC, 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, DC. In addition, the Office of Audits has a resident office in Auburn. The Office of Investigations has resident offices in Auburn, Cleveland, St. Louis, and Los Angeles.

## C. Staffing and Budget

The OIG's approved Fiscal Year (FY) 1988 budget is approximately \$24.3 million, an increase of \$2.6 million over FY 1987. Some \$12 million was available for obligation during the first half of FY 1988.

The OIG started FY 1988 with a total on-board strength of 422 full-time employees, 156 of whom had been hired during FY 1987. Of these 156 new hires, 130 were entry-level auditors and investigators. This period, the OIG moderated its recruitment activities in order to focus on training these entry-level auditors and investigators. At the end of the semiannual period, the OIG's full-time staff totaled 426.

## SECTION II—PUBLIC BUILDINGS SERVICE

*The Public Buildings Service (PBS) manages much of the Federal Government's real estate assets nationwide. Its responsibilities range from constructing, purchasing, and leasing space for Government use to maintaining and protecting that space. In the first half of FY 1988, the total available funding authority of the Federal Buildings Fund was over \$2.3 billion. During the same period, PBS obligated over \$1.3 billion of these funds.*

### A. Overview of OIG Activity

This period, over 60 percent of the internal audit reports issued by the OIG addressed PBS programs and activities. We presented findings relative to leasing issues, repair and alteration projects, energy conservation, elevator maintenance, and buildings management. Some of the more significant reviews assisted PBS managers in taking action relative to:

- Initiating collection actions for rental overpayments.
- Recovering the costs of overtime services provided to tenant agencies.
- Improving energy practices in leased buildings.
- Recovering overpayments for elevator maintenance services.

The OIG also issued 114 contract audit reports relative to PBS programs, many evaluating construction claims, change orders, and lease escalation proposals. In total, these reports recommended cost avoidances and cost recoveries of \$38.6 million.

Joint OIG audit and investigative effort resulted in a \$218,424 civil settlement with a lessor's representative. The OIG review disclosed that a lease escalation proposal had contained overstated costs.

OIG investigators completed 75 cases involving PBS programs, operations, or employees. Of these cases, 45 percent involved allegations of white collar crimes. Notably, an OIG investigation resulted in the conviction of a GSA repair and alterations contractor on bribery charges. The contractor paid a GSA employee to approve payment on a claim filed with GSA.

### B. Significant Audits and Investigations

*This section summarizes significant internal audits and investigations dealing with PBS. Significant preaward contract audits are presented in Section C.*

#### Rental Overpayments

Based upon a request from a GSA Regional Counsel, the OIG reviewed the records of a building trustee to whom GSA makes rental payments for leased space. The review was performed to support the Government's position relating to a \$2 million claim for reimbursement of excessive rental payments.

Our review determined that the Government's position was fully supported and that the claimed amount should be increased to reflect interest due since the filing of the claim. In addition, the review found that the trustee's proposal for lease escalation for the second lease period had included building costs, such as carpet replacement and painting, although reserves had been established for these types of building costs. The GSA contracting officer erroneously accepted the building costs as operating costs and, as a result, the rental payments were increased by a greater amount than was allowable under the lease escalation clause.

Our December 21, 1987 report recommended that the Regional Counsel, in coordination with the contracting officer:

- Initiate action to recover additional interest of \$468,930 on the original \$2 million claim.
- Initiate collection action for overpayment and interest totaling \$2,027,466 relating to inclusion of the building costs in the lease escalation.

Regional Counsel concurred with the intent of the recommendations. We are awaiting the action plans for implementing our recommendations.

#### \$218,424 Civil Settlement

On December 11, 1987, the Government entered into a pretrial settlement agreement with a lessor's representative, who was also a partner in the leasing firm. Under the terms of this settlement, which was negotiated by the U.S. Attorney, the representative agreed to pay \$150,000, plus \$68,424 in interest, to settle his potential civil liability to the Government.

Joint OIG audit and investigative effort disclosed that the lessor's representative submitted a lease escalation proposal that overstated the costs incurred for janitorial services and supplies. This proposal was relied upon by GSA when calculating a new annual rental rate to reflect increased operating costs. As a result, the lessor received excessive rental payments.

## **Payments For Overtime Services in Leased Space**

This period, the OIG completed its evaluation of one GSA region's payments for overtime services and utilities in leased space. The evaluation involved review work at five field offices as well as the Real Estate Division and the Real Property Management and Safety Division. The review concluded that, while most payments for overtime services and utilities were handled effectively, compliance with GSA regulations and internal controls requires strengthening.

We found that the region has not obtained reimbursement from tenant agencies for the around the clock operation of a border station. GSA regulations provide for client agencies receiving services based upon a standard five-day workweek with any additional services to be provided on a reimbursable basis. We estimate that tenant agencies received almost \$3 million of services in excess of the standard level during the period from February 1, 1980 through September 30, 1987.

The review also disclosed that field offices made duplicate payments and did not obtain written certifications from tenant agencies for overtime services. Further, we found that established overtime rates were inordinately high.

Our October 23, 1987 report offered 17 recommendations to the Assistant Regional Administrator, Public Buildings Service, to correct identified deficiencies. These included recommendations to:

- Recover the cost of overtime services provided tenant agencies at the border station and continue to recover these costs in succeeding years.
- Establish a record keeping system that enables field office personnel to prevent duplicate overtime payments.
- Recover overpayments from lessors and pay only for overtime services when requested by the tenant.
- Evaluate all overtime rates for leased buildings and prepare independent estimates for overtime services.

The Regional Administrator generally concurred with the recommendations in the draft report. We are awaiting action plans for implementing these recommendations.

## **Bribery Conviction**

On March 3, 1988, a GSA repair and alterations contractor pled guilty to bribing a public official. Sentencing is scheduled for April 1988.

The conviction resulted from an OIG investigation into a GSA contracting representative's allegation that the contractor offered him \$200. In return, the employee was to approve payment on the contractor's claim for work that had been submitted to GSA. The OIG then monitored a

meeting during which the contractor gave the employee \$200.

## **Energy Conservation Practices in Leased Buildings**

This period, the OIG completed a multiregional evaluation of energy usage in leased facilities where the Government pays utility costs. Reviews were performed in six GSA regions. Individual reports summarizing specific conditions in each region were issued.

Our January 22, 1988 consolidated report informed the Commissioner, Public Buildings Service, of energy practices in violation of lease terms. For example, we found instances where building heating and cooling systems were operating simultaneously, heating systems operated continuously, lighting levels exceeded lease requirements, buildings were cooled below specified temperatures, and lessor operating and maintenance practices were inadequate. Lease inspections prior to our review had not identified these situations.

The final report recommended that the Commissioner establish a program to monitor and manage utility usage in leased space on a consumption or cost per square foot basis, and review leases with excessive usage to determine if reductions are possible.

The Commissioner concurred with the recommendations in the draft report. We are awaiting the action plans for implementing our recommendations.

## **Elevator Maintenance**

As part of a review of the elevator maintenance program in one GSA region, the OIG examined a contractor's performance in providing full elevator maintenance service at a Federal facility. The contractor has a three-year contract with an estimated value of \$528,084.

The contractor's time sheets and machine room logs did not establish that the contractor had provided the eight hours per week of service engineering time required by the contract. Further, the ten hours per day of journeyman elevator mechanic's time specified in the contract was frequently not provided. As a result, the auditors estimate that GSA overpaid the contractor by approximately \$56,000.

In our February 11, 1988 report, we recommended that the Assistant Regional Administrator, Public Buildings Service:

- Determine the number of productive hours the Government has not been provided and make appropriate deductions from contractor payments.
- Ensure that the correct number of contractor hours are provided in future periods.

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

## 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.

### \$3.9 Million Recommended For Avoidance

At the request of a Regional Administrator, the OIG audited three claims for alleged damages due to Government-caused delays on the construction of a Federal building. The contractors alleged that change orders and other Government actions extended the contract work period by 299 days, resulting in increased costs of \$986,219, \$1,061,007, and \$2,992,301, for a total of \$5,039,527.

On October 28, 1987, November 25, 1987, and February 24, 1988, we issued audit reports advising the contracting officer that costs contained in the claims were either overstated or unallowable. The three reports recommended reductions of \$861,000, \$574,000, and \$2,499,803 in the claimed amounts, for a total reduction of \$3,934,803. Most of the reductions were in the following categories: labor, labor and material escalation, interest, overhead, and profit.

The October 28, 1987 and November 25, 1987 reports have been resolved and negotiations with the contractors are underway. We are awaiting the contracting officer's position on the questioned costs in the February 24, 1988 report.

### Preaward Recommends \$2.4 Million Cost Avoidance

The OIG evaluated a \$10.2 million pricing proposal submitted in response to a GSA solicitation for facility man-

agement services. The audit concluded that the firm's cost or pricing data were acceptable for negotiation purposes, but inadequate in certain respects.

Our February 29, 1988 audit report advised the contracting officer that the proposal contained overstated and unsupported costs. We also advised that use of historical data, rather than the estimates used by the contractor, resulted in significantly lower costs. The auditors recommended a cost avoidance of \$2.4 million in the following categories: utilities, janitorial services, mechanical maintenance, and facility management.

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

### \$868,458 Recommended For Avoidance

The OIG audited a firm's \$1.7 million proposal for providing architectural and engineering services relating to fire safety and elevator improvements in a Federal building. The audit determined that the proposed costs were not based on current, accurate, and complete cost or pricing data. Our February 3, 1988 audit report advised the contracting officer that \$868,458 of costs contained in the proposal were overstated or unallowable. The overstated or unallowable amounts principally related to labor and overhead.

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

## 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 .....	192	405
Recommended Cost Avoidance .....	\$58,076,136	\$162,836,395
Recommended Cost Recovery .....	\$2,853,353	\$5,740,161
Management Commitments to Avoid Costs .....	\$23,827,907	\$91,161,766
Management Commitments to Recover Funds .....	\$273,180	\$4,237,421
Percentage of Recommended Cost		
Avoidance Agreed to by Management .....	90	86
Percentage of Recommended Cost		
Recovery Agreed to by Management .....	168	88
Unresolved Audits Older Than 6 Months (Excluding Preawards) .....	—	1
Implementation Reviews Finding Unimplemented Recommendations .....	4	4
New Investigative Cases .....	103	241
Criminal Referrals (Subjects) .....	31	66
Civil Referrals (Subjects) .....	3	11
Administrative Referrals (Subjects) .....	30	61
Suspension/Debarment Referrals (Subjects) .....	17	54
Indictments/Informations/Complaints .....	2	7
Successful Criminal Prosecutions .....	2	9
Civil Settlements/Judgments .....	1	9

## **E. Significant Audits From Prior Reports**

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

*Ten audits highlighted in prior Reports to the Congress require action by PBS management before they are fully implemented. All ten reports are being implemented in accordance with currently established milestones.*

### **Lease Enforcement**

*Period First Reported: April 1, 1987 to September 30, 1987*

This April 20, 1987 report advised GSA of recurring maintenance and repair problems in a leased facility. The report contained six recommendations; three have been implemented.

The remaining three recommendations involve: (1) correction of potential health hazards, (2) performance of a comprehensive inspection, and (3) correction of exit light and floor loading problems. Implementation for all three is scheduled for June 1988.

### **Asbestos Hazard in a Federal Complex**

*Period First Reported: April 1, 1987 to September 30, 1987*

This review of GSA's purchase of a three-building complex identified possible asbestos hazards in the complex. The OIG made seven recommendations; five have been implemented.

The remaining recommendations involve the performance of an asbestos survey and the development of an asbestos abatement plan. They are both scheduled for implementation in May 1988.

### **Construction Contract Administration**

*Period First Reported: April 1, 1987 to September 30, 1987*

This review of the construction of a Federal building advised GSA management of the need to enforce the requirements for schedules and price breakdowns in construction contracts. The OIG made 13 recommendations; 12 have been implemented.

The implementation date for the remaining recommendation, which involves an Architect and Engineering Deficiency Committee determination, is scheduled for June 1988.

### **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. The OIG made ten recommendations; eight have been implemented.

The two remaining recommendations involve the installation of sensor devices and the performance of energy conservation building studies. They are scheduled to be fully implemented by January 1990 and April 1990, respectively.

### **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. The OIG made eight recommendations; seven have been implemented.

The remaining recommendation involves revisions to the Fire and Safety Program Handbook. Full implementation is scheduled for April 1988.

### **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. 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; six have been implemented.

The two remaining recommendations generally involve specific actions to reduce GSA's liability for excessive

tax escalation payments. The recommendations were originally scheduled for completion in November 1985 and March 1986, respectively. Implementation dates for both recommendations have been renegotiated to June 1988.

### **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 program improvements implemented by PBS. The report contained 20 recommendations; 19 have been implemented.

The implementation date for the remaining recommendation, which involves updating the leasing handbook, has been renegotiated to June 1988.

### **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; nine have been implemented.

The remaining recommendation, which requires testing of emergency control and smoke control systems, is scheduled for implementation in August 1989.

### **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. Six reports were fully implemented in September 1987. The remaining report contained four recommendations; three have been implemented.

Implementation of the remaining recommendation, which involves the installation of a new fire alarm system in a Federal facility, is generally proceeding in accordance with the action plan, although delays have been experienced and revised implementation dates have been granted. Full implementation is now scheduled for December 1988.

# 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. In the first half of FY 1988, FSS obligated approximately \$44 million in direct operating expense appropriations. Estimated sales through the General Supply Fund during the same period were almost \$1.2 billion.*

## A. Overview of OIG Activity

This period, OIG audit coverage of FSS primarily focused on contracting activities, particularly preaward audits of multiple award schedule contracts. We issued 111 contract audit reports recommending \$48.2 million in cost avoidances and \$2.3 million in recoveries. Notably, two OIG preawards highlighted this period resulted in management commitments to avoid \$7 million.

In a series of internal audit reports issued this period, the OIG presented findings in a variety of FSS program areas, including customer supply center operations, commodity center activities, and contract administration.

Joint OIG audit and investigative work resulted in both a \$43,620 civil fraud settlement and convictions of a firm and its president for submitting false claims. The settlement stemmed from the OIG's disclosure that a medical equipment contractor violated the price reduction/defective pricing clauses in its GSA contract. The convictions resulted from OIG disclosure that a partition supplier falsified laboratory test results to obtain a GSA contract.

The OIG completed 57 investigative cases involving FSS programs, operations, or employees. Notably, one investigation resulted in the conviction of a firm, and its president and vice-president, for violations of the False Claims Act. The firm falsely certified to GSA that domestic steel was used in the manufacture of hacksaw blades sold to Federal agencies.

Another investigation, conducted jointly with the Defense Criminal Investigative Service, resulted in the conviction of a co-owner of a freight hauling company for mail fraud. The company billed GSA for items that were never delivered.

