

# Semiannual Report to the Congress

October 1, 1994 - March 31, 1995



U.S. General Services Administration  
Office of Inspector General



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# Foreword

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This report, submitted pursuant to the Inspector General Act of 1978, as amended, summarizes the activities of the Office of Inspector General (OIG) for the 6-month reporting period that ended March 31, 1995. It is the thirty-third report to the Congress since the appointment of the Agency's first Inspector General. As detailed below, this has been an extraordinary period for both the OIG and the General Services Administration (GSA) as a whole.

GSA began the reporting period with a number of reinvention efforts already well underway. In November, national elections brought in a new Congressional leadership with an aggressive agenda to reduce Government. In December, the President unveiled his plan to accelerate reinvention efforts by significantly downsizing and restructuring several agencies, including GSA. As a result of the President's announcement, in January the OIG and GSA launched separate new reviews to assess GSA's reinvention options.

## ***OIG and GSA Respond to National Performance Review***

In early 1993, the National Performance Review (NPR) was initiated with the objective of giving the American people a Government that works better and costs less. All Federal agencies, including GSA, began to seek ways to fulfill mission requirements more effectively while at the same time reducing staff and lowering expenditures. To the credit of the Administrator and his management team, GSA has been on the leading edge of this revolution. GSA recognized that change was imminent and that it needed to thoroughly reexamine every aspect of its operations and delivery systems. Guided by the principles established by the NPR, the Agency also set out to create a system in which new ideas and approaches could be tested and evaluated. Known as reinvention labs, pilot projects were established throughout the Agency to provide an environment conducive to experimentation.

The NPR also called upon the OIGs across Government to broaden their traditional focus and encouraged the OIGs to build better relationships with their agencies' management based on a shared commitment to improving program operations and effectiveness. The President's Council on Integrity and Efficiency formulated a new Inspectors General Vision Statement which reaffirms our commitment to improve the economy, efficiency, and effectiveness of our agencies and to prevent and detect fraud, waste, and abuse. The statement sets forth reinvention principles designed to maximize the effectiveness of the OIGs by stressing the importance of enhanced working relationships within the OIG community and with agency management and the Congress.

Several years ago, the OIG embarked upon a program to enhance the efficiency and effectiveness of our own operations. Using Total Quality Management techniques, we set out to rethink, redefine, and

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restructure our business processes and to explore ways to serve our clients better. We are pleased to report that our continued efforts are now showing substantial results.

Our accomplishments this period were impressive. We achieved almost \$147 million in cost avoidances, recoveries, and fines. We issued 280 audit reports, with financial recommendations of nearly \$100 million. We initiated 172 investigations and made 295 referrals for criminal prosecution, civil litigation, and administrative action. These numbers represent the tangible results of the continuing efforts of our staff. Many of the changes we have initiated, however, cannot be fully captured in a statistical review. In addition, our results, while consistent with those of previous periods, were achieved by significantly fewer staff members. Since the close of Fiscal Year (FY) 1994, we have lost 10 percent of our entire staff. Moreover, to achieve these results required our staff to overcome many obstacles and delays caused by the reorganizations, special projects, and other activities associated with the Agency's efforts to reinvent itself. Clearly, the OIG staff has found ways to do things better and more efficiently.

The pace of change accelerated rapidly for both GSA and the OIG in December 1994, when the President announced that GSA and other agencies would undergo major restructuring to achieve significant savings. Both organizations responded quickly to the President's call for long-term savings and reductions in the size of Government.

## ***GSA Responds to President's Call to Restructure Agency***

In early January, GSA submitted to the Office of Management and Budget its "Strategies for Implementation of the President's Initiative for Long-Term Savings and to Reduce Government." GSA pledged to accelerate and broaden actions already underway to strengthen the execution of responsibilities for policy and oversight, to identify the most cost-effective methods of performing the responsibilities assigned to GSA, and to obtain the authority to implement the most cost-effective solutions. Against the President's requested savings of \$1.4 billion, GSA identified a target of estimated savings, through policy and oversight and in operations, of \$4.06 billion for FY 1996 and \$24.378 billion for the five-year period ending in FY 2000.

GSA also initiated a thorough review of its operations to determine how to restructure the Agency. The Agency grouped its programs into major business lines and initiated a comprehensive examination to determine which business lines should be retained, which should be transferred to other agencies, and which lines or specific activities should be privatized. To coordinate this review, GSA contracted with a private management consulting firm to provide advice and established an Operations Review Group (ORG) with representatives from each of the services and staff offices and union and regional participants. Teams of technical and management experts, with OIG staff as observers, were

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established to examine and make recommendations concerning each major business line. With the assistance of the management consultants, the ORG will review these recommendations to ensure that the process is rational and logical and provides verifiable results. Two teams completed substantive work during this reporting period, but final reports will not be issued until later this year.

## ***ORG Responds to President's Call to Restructure Agency***

We plan to conduct detailed assessments of the results of each business line study to ensure that the conclusions reached are appropriately supported, that the recommended course for future actions is reasonable, and that the proposed actions are in the best interests of the taxpayers.