## 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.*

### **\$43,620 Civil Settlement**

On November 19, 1987 a GSA medical equipment supplier agreed to pay the Government \$43,620 to settle potential civil fraud issues. The Government alleged that the supplier failed to provide accurate and complete pricing data to GSA contracting officials.

A joint OIG audit and investigation disclosed that the firm sold items to its commercial customers at discounts greater than those offered to GSA. Failure to disclose these discounts violated the price reduction/defective pricing clauses in its GSA contract.

The matter was referred to the Office of the U.S. Attorney, which declined criminal prosecution, and the U.S. Department of Justice, which accepted the case for civil litigation. The settlement agreement was negotiated by attorneys in the Department of Justice Civil Division and the GSA OIG.

### **False Claims Convictions**

On March 30, 1988, a U.S. District Court jury found a hardware supply company, and its president and vice-president, guilty of violations of the False Claims Act. The defendants were ordered to pay penalties totaling \$604,000 to the Government.

The court action stemmed from an OIG investigation initiated when a GSA quality assurance specialist alleged that the company was not complying with the Buy American Act clauses in its GSA contracts. The investigators found that the firm purchased and used foreign-made steel, rather than contractually required domestic steel, when manufacturing hacksaw blades being sold to the Government. The firm then falsely certified to GSA that the blades were made with domestic products and attempted to conceal the actual source of the steel by removing shipping labels and destroying containers.

### **Customer Supply Center Operations**

This period, the OIG completed an evaluation of the operations at a Customer Supply Center (CSC). The review found that, while the CSC was generally meeting its mission of supplying customers with common-use, high-demand items, several operational and procedural areas require attention.

The OIG found, for example, that inventory stock levels were not properly maintained, stock-on-hand quantities differed from inventory records, and a required shelf life program had not been established. As a result, some needed customer items were out-of-stock while others

were overstocked, inventory records could not be relied upon, and the inventory included expired stock.

In our report issued December 9, 1987, the OIG directed 27 recommendations to the Regional Administrator to correct identified deficiencies. These included recommendations to:

- Maintain and use accurate inventory reports to properly assess stock levels.
- Reconcile out-of-balance reports, conduct wall-to-wall inventories, and reconcile daily transactions to computer reports.
- Establish procedures for managing shelf life items.

The Regional Administrator generally concurred with the recommendations in the draft report. We are awaiting the action plans for implementing the recommendations.

### **Partitions Supplier Convicted**

On December 4, 1987, a GSA partitions firm and its president were sentenced in U.S. District Court after being convicted of conspiracy, submitting false claims, and preparing false statements. The company and its president were each fined \$365,000 and the president was sentenced to 9 years in prison (5 years suspended) and 5 years probation.

The sentencing resulted from an OIG investigation initiated after an OIG preaward audit detected evidence of false claims and statements, possible income tax violations, and bribery of Government officials. The subsequent OIG investigation uncovered evidence that the contractor had falsified laboratory test results to obtain its GSA contract. Independent laboratory tests confirmed that partitions sold to Federal agencies contained a cheap, flammable cardboard filler, rather than the fire retardant material specified in the contract. As a result of the investigation, GSA officials cancelled the contract and suspended the supplier from receiving future Government contracts.

Further investigation revealed that contractor irregularities affected contracts held with the Small Business Administration (SBA) and the U.S. Air Force. A joint investigation with the SBA OIG, the Air Force Office of Special Investigations, and the Defense Contract Audit Agency found that the firm had defrauded a total of \$3 million from the Government.

### **Freight Hauler Convicted**

On February 10, 1988, a co-owner of a transportation firm was sentenced in U.S. District Court after pleading guilty to mail fraud and submitting false claims. He was sentenced to 2 years probation, fined \$50, and ordered to make restitution of \$846.

The conviction stemmed from a joint GSA OIG and Defense Criminal Investigative Service investigation. The

investigation disclosed falsification of delivery documents relating to a freight hauling contract held with GSA and the Department of Defense. GSA relied upon the falsified delivery documents and made payments to the firm for items that were never delivered.

Previously, the other co-owner of the firm had also pled guilty to charges of mail fraud and submissions of false statements. In September 1987, he was sentenced to 3 years probation and fined \$100.

## **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.*

### **\$5.1 Million Cost Avoidance**

The OIG evaluated discount schedule and marketing data submitted in response to a GSA solicitation for the purchase, lease-to-ownership, rental, and maintenance of office photographic equipment. Estimated sales under the contract are \$94.6 million.

Our October 7, 1987 audit report advised the contracting officer of discounts, not disclosed in the firm's offer, that exceeded those offered to GSA. We further advised that the rental per copy charges offered to the Government for some models were higher than those for commercial accounts. As a result, the auditors recommended cost avoidances totaling \$5.1 million.

The contracting officer negotiated the contract and obtained \$5.1 million in pricing concessions.

### **Preaward Questions \$5.3 Million of Proposed Cost**

The OIG evaluated discount schedule and marketing data submitted in response to a GSA solicitation for the purchase of detergent products. Estimated sales under the contract are \$21.1 million.

Our January 27, 1988 audit report advised the contracting officer that discounts offered to commercial customers exceeded the best discounts offered to GSA. Although the firm's offer disclosed these commercial discounts, the rationale for not offering GSA equal discounts was considered to be flawed. Based on the sales volume as well as the terms and conditions offered to other customers, the report advised the contracting officer to seek discounts equal to the best commercial customer in the same category. Accordingly, the auditors recommended a cost avoidance of \$5.3 million.

Negotiations with the contractor are currently underway.

### \$4.3 Million Cost Avoidance Recommended

The OIG evaluated a pricing proposal submitted in response to a GSA solicitation for the purchase of lamps, electric ballasts, and starters. Estimated sales under the contract are \$14.3 million.

In our December 24, 1987 audit report, we advised the contracting officer that the firm's discount and marketing data did not properly disclose discounts offered to commercial customers and that these discounts exceeded the best discounts offered to GSA. Accordingly, the auditors recommended a cost avoidance of \$4.3 million.

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

### Preaward Questions \$3.8 Million of Proposed Cost

The OIG evaluated a pricing proposal submitted in response to a GSA solicitation for the purchase of visible record equipment. Estimated sales under the contract are \$24.1 million.

Our January 28, 1988 audit report advised the contracting officer that discounts offered to commercial customers were not accurately disclosed in the firm's offer. We also advised that, in our opinion, the firm's rationale for offering higher discounts to dealers and wholesalers was not justified. We further noted that the current contract provides for free installation of some items while

the proposed contract would bill Government customers for installation. As a result, the auditors recommended cost avoidances totaling \$3.8 million.

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

### \$1.9 Million Avoidance Through Preaward Audit

On February 19, 1988, a GSA contracting officer negotiated pricing concessions totaling \$1.9 million on a contract with a laboratory equipment firm. The successful negotiations stemmed from an OIG audit of the firm's \$9.3 million pricing proposal for laboratory instruments and equipment.

The September 9, 1987 audit report advised the contracting officer that discounts offered to commercial customers were not accurately disclosed in the firm's proposal and that these discounts exceeded the best discounts offered to GSA. We also advised that the firm did not disclose several multiple purchase programs and package deals that it offers to commercial customers. Based on these findings, the report recommended a \$1.9 million cost avoidance.

## 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 .....	127	405
Recommended Cost Avoidance .....	\$48,227,794	\$162,836,395
Recommended Cost Recovery .....	\$2,338,116	\$5,740,161
Management Commitments to Avoid Costs .....	\$37,525,610	\$91,161,766
Management Commitments to Recover Funds .....	\$121,308	\$4,237,421
Percentage of Recommended Cost		
Avoidance Agreed to by Management .....	77	86
Percentage of Recommended Cost		
Recovery Agreed to by Management .....	15	88
Unresolved Audits Older Than 6 Months (Excluding Preawards) .....	—	1
Implementation Reviews Finding Unimplemented Recommendations .....	—	4
New Investigative Cases .....	87	241
Criminal Referrals (Subjects) .....	24	66
Civil Referrals (Subjects) .....	8	11
Administrative Referrals (Subjects) .....	16	61
Suspension/Debarment Referrals (Subjects) .....	34	54
Indictments/Informations/Complaints .....	4	7
Successful Criminal Prosecutions .....	6	9
Civil Settlements/Judgments .....	8	9

## **E. Significant Audits From Prior Reports**

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

*One significant audit from a prior Report to the Congress is not implemented. It is being implemented in accordance with currently established milestones.*

### **Contracting Officer Training**

*Period First Reported: April 1, 1987 to September 30, 1987*

This OIG review of compliance with the training requirements of the Contracting Officer Warrant Program (COWP) advised management that many contracting officers had not completed mandatory training courses. The report contained five recommendations; four have been implemented.

The remaining recommendation requires the development of written operating procedures to assist in managing the COWP. Full implementation is scheduled for June 1988.

# 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 1988, IRMS obligated an estimated \$13 million in direct operating expense appropriations. Estimated sales through the Information Technology Fund during the same period were over \$484 million.*

## A. Overview of OIG Activity

This period, OIG audit coverage of IRMS continued to emphasize contracting activities, particularly preaward audits of multiple award schedule contracts. We issued 49 contract audit reports recommending \$51 million in cost avoidances and \$548,692 in recoveries. Notably, two OIG preawards highlighted this period resulted in management commitments to avoid \$23.2 million. Additionally, two OIG postaward audits resulted in the recovery of \$778,183.

Internal coverage of IRMS programs and functions focused on reviews of computer facilities. A series of reports assisted management in ensuring adequate levels of security and fire safety. For example, we found that perimeter walls and doors at one facility did not meet established fire safety standards, and required fire extinguishers had not been installed.

OIG investigators completed 8 cases this period involving IRMS programs, operations, and employees; most involved white collar crimes.

## B. Significant Audits

*This section summarizes significant internal and postaward audits dealing with IRMS operations. Significant preaward contract audits are presented in Section C.*

### Management Commitment to Recover \$778,183

On January 27, 1988, an IRMS contracting officer negotiated the recovery of \$778,183 from a multiple award schedule supplier of ADP equipment. The recovery resulted from two OIG postaward audits disclosing that the contractor violated the price reduction clause in its GSA contracts and overbilled contract users.

OIG auditors found that the firm sold items to its commercial customers during the contract period at discounts higher than those disclosed to GSA during negotiations and without offering equivalent discounts to Government purchasers. GSA contracts specifically provide that the Government is entitled to equivalent price reductions if, after negotiations, the contractor reduces its discounts or grants special discounts to other customers.

Relative to the overbillings, the auditors found that the firm did not always adjust prices to reflect required discounts for field service visits. Consequently, Government purchasers overpaid the contractor for services received.

In the July 1, 1987 and August 4, 1987 audit reports, the auditors recommended cost recoveries of \$410,008 and \$368,175, respectively.

### Security at a Computer Facility

An OIG review of a Federal computer facility disclosed that improvements in security and fire safety were necessary to adequately protect personnel, equipment, and sensitive data. We identified problems in the areas of fire safety, access controls, and environmental safeguards. We concluded that these problems might have been detected and corrected if responsibility for facility security had been separate from responsibility for facility operations, and if required reviews of system security officer activities had been performed.

The review found that: perimeter walls and doors did not meet established fire safety standards; emergency lights were not functioning; required fire extinguishers were not installed; and noncombustible waste containers were not used. In addition, access to both the computer facility and to areas within the facility was not limited to authorized personnel. Finally, we found that the facility did not have the safeguards needed to prevent data loss and equipment damage in the event of severe temperature and humidity changes.

Our February 29, 1988 audit report recommended that the Assistant Regional Administrator, Information Resources Management Service:

- Appoint a system security officer who is independent of facility operations management.
- Require the system security officer to document security inspections.
- Correct the security and fire safety deficiencies identified in the report.

Additionally, we recommended that the Assistant Regional Administrator for Administration ensure that the regional systems security coordinator perform required periodic reviews of the system security officer's activities.

Management concurred with the recommendations in the draft report. We are awaiting the action plans for implementing our recommendations.

## 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.*

### \$18.5 Million Avoidance Through Preaward Audit

On January 25, 1988, GSA management avoided expenditures of \$18.5 million after successfully negotiating pricing concessions in that amount from an ADP equipment firm. The avoidance stemmed from an OIG audit of the firm's \$180 million pricing proposal in response to a GSA solicitation for ADP equipment and software.

In our October 15, 1987 audit report, we advised the contracting officer that discounts offered to commercial customers were not accurately disclosed in the firm's proposal and that these discounts exceeded the best discounts offered to GSA. The report recommended a \$12.7 million cost avoidance. A subsequent upward revision in the estimated contract sales led to the increased cost avoidance amount.

### \$4.7 Million Cost Avoidance

On February 29, 1988, management avoided \$4.7 million in costs by successfully negotiating pricing concessions in that amount from a communications equipment contractor. The action stemmed from an OIG preaward audit of the firm's \$37 million pricing proposal for the purchase of communications equipment.

Our July 15, 1987 audit report advised the contracting officer that discounts offered to GSA were substantially lower than those offered to commercial customers. This type of contract entitles GSA to discounts at least equal to the best commercial customer in the same category. We also advised that several of the offered products did

not meet the test of commerciality. Accordingly, the auditors recommended a cost avoidance of \$4.7 million.

### \$7 Million Cost Avoidance Recommended

The OIG evaluated discount schedule and marketing data submitted in response to a GSA solicitation for the purchase, repair, and maintenance of data processing and office information systems equipment and software. Our review focused on the maintenance portion of the contract, which represents \$75 million of the total \$507 million in estimated sales under the contract.

The audit disclosed that the firm's offer did not clearly portray the extent of the pricing concessions granted to other customers. The firm maintained that no discounts were given for normal maintenance, and that a relatively small percentage of sales to customers fall under a special bid arrangement whereby customers assume certain maintenance functions in exchange for lower prices. Our sample review of sales transactions, however, found that the special bid arrangement discounts were granted for 37 percent of these transactions.

In our December 22, 1987 audit report, we advised the contracting officer of these facts. The auditors recommended a cost avoidance of \$7 million.

The contracting officer successfully negotiated the contract and obtained \$7 million in pricing concessions.

(Note: The \$7 million management commitment is not included in our data for this period because of notification delays; it will be included in our next Report to the Congress.)

### \$5.2 Million Recommended For Avoidance

The OIG evaluated a \$29.8 million cost or pricing proposal submitted in response to a GSA solicitation for technical assistance and management services relating to telecommunications. The proposal was for a five-year contract period.

Our March 31, 1988 audit report advised the contracting officer that the cost or pricing data contained in the firm's proposal were overstated or unallowable. The auditors recommended a cost avoidance of \$5.2 million, principally in the following categories: direct labor, non-productive labor, benefits, bid/proposal expenses, and overhead.

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

## Preawards Question \$1.4 Million of Proposed Cost

The OIG evaluated discount schedule and marketing data submitted in response to GSA solicitations for the purchase, rental, and maintenance of general purpose ADP equipment and software, and for the purchase and maintenance of microcomputers and related software. Estimated sales under the contracts are \$5.6 million and \$4.7 million, respectively.

Our December 7, 1987 audit reports advised the contracting officer that discounts offered to commercial customers were not accurately disclosed in the firm's offers

and that these discounts exceeded the best discounts offered to GSA. Accordingly, the auditors recommended cost avoidances totaling \$1.4 million.

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

## 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 .....	54	405
Recommended Cost Avoidance .....	\$51,292,915	\$162,836,395
Recommended Cost Recovery .....	\$548,692	\$5,740,161
Management Commitments to Avoid Costs .....	\$29,519,057	\$91,161,766
Management Commitments to Recover Funds .....	\$801,968	\$4,237,421
Percentage of Recommended Cost		
Avoidance Agreed to by Management .....	97	86
Percentage of Recommended Cost		
Recovery Agreed to by Management .....	100	88
Unresolved Audits Older Than 6 Months (Excluding Preawards) .....	1	1
Implementation Reviews Finding Unimplemented Recommendations .....	—	4
New Investigative Cases .....	23	241
Criminal Referrals (Subjects) .....	11	66
Civil Referrals (Subjects) .....	—	11
Administrative Referrals (Subjects) .....	3	61
Suspension/Debarment Referrals (Subjects) .....	—	54
Indictments/Informations/Complaints .....	1	7
Successful Criminal Prosecutions .....	1	9
Civil Settlements/Judgments .....	—	9

## E. Significant Audits From Prior Reports

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

*One IRMS audit highlighted in a prior Report to the Congress has not been fully implemented. It is being implemented in accordance with currently 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 made 12 recommendations; 11 have been implemented.

The remaining recommendation, which involves the development and issuance of technical manuals, is scheduled for full implementation in September 1988.

# SECTION V—OTHER GSA COVERAGE

*Other GSA services and staff offices, such as the Federal Property Resources Service, the Office of the Comptroller, and the Office of Administration, comprised the focus for the remainder of the OIG's efforts this period.*

## 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 payment procedures, printing operations, real property disposal, and imprest funds. The OIG also provided extensive technical assistance and advice relative to implementation of the Federal Managers' Financial Integrity Act (FMFIA).

Two especially noteworthy reviews advised management of the need to:

- Strengthen controls over payments to contractors.
- Improve GSA's process for implementing Section 4 of the FMFIA.

In addition, a series of reviews evaluating imprest funds aided management in taking action to improve internal controls and physical security safeguards. Our recommendations to reduce the cash level maintained should help prevent misuse of the funds.

The OIG also completed 35 investigations involving the personnel, programs, and operations in these GSA areas.

## B. Significant Audits

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

### Prompt Payment Act

The Prompt Payment Act requires Federal agencies to make payments on time, pay interest penalties for late payments, and take discounts only within the discount period. The Office of Management and Budget (OMB) Circular A-125 prescribes policy guidance on implementing the Act.

The OIG completed an evaluation of the policy and procedures used by a GSA regional finance center, which maintains responsibility for the Public Buildings Service and Information Resources Management Service funds, to assure compliance with the Act and OMB Circular A-125. The review concluded that, while the center's sys-

tem of internal controls was generally sufficient to assure compliance, some controls require strengthening.

We found that payment procedures for utility payments did not incorporate OMB Circular A-125 cash management requirements, resulting in some early payments. We also identified instances when potential savings are being missed because prompt payment discount terms for certified invoices were not being consistently entered into the payment system. Further, we concluded that the center's decision to exclude manual payments from the statistical sampling process may adversely affect the integrity of the data reported to OMB. Finally, we noted that the center may not always be making payments within the correct payment period, since multiple receipt dates were stamped on some invoices.

Our March 31, 1988 report recommended that the Assistant Regional Administrator for Administration require that:

- Sound cash management procedures, incorporating OMB Circular A-125 requirements, be developed and implemented for utility payments.
- Prompt payment discount terms for certified invoices be entered into the payment system.
- Manual payments be included in the statistical sampling process for prompt payment reporting purposes.
- Procedures for establishing payment start dates be reviewed with the accounting technicians.

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

### Federal Managers' Financial Integrity Act

This period, the OIG completed an evaluation of GSA's process for fulfilling the requirements of OMB Circular A-127 and Section 4 of the Federal Managers' Financial Integrity Act. We concluded that GSA continued to make improvements in its methods and procedures for the annual review of its accounting systems. Notably, comprehensive guidelines for performing detailed systems reviews have been developed. However, we noted that certain aspects of the overall review process still require attention.

Our evaluation determined that the detailed reviews of the accounting system did not comply with OMB Circular A-127 requirements, since they did not trace transactions from inception, through the system, to presentation in the Agency's financial statements. We also found that GSA's inventory of financial management systems was not complete and, therefore, all systems might not be reviewed over a 5-year period.

Our March 31, 1988 report recommended that the Comptroller require the Deputy Comptroller for Financial Management Systems to assure that: (1) detailed reviews of GSA's financial management systems include tests of transactions from initiation to reporting, and (2) a complete inventory of Agency financial management systems is developed.

The Deputy Comptroller for Financial Management Systems concurred with the recommendations in our draft report. We are awaiting the action plans for implementing the recommendations.

### Imprest Funds

OIG reviews of ten imprest funds in four GSA regions disclosed weaknesses in internal controls, inadequate physical safeguards, and unnecessarily high cash levels. Internal control weaknesses, identified in four funds, included: expenditures without proper approval, disbursements for unauthorized expenditures; unannounced

cash counts not performed; and cash counts performed by the fund cashier. The physical security problems, found at six fund sites, included: armed escorts not used to reduce the risk of in-transit theft; lack of "bait" money in the cash drawer for identification in the event of theft; and the safe combination not regularly changed. Finally, the amount of cash maintained in two funds exceeded the amounts necessary to cover normal disbursements.

In ten reports issued this period, the OIG offered recommendations to correct these and other deficiencies. Eight of these reports are resolved; we are awaiting action plans for the other two reports.

## 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 .....	32	405
Recommended Cost Avoidance .....	\$5,239,550	\$162,836,395
Recommended Cost Recovery .....	—	\$5,740,161
Management Commitments to Avoid Costs .....	\$289,192	\$91,161,766
Management Commitments to Recover Funds .....	\$3,040,965	\$4,237,421
Percentage of Recommended Cost		
Avoidance Agreed to by Management .....	100	86
Percentage of Recommended Cost		
Recovery Agreed to by Management .....	100	88
Unresolved Audits Older Than 6 Months (Excluding Preawards) .....	—	1
Implementation Reviews Finding Unimplemented Recommendations .....	—	4
New Investigative Cases .....	28	241
Criminal Referrals (Subjects) .....	—	66
Civil Referrals (Subjects) .....	—	11
Administrative Referrals (Subjects) .....	12	61
Suspension/Debarment Referrals (Subjects) .....	3	54
Indictments/Informations/Complaints .....	—	7
Successful Criminal Prosecutions .....	—	9
Civil Settlements/Judgments .....	—	9

## D. Significant Audits From Prior Reports

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

*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. It is being implemented in accordance with currently established milestones.*

## Federal Managers' Financial Integrity Act

*Period First Reported: April 1, 1987 to September 30, 1987*

This OIG review concluded that GSA's review and evaluation process for implementing Section 2 of the Federal Managers' Financial Integrity Act has improved significantly, but could not yet be relied upon as the primary basis for reporting. The report contained five recommendations; four have been implemented.

The remaining recommendation requires updating the Management Control Improvement Program Handbook. It is scheduled for implementation in December 1988.

# 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 405 audit reports, including 20 performed for the OIG by another agency. These reports contained financial recommendations totaling \$168,576,556, including \$162,836,395 in recommendations for more efficient use of resources (cost avoidance) and \$5,740,161 in recommendations for the recovery of funds.

Based on audit reports issued in this and prior periods, management committed itself to use \$91,161,766 more efficiently and to recover \$4,237,421. This latter figure includes \$262,044 resulting from efforts that involved OIG audit, investigative, and legal collaboration.

The OIG opened 241 investigative cases and closed 175. We referred 37 cases (66 subjects) for criminal prosecution, 9 cases (11 subjects) for civil litigation, and 15 cases for further investigation by other Federal or State agencies. Based on these and prior referrals, 14 cases (18 subjects) were accepted for criminal prosecution and 4 cases (5 subjects) were accepted for civil litigation.

Criminal cases originating from OIG referrals resulted in 6 indictments/informations and 9 successful prosecutions. OIG civil referrals resulted in a civil fraud complaint, 6 settlements, and 3 judgments. These actions resulted in determinations that \$1,218,954 is owed the Government. Through investigations, we also identified for recovery money/property worth \$422,256. These monetary figures include \$262,044 also reported under management commitments to recover funds, since they resulted from collaborative efforts involving OIG auditors, investigators, and attorneys.

We referred 72 cases to GSA management for administrative action. This total includes 17 case referrals (54 subjects) for suspension/debarment and 55 case referrals (61 subjects) for other administrative actions. Based on these and prior referrals, management debarred 27 contractors, suspended 9 contractors, reprimanded 15 employees, suspended 3 employees, demoted 2 employees, and terminated 6 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 20 audits, recommending a total cost avoidance of \$20,251,192, which were performed for the GSA OIG by the Defense Contract Audit Agency.

<b>GSA Program</b>	<b>Reports Issued</b>	<b>Percentage of Total Audits</b>	<b>Recommended Cost Avoidance</b>	<b>Recommended Cost Recovery</b>
<b>PBS</b>				
—Internal .....	78		\$ 19,800,000	\$2,496,366
—Contract.....	<u>114</u>		<u>38,276,136</u>	<u>356,987</u>
	192	48	\$ 58,076,136	\$2,853,353
<b>FSS</b>				
—Internal .....	16		\$ —	\$ 19,258
—Contract.....	<u>111</u>		<u>48,227,794</u>	<u>2,318,858</u>
	127	31	\$ 48,227,794	\$2,338,116
<b>IRMS</b>				
—Internal .....	5		\$ —	\$ —
—Contract.....	<u>49</u>		<u>51,292,915</u>	<u>548,692</u>
	54	13	\$ 51,292,915	\$ 548,692
<b>Other GSA</b>				
—Internal .....	30		\$ —	\$ —
—Contract.....	<u>2</u>		<u>5,239,550</u>	<u>—</u>
	32	8	\$ 5,239,550	\$ —
<b>TOTAL .....</b>	<b>405</b>	<b>100</b>	<b>\$162,836,395</b>	<b>\$5,740,161</b>
<b>TOTAL COSTS RECOMMENDED.....</b>	<b>\$168,576,556</b>			

## 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, 1988. Sixty-one reports more than 6 months old were unresolved as of March 31, 1988; but 60 of them were preaward audits, which are not subject to the 6-month resolution requirement. Thus, only one report was actually over-

due—a statistic that reflects creditably on GSA's audit resolution efforts.

It should be noted that Table 2 does not include reports excluded from the resolution system because they pertain to ongoing investigations. As of March 31, 1988, 36 reports (3 issued this period, 33 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 10/1/87			
—Less than 6 months old .....	144	110	\$ 72,015,900
—More than 6 months old .....	47	42	15,259,057
Reports issued this period .....	<u>402</u>	<u>214</u>	<u>168,228,336</u>
TOTAL TO BE RESOLVED .....	593	366	\$255,503,293
Reports resolved			
—Issued prior periods .....	130	97	\$ 55,569,509
—Issued current period .....	<u>170</u>	<u>78</u>	<u>61,265,467</u>
TOTAL RESOLVED .....	300	175	\$116,834,976
Unresolved as of 3/31/88			
—Less than 6 months old .....	232	136	\$106,962,869
—More than 6 months old			
—Preaward .....	60	54	30,179,151
—Postaward .....	<u>1</u>	<u>1</u>	<u>1,526,297</u>
TOTAL UNRESOLVED .....	293	191	\$138,668,317

### 3. Resolution Decisions on Financial Recommendations

Table 3 provides detailed information on the 175 reports involving financial recommendations of \$116,834,976 that are identified in Table 2 as being resolved this period. Notably, \$103,139,178 or over 88 percent was upheld in the

audit resolution process. In fact, in a number of individual cases, contracting officers resolved to seek savings in excess of the amounts recommended by the OIG.

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.....	\$ 20,000,000	\$20,096,975	\$ —	\$ 42,025
—Contract.....	14,029,605	10,818,674	191,833	208,000
	<u>\$ 34,029,605</u>	<u>\$30,915,649</u>	<u>\$ 191,833</u>	<u>\$ 250,025</u>
FSS				
—Internal.....	\$ —	\$ —	\$ —	\$ —
—Contract.....	40,594,551	38,366,863	902,360	193,982
	<u>\$ 40,594,551</u>	<u>\$38,366,863</u>	<u>\$ 902,360</u>	<u>\$ 193,982</u>
IRMS				
—Internal.....	\$ —	\$ —	\$ —	\$ —
—Contract.....	31,235,735	26,048,653	6,550,605	4,033,849
	<u>\$ 31,235,735</u>	<u>\$26,048,653</u>	<u>\$ 6,550,605</u>	<u>\$4,033,849</u>
Other GSA				
—Internal.....	\$ 289,192	\$ 289,192	\$ 3,041,095	\$3,040,965
—Contract.....	—	—	—	—
	<u>\$ 289,192</u>	<u>\$ 289,192</u>	<u>\$ 3,041,095</u>	<u>\$3,040,965</u>
TOTAL.....	\$106,149,083	\$95,620,357	\$10,685,893	\$7,518,821
TOTAL RESOLVED COSTS.....	\$103,139,178			

## 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 91 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.....	32	\$ 3,618,235	\$ 3,089,561	\$ 12,731	\$ 12,731
—Current.....	8	788,833	641,371	208,000	218,424
	40	\$ 4,407,068	\$ 3,730,932	\$ 220,731	\$ 231,155
FSS					
—Prior.....	38	\$42,486,663	\$31,160,598	\$ 46,013	\$ 44,120
—Current.....	20	6,386,648	6,365,012	94,577	77,188
	58	\$48,873,311	\$37,525,610	\$ 140,590	\$ 121,308
IRMS					
—Prior.....	25	\$11,895,127	\$10,950,532	\$ 778,183	\$ 778,183
—Current.....	8	12,754,525	18,568,525	23,785	23,785
	33	\$24,649,652	\$29,519,057	\$ 801,968	\$ 801,968
Other GSA					
—Prior.....	—	\$ —	\$ —	\$ —	\$ —
—Current.....	—	—	—	—	—
	—	\$ —	\$ —	\$ —	\$ —
TOTAL.....	131	\$77,930,031	\$70,775,599	\$1,163,289	\$1,154,431*
TOTAL MANAGEMENT COMMITMENTS.....		\$71,930,030			

\*Includes \$262,044 also reported under Monetary Results.