Shortly after the President's announcement in December, and to facilitate the accelerated review of GSA programs and operations, the OIG formed nationwide audit teams to perform on a "fast track" basis a broad appraisal of GSA's major programs and activities. In late January, we presented an opinion paper to the Administrator and Members of Congress which provided an independent and objective assessment of reinvention options in light of Governmentwide restructuring initiatives. The analysis covered 14 major areas of GSA activities which employ nearly three-fourths of the Agency's workforce. We drew upon our knowledge of GSA programs, as well as General Accounting Office reports, Agency studies, and major Governmentwide reviews. Our proposed restructuring options and potential savings estimates were formulated based upon our evaluation of available information, major program considerations, and our understanding of reinvention initiatives.

We reported that by boldly restructuring the way in which GSA serves the Federal community, opportunities are available for GSA to achieve annual Governmentwide savings of \$1.6 billion and reduce GSA's staffing level by 6,682. The restructuring options available include centralizing inherently Governmental activities within GSA, transferring or delegating programs to other Federal entities, and privatizing programs. We have received many favorable comments regarding the usefulness of our opinion paper. It is being used by officials at the Office of Management and Budget, Congressional committees, and managers within the Agency to assist in their own examinations of GSA's programs and activities.

At the same time as these reinvention activities have been occurring, we have continued to perform our vital role of providing audit and investigative coverage of GSA programs and operations. We are very proud of our accomplishments during the past 6 months, especially in light of the challenges and difficulties we have faced. We are confident

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that our work is having a positive effect, both on ongoing Agency operations and on GSA's reinvention efforts. We look forward to continuing to work with Agency management and the Congress in creating the new GSA.

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



WILLIAM R. BARTON  
Inspector General

April 30, 1995

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# Summary of OIG Performance

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<b>OIG Accomplishments</b>	Total financial recommendations	\$ 95,903,045
	These include:	
	• Recommendations that funds be put to better use	\$ 82,678,872
	• Questioned costs	\$ 13,224,173
	Audit reports issued	280
<b>Results Attained</b>	Referrals for criminal prosecution, civil litigation, and administrative action	295
	Management decisions agreeing with questioned costs, civil settlements, and court-ordered and investigative recoveries	\$146,525,575
	Indictments and informations on criminal referrals and civil complaint referrals	10
	Successful criminal prosecutions	9
	Civil settlements	10
	Contractors suspended/debarred	49
	Employee actions taken on administrative referrals involving GSA employees	12



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# OIG Profile

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*The GSA OIG was established on October 1, 1978 as one of the original 12 OIGs created by the Inspector General Act of 1978. The OIG's six components work together to perform the missions mandated by the Congress.*

## Organization

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

- The **Office of Audits**, an evaluative unit staffed with auditors and analysts who provide comprehensive audit coverage of GSA operations through program performance reviews, internal controls assessments, and financial and mandated compliance audits. It also conducts external reviews to support GSA contracting officials to ensure fair contract prices and adherence to contract terms and conditions.
- The **Office of Investigations**, an investigative unit that manages a nationwide program to prevent and detect illegal and/or improper activities involving GSA programs, operations, and personnel.
- The **Office of Counsel to the Inspector General**, an in-house legal staff that provides legal advice and assistance to all OIG components, represents the OIG in litigation arising out of or affecting OIG operations, and manages the OIG's legislative/regulatory review functions.
- These functions are supported by the **Office of Administration**, the **Office of Quality Management**, and the **Internal Evaluation Staff**. These components provide in-house information systems, budgetary, administrative, personnel, and communications services; promote and coordinate the total quality process; and plan and direct field office appraisals and internal affairs reviews of OIG operations.

## Office Locations

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

## Staffing and Budget

The OIG started FY 1995 with a total on-board strength of 387 employees. As of March 31, 1995, our on-board strength was 353 employees.

The OIG's FY 1995 budget is approximately \$33 million.

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# Procurement Activities

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

## Significant OIG Accomplishments

### **Over \$7 Million in Civil Settlements**

This period, the Government entered into ten settlement agreements in which companies agreed to pay over \$7 million to resolve their potential civil liability under the False Claims Act. These agreements, negotiated by representatives of the Department of Justice and the GSA OIG, reflect the ongoing efforts of the OIG to pursue cases involving procurement fraud and practices which threaten the integrity of the Government's procurement process.

Most of these cases involved procurements under GSA's Multiple Award Schedule (MAS) program. Under this program, GSA negotiates contracts with a number of vendors who may then sell covered products to Federal agencies at established contract prices. Consistent with the provisions of the Truth in Negotiations Act and the Competition in Contracting Act, the process is based on the principles of full and open disclosure and fair negotiations. Vendors must provide current, accurate, and complete pricing information—including information about discounts granted to commercial customers—during contract negotiations. Relying on this information, GSA contracting personnel may then seek to obtain the best possible prices for the Government. In cases where vendors fail to provide current, accurate, and complete information, the Government may pay artificially inflated prices for the products and services it purchases. Highlights of selected cases follow.

- A computer manufacturer agreed to pay \$1.9 million to settle its potential civil liability. An investigation was initiated after an OIG audit revealed that the supplier sold items to its commercial customers at discounts greater than those disclosed or offered to GSA during contract negotiations.
- A manufacturer of scientific testing equipment paid the Government \$1.35 million to settle its potential civil liability. The settlement agreement resulted from an audit and investigation which showed the company had failed to accurately provide pricing and discount information to GSA contract negotiators as required.