## 5. Total Management Commitments

Drawing upon the information presented in Tables 3 and 4, OIG internal and contract audits involving GSA programs resulted in management commitments to more efficiently use \$91,161,766 and to recover \$4,237,421.

audit recoveries from GSA's Audit Resolution and Internal Controls Division. Between October 1, 1987 and March 31, 1988, Agency records show that \$4,889,927 was recovered and deposited in the Treasury as the result of OIG audits.

## 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

## 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 13 implementation reviews. Management had successfully implemented the recommendations contained in 9 of these reviews. In the other 4 instances, recommendations were not being implemented in accordance with the action plans. All of these audits involved PBS programs.

A report on each implementation review is distributed to the cognizant management official and to the Audit Resolution and Internal Controls Division.

## 8. Investigative Workload

Table 5 presents detailed information on investigative workload by case category. The OIG opened 241 cases and closed 175 cases; only 25 of these cases were administratively closed without referral.

In addition to these cases, the OIG received and evaluated 113 complaints/allegations from sources other than the Hotline that involved GSA employees and programs. Based upon analyses of these allegations, OIG investigations were not warranted.

**Table 5. Investigative Workload**

Case Category	Cases Open 10/1/87	Cases Opened	Cases Closed	Cases Open 3/31/88
White Collar Crimes .....	207	108	70	245
Other Crimes Involving GSA Operations.....	39	25	20	44
Contractor Suspension/Debarment .....	42	28	19	51
Employee Misconduct.....	46	33	31	48
Other.....	35	47	35	47
TOTAL .....	369	241	175	435

Table 6 distributes the 241 new investigative cases opened this period (Table 5) by case category and GSA program area. Notably, 45 percent of the cases opened fell

within the white collar crime category. Most of the new cases (79 percent) involved PBS and FSS programs.

**Table 6. Distribution Of Cases Opened This Period**

Case Category	PBS	FSS	IRMS	Other GSA
White Collar Crimes .....	44	43	17	4
Other Crimes Involving GSA Operations.....	13	10	—	2
Contractor Suspension/Debarment .....	17	9	—	2
Employee Misconduct.....	23	4	3	3
Other.....	6	21	3	17
TOTAL .....	103	87	23	28

## 9. Referrals

The OIG makes three types of referrals to officials outside GSA: criminal, civil, and investigative. During this period, we referred 37 cases involving 66 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 10/1/87.....	20	42
Referrals.....	37	66
Declinations.....	29	28
Accepted for Prosecution.....	14	18
Pending Prosecutive Decision as of 3/31/88.....	23	62

The OIG also referred 9 cases involving 11 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 10/1/87.....	11	23
Referrals.....	9	11
Declinations.....	3	1
Accepted for Litigation.....	4	5
Pending Litigation Decision as of 3/31/88.....	15	28

The OIG made 15 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 55 cases involving 61 subjects for administrative action. In addition, we referred 51 cases involving 72 subjects to GSA officials for informational purposes only.

The status of OIG administrative referrals is as follows:

	Cases	Subjects
Pending Decision as of 10/1/87.....	47	69
Referrals.....	55	61
Action Completed.....	63	83
Pending Decision as of 3/31/88.....	39	47

Of the 55 cases referred for administrative action this period, 32 cases (35 subjects) involved GSA employees. As a result of these and prior referrals, management took the following actions against GSA employees:

Reprimands.....	15
Suspensions.....	3
Demotions.....	2
Terminations.....	6

## 11. Contractor Suspensions and Debarments

This period, the OIG referred 6 cases involving 22 subjects for suspension and 11 cases involving 32 subjects for debarment. As a result of these and prior referrals, management imposed 9 suspensions and 27 debarments. Management disapproved 9 debarments.

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

Suspensions	Cases	Subjects
Pending as of 10/1/87.....	2	6
Referrals.....	6	22
Action Completed.....	2	9
Pending as of 3/31/88.....	6	19

Debarments	Cases	Subjects
Pending as of 10/1/87.....	13	64
Referrals.....	11	32
Action Completed.....	9	36
Pending as of 3/31/88.....	15	60

## 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.....	31	3	30	17
FSS.....	24	8	16	34
IRMS.....	11	—	3	—
Other GSA.....	—	—	12	3
TOTAL.....	66	11	61	54

### 13. Criminal and Civil Actions

Cases accepted for criminal prosecution during this and prior periods resulted in 6 indictments/informations and 9 successful prosecutions. Civil referrals from this and prior periods resulted in a civil fraud complaint against

an individual, settlements being reached in 3 cases with 6 subjects, and judgments being entered in 1 case involving 3 subjects.

Table 8 summarizes individual criminal and civil actions by GSA program area. In addition, there were unsuccessful criminal cases against 2 subjects.

**Table 8. Summary Of Criminal And Civil Actions**

GSA Program	Indictments/ Informations/ Complaints	Successful Prosecutions	Civil Settlements/ Judgments
PBS.....	2	2	1
FSS.....	4	6	8
IRMS.....	1	1	—
Other GSA.....	—	—	—
TOTAL .....	7	9	9

### 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 \$422,256 in money and/or property during the course of its investigations.

Because of the collaborative nature of OIG activities, \$262,044 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.....	\$744,050	\$ —	\$ 744,050
Settlements/Judgments .....	—	267,044	267,044
Restitutions .....	207,860	—	207,860
TOTAL .....	\$951,910	\$267,044	\$1,218,954

### 15. OIG Subpoenas

During the period, 34 OIG subpoenas were issued.

# 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 GSA programs and operations. To fulfill this legislated responsibility, the OIG maintains a clearance system, coordinated by our legal staff, that ensures OIG review of all proposed legislation, regulations, and internal directives affecting any aspect of GSA operations.*

## A. Legislation/Regulations Reviewed

During this period, the OIG reviewed 208 legislative matters and 104 proposed regulations and directives. We provided substantive comments on 16 legislative matters and 7 regulations and directives.

## B. Significant Comments

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

- *S. 908, a bill to amend the Inspector General Act of 1978.* We strongly endorsed those technical amendments that increase uniformity of authorities and responsibilities among Inspectors General, while expressing concern about the title and authorities of the newly created "internal audit units."
- *S. 1975, the Comprehensive Federal Law Enforcement Improvement Act of 1987.* We supported this bill, which expands the authorities and benefits of law enforcement officers and establishes a temporary commission to study compensation issues. We recommended that OIG investigators be provided with arrest authority comparable to that of other Federal law enforcement agents. Finally, we expressed reservations about expansion of the law enforcement authorities of the Comptroller General, an official of the legislative branch, because of constitutional concerns.
- *H. R. 1950, a bill to require that telephone monitoring by employees be accompanied by a regular audible warning tone.* We strongly opposed this bill, finding it objectionable because it did not contain an exception for the monitoring of phone calls for legitimate Federal law enforcement purposes, such as consensual monitoring, monitoring pursuant to a court order, or for other properly established reasons.

- *H. R. 3557, a bill to reform the Federal procurement protest system.* We opposed this bill, which would greatly expand the existing rights and remedies of aspiring contractors. We particularly opposed the provision allowing recovery of preparation costs. We advised against any such radical changes, absent more study and justification. We also recommended that limits be established for attorneys' fees.
- *H. R. 3500, the Major Fraud Act of 1987.* We strongly supported this bill, which would create a new crime category relating to frauds involving any procurement, exceeding \$1 million, of property and services for the Government. The bill would also allow for potential imprisonment of not more than 7 years and a fine of not more than twice the fraud amount.
- *S. 328, the Prompt Payment Act Amendments of 1987.* We opposed this bill, which entitles a contractor to double any late payment interest penalty, if certain conditions are present. We reasoned that the existing obligation to pay interest seems sufficient, while the double penalty appears punitive.
- *H. R. 3675, the Real Estate Appraisal Reform Act of 1987.* We generally supported the concept of an independent real estate appraisal function, but questioned whether it is necessary to create an entirely new agency to accomplish this goal, particularly when no cost/benefit analyses have been performed. We also recommended deletion of that section of the bill allowing appraisals to be performed by non-certified individuals as long as final approval is given by a certified appraiser.
- *H. R. 1807, a bill to amend the Small Business Act to reform the Capital Ownership Development Program.* We objected to the provisions of this bill that would require the Inspector General of the Small Business Administration to provide any information requested by the cognizant Congressional committees, regardless of the sensitivity of the information, in connection with ongoing investigations and audits and, under certain circumstances, to conduct an investigation when directed by the House or Senate Small Business Committees. We expressed serious reservations about these provisions, pointing out both constitutional and practical concerns.
- *S. 1014, the Federal Civil Penalties Inflation Adjustment Act of 1987.* We strongly supported the concepts set forth in this bill, particularly: the regular adjustment for inflation of civil monetary penalties; the deterrent effect of civil monetary

penalties and the promotion of compliance with the law; and the improved collection by the Government of civil monetary penalties. We did, however, express concern that the administrative burdens and costs presented by enactment of this legislation could outweigh any likely returns.

- *Internal Physical Security Handbook.* We proposed that all major GSA physical security acquisitions and actions be subjected to an independent management review process. We also suggested broadening the requirement for wearing credentials in computer facilities to include all areas within the secured perimeter.
- *Telecommunications Acquisitions.* We recommended that agencies be required to obtain GSA's written approval prior to proceeding with any major acquisition (generally, a procurement over

\$250,000). We further suggested that the requirements analysis process should include much broader consideration of fire safety and physical security requirements in telecommunication facilities.

- *Federal Supply Schedule Contracting.* We generally suggested that the proposed GSA procedures provide more "positive" advice, such as how to achieve more favorable discounts, to contracting officers. We specifically recommended that the procedures be made consistent with the Federal Acquisition Regulation that permits contracting officers to require cost or pricing data when the price is not reasonable, even though the tests of commerciality have been satisfied. We also suggested a number of technical changes.

# 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. To improve OIG capabilities in this area, we expended considerable resources during the reporting period on a major review, performed in conjunction with the General Accounting Office, of GSA's FY 1987 consolidated financial statements. Further, to fulfill a commitment to the GSA Administrator and the General Accounting Office that the OIG will take lead responsibility for assuring that such financial statement audits are performed on an annual basis in GSA, the OIG has worked with agency procurement officials in developing a request for proposal for the audit of GSA's FY 1988 consolidated financial statements.

### 2. Anticipation

OIG anticipation activities this period focused on pre-award audits (Sections II through V), 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 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 .....	99
Lease proposals reviewed .....	43
Lease proposals with deficiencies .....	24
Lease proposals with no deficiencies.....	19

Major deficiencies identified through OIG preaward advisory reviews related to: continuing negotiations after the deadline for submission of the best and final offer; proposed rental rates exceeding those of two other offerors; inadequate evaluation of alternative offers; and unrealistic proposed operating costs. Other deficiencies included: questionable cost factors in a proposal; no fire and safety review; overtime rates not evaluated for reasonableness; and a missing appraisal report.

### 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.

The OIG conducts two types of Integrity Awareness briefings: general awareness briefings that are geared particularly to new GSA employees, and program-specific briefings that are targeted to employees working in specific GSA programs. Since the inception of this program in 1981, 10,810 GSA employees have attended Integrity Awareness Briefings. This total includes the 124 Central Office and regional employees attending 10 briefings this period.

### 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. We also distribute an OIG informational brochure to communicate the OIG's mission and responsibilities to GSA managers and employees, and to serve as a recruitment tool.

During the reporting period, we received 282 Hotline calls and letters. Of these, 75 complaints warranted further action. We also received 4 referrals from GAO and 17 referrals from other agencies; 20 of these referrals required further action. The remaining 207 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. Auditor Job Analysis Project**

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

The GSA OIG assisted in the development of two questionnaires. The first, directed to supervisors, focused 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 auditors, solicited information on the backgrounds possessed by incumbents and the nature of the work they are currently performing.

The questionnaires were returned by the supervisors and auditors in July and have been analyzed. The findings will be summarized in a report, scheduled for issuance in May 1988, that will recommend improvements in OPM's examination process.

### **2. Review of the Characteristics of Successful Procurement and Financial Investigations**

The GSA OIG was a participating member in this PCIE Task Force. The project was initiated to identify and analyze the characteristics of successful investigations.

The Task Force distributed questionnaires to 18 agencies, focusing on 459 investigative cases appearing in Reports to the Congress for FYs 1985 and 1986. The questionnaires were completed and survey results analyzed. A final report was issued in January 1988.

### **3. Review of Implementation of the Prompt Payment Act**

The GSA OIG was a participant in this PCIE review aimed at assessing:

- The adequacy of internal controls to ensure timely payment of bills.
- Whether interest penalties are accurately calculated and paid.
- Whether discounts are taken only when payments are made within the discount period.

Individual agency reports were issued by each participating agency. The consolidated PCIE report was issued in March 1988.



## **APPENDICES**

# APPENDIX 1—AUDIT REPORT REGISTER

Assignment Number	Title	Date of Report
<b>PBS</b>	<b>Contract Audits</b>	
A70203	Preaward Audit of a Claim for Increased Costs: Diamond Detective Agency, Contract No. GS-09P-01205	10/01/87
A70204	Preaward Audit of a Claim for Increased Costs: Diamond Detective Agency, Contract No. GS-09P-01194	10/01/87
A70708	Preaward Audit of Architect and Engineering Services Contract: Meucci Engineering, Inc., Solicitation No. ZDE-70031	10/07/87
A70497	Preaward Audit of a Claim for Increased Costs: Aires Electrical Contracting Corp., Subcontractor to Terminal Construction Corp., Contract No. GS-02P-23256	10/13/87
A70616	Preaward Audit of Architect and Engineering Services Contract: The Design Partnership of St. Louis, Inc., St. Louis, Missouri, Solicitation No. IMO92010	10/13/87
A70622	Preaward Audit of Pricing Proposal: B&H Services, Inc., Solicitation No. GSO5P87GAC0017	10/15/87
A70513	Preaward Audit of a Claim for Increased Costs: Otis Elevator Company, Subcontractor to Terminal Construction Corp., Contract No. GS-02P-23256	10/28/87
A70654	Preaward Audit of Architect and Engineering Services Contract: Smallwood, Reynolds, Stewart, Stewart and Associates, Inc., Solicitation No. GS-04P-87-EX-D0066	10/28/87
A80070	Preaward Audit of a Claim for Increased Costs: Marathon Enterprises, Contract No. GS-09P-86-KTC-0021	10/29/87
A70713	Accounting System Survey and Verification of Reported Income for Leased Space, Old St. Louis Post Office Associates, St. Louis, Missouri, Lease No. GS-06B-28111	10/30/87
A70624	Preaward Audit of Architect and Engineering Services Contract: Labouisse & Waggoner Architects, Solicitation No. GS-09P-87-HUC-0090	11/03/87
A70646	Preaward Audit of Supplemental Architect and Engineering Services Contract: Architects Planners Associates, Solicitation No. 02-PPC-CM-087-0001	11/03/87
A70688	Preaward Audit of Change Order Proposal: Terminal Construction Corp., Contract No. GS-02P-23256	11/05/87
A70358	Preaward Audit of a Claim for Increased Costs: Atlas Construction Co., Inc., Contract No. GS-10P-02575	11/06/87
A70761	Preaward Audit of Architect and Engineering Services Contract: Dubin, Dubin & Moutoussamy, Contract No. GS-05-P-87-GB-C-0066	11/12/87
A80028	Preaward Audit of Architect and Engineer Proposal: Environmental Systems Design, Inc., Consultant to Dubin, Dubin & Moutoussamy, Contract No. GS-05-P-87-GB-C-0066	11/12/87
A70619	Preaward Audit of Architect and Engineering Services Contract: Mueller Associates, Inc., Contract No. GS-11B-49023	11/17/87
A80034	Preaward Audit of Architect and Engineering Services Contract: Alta Consulting Services, Inc., Project No. IM092009	11/17/87
A70730	Preaward Audit of Architect and Engineering Services Contract: A. Epstein and Sons, Inc., Solicitation No. GS-05-P-87-GB-C-0065	11/20/87
A80045	Audit of Claim for Increased Costs: Hi Lume Corporation, Contract No. GS-02B-74005	11/20/87
A80017	Preaward Audit of Architect and Engineering Services Contract: The Johnson-McAdams Firm, Inc., Contract No. GS-07P-87-HU-C-0106	11/23/87

A70626	Preaward Audit of a Claim for Increased Costs: Worth Construction Co., Inc., Subcontractor to Terminal Construction Corp., Contract No. GS-02P-23256	11/25/87
A80039	Preaward Audit of Architect and Engineering Services Contract: Brown, Burton and Partners, Inc., Albuquerque, New Mexico, Solicitation No. GS-07-P-87-HU-C-0074	11/27/87
A80040	Preaward Audit of Architect and Engineering Services Contract: Metro-Tec Engineering, Inc., Albuquerque, New Mexico, Solicitation No. GS-07-P-87-HU-C-0074	11/27/87
A70709	Preaward Audit of a Claim for Increased Costs: InnerCity Drywall Corp., Subcontractor to Terminal Construction Corp., Contract No. GS-02P-23256	11/30/87
A70769	Preaward Audit of Lease Escalation Proposal: Leo Eisenberg Co., Managing Agent for Mountain View Development Co., Kansas City, Missouri, Lease No. GS-08B-09877	11/30/87
A70770	Preaward Audit of Change Order Proposal: Aires Electrical Contracting Corp., Subcontractor to Terminal Construction Corp., Contract No. GS-02P-23256	11/30/87
A80031	Audit of Contractor's Net Worth Computation, Civil Action No. 86-F-2404, James E. Pope, Sr.	11/30/87
A80041	Preaward Audit of Lease Escalation Proposal: Leo Eisenberg Co., Managing Agent for Mountain View Development Co., Kansas City, Missouri, Lease No. GS-08B-09877	11/30/87
A80049	Audit of Claim for Increased Costs: PRM Corporation, Contract No. GS-02B-74005	11/30/87
A70198	Preaward Audit of a Claim for Increased Costs: George Hyman Construction Company, Contract No. GS11P86MKC7250	12/01/87
A80048	Audit of Claim for Increased Costs: Restor Technologies, Incorporated, Contract No. GS-02B-74005	12/09/87
A80046	Audit of Claim for Increased Costs: Kesten Plumbing and Heating Corporation, Contract No. GS-02B-74005	12/10/87
A80047	Audit of Claim for Increased Costs: Star Front Corporation, Contract No. GS-02B-74005	12/10/87
A80068	Preaward Audit of Architectural and Engineering Design Services Contract: Peters Engineering, Consultant to Dean F Unger, A.I.A., Inc., Project No. ICA 11230	12/16/87
A70607	Preaward Audit of Architect and Engineering Services Contract: Interfield Engineering Company, Solicitation No. GS-07-P-87-HU-C-0073	12/17/87
A70577	Preaward Audit of a Claim for Increased Costs: Bunker Metal Fabricators, Inc., Second Tier Subcontractor to Terminal Construction Corp., Contract No. GS-02P-23256	12/21/87
A80006	Preaward Audit of Architectural and Engineering Design Services Contract: Dean F Unger, A.I.A., Inc., Project No. ICA 11230	12/21/87
A80069	Preaward Audit of Architectural and Engineering Design Services Contract: Charles A. Martin & Associates, Project No. ICA 11230	12/21/87
A80082	Preaward Audit of Architect and Engineering Services Contract: Law Engineering, Solicitation No. GS-07-P-87-HU-C-0089	12/21/87
A70269	Preaward Audit of Change Order Proposal: Blake Construction Co., Inc., Contract No. GS-11B-08981	12/22/87
A70631	Preaward Audit of Change Order Proposal: Tower Construction Company, Contract No. GS-11P-8601	12/22/87
A70663	Preaward Audit of a Claim for Increased Costs: The Lerner Corporation, Lease No. GS-11B-50061	12/22/87
A80050	Preaward Audit of Architect and Engineering Services Contract: Lohan Associates, Inc., Solicitation No. GS-05-BC-P-87-GBC-0062	12/22/87
A80168	Audit of Claim for Increased Costs: Trio Industries, Inc., Contract No. GS-02B-74005	12/23/87
A80026	Preaward Audit of Architect and Engineering Services Contract: Cannon St. Louis, Inc., Clayton, Missouri, Solicitation No. IMO92009	12/24/87
A80042	Preaward Audit of Lease Escalation Proposal: Leo Eisenberg Co., Managing Agent for Mountain View Development Co., Kansas City, Missouri, Lease No. GS-08B-09877	12/30/87

A70644	Preaward Audit of Architect and Engineering Services Contract: White, Dolce & Barr Architects and Planners, Inc., Contract No. GS-07-P-87-HU-C-0094	01/04/88
A80167	Audit of Claim for Increased Costs: Beck and Sclafani Mechanical Piping Contractors, Inc., Contract No. GS-02B-74005	01/04/88
A80064	Preaward Audit of Architect and Engineering Services Contract: Roache, Mercer & Faison, Inc., Solicitation No. ZDE-70008	01/11/88
A80152	Preaward Audit of a Claim for Trash Removal Costs: Mr. Klean's Janitor and Maintenance Service, Inc., GSBCA No. 9010, Contract No. GS-05B-42295	01/11/88
A70721	Preaward Audit of Architect and Engineering Services Contract: Architrave P. C., Architects, Contract No. GS11P87MKD9019	01/15/88
A70779	Preaward Audit of Cost or Pricing Data: Occupational Medical Center, Inc., Solicitation No. GS11P87MJD0030	01/21/88
A70359	Audit of Claim for Increased Costs: PJR Construction Corporation, Contract No. GS-02B-74005	01/25/88
A70606	Audit of Lease Alteration Proposal: Boston Properties, Lease No. GS-11B-60036	01/26/88
A70586	Preaward Audit of a Claim for Increased Costs: National Sprinkler Corp., Subcontractor to Terminal Construction Corp., Contract No. GS-02P-23256	01/28/88
A80022	Preaward Audit of Architect and Engineering Services Contract: Ray Bailey Architects, Inc., Solicitation No. GS07P87HUC0089	01/28/88
A70270	Audit of Change Order Proposal: Blake Construction Co., Inc., Contract No. GS-11B-08981	01/29/88
A70271	Audit of Change Order Proposal: Blake Construction Co., Inc., Contract No. GS-11B-08981	01/29/88
A80117	Preaward Audit of Architect/Engineering Services Contract: Flack & Kurtz, Consulting Engineers, Consultants to Lohan Associates, Solicitation No. GS-05-BC-P-87-GBC-0062	01/29/88
A80091	Preaward Audit of Change Order Proposal: Terminal Construction Corp., Contract No. GS-02P-23256	02/02/88
A70629	Preaward Audit of Architect and Engineering Services Contract: CHP and Associates, Inc., Solicitation No. GS-07-P-87-HU-C-0071	02/03/88
A80116	Audit of a Claim for Increased Costs: C. S. Design, Inc., Contract No. GS-08B-86212	02/04/88
A80228	Audit of a Claim for Increased Costs: Bechtel Constructors Corporation, Contract No. GS-08B-93135	02/08/88
A60431	Audit of a Claim for Increased Costs: Robert J. Didomenico, Lease No. GS-03B-80228	02/09/88
A80055	Preaward Audit of Change Order Proposal: Terminal Construction Corp., Contract No. GS-02P-23256	02/12/88
A80223	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Williams Construction Company, Omaha, Nebraska, Solicitation No. RIA82060	02/17/88
A80104	Preaward Audit of Architect and Engineering Services Contract: Peck, Peck and Associates, Inc., Contract No. GS11P87MKD9027	02/22/88
A80171	Preaward Audit of Change Order Proposal: Eaton-Kenway, Inc., Salt Lake City, Utah, Contract No. GS06P87GYC0024(N)	02/22/88
A80280	Preaward Audit of Consultant Contract: James R. Keogh & Associates, Inc., Contract No. GS-04P-88-EX-D0021	02/22/88
A80226	Preaward Audit of Lease Escalation Proposal: Continental Development Corporation, Lease No. GS-09B-60245	02/23/88

A70759	Preaward Audit of a Claim for Increased Costs: Terminal Construction Corp., Contract No. GS-02P-23256	02/24/88
A80120	Preaward Audit of Architect and Engineering Services Contract: Peck, Peck and Associates, Inc., Contract No. GS11P87MKD9031	02/25/88
A80334	Evaluation of Price Proposal Submitted by: Carltech Associates, Inc., RFP No. GS-OOP-87-BQ-0086-DB03	02/25/88
A80247	Preaward Audit of Architect and Engineering Services Contract: Spillis Candela and Partners, Inc., Contract No. GS-02P-88CUC0013(N)	02/26/88
A70625	Preaward Audit of Cost or Pricing Data: Ogden Allied Building Services, Solicitation No. RFP-87KSC0629	02/29/88
A80185	Preaward Audit of Architect and Engineering Services Contract: Plunkett Keymar Reginato Architects, Contract No. GS-05-BC-P-87-GBC-0064	02/29/88
A80194	Preaward Audit of a Claim for Increased Costs: C. B. C. Enterprises, Inc., Contract No. GS-03P-87-DXC-0012	03/01/88
A80262	Preaward Audit of Lease Escalation Proposal: Crow-Meredith #2 Limited Partnership, Lease No. GS-09B-28057	03/01/88
A80310	Preaward Audit of Architect and Engineering Services Contract: Childs, Bertman, Tseckares & Casenico, Solicitation No. 02-PPC-CM-087-0505(N)	03/03/88
A80227	Preaward Audit of Architect and Engineering Services Contract: Stone and Webster Engineering Corp., Solicitation No. 02-PPC-CM-087-0505(N)	03/04/88
A80133	Preaward Audit of Architect and Engineering Services Contract: Summer Consultants, Inc., Contract No. GS11P87MKD9022	03/09/88
A80311	Preaward Audit of Architect and Engineering Services Contract: Hellmoth, Obata and Kassalaum, P.C., Solicitation No. 02-PPC-CM-087-0505(N)	03/08/88
A70685	Audit of a Claim for Increased Costs: W.M. Schlosser Company, Inc., Contract No. GS-03B-88547	03/09/88
A80210	Audit of a Claim for Increased Costs: Singleton Contracting Corporation, Contract No. GS-03B-36017	03/09/88
A80081	Preaward Audit of a Claim for Increased Costs: Unistrut Interior Business Systems, Contract No. GS-01B-02294	03/14/88
A80199	Preaward Audit of Supplemental Architectural and Engineering Services Term Contract: Pedersen, Beckhart, Wesley & Stice Architects, Project No. PCM-3-204	03/14/88
A80221	Preaward Audit of Overhead Expense Rate for Construction Change Orders: Gust K. Newberg Construction Co., Contract No. GS09P86KTC0090	03/14/88
A80375	Audit of Proposal for Initial Pricing: Willco Construction Company, Inc., dBA 11th and F Streets Associates, Lease No. GS-11B-60264	03/14/88
A80382	Audit Report on Evaluation of Price Proposal: Carltech Associates, Inc., Solicitation No. GS-00P-87-BQ-0086-DB03	03/14/88
A80265	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Midwest Maintenance Company, Inc., Solicitation No. 6PPB870074	03/15/88
A80102	Preaward Audit of Architectural and Engineering Services Contract: GNM & Associates, Inc., Solicitation No. GS11P87MKD9023	03/17/88
A80294	Preaward Audit of Supplemental Architectural and Engineering Services Contract: Eggett & Helin, Project No. PCM-3-204	03/18/88
A80295	Preaward Audit of Architectural and Engineering Design Services Contract: d'Autremont-Helms & Associates, Project No. PCM-3-204	03/18/88

A80370	Preaward Audit of Architect and Engineering Elevator Services Contract: Stone and Webster Engineering Corp., Solicitation No. 02-PPC-CM-087-0505(N)	03/18/88
A80324	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Sanchez Porter's Company, Solicitation No. GS-07-P-87-HT-C-0074	03/21/88
A70395	Audit of Contractual Provisions: Post Office Pavilion Joint Venture, Lease No. GS-PBS-11-OL-9477	03/23/88
A70660	Audit of a Claim for Increased Costs: The Davis Corporation, Contract No. GS-11B-38074	03/24/88
A80237	Preaward Audit of Cost or Pricing Data: J. Craig Construction, Inc., Contract No. GSO-5P-87-GBC-O111-SBA	03/25/88
A80281	Preaward Audit of Lease Escalation Proposal: Smith, Halander, Smith and Associates, Contract No. GS-08B-10728	03/25/88
A80293	Preaward Audit of Cleaning Services Contract: Parkway Services, Inc., Solicitation No. GS-04P-87-EWC-0151	03/25/88
A80235	Preaward Audit of Architect and Engineering Service Contract: Walter H. Sobel, FAIA and Associates, Solicitation No. 02-PPC-CM-087-0508	03/28/88
A80323	Preaward Audit of Architect and Engineering Services Contract: JonesKell/RioGroup/Jasmine Joint Venture, Contract No. GS-07P-87-HUD-0132	03/28/88
A70257	Audit of a Claim for Increased Costs: Blake Construction Company, Inc., Contract No. GS-11B-08981	03/29/88
A70621	Preaward Audit of Cost or Pricing Data: Len Parker & Associates, Inc., Solicitation No. GS-11P87MKC7433	03/29/88
A80122	Preaward Audit of Lease Escalation Proposal: North West Development Co., Lease No. GS-03B-6521	03/29/88
A80236	Preaward Audit of Architect and Engineering Service Contract: Walter H. Sobel, FAIA and Associates, Solicitation No. 02-PPC-CM-087-0507	03/29/88
A70587	Preaward Audit of Architect and Engineering Services Contract: Bower Lewis Thrower/Architects, Solicitation No. ZPA-00118	03/30/88
A80292	Preaward Audit of Guard Services Contract: Hyde's Security Services, Inc., Solicitation No. GS-04P-87-EWC-0084	03/30/88
A80252	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Courtney Day Inc., Kansas City, Missouri, Solicitation No. RMO82160	03/31/88
A80288	Audit of Cost Reimbursable Contract: J & J Maintenance, Inc., Solicitation No. GS-07B-21602	03/31/88
A80305	Preaward Audit of a Claim for Increased Costs: S. Kane & Son, Inc., Contract No. GS-03P-86-DXC-001	03/31/88
A80347	Preaward Audit of Architect and Engineering Supplemental Services Contract: Lebron Associates, Solicitation No. 02-PPC-CM-087-0511	03/31/88
A80388	Audit of Proposal for Initial Pricing: Contract No. GS11P88EGD3702, Diversified Engineering, Inc.	03/31/88