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# Procurement Activities

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- A company that provides automated data processing supplies agreed to pay the Government \$1.2 million to settle the Government's claim that the company had submitted a false certification and had overcharged Federal customers. An OIG audit and investigation revealed that the firm had falsely represented its commercial sales to GSA contract negotiators.
- A major manufacturer of household and industrial plastic supplies and its Government contracts' representative agreed to pay \$1 million to settle a *qui tam* action under the False Claims Act. The *qui tam* provision in the False Claims Act allows individuals to bring suit, on behalf of themselves and the Federal Government, against contractors who submit false claims or false statements to the Government. The OIG confirmed the relator's allegation that the two companies failed to fully disclose their discount and pricing policies to GSA negotiators, and failed to pass along price reductions to their Government customers, as required by their contracts.
- A company that manufactures highway markers, display systems, and traffic signs agreed to pay \$550,212 to settle the Government's claims that it failed to provide current, accurate, and complete information to GSA in the course of contract negotiations. The settlement also resolved the Government's claims that, in the course of its contract performance, the company failed to give its Government customers the price reductions to which they were entitled.
- A company that sells home medical care and patient room furniture paid the Government \$350,000. The settlement agreement resolved the Government's claims that the company had failed to give its Federal customers the price reductions to which they were entitled by the terms of its MAS contract.

## **Conspiracy Conviction**

On December 15, 1994, a food service equipment distributor pled guilty in U.S. District Court to conspiracy to defraud the Government. Sentencing is scheduled for April 1995.

A joint Federal Bureau of Investigation, Department of Defense OIG, and GSA OIG investigation was initiated in response to confidential information received by the U.S. Attorney's Office alleging that the distributor was systematically overcharging for purchases made under a GSA Multiple Award Schedule contract. Investigators found that during the period 1987 to 1990, the distributor conspired to defraud Federal agencies by quoting inflated list prices and applying discounts smaller than required by the contract. To date, the investigation has identified approximately \$750,000 in fraudulent overcharges which stemmed from over \$6 million in Government sales.

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# ***Procurement Activities***

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The distributor's commission system encouraged salespersons to overcharge by allowing them to share in any extra profit that resulted from their fraudulent activity, while at the same time offering them little, if any, compensation for sales made at GSA prices.

Previously, in September 1994, three former salespersons of the distributor were sentenced in U.S. District Court after pleading guilty to conspiracy to defraud the Government.

## ***GSA Employees Accepted Gratuities***

On January 20, 1995, a former GSA automotive equipment repair inspector and a former GSA motor transportation officer pled guilty in U.S. District Court to charges of conspiracy and acceptance of illegal gratuities. In addition, the motor transportation officer pled guilty to falsification of a sworn affidavit. Sentencing is scheduled for April 11 and 13, 1995, respectively.

A joint Federal Bureau of Investigation and GSA OIG investigation was initiated when an auto painting and body repair vendor alleged possible corruption involving GSA employees. The investigation disclosed that the motor transportation officer and automotive equipment repair inspector solicited and received illegal gratuities in exchange for GSA-related fleet business. Investigators found that the motor transportation officer, who supervised operations at a regional fleet management center, accepted cash gratuities via three schemes: 1) the vendor submitted to GSA fraudulently inflated repair orders which he approved and, in exchange, the vendor paid him in cash the amount by which the estimate was inflated; 2) solicitations of cash ostensibly for expenses for two seasonal parties for GSA employees but not used for that purpose; and 3) a sporadic gratuity scheme wherein he occasionally requested cash for personal activities or events. Through these schemes, the motor transportation officer accepted at least \$1,350 and free services on personal vehicles. Investigators also found that the automotive equipment repair inspector provided confidential bidding information to vendors in exchange for pre-arranged cash kickbacks totaling \$18,850 and free services on personal vehicles.

The motor transportation officer resigned from his GSA employment during the course of the investigation. The automotive equipment repair inspector was terminated from Federal employment as a result of his misconduct.

## ***Referral to the IRS***

During a recent preaward audit, we noted that a firm failed to withhold, report, or pay all required employment taxes for its employees during calendar year 1994. The affected items included Federal and State income taxes, Social Security, and Medicare.

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## ***Procurement Activities***

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Officials of the firm informed the OIG that, due to cash flow problems, they decided to discontinue all employee tax withholding for several pay periods. The officials asserted that they did this in order to ensure that they would have sufficient funds to avoid employee layoffs and still be able to issue regular pay checks. We estimate the total underpayment could be as much as \$50,000.

We referred the matter to the Director, Office of Employment Taxes, Internal Revenue Service, on March 22, 1995.

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# Reviews of GSA Programs

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*GSA is a central management agency that sets Federal policy in such areas as Federal procurement, real property management, and telecommunications. GSA also manages diversified Government operations involving buildings management, supply facilities, real and personal property disposals and sales, data processing, and motor vehicle and travel management. In addition, GSA manages 131 accounting funds and provides cross-servicing support for client agencies. Our audits examine the efficiency, effectiveness, and integrity of GSA programs and operations and result in reports to management. Our internal audits program is designed to facilitate management's evaluation and improvement of control systems by identifying areas of vulnerability and including recommendations for improvement. This period, the OIG performed 45 internal reviews on Agency program areas.*

## **Significant OIG Accomplishments**

### **OIG Advisory Opinion on Options to Reinvent GSA**

The President, the Congress, and the American public have challenged the Executive Branch to reinvent itself into a leaner, more efficient Government. In response, GSA has embarked upon a comprehensive effort to streamline activities and achieve significant savings for the taxpayers. Consistent with our role under the Inspector General Act, we completed an analysis of most of GSA's major programs and activities that will complement the Agency's effort to identify savings and reengineering opportunities. We believe that our broad knowledge of the Agency, coupled with the statutory requirement that we be divorced from program operating responsibilities, places us in an especially good position to render informed, impartial, and objective insights on restructuring options.