## **PBS Internal Audits**

A70775	Review of Real Estate Tax Base Period, Lease No. GS-09B-28057	10/05/87
A70743	Preaward Lease Review: Blackburn Industrial Park, Gloucester, MA, Lease No. GS-01B(PEL)-03571	10/07/87
A70767	Advisory Review of Proposed Supplemental Lease Agreement No. 15, Lease No. GS-06B-00194, 1735 Development Company, Kansas City, Missouri	10/09/87
A40713	Review of GSA's Delegation of Leasing Authority to the Department of Defense	10/20/87
A80001	Preaward Lease Review: 841 Chestnut Street, Philadelphia, PA, Lease No. GS-03B-40032	10/20/87

A70067	Review of Overtime Payments for Leased Space, Region 5	10/23/87
A70763	Preaward Lease Review: NASA, 2880 Broadway, New York, NY, Lease No. GS-02B-18615	10/23/87
A70764	Preaward Lease Review: Aerospace Building, 370 L'Enfant Promenade, 901 D St., SW, Washington, DC GS-11B-70184	10/23/87
A70768	Review of Hotline Complaint on Vacant Space, Covington, KY, Lease No. GS-04B-22162	10/23/87
A70782	Preaward Lease Review: Willste Bldg., 7915 Eastern Ave., Silver Spring, MD, Lease No. GS-11B-20003, Supplemental Lease No. 7	10/23/87
A80005	Preaward Lease Review: One Montvale Ave., Stoneham, MA, Lease No. GS-01B(PEL)-03564	10/23/87
A80059	Preaward Lease Review: 38 Courtwright Ave., Wilkes-Barre, PA, Lease No. GS-03B-79038	10/27/87
A80060	Preaward Lease Review: Allendale Square, 475 Allendale Rd., King of Prussia, PA, Lease No. GS-03B-79055	10/28/87
A70008	Review of the Greater Manhattan Buildings Management Field Office	11/12/87
A80067	Preaward Lease Review: 168 Montaque Street, Brooklyn, NY, Lease No. GS-02B-22419	11/16/87
A80100	Preaward Lease Review: Internal Revenue Service, Quail Ridge Centre, 600 Quail Ridge Drive, Westmont, IL, Lease No. GS-05B-14604	11/20/87
A80105	Preaward Lease Review: IRS Training Center, 200 Adams Street, Chicago, Illinois, Lease No. GS-05B-14404	11/23/87
A70234	Review of New Addition to Post Office-Courthouse, Charleston, SC	11/25/87
A70287	Review of the Chesapeake Field Office, Region 3	11/30/87
A80132	Preaward Lease Review: Eleven Eighteen, Limited Partnership, 1801 L Street, Washington, DC, Lease No. GS-11B-80201	12/01/87
A80155	Preaward Lease Review: GS-04B-28117, Atlanta, GA	12/09/87
A70773	Postaward Review of Renewal Option, Lease No. GS-04B-15319, Miami, Florida	12/14/87
A80154	Preaward Lease Review: 1325 J Street, Sacramento, California, Lease No. GS-09B-68193	12/16/87
A70491	Review of Construction Progress at the Federal Building, Knoxville, TN, Project No. NTN83L002	12/17/87
A70722	Preaward Review of Proposed Lease Award, 1600 Block of 42nd Street, NE, Cedar Rapids, Iowa, Lease No. GS-06P-78655	12/21/87
A70737	Review of Haney-Claxton Developers, Contract No. GS-04B-14592	12/21/87
A80004	Preaward Review of Proposed Lease Award, 1910 Pine Street, St. Louis, Missouri, Lease No. GS-06P-78657	12/22/87
A80202	Preaward Lease Review: Security Office Park, 7008 Security Boulevard, Woodlawn, MD, Lease No. GS-03B-89006	12/22/87
A80169	Preaward Lease Review: Paris Associates, Rosslyn E., 1621 N. Kent St., Arlington, Virginia, Lease No. GS-11B-70154	12/24/87
A70552	Review of the Cadman Plaza Buildings Management Field Office	12/30/87
A80218	Preaward Lease Review: Armada/Hoffler Building, Volvo Tract, Chesapeake, VA, Lease No. GS-03B-89007	12/30/87
A80175	Preaward Lease Review: 77-14 Roosevelt Avenue, Jackson Heights, New York, Lease No. GS-02B-22426	01/06/88
A60518	Review of General Services Administration Lease Enforcement Procedures	01/15/88
A70640	Review of Potential Safety Problem with Elevator Number 1 at the A.J. Celebrezze Building, Cleveland, Ohio	01/19/88
A80085	Preaward Lease Review: Social Security Administration, City Centre, 1 Monroe Avenue, Grand Rapids, Michigan, Lease No. GS-05B-14577	01/20/88

A80145	Review of Lease No. GS-09B-86159, Social Security Administration, Eureka, California	01/20/88
A70766	Preaward Review of Lease No. GS-04B-28019, Memphis, Tennessee	01/21/88
A80224	Preaward Lease Review: Lincoln Place Associates, 600-700 Army Navy Drive, Arlington, VA, Lease Nos. GS-11B-80202 and GS-11B-80209	01/21/88
A70445	Review of the Region 4 Asbestos Program	01/22/88
A70682	Review of Energy Conservation Procedures in Leased Buildings Where the Government Pays Utilities	01/22/88
A80096	Preaward Review of Proposed Supplemental Lease Agreement No. 7, FDA Company, Overland Park, Kansas, Lease No. GS-06B-28085	01/22/88
A80159	Preaward Lease Review: SW 400 6th Street Associates, 400 6th Street, SW, Washington, DC, Lease No. GS-11B-70147	01/26/88
A80260	Preaward Lease Review: Warehouse #10, 3360 Industrial Road, Harrisburg, PA, Lease No. GS-03B-89010	01/26/88
A70284	Review of the East Bay Field Office, Oakland, California, Region 9	01/28/88
A70680	Review of Buildings Management Field Office, Rochester, New York	01/29/88
A50222	Consolidated Report on the Review of Cleaning Service Contracts	02/01/88
A80148	Advisory Review of Elevator Repairs in the GSA Central Office Building, Contract No. GS-11-P-86-MKC-7310	02/02/88
A70414	Preaward Review of Proposed Building Purchase, East Union Center Plaza, 810 First Street, NW, Washington, DC	02/04/88
A70593	Review of Action Associated with Disposal of Polychlorinated Biphenyl Equipment in Region 5	02/04/88
A80147	Review of Postaward Administration and Management of Lease No. GS-05B-14252, One Congress Center, Chicago, Illinois, Region 5	02/09/88
A80277	Preaward Lease Review: Crystal Plaza 2, 3, 4, and 34	02/09/88
A70640	Review of Overpayments for Elevator Maintenance at the A.J. Celebrezze Building, Cleveland, Ohio	02/11/88
A80302	Preaward Audit of Proposed Lease Award, 4400 College Boulevard, Overland Park, Kansas, Lease No. GS-06P-88708	02/11/88
A70640	Review of Overpayments Made for Elevator Maintenance at the J.C. Kluczynski and E.M. Dirksen Buildings, Chicago, Illinois	02/18/88
A80151	Proposed Award of Lease: Lease No. GS-08P-12856, Internal Revenue Service, 981 West 12th Street, Ogden, Utah	02/19/88
A80278	Proposed Award of Lease: Lease No. GS-07B-13202, Federal Bureau of Investigation, 10825 Financial Parkway, Little Rock, Arkansas	02/19/88
A70287	Review of the East Philadelphia Field Office, Region 3	02/22/88
A80338	Preaward Lease Review: U.S. Department of Agriculture, 5969-6039 Lakeside Boulevard, Indianapolis, IN, Lease No. GS-05B-14538	02/24/88
A80263	Preaward Lease Review: The Esplanade Building, 1990 K Street, NW, Washington, DC, Lease No. GS-11B-80213	02/26/88
A80330	Proposed Award of Lease: Lease No. GS-10B-05410, Aetna Plaza Building, Seattle, Washington	02/29/88
A80362	Preaward Lease Review: Farm Mutual Building, 200 West Grace Street, Richmond, VA, Lease No. GS-03B-70008	03/01/88
A70745	Preaward Review: Lease Consolidation, Nashville, Tennessee, Lease No. GS-04B-28100	03/04/88
A80361	Proposed Award of Lease: International Plaza, 11631 Caroline Road, Philadelphia, PA, Lease No. GS-03B-89014	03/04/88

A80300	Preaward Lease Review: Headquarters Plaza, Morristown, NJ, Lease No. GS-02B-22433	03/09/88
A60301	Review of Controls Over Lease Payments, Region 7	03/10/88
A60621	Review of Repair and Alteration Work Item Inventory, Region 9	03/17/88
A50284	Review of Border Station Projects	03/17/88
A80386	Preaward Review of Proposed Lease Extension: 100 Van Ness Avenue, San Francisco, California, Lease No. GS-09B-75262	03/17/88
A80103	Review of GSA's Asbestos Abatement Program in the Regional Office Building, 7th & D Streets, SW, Washington, DC	03/18/88
A80188	Postaward Lease Review of Lease No. GS-04B-28085, Palmetto, Georgia	03/18/88
A70593	Review of Disposal of Polychlorinated Biphenyls (PCB) Removed from the Phillip Burton Federal Building/U.S. Courthouse, 450 Golden Gate Avenue, San Francisco, California, Region 9	03/22/88
A80365	Proposed Award of Lease: Military Entrance Processing Station, Anchorage, AK, Lease No. GS-10B-05419	03/22/88
A80400	Advisory Report on Review of Contract Bid Specifications and Drawings Relative to Asbestos Abatement	03/23/88
A80412	Preaward Lease Review: 95 Horseblock Rd., Yaphank, NY, Lease No. GS-02B-22315	03/23/88
A80404	Preaward Lease Extension Review: Rosslyn Plaza C, 1601 N. Kent St., Arlington, Virginia, Lease No. GS-11B-20073	03/29/88
A60411	Final Interim Audit Report-Building Purchase Program, National Capital Region	03/31/88
A80396	Review of Storage Procedures for Polychlorinated Biphenyls (PCB's) in the National Capital Region	03/31/88
A80407	Preaward Lease Review: JBG/Rock Associates, 2000 L Street, NW, Washington, DC, Lease No. GS-11B-80241	03/31/88

## **FSS Contract Audits**

A70637	Preaward Audit of Cost or Pricing Data: Terry Manufacturing Company, Inc., Solicitation No. 7PRT-53333/G5/7FX	10/01/87
A70277	Preaward Audit of Multiple Award Schedule Contract: International Business Machines, Solicitation No. FCGE-A7-75402-N	10/07/87
A70692	Preaward Audit of Multiple Award Schedule Contract: Endure-A-Lifetime Products, Inc., Solicitation No. 7PM-53153/L5/7FX	10/14/87
A70690	Preaward Audit of Multiple Award Schedule Contract: Logan Company, Solicitation No. 7PM-53153/L5/7FX	10/15/87
A70698	Preaward Audit of Multiple Award Schedule Contract: Kohler Co., Generator Division, Solicitation No. 7PM-53017/M6/7SB	10/15/87
A70645	Preaward Audit of Cost or Pricing Data: Del Paint Manufacturing Corporation, Solicitation No. 10PN-ZWS-4063	10/16/87
A70632	Audit of Termination Proposal: Phillip Metal Cabinet Co., Contract No. GS-00F-68039	10/19/87
A50199	Postaward Audit of Cost or Pricing Data: Mosler Safe Company, Contract No. GS-00F-68074	10/20/87
A70710	Preaward Audit of Multiple Award Schedule Contract: U.S. Technology Corporation, Solicitation No. 7PM-1	10/20/87
A70691	Preaward Audit of Multiple Award Schedule Contract: National Partitions and Interiors, Inc., Solicitation No. 7PM-53153/L5/7FX	10/23/87

A70693	Preaward Audit of Multiple Award Schedule Contract: Coastal Power Products, Inc., Solicitation No. 7PM-53017/M6/7SB	10/23/87
A70707	Preaward Audit of Multiple Award Schedule Contract: James River Graphic, Inc., Solicitation No. FCGE-B6-75424-N-8-11-87	10/26/87
A70717	Preaward Audit of Multiple Award Schedule Contract: Power Systems, Division of Cummins Northwest, Inc., Solicitation No. 7PM-53017-M6-7SB	10/27/87
A80021	Preaward Audit of Multiple Award Schedule Contract: American Marine, Inc., Solicitation No. 7PN-53009/F6/7FX	10/27/87
A70699	Preaward Audit of Multiple Award Schedule Contract: Empire Generator Corporation, Solicitation No. 7PM-53017/M6/7SB	10/30/87
A70723	Preaward Audit of Multiple Award Schedule Contract: Bruning Division, AM International, Inc., Solicitation No. FCGE-B6-75424-N-8-11-87	10/30/87
A80036	Preaward Audit of Multiple Award Schedule Contract: Slickbar Products Inc., Solicitation No. 7PN53009F67FX	11/04/87
A70633	Preaward Audit of Multiple Award Schedule Contract: Safety-Kleen Corp., Solicitation No. 7PM-NCR-85-58	11/05/87
A80013	Preaward Audit of Multiple Award Schedule Contract: 3M Company, Publishing Systems Division, Solicitation No. FCGE-B6-75424-N-8-11-87	11/06/87
A70729	Preaward Audit of Multiple Award Schedule Contract: Polaroid Corporation, Solicitation No. FCGEB675424N81187	11/09/87
A80110	Postaward Audit of Multiple Award Schedule Contract: Polaroid Corporation, Contract No. GS-OOF-77322 for the Period 2/8/85 to 1/31/88	11/16/87
A80016	Preaward Audit of Multiple Award Schedule Contract: Union Corporation, Optima Enclosures Division, Solicitation No. 7PM-53019-R6-7FX	11/19/87
A80008	Preaward Audit of Multiple Award Schedule Contract: Boston Whaler, Inc., Rockland, MA, Solicitation No. 7PN53009F67FX	11/24/87
A80052	Preaward Audit of Multiple Award Schedule Contract: Visual Graphics Corporation, Solicitation No. FCGE-B6-75424-N-8-11-87	11/24/87
A80015	Preaward Audit of Multiple Award Schedule Contract: Picker International, Solicitation No. FCGE-B6-75424-N-8-11-87	11/25/87
A70716	Preaward Audit of Multiple Award Schedule Contract: Onan Corporation, Solicitation No. 7PM-53017/M6/7SB	12/02/87
A80011	Preaward Audit of Multiple Award Schedule Contract: Outboard Marine Corporation, Evinrude Motors, Solicitation No. 7PN-53009/F6/7FX	12/02/87
A70361	Postaward Audit of Multiple Award Schedule Contract: Northwest Design Products, Inc., dba Big Toys, Contract No. GS-10F-46713 for the Period 11/1/84 to 10/31/86	12/03/87
A80020	Preaward Audit of Multiple Award Schedule Contract: Imtra Corporation, Solicitation No. 7PN53009F67FX	12/03/87
A80014	Preaward Audit of Multiple Award Schedule Contract: Metalphoto Division, Horizons Research, Inc., Solicitation No. FCGE-B6-75424-N-8-11-87	12/04/87
A80018	Preaward Audit of Multiple Award Schedule Contract: E.I. DuPont De Nemours & Co., Inc., Solicitation No. FCGE-B6-75424-N-8-11-87	12/04/87
A70739	Preaward Audit of Multiple Award Schedule Contract: Olin Hunt Speciality Products, Inc., Solicitation No. FCGE-B6-75424-N-8-11-87	12/07/87
A70740	Preaward Audit of Multiple Award Schedule Contract: Ilford Photo Corporation, Solicitation No. FCGE-B6-75424-N-8-11-87	12/08/87
A80109	Preaward Audit of Multiple Award Schedule Contract: AMCO Engineering Company, Solicitation No. 7PM-53019/R6/7FX	12/09/87
A80010	Preaward Audit of Multiple Award Schedule Contract: Outboard Marine Corporation, Johnson Outboards, Solicitation No. 7PN-53009/F6/7FX	12/10/87

A80058	Preaward Audit of Multiple Award Schedule Contract: Datel, Solicitation No. 7PM53019R67FX	12/14/87
A80009	Preaward Audit of Multiple Award Schedule Contract: Wenger Corp., Solicitation No. PM-53153/L5/7FX	12/17/87
A80090	Preaward Audit of Multiple Award Schedule Contract: Varityper, Division of AM International, Inc., Solicitation No. FCGE-B6-75424-N-8-11-87	12/17/87
A80003	Compliance with Contract Provisions: ChemExec Relocation Systems, Inc., Stamford, Connecticut, Contract No. GS-00F-87041	12/18/87
A80129	Preaward Audit of Multiple Award Schedule Contract: Excel-Mineral Company, Inc., Solicitation No. 10PN-SXS-6159	12/18/87
A80158	Preaward Audit of Multiple Award Schedule Contract: Flexiwall Systems, Inc., 7PM-53258-H6-7FX	12/23/87
A80079	Preaward Audit of Multiple Award Schedule Contract: General Electric Company, Lighting Business Group, Solicitation No. 7PM-53021/R6/7FX	12/24/87
A80093	Preaward Audit of Multiple Award Schedule Contract: IDenticard Systems, Inc., Solicitation No. FCGE-B6-75424-N-8-11-87	12/29/87
A80019	Preaward Audit of Cost or Pricing Data: Blockhouse, Inc., Solicitation No. FCNH-A1-2042-N-5-14-87	12/30/87
A80066	Preaward Audit of Multiple Award Schedule Contract: Duro-Test Corporation, Solicitation No. 7PM-53021/R6/7FX	12/31/87
A80118	Preaward Audit of Multiple Award Schedule Contract: The Coleman Company, Inc., Wichita, Kansas, Solicitation No. 7PM-52840/J4/7FC	01/13/88
A80012	Preaward Audit of Multiple Award Schedule Contract: Mercury Marine, Division of Brunswick Corporation, Solicitation No. 7PN-53009/F6/7FX	01/14/88
A80084	Preaward Audit of Multiple Award Schedule Contract: GTE Products Corporation, Solicitation No. 7PM53021R67FX	01/14/88
A80195	Preaward Audit of Multiple Award Schedule Contract: Mariner Outboards, Division of Brunswick Corporation, Solicitation No. 7PN-53009/F6/7FX	01/14/88
A80077	Preaward Audit of Multiple Award Schedule Contract: Parker Systems, Inc., Solicitation No. 7PN-53009/F6/7FX	01/15/88
A80037	Postaward Audit of Multiple Award Schedule Contract: Dionex Corporation, Contract No. GS-00F-78851	01/19/88
A80130	Preaward Audit of Multiple Award Schedule Contract: Chas. G. Stott & Co., Inc., Solicitation No. FCGE-D2-75419-N-11-10-87	01/19/88
A80144	Preaward Audit of Multiple Award Schedule Contract: Dionex Corporation, Solicitation No. FCGS-Z3-40012-N-11-17-87	01/19/88
A80173	Preaward Audit of Multiple Award Schedule Contract: Ring King Visibles, Inc., Muscatine, Iowa, Solicitation No. FCGE-D2-75419-N-11-3-87	01/22/88
A80033	Preaward Audit of Cost or Pricing Data: Exide Corporation, Solicitation No. 7PM-53030/A67/FX	01/25/88
A80162	Preaward Audit of Multiple Award Schedule Contract: Kelley Company, Inc., Solicitation No. 7PM-53258/H6/7FX	01/25/88
A80107	Preaward Audit of Multiple Award Schedule Contract: Diversey Wyandotte Corporation, Solicitation No. TFTC-88-HT-792A-B	01/26/88
A80114	Preaward Audit of Multiple Award Schedule Contract: Polychrome Corporation, Solicitation No. FCGE-B6-75424-N-8-11-87	01/26/88
A80174	Preaward Audit of Multiple Award Schedule Contract: Snorkel, A Figgie International Company, Elwood, Kansas, Solicitation No. 7PM-53027/H6/7FX	01/26/88
A80187	Preaward Audit of Multiple Award Schedule Contract: Skyland Equipment Co., Inc., Solicitation No. 7PM-53263/X5/7FX	01/26/88

A70784	Preaward Audit of Multiple Award Schedule Contract: MonArk Boat Co., Workboat Division, Solicitation No. 7PN-53009/F6/7FX	01/27/88
A80108	Preaward Audit of Multiple Award Schedule Contract: ECOLAB, Inc., Solicitation No. TFTC-88-HT-792A-B	01/27/88
A80156	Preaward Audit of Multiple Award Schedule Contract: Andesite of California, Inc., Solicitation No. 1OPN-SXS-6159	01/27/88
A80121	Preaward Audit of Multiple Award Schedule Contract: Badger Division, Telecommunications Technology, Incorporated, Solicitation No. 7PM-53024-R5-7FX	01/28/88
A80163	Preaward Audit of Multiple Award Schedule Contract: Access Corporation, Solicitation No. FCGE-D2-75419-N-11-10-87	01/28/88
A80164	Preaward Audit of Multiple Award Schedule Contract: Kardex Systems, Inc., Solicitation No. FCGE-D275419-N-11-3-87	01/28/88
A80097	Compliance with Contract Provisions: Howard Relocation Group, Livingston, New Jersey, Contract No. GS-00F-87042	02/01/88
A80153	Preaward Audit of Multiple Award Schedule Contract: Gerard Metal Corporation, Solicitation No. FCGE-D2-75419-N-11-3-87	02/01/88
A80161	Preaward Audit of Multiple Award Schedule Contract: Floating Floors, Inc., Solicitation No. 7PM-53258/H6/7FX	02/05/88
A80240	Preaward Audit of Small Business Administration 8(a) Pricing Proposal: Sanchez Porter's Company, Solicitation No. GS-07P-87-HTC-0272	02/08/88
A80231	Preaward Audit of Multiple Award Schedule Contract: Jacobsen, Division of Textron, Solicitation No. 7PM-53263/X5/7FX	02/09/88
A80065	Preaward Audit of Multiple Award Schedule Contract: North American Philips Lighting Corporation, Solicitation No. 7PM-53021/R6/7FX	02/10/88
A70785	Preaward Audit of Multiple Award Schedule Contract: MonArk Boat Co., Recreation Division, Contract No. 7PN-53009/F6/7FX	02/11/88
A80184	Preaward Audit of Multiple Award Schedule Contract: Lift-A-Loft Corporation, Solicitation No. 7PM-53027/H6/7FX	02/12/88
A80113	Preaward Audit of Multiple Award Schedule Contract: Wright Line Company, Solicitation No. FCNO-J2-2027-N	02/16/88
A80134	Preaward Audit of Cost or Pricing Data: Macrodyne, Inc., Solicitation No. FCGS-Y9-37002-N-6-11-86	02/16/88
A80190	Preaward Audit of Multiple Award Schedule Contract: Acme Visible Records, Solicitation No. FCGE-D2-75419-N-11-10-87	02/18/88
A80193	Preaward Audit of Cost or Pricing Data: O. Ames Company, Solicitation No. FCEN-FP-A7101-N-7-15-87	02/19/88
A80232	Preaward Audit of Multiple Award Schedule Contract: Deere & Company, Solicitation No. 7PM-53263/X5/7FX	02/19/88
A80243	Preaward Audit of Multiple Award Schedule Contract: Midwest Handling, Inc., Solicitation No. 7PM-53123-M6-7FX	02/24/88
A80239	Preaward Audit of Multiple Award Schedule Contract: Excel Industries, Inc., Hesston, Kansas, Solicitation No. 7PM-53263/X5/7FX	02/29/88
A80181	Preaward Audit of Multiple Award Schedule Contract: DuBois Chemical Company, Solicitation No. TFTC-88-HT-792A-B	03/01/88
A80220	Preaward Audit of Multiple Award Schedule Contract: Simon Aerials, Inc., Solicitation No. 7PM-53027/H6/7FX	03/02/88
A80233	Preaward Audit of Multiple Award Schedule Contract: Century Equipment, Inc., Solicitation No. 7PM-53263/X5/7FX	03/03/88

A80266	Preaward Audit of Cost or Pricing Data: American Recreation Products, Inc., New Haven, Missouri, Solicitation No. R7-87-106	03/03/88
A80191	Preaward Audit of Multiple Award Schedule Contract: Philips Electronic Instruments, Inc., Solicitation No. FCGS-Z2-40010-N-11-3-87	03/04/88
A70595	Postaward Audit of Kaplan School Supply Corporation, Contract No. GS-10F-47223 for the Period 5/21/85 to 7/15/87	03/07/88
A70661	Postaward Audit of Kaplan School Supply Corporation, Contract No. GS-10F-47270 for the Period 2/27/86 to 7/15/87	03/07/88
A70662	Postaward Audit of Kaplan School Supply Corporation, Contract No. GS-07F-14365 for the Period 2/2/86 to 7/15/87	03/07/88
A80251	Preaward Audit of Multiple Award Schedule Contract: Overhead Door Corporation, Solicitation No. 7PM-53258/H6/7FX	03/08/88
A80044	Preaward Audit of Multiple Award Schedule Contract: Solarex Corporation, Solicitation No. 7PM-53019-R6-7FX	03/11/88
A80094	Preaward Audit of Multiple Award Schedule Contract: TAB Products Co., Solicitation No. FCNO-J2-2027-N-9-22-87	03/17/88
A80250	Preaward Audit of Multiple Award Schedule Contract: Acoustics Systems, Solicitation No. 7PM-53153/L5/7FX	03/17/88
A80307	Preaward Audit of Multiple Award Schedule Contract: American Partitions, Inc., Solicitation No. 7PM-53153/L5/7FX	03/17/88
A80325	Preaward Audit of Multiple Award Schedule Contract: 3M Printing and Publishing Systems Division, Solicitation No. FCGE-A3-75436-N	03/18/88
A40252	Postaward Audit of Multiple Award Schedule Contract: Byron Motion Pictures, Inc., Contract No. GS-0WS-52009	03/21/88
A80306	Preaward Audit of Multiple Award Schedule Contract: United Partition Systems, Inc., Solicitation No. 7PM-53153/L5/7FX	03/21/88
A60072	Postaward Audit of Multiple Award Schedule Contract: TAB Products Company, Contract No. GS-00F-68046 for the Period 2/1/84 to 3/31/85	03/22/88
A80241	Preaward Audit of Multiple Award Schedule Contract: Genie Industries, Solicitation No. 7PM-53027/H6/7FX	03/24/88
A80270	Preaward Audit of Multiple Award Schedule Contract: The Perkin'Elmer Corporation, Solicitation No. FCGS-Z3-40012-N-11-17-87	03/24/88
A80271	Preaward Audit of Multiple Award Schedule Contract: Waters Division of Millipore, Solicitation No. FCGS-Z3-40012-N-11-17-87	03/25/88
A80176	Preaward Audit of Multiple Award Schedule Contract: White Storage & Retrieval Systems, Inc., Solicitation No. FCGE-D2-75419-N-11-3-87	03/28/88
A80329	Preaward Audit of Multiple Award Schedule Contract: Oil-Dri Corporation of America, Solicitation No. 10PN-SXS-6159	03/28/88
A80348	Preaward Audit of Multiple Award Schedule Contract: Itek Graphix Corporation, Solicitation No. FCGE-A3-75436-N	03/30/88
A80075	Supplemental Audit Report to Postaward Audit of Multiple Award Schedule Contract: Xerox Corporation, Contract No. GS-OOF-69830	03/31/88
A80165	Preaward Audit of Termination Proposal: Harris Corporation, Lanier Business Products, Contract No. DU100P86-865	03/31/88
A80182	Preaward Audit of Multiple Award Schedule Contract: Data Visible Corporation, Solicitation No. FCGE-D2-75419-N-11-10-87	03/31/88
A80246	Preaward Audit of Multiple Award Schedule Contract: Russ Bassett Company, Solicitation No. FCGE-D2-75419-N-11-10-87	03/31/88

A80275	Preaward Audit of Multiple Award Schedule Contract: Grove Manufacturing Company, Solicitation No. 7PM-53027/H6/7FX	03/31/88
A80276	Preaward Audit of Multiple Award Schedule Contract: Tate Access Floors, Inc., Solicitation No. 7PM-53258/H6/7FX	03/31/88
A80314	Preaward Audit of Multiple Award Schedule Contract: Del Paint Corporation, Solicitation No. 10PN-ZNS-4249	03/31/88