We brought our most experienced and knowledgeable audit managers together to work in teams in preparing the report on a special "fast track" basis. We drew upon the OIG's knowledge of GSA programs as well as information available in General Accounting Office reports, GSA studies, and major Governmentwide reviews such as the National Performance Review and the Grace and Hoover Commissions. The report was presented to GSA management on January 23, 1995 and was provided to cognizant Congressional committees and Members. We recognize that a number of promising possibilities exist for restructuring GSA's programs, and we are continuing to work with GSA management to independently and objectively review these alternatives.

We believe that GSA could realize annual Governmentwide savings of \$1.6 billion by boldly restructuring the way it serves the Federal community and by increasing its centralized policy and oversight role. Our report focused on three restructuring concepts similar to many of those being considered by GSA. First, we believe that GSA should streamline, as necessary, and keep offices, programs, or services that 1) effectively provide policy and oversight, 2) leverage Governmentwide savings because of centralized program control, or 3) are the providers of choice for GSA's customers. Second, GSA should consider

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# *Reviews of GSA Programs*

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transferring or delegating programs unrelated to its central mission. While some programs should remain within the Government, there may not be overriding reasons for GSA to provide such services. In such cases, GSA should consider identifying other agencies that could appropriately assume program responsibility or be delegated operational responsibility when it is cost effective. Third, GSA should examine privatization of programs under several broadly-based options when it is clear that the commercial sector is a more efficient and effective provider of the service. Possible methods of privatizing include various forms of contracting with the private sector.

## ***State and Local Taxes on FTS2000***

FTS2000 provides Federal agencies with long-distance telecommunications services through two vendors. It has been characterized as the largest private telecommunications system in the world, as well as the largest non-aerospace civilian agency procurement.

The OIG continued to review important aspects of FTS2000. Previous Semiannual Reports to the Congress have reported concerns of the OIG with contract changes and overall administrative practices. One of the audits we conducted this period focused on the validity of State and local taxes imposed on FTS2000 services.

Prior to award of the initial FTS2000 contract in 1988, and again in 1990, GSA officials expressed concern over the State/local taxation of FTS2000 services. The Office of General Counsel (OGC) was asked to provide legal advice on the taxation issue. There is no indication in the Agency's files that OGC provided any formal written response. During 1992 and 1993, OGC received additional requests for advice; however, the OGC concluded that it did not have the resources to pursue this complex review because of other higher priority FTS2000 related matters.

In February 1994, we asked OGC to reassess the tax issue, and it agreed that legal review was warranted and subsequently committed staff to the project. Legal opinions that have now been issued could result in recovery of \$2.5 million from several states and the avoidance of future payment of an equal amount.

In the December 8, 1994 report, we recommended that as the Office of FTS2000 and the Information Technology Service formulate the priority requirements for legal support, the OGC should establish with these clients procedures for submission and handling of requests for legal assistance and timely responses, primarily as they relate to issues involving contract award administration.

The OGC has responded favorably by providing its FY 1995 strategic plan which calls for the staff attorneys to work more closely with its clients in setting legal work priorities and requirements.

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# *Reviews of GSA Programs*

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## *GSA's Travel Services Program*

Over the past 15 years, GSA's Federal Supply Service (FSS) has implemented several travel services programs which have greatly improved the convenience and efficiency of temporary duty travel for Government employees. First, these programs have easily saved the Government billions of dollars through fare/rate discount agreements with airlines, rail and bus companies, and hotels/motels. Second, Travel Management Center contractors (commercial travel agents) assist travelers in making reservations and obtaining tickets, thus easing the administrative burden on both the traveler and the agencies. Finally, Government employees use individual travel cards to charge expenses while on official travel, resulting in reduced travel advances for the agencies and increased convenience for the employees and generating rebate revenues for the Government from the card issuers.

While these programs have been highly successful, we believe that if GSA is more assertive in pursuing additional travel management initiatives, there is a potential for agencies to save approximately \$400 million annually, while maintaining their current level of temporary duty travel.

The OIG reviewed the travel services programs to see if customers were receiving the services they want, and if additional improvements could be made to make the programs more convenient and economical. To accomplish this objective, OIG auditors employed "benchmarking" techniques, by comparing the travel industry's best practices with FSS's, and looking for the best ways to enhance programs, improve customer service, and reduce costs. The benchmarking involved meeting with officials responsible for travel at civilian and military agencies and with individuals in travel and related service businesses throughout the private sector. Based on these discussions, the auditors concluded that FSS can further improve the travel services programs and potentially save agencies several hundred million dollars annually.

As of February 1994, FSS had 125 commercial travel agency contracts in effect. Each contract covers a designated geographical area. Government agencies with dispersed offices must therefore use more than one travel agent (GSA uses 65, some agencies use nearly all). Government travel managers are unable to accumulate and analyze data from multiple travel agents, and as a result, cannot effectively monitor travel or ensure employee compliance with travel policies. Many of the corporate and military travel managers we spoke with advised us that limiting the number of travel agencies would result in increased services and efficiencies, i.e., additional discounts and amenities from frequently used vendors, as well as special reports to assist managers. We believe that GSA should restructure travel agency contracts to enable each Government agency travel manager to work with a single point of contact. The restructured contracts should allow travel agents to provide a wider range of services, and do the bulk of

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# *Reviews of GSA Programs*

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the day-to-day work of arranging employee travel. This could save Federal agencies millions of dollars each year.

The Travel Card program was designed to reduce the need for travel advances and the use of Government Transportation Requests (GTRs) and to obtain management information and improve services for travelers. Travel officials believe that card usage could be significantly increased. Our report stated that travel card usage is lower than it could be because the Federal Travel Regulation does not require card holders to use the card wherever it is accepted; other charge cards offer users personal rebates and other incentives; and some agencies still use GTRs because regulations do not discourage their use. Both Government and corporate travel managers told us full use of the travel card would increase the value of reports provided by the card contractor, assist travel managers in negotiating preferred vendor agreements, and generate significant dollar savings. By amending regulations to require card usage wherever possible, travel costs will be lower and management data will improve.

We also believe that GSA should promote the idea of centralized payment of employee charge card travel. By so doing, the Government could eliminate the annual payment of over \$36 million for State and local taxes assessed on travelers' lodging and car rental expenses; reduce or eliminate travel advance fees, saving between \$1.5 to \$3.7 million per year; optimize sponsor and productivity refunds, potentially eliminating almost \$15 million in annual service fees; and simplify travel for the employee. Although centralized payment would increase the Government's risk of loss due to fraudulent charges or costs in excess of per diem, we believe the benefits would far outweigh any loss. Automated travel voucher systems (which many agencies are or soon will be implementing) would minimize the risk and expedite recovery from employees. While some legislative action might be necessary to expedite centralized payments, the potential for savings is significant, and FSS should pursue any required amendments.

In our report, we advised management that GSA should take a more active role in encouraging better travel management in civilian Government agencies. By doing so, agencies, the Office of Management and Budget, and Congress would have more accurate travel data upon which to base decisions, and Government travelers would enjoy the same or better services and amenities.

The Commissioner, Federal Supply Service, generally agreed with the suggestions in the November 21, 1994 report. The OIG plans, in about 1 year, to review FSS's progress in expanding the level of travel services available to agencies.

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# *Reviews of GSA Programs*

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## *GSA's Fine Arts Program*

GSA, under its Fine Arts program, controls approximately 2,500 works of art located in Federal space, as well as thousands of works housed in non-federal institutions. Most of the art in non-federal institutions was commissioned by the Roosevelt Administration during the 1930's and 1940's to employ out-of-work artists under Works Progress Administration (WPA) programs. The assets of the WPA programs were transferred to GSA in 1949, when GSA was created.

An audit of the Fine Arts program found that GSA has been making efforts to gain better management control over WPA art in non-federal institutions. Identifying the art and renewing loan agreements may, however, increase GSA's costs and be causing some institutions to reassess how they participate in the program. Since many institutions have had the art for 50 to 60 years, they simply continued caring for it. Some assumed the Government had abandoned the works since there had been little or no Government contact or assistance.

GSA has retained ownership of many WPA works believing that Federal ownership would best assure the art's availability to the public and its preservation for the future. Some institutions, however, have stated that they do not give loaned art the same public display and care that owned works receive.

GSA had acquired other art works from a variety of sources before determining where the art would be displayed. As a result, some art remains in storage unavailable to the public and incurring storage costs. Also, many GSA facilities do not have proper storage space to protect the art in their possession.

Finally, the report suggested changes to the fine arts computer system to improve the accuracy of exchanged information between Central Office and the regional offices.

Our December 22, 1994 report recommended that the Commissioner, Public Buildings Service:

- Reassess policies and practices for owning and managing fine art in non-federal institutions.
- Research records related to works GSA has retrieved from museums, and return any art that records show was previously allocated to the museums.
- Define how fine art in Federally controlled space is to be utilized and provide guidance for the acceptance and disposition of fine art.
- Give the regional Fine Arts Officers direct access to the fine arts computer data base.

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# Reviews of GSA Programs

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- Provide secure, climate controlled storage for art that will be stored for long periods.

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

## ***Processing of Thrift Savings Plan Transactions***

The Thrift Savings Plan (TSP) is a tax-deferred retirement savings and investment plan for Federal employees covered by the Federal Employees' Retirement System (FERS) and the Civil Service Retirement System (CSRS). Employees may contribute a portion of their basic pay to the TSP and allocate their contributions among three investment funds. The Government partially matches contributions made by FERS employees, but not CSRS employees. In addition, the Government contributes one percent of FERS employees' basic pay to the TSP even if the employees do not make their own contributions. During TSP open seasons, employees may elect to initiate, terminate, or change the amount of their contributions or how they are invested. As of August 31, 1994, the year-to-date TSP contributions for GSA employees totaled over \$29 million.

An OIG review at three regional personnel offices and the National Payroll Center (NPC) found that TSP transactions generally are being processed timely and accurately and in accordance with established standards. However, our review identified several instances of incorrect TSP data in the personnel and payroll systems relating to TSP service computation dates, TSP eligibility dates, and TSP fund investment allocation percentages. Neither the employees nor the Government were harmed by the erroneous dates (all have been corrected and all but one error occurred prior to a Central Office Personnel instruction emphasizing accuracy of TSP dates). However, errors in the investment allocations could affect employees' investment accounts and result in GSA being liable for monetary loss of earnings by employees. Management has taken action to correct the affected employees' accounts, and to remind payroll technicians and personnel officers of the need for accuracy and completeness in processing TSP actions.

We believe that FERS employees may not be fully aware that they can allot the one percent Government contribution even if they are not making their own contributions. During the review, we noted differences in the extent personnel offices inform FERS employees of their right to allocate the Government one percent contribution among the three TSP funds.

In the January 3, 1995 report, we recommended that the Regional Administrator and the Associate Administrator for Management Services and Human Resources:

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# **Reviews of GSA Programs**

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- Require NPC officials to determine the amount of lost earnings related to instances of incorrect TSP fund investment allocation and correct the affected employees' TSP accounts.
- Direct personnel offices to reject election forms submitted by FERS employees which stop the employees' contributions but do not designate how the one percent TSP contributions are to be allocated.
- Require personnel offices to provide information to eligible noncontributing FERS employees that explicitly states the employees' right to allocate the Government one percent TSP contribution among the three investment funds.

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

## ***Reimbursable Work Authorizations***

GSA's responsibility to manage the Federal Government's real property is established by the Federal Property and Administrative Services Act of 1949, as amended (FPASA). The FPASA authorizes GSA's Reimbursable Work Authorization (RWA) program wherein GSA provides special services, repairs, and alterations of Government owned or leased space that exceed the standard level of services allowed tenant agencies as part of their rental charge. In FY 1993, almost \$332 million in revenue was generated from the RWA program.

The OIG has been conducting an ongoing review of GSA's accounting and billing controls over reimbursable work. As part of the review, we completed an audit to determine if GSA is accurately identifying and accounting for the actual costs associated with reimbursable work. We found that GSA does not recover the indirect costs related to the performance of RWAs from its customer agencies. Indirect costs include GSA's overhead charges related to contract award and administration, data processing, and legal, accounting, and personnel support services. These costs were estimated to be as much as \$25 million annually. Due to the materiality of the amounts in question, we concluded that this condition warrants a material weakness designation and should be reported under the Federal Managers' Financial Integrity Act.

We concluded that the failure to recover indirect costs on RWAs is contrary to provisions of the FPASA and Congressional intent, as reflected in GSA's previous appropriations acts. By not charging for these indirect costs, GSA is in effect subsidizing the appropriations of other agencies at the expense of its own operations. As a result, Federal Buildings Fund monies intended for other GSA programs and operations must be used to pay for these costs.

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# *Reviews of GSA Programs*

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GSA management believes that when the Federal Buildings Fund was established, a decision was made to include indirect costs in the commercially equivalent rent charges assessed to customer agencies. The Public Buildings Service reported that GSA's Office of General Counsel and Office of Budget concurred with that assessment. We maintain that the FPASA and GSA's appropriations acts require that the costs for reimbursable services, including indirect costs, be charged directly to the customer agency. Furthermore, in situations where GSA has provided services to customers who have been delegated property management authority or own their own buildings, GSA cannot recover its indirect costs on RWA projects because those customers do not pay rent to the Federal Buildings Fund. Management stated that the Business Process Reengineering Team has been directed to redesign the current RWA process.

In the March 31, 1995 report, we recommended that the Commissioner, Public Buildings Service:

- Have the Public Buildings Service Controller work with the Chief Financial Officer to develop overhead rates to apply to RWA projects.
- Instruct the regional offices to charge customer agencies for overhead on RWA projects and provide the necessary guidance.

Management did not indicate its agreement or disagreement with the report recommendations. The audit is still in the resolution process.

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# Prevention Activities

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*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.*

## **Significant Preaward Audits**

The OIG's preaward audit program provides information to contracting officers for use in negotiating contracts. The pre-decisional, advisory nature of preaward audits distinguishes them from other audits. This program provides vital and current information to contracting officers, enabling them to significantly improve the Government's negotiating position and realize millions of dollars in savings on negotiated contracts. This period, the OIG performed preaward audits of 193 contracts with an estimated value of over \$900 million. The audit reports contained over \$80 million in financial recommendations.

### **Multiple Award Schedule Contracts**

This period, four of the more significant Multiple Award Schedule contracts we audited had estimated Governmentwide sales totaling over \$47 million. We found that Government agencies could save over \$10 million if improved discounts can be negotiated based on the information we developed.

The OIG evaluated discount schedule and marketing data submitted in response to GSA's solicitations for the purchase of training aids and devices; laboratory equipment; and draperies, blinds, and bedspreads.

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

### **Other Contracts**

The OIG performed two significant audits of claims for increased costs. These audits reviewed amounts of over \$4 million and recommended adjustments of more than \$2 million.

- The OIG audited a claim for increased costs related to the renovation and conversion of two Federal buildings. The contractor alleged that a Government directive to suspend on-site work resulted in increased costs. We advised the contracting officer that most of the claimed costs were not allowable, reasonable, supported by appropriate cost accounting records, or allocable to the Government contract.
- The OIG reviewed a claim for increased costs related to the construction of a Federal courthouse. The contractor alleged that Government-caused delays due to defective documents, lack of

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# **Prevention Activities**

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direction, lack of permanent utilities, and excessive change orders during construction resulted in increased costs. We advised the contracting officer that the contractor overstated the costs for general conditions, home office overhead, and overtime. In addition, the contractor did not adequately support charges related to lost productivity, additional heating, materials handling, and testing costs.

## ***Federal Managers' Financial Integrity Act Reviews***

The Federal Managers' Financial Integrity Act requires GSA management to provide assurance to the President and the Congress that Agency resources are protected from fraud, waste, mismanagement, and misappropriation.

We advised management that a material control weakness concerning GSA's control over its automated personal property disposal system should have been reported to the Administrator. In addition, we believe that the high risk rating for this program component should be retained, not reduced as management recommended. Nothing else came to our attention during the review that would lead the OIG to conclude that reporting officials had other than reasonable and reliable bases for their assurance statements.

Our findings were presented to the Agency's Management Control Oversight Council. The Council concurred with our recommendation to retain the high risk rating for the property utilization/disposal component but, after studying the issue, decided that the Administrator's 1994 Assurance Letter to the President would not include controls over the automated personal property disposal system as a material weakness. The Administrator's Assurance Letter instead highlighted personal property disposal as an area of substantial concern.

## ***Integrity Awareness***

The OIG presents Integrity Awareness Briefings nationwide to educate GSA employees on their responsibilities for the prevention of fraud and abuse, and to reinforce employees' roles in helping to ensure the integrity of Agency operations.

These briefings explain the statutory mission of the OIG and the methods available for reporting suspected instances of wrongdoing. In addition, through case studies and slides, the briefings expose GSA employees to actual instances of fraud in GSA and other Federal agencies.

## ***Hotline***

The OIG Hotline provides an avenue for concerned employees to report suspected wrongdoing. Hotline posters located in GSA-controlled buildings, as well as Hotline brochures, encourage employees to use the Hotline.

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# ***Prevention Activities***

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During this reporting period, we received 89 Hotline calls and letters. Of these, 84 complaints warranted further action. We also received 28 referrals from General Accounting Office and other agencies; 13 of these referrals required further action.

## ***Advisory Lease Reviews***

The OIG's program for reviewing leases prior to award provides front-end assurance that GSA is adhering to regulations and procedures before awarding selected leases exceeding established thresholds. These reviews, although advisory in nature, promote opportunities for economy and efficiency in the leasing area, and the avoidance of problems before they occur.

This period we received 20 lease proposals for review and completed 5 audits. One of the proposals reviewed had minor deficiencies which were brought to management's attention. The Agency has identified the leasing program for evaluation as a nationwide reinvention project. The OIG will provide an independent verification of the evaluation process.

## ***Implementation Reviews***

The OIG performs independent reviews of implementation actions, on a selected basis, to ensure that management's corrective actions in response to OIG recommendations are being accomplished according to established milestones. This period, the OIG performed 8 implementation reviews. In 7 of the reviews, the recommendations were fully implemented. In the eighth review, 1 recommendation has been partially implemented.

## ***Financial Statements Audit***

The Chief Financial Officers Act of 1990 requires the OIG to conduct or arrange for an annual audit of GSA's consolidated financial statements. The Act also requires a report on GSA's system of internal accounting controls and on GSA's compliance with laws and regulations. With oversight and guidance from the OIG, an independent public accounting firm performed this audit for FY 1994. In the audit report dated February 1, 1995, GSA received unqualified opinions on its financial statements as well as on its system of internal accounting controls. Several conditions were identified where steps should be taken to strengthen internal controls. None were considered material. The report on GSA's compliance with laws and regulations indicated that GSA complied in all material respects. In addition, the OIG completed limited reviews of the internal controls for two program performance measures, assessing reasonableness of the control structure to generate reliable performance information as required by Office of Management and Budget Bulletin 93-06. The preliminary assessment showed that the design and implementation of the existing control structure could be improved.

## ***Legislative Requirements***

This period, the OIG conducted an evaluation to satisfy legislative requirements for FY 1994 activities. In the review, the OIG evaluated GSA's compliance with Public Law 101-121, also known as the Byrd Amendment Restrictions on Lobbying Activities. The Amendment requires that recipients of contracts, loans, or cooperative agreements

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## *Prevention Activities*

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over certain dollar thresholds certify that no Federal funds were used for lobbying activities. Disclosure of lobbying activity costs paid from non-federal funds is also required. Our review indicated that GSA was in compliance with the Amendment's requirements.

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# Review of Legislation and Regulations

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

During this period, the OIG reviewed 252 legislative matters and 31 proposed regulations and directives. The OIG provided significant comments on the following legislative items:

- **Federal Property and Administrative Services Reinvention Act of 1995.** We endorsed GSA's efforts to determine how it can more economically and efficiently perform its functions. We also registered concerns relating to the test programs the legislation would authorize. Specifically, we recommended that the legislation establish parameters such as dollar and time period maximums for such programs. Also, we recommended deletion of the provision for a blanket waiver of all procurement laws and regulations in conducting such programs.
- **Office of Management and Budget Procurement Bill No. 11.** We endorsed the implementation of two-phase selection procedures for design and construction acquisition. However, we opposed several provisions of the bill which would expand the definition of simplified acquisition threshold contracts. First, we opposed the provision allowing the inclusion of service contracts of up to \$1 million in certain circumstances. Second, we objected to revising the definition of commercial services to eliminate the requirement that an established price be reflected in a catalog. Third, we opposed repealing a statutory provision requiring the prompt resolution of audit findings. Fourth, we objected to increasing substantially the justification approval thresholds for procurements conducted without full and open competition.
- **H.R. 9, Job Creation and Wage Enhancement Act of 1995.** We objected to the so-called "citizens' rights" provisions on the grounds that they were impracticable and would cripple the conduct of Federal investigations. We generally agreed that whistleblowers should be free from reprisals; however, we objected to the private whistleblower provisions because their scope was too broad. Finally, we objected to a provision which would create a new cause of action that would expose Government employees to personal liability for engaging in prohibited regulatory practices. We noted that this cause of action could affect and potentially be inconsistent with the protections afforded Federal employees pursuant to the Federal Tort Claims Act.

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# *Review of Legislation and Regulations*

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- **H.R. 85, Federal Travel Disclosure Act of 1995.** We generally opposed this bill because the existing system of travel regulations, when properly applied, appears to provide adequate controls. We also noted that two aspects of the legislation, the provision prohibiting agencies from expending funds on travel by other agencies' employees, and the provision requiring public access to quarterly travel reports, would hamper the OIG's ability to pursue interagency criminal and civil cases and ongoing investigations and audits.
- **H.R. 28, Freedom from Government Competition Act of 1995.** While we agreed with the concept of transferring functions currently performed by the Government to the private sector, we noted that this was only appropriate when cost-effective and feasible from a policy standpoint. We questioned the broad and sweeping language of the proposed legislation, and we noted that careful study was required before any such transfer occurs.

In addition, the OIG provided comments on the following regulatory items:

- **Federal Acquisition Streamlining Act of 1994, P.L. 103-355, Implementing Regulations.**
  - **Contractor Whistleblower Provisions.** We generally opposed the regulation's notification provision requiring OIGs to notify contractors of their preliminary determination to investigate a particular whistleblower complaint. We believed that this notification provision might compromise the effectiveness of such OIG investigations. Instead, we recommended that such notification occur sometime later in the course of the investigation, perhaps before the written report of findings is prepared by the OIG.
  - **Truth in Negotiations Act.** We cited the need for clarification of the circumstances under which contractors may claim the new commercial item exemption and of the audit provisions that accompany the new exemption. In addition, we objected to the regulation's definition of adequate price competition as including instances where only one responsive offer is received. Also, we suggested that, when appropriate, sample defective pricing and price reduction clauses be contained within the Federal Acquisition Regulation (FAR) for easy use by contracting officers.
  - **Acquisition of Commercial Items.** We advised against the loosening of the definition of "commercial items" to include commercial items with "minor modifications." We noted that such items may have undergone Government specialized modifications and may be significantly more expensive as a

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# *Review of Legislation and Regulations*

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result. In such instances, contracting officers should be given the discretion to determine on a case-by-case basis whether a modification is minor. In addition, we noted that the regulation's policy should be revised to allow procuring agencies to include additional clauses to protect the Government's interests. Finally, we suggested that the listing of laws in the FAR from which commercial item procurements would be exempt should be clarified.

- ***Law Enforcement Availability Pay Act of 1994, P.L. 103-329, Draft and Final Interim Implementing Rules.*** We advocated allowing individual agencies or offices more flexibility in defining the scope of the voluntary opt-out provision. Also, we proposed the term "agency head" should be defined to explicitly include the Inspector General in agencies where eligible investigators are employed within Offices of Inspectors General. We also pointed out a change which needed to be made in the manner of accounting for training and travel hours in meeting the substantial hours requirement so as to avoid both inequity to the agent and unfairness to the Government by an undue "loading" of hours to meet the requirement. In addition, we believed that there needed to be an allowance for agencies' discretion to suspend availability pay for employees on excused absence status pending disciplinary or other proceedings.

# Statistical Summary of OIG Accomplishments

## Audit Reports Issued

The OIG issued 280 audit reports, including 5 audits performed for the OIG by another agency. The 280 reports contained financial recommendations totaling \$95,903,045, including \$82,678,872 in recommendations that funds be put to better use and \$13,224,173 in questioned costs. Due to GSA's mission of negotiating contracts for Governmentwide supplies and services, most of the recommended savings that funds be put to better use would be applicable to other Federal agencies.

## Management Decisions on Audit Reports

Table 1 summarizes the status of the universe of audits requiring management decisions during this period, as well as the status of those audits as of March 31, 1995. Thirteen reports more than 6 months old were awaiting management decisions as of March 31, 1995; all of them were preaward audits which are not subject to the 6 month management decision requirement. Table 1 does not include 2 reports issued to other agencies this period and 19 reports excluded from the management decision process because they pertain to ongoing investigations.

**Table 1. Management Decisions on OIG Audits**

	No. of Reports	Reports with Financial Recommendations	Total Financial Recommendations
For which no management decision had been made as of 10/1/94			
Less than 6 months old	104	87	\$ 106,537,482
More than 6 months old	8	6	3,280,308
Reports issued this period	<u>275</u>	<u>178</u>	<u>94,641,719</u>
<b>TOTAL</b>	<b>387</b>	<b>271</b>	<b>\$204,459,509</b>
For which a management decision was made during the reporting period			
Issued prior periods	99	81	\$ 107,679,521
Issued current period	<u>183</u>	<u>108</u>	<u>51,011,758</u>
<b>TOTAL</b>	<b>282</b>	<b>189</b>	<b>\$158,691,279</b>
For which no management decision had been made as of 3/31/95			
Less