## **FSS Internal Audits**

A60424	Review of the Franconia Customer Supply Center	10/21/87
A70186	Review of the Contract Administration of Unsatisfactory Contractors, Region 5	10/23/87
A70131	Review of Frequent Flyer Accommodation Upgrades	10/23/87
A70186	Review of Contract Administration, Unsatisfactory Contractor Performance	11/17/87
A70179	Review of Aggregate Sales Discount Clause, Federal Supply Service	11/18/87
A70148	Review of the Chicago Customer Supply Center	12/09/87
A70476	Review of Region 4 Travel Management Centers	01/29/88
A80115	Review of A-76 Study of Driver Services at Kennedy Space Center, Florida	02/02/88
A70487	Review of Requisition Processing Branch, Paints and Chemicals Commodity Center, Auburn, Washington	02/18/88
A80025	Review of Small Business Administration Set Aside Partition Contracts in Region 4	02/19/88
A80131	Review of Freight Overpayments to Empire Generator Under Contract No. GS-04F-01203	03/02/88
A80304	Review of Hotline Complaint on DuBois Chemical Company	03/03/88
A70186	Review of the Contract Administration of Unsatisfactory Contractors	03/04/88
A80287	Technical Evaluation of Production Improvements Claimed by John Savoy and Son, Inc.	03/14/88
A70781	Review of Price Considerations in the Automotive Commodity Center	03/21/88
A70605	Advisory Review of Transportation Audits	03/31/88

## **IRMS Contract Audits**

A80027	Audit of Price Proposal GSA RFP No. GSC-KECT-A-00009-N-4-30-87: Boeing Computer Services Company, Commercial Services Group (A Division of the Boeing Company), Seattle, Washington	10/12/87
A70557	Preaward Audit of Multiple Award Schedule Contract: Amdahl Corporation, Solicitation No. GSC-KESO-C-00036-N-4-8-87	10/13/87
A70498	Preaward Audit of Multiple Award Schedule Contract: Digital Equipment Corporation, Solicitation No. GSC-KESO-C-00036-N-4-8-87	10/15/87
A70533	Preaward Audit of Multiple Award Schedule Contract: Concurrent Computer Corporation, Solicitation No. GSC-KESO-C-00036-N-4-8-87	10/21/87
A70532	Preaward Audit of Multiple Award Schedule Contract: Momentum Systems Corporation, Solicitation No. GSC-KESO-C-00036-N-4-8-87	10/26/87
A70603	Postaward Audit of Multiple Award Schedule Contract: Oracle Corporation, Contract No. GS-00K-86AG-S-5574 for the Period 10/1/86 to 9/30/87	10/30/87
A80111	Audit of Price Proposal Submitted by: Software Products, Incorporated, Rockville, Maryland	11/17/87
A80112	Audit of Proposal for Initial Pricing Under RFP No. GSC-OIT-7049: Systems and Applied Sciences Corporation, Vienna, Virginia	11/17/87

A80136	Audit of Price Proposal Submitted by: Electronic Data Systems Federal Corporation, Demand Systems Division, Detroit, Michigan	11/25/87
A80135	Audit of Price Proposal Submitted by: ARINC Research Corporation, Annapolis, Maryland	12/03/87
A70166	Preaward Audit of Multiple Award Schedule Contract: AT&T, Solicitation No. GSC-KESF-G-00034-N-11-19-86	12/07/87
A70167	Preaward Audit of Multiple Award Schedule Contract: 12/07/87 AT&T, Solicitation No. GSC-KESS-B-00035-N-11-26-86	12/07/87
A80139	Audit of Subcontractor Proposal to C-TEC Corporation for Initial Pricing Under RFP No. KETN-MS-87-03: Booz, Allen & Hamilton, Inc., Bethesda, Maryland	12/14/87
A70444	Preaward Audit of Multiple Award Schedule Contract: International Business Machines, Inc., Solicitation Number GSC-KESO-C-00036-N-4-8-87	12/22/87
A70634	Preaward Audit of Cost or Pricing Data: Centel Information Systems, Inc., Solicitation No. GS00K87AGS6098	12/22/87
A70651	Preaward Audit of Multiple Award Schedule Contract: Unisys Corporation, McLean, Virginia, Solicitation No. GSC-KESO-C-00036-N-4-8-87	12/23/87
A80137	Audit of Initial Pricing Under RFP No. GSC-OIT-7049: Vanguard Technologies Corporation, National Systems Company, Defense Systems Division, Fairfax, Virginia	12/30/87
A80141	Audit of Proposal for Initial Pricing Under RFP No. KECA-87-013: Advanced Management, Incorporated, Fairfax, Virginia	12/30/87
A80142	Audit of Price Proposal Solicitation No. GSC-OIT-7049 Submitted by: COMSI O'Fallon, Inc., Oak Brook, Illinois	12/30/87
A70344	Preaward Evaluation of Multiple Award Schedule Contract: Potomac Digital, Inc., Solicitation No. GSC-KESS-B-00035-N-11-26-86	01/14/88
A60609	Postaward Audit of Multiple Award Schedule Contract: Adage, Inc., Contract No. GS-00K-86-AGS-5542 and GS-00K-840-IS-5552 for the Period 10/1/84 to 9/30/86	01/21/88
A60626	Postaward Audit of Multiple Award Schedule Contract: Kustom Electronics, Inc., Lenexa, Kansas, Contract No. GS00K85AGS0820	01/26/88
A60627	Postaward Audit of Multiple Award Schedule Contract: Kustom Electronics, Inc., Lenexa, Kansas, Contract No. GS00K8301S0110	01/26/88
A70330	Postaward Audit of Multiple Award Schedule Contract: Data Access Systems, Inc., Contract No. GS00K86AGS5299 for the Period 7/1/86 to 3/31/87	01/29/88
A80214	Preaward Audit of Multiple Award Schedule Contract: Grid Systems Corporation, Solicitation No. GSC-KESS-B-00037-N-11-18-87	02/02/88
A70566	Preaward Audit of Multiple Award Schedule Contract: AT&T Technology Systems, Solicitation No. GSC-KESV-00043-N-4-16-87	02/08/88
A80208	Audit of Subcontractor Proposal to Electronic Data Systems Corporation for Initial Pricing Under RFP No. GSC-OIT-7094: CAPI, Incorporated-Federal, Fairfax, Virginia	02/12/88
A80192	Preaward Audit of Multiple Award Schedule Contract: Panasonic Industrial Company, Solicitation No. GSC-KESR-00045-N-11-24-87	02/22/88
A80086	Audit of a Claim for Increased Costs: SMC Information Systems, Contract No. GS-00C-60081	02/23/88
A80177	Preaward Audit of Multiple Award Schedule Contract: Vicon Industries, Inc., Solicitation No. GSC-KESR-00045-N-11-24-87	02/24/88
A80216	Preaward Audit of Multiple Award Schedule Contract: Sony Corporation of America, Solicitation No. GSC-KESR-00045-N-11-24-87	02/24/88
A80140	Audit of Proposal for Initial Pricing Under RFP No. KETN-MS-87-03, Centel Business Information Systems, Inc., (Formerly, Sigma Data Services) Rockville, Maryland	02/29/88
A80211	Preaward Audit of Cost or Pricing Data: Rockwell International Corporation, Contract No. GSC-KESV-00044-N-23-87	03/01/88

A80269	Preaward Audit of Multiple Award Schedule Contract: Fairchild Weston Systems, Inc., Solicitation No. GSC-KESR-00046-N-12-01-87	03/01/88
A80322	Preaward Audit of Cost or Pricing Data: Centel Communications Systems, Contract No. GS-00C-70029	03/02/88
A80217	Preaward Audit of Multiple Award Schedule Contract: Sony Corporation of America, Solicitation No. GSC-KESR-00045-N-11-24-87	03/07/88
A80209	Audit of Subcontractor Proposal to Electronic Data Systems, Corporation, for Initial Pricing Under RFP No. GSC-OIT-7094: Cap Gemini America, Holm Del, New Jersey	03/09/88
A80244	Preaward Audit of Cost or Pricing Data: IVT Computer Corporation, Solicitation No. GSC-KESS-B-00037-N-11-18-87	03/10/88
A80286	Preaward Audit of Multiple Award Schedule Contract: International Data Science, Inc., Solicitation No. GSC-KESS-G-00038-N-11-24-87	03/10/88
A80203	Preaward Evaluation of Multiple Award Schedule Contract: Government Technical Services, Inc., Solicitation No. GSC-KESS-B-00037-N-11-18-87	03/11/88
A80255	Preaward Audit of Multiple Award Schedule Contract: Sony Corporation of America, Solicitation No. GSC-KESV-00047-N-12-03-87	03/14/88
A80326	Preaward Audit of Multiple Award Schedule Contract: Wabash Datatech, Inc., Solicitation No. GSC-KESV-00047-N-12-03-87	03/16/88
A80351	Preaward Audit of Multiple Award Schedule Contract: Centel Information Systems, Inc., Solicitation No. GSC-KESS-B-00037-N-11-18-87	03/18/88
A80215	Preaward Audit of Multiple Award Schedule Contract: Sony Corporation of America, Solicitation No. GSC-KESR-00045-N-11-24-87	03/21/88
A80264	Preaward Audit of Multiple Award Schedule Contract: 3M Company, Magnetic Media Division, Solicitation No. GSC-KESV-00047-N-12-03-87	03/29/88
A80123	Preaward Audit of Cost or Pricing Data: C-Tec Corporation, RFP No. KETN-MS-87-03	03/31/88
A80125	Audit of Termination Proposal: Centel Information Systems, Inc., Subcontractor to MBF Business Centers, Inc., Contract No. GS-00K-83-02C-2749	03/31/88
A80201	Preaward Audit of Multiple Award Schedule Contract: Compaq Computer Corporation, Contract No. GS00K87AGS6036	03/31/88
A80204	Preaward Audit of Cost or Pricing Data: Falcon Microsystems, Inc. (Apple), Solicitation No. GSC-KESS-B-00037-N-11-18-87	03/31/88

## **IRMS Internal Audits**

A70454	Review of Security and Fire Safety at the Region 6 Public Buildings Service Computer Facility	11/25/87
A70454	Review of Security and Fire Safety at the Discrepancy Reports Center Computer Facility in Region 6	01/12/88
A70454	Review of Security and Fire Safety at the Information Resources Management Service Computer Facility in Kansas City, Missouri	02/29/88
A70294	Review of Contract Services Program Complaint in the National Capital Region	03/02/88
A70454	Review of Computer Security, Region 9	03/09/88

## **Other Contract Audits**

A80074	Audit of Proposal for Initial Pricing: Advanced Metallurgy and Testing Corp., Contract No. DMC-A131	10/23/87
A80087	Audit of Price Proposal for Initial Pricing: Brush Wellman, Inc., Contract No. DMC-A131	10/23/87

## **Other Internal Audits**

A70343	Review of the East Philadelphia Field Office Imprest Fund	10/08/87
A70324	Review of Controls Over Transportation Accounts Payable System Payments	10/08/87
A70178	Advisory Report on the Vista del Arroyo Property Disposal, Pasadena, California	10/15/87
A70131	Review of Employee Use of Frequent Flyer Bonuses	10/23/87
A70776	Review of Imprest Fund, San Francisco Fleet Management Center, Region 9	11/10/87
A70778	Review of Imprest Fund, Santa Maria Fleet Management Center, Region 9	11/25/87
A70071	Review of Controls Over Manual Payments	12/02/87
A70724	Review of Imprest Fund Operations, Buildings Management Field Office, 405 South Tucker Blvd., St. Louis, Missouri	12/10/87
A70725	Review of Imprest Fund Operations, Buildings Management Field Office, 1520 Market Street, St. Louis, Missouri	12/10/87
A80062	Review of Imprest Fund Operations, Buildings Management Field Office, 444 SE Quincy, Topeka, Kansas	12/21/87
A70755	Review of Imprest Funds, Fleet Management Center and Wholesale Distribution Facility, Fort Worth, Texas	12/23/87
A70734	Review of the West Philadelphia Field Office Imprest Fund	12/29/87
A70777	Review of Imprest Fund, San Diego Fleet Management Center, Region 9	01/08/88
A70239	Review of Manual Payments	01/15/88
A70735	Review of the Regional Office Imprest Fund, Philadelphia, PA	01/15/88
A70512	Review of the Region 6 Finance Division's Compliance with the Prompt Payment Act	01/19/88
A70001	Review of the Federal Managers' Financial Integrity Act, Section 4 Program for Fiscal Year 1986	02/17/88
A80272	Review of the Pittsburgh Field Office Imprest Fund	03/23/88
A80301	Review of Seattle Field Office Imprest Fund, Seattle, WA	03/24/88
A80057	Review of the Federal Managers' Financial Integrity Act, Section 2 Program for Fiscal Year 1987	03/28/88
A70757	Review of Denver Duplicating Plant	03/30/88
A70757	Review of Billings Printing Plant	03/30/88
A80024	Review of Unliquidated Obligations and Year-end Spending, Fiscal Year 1987	03/30/88
A70374	Review of Compliance With Prompt Payment Act	03/31/88
A70403	Review of Accounts Payable For Utilities	03/31/88
A70757	Review of Dallas Duplicating Plant	03/31/88
A70757	Review of Salt Lake City Printing Plant	03/31/88
A70757	Review of Albuquerque Duplicating Plant	03/31/88
A70760	Review of National Forms and Publications Center	03/31/88
A80056	Review of the Federal Managers' Financial Integrity Act, Section 4 Program for Fiscal Year 1987	03/31/88

# APPENDIX II—DELINQUENT DEBTS

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

## GSA Efforts to Improve Debt Collection

During the period October 1, 1987 through March 31, 1988, 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:

- A new multiple award schedule contract was issued for debt collection services and six contractors received awards. At the same time, GSA's Office of Finance finalized procedures for forwarding delinquent accounts to the collection agencies.
- A regional finance division began offering GSA non-Federal debtors an option of paying by credit card, rather than only by check.
- Three mortgages valued at approximately \$122,000 were paid off.

## Non-Federal Accounts Receivable

	As of October 1, 1987	As of March 31, 1987	Difference
Total Amounts Due GSA.....	\$31,919,113	\$41,497,819	\$ 9,578,706
Amount Delinquent .....	\$16,914,003	\$15,402,376	\$(1,511,627)
Total Amount Written Off as Uncollectible Between 10/1/87 and 3/31/88.....	\$873,839		

Of the total amounts due GSA and the amounts delinquent as of October 1, 1987, \$14.3 million and \$13.1 million, respectively, were in dispute. Of the total amounts

due GSA and the amount delinquent as of March 31, 1988, \$10.1 million and \$10.1 million, respectively, are being disputed.

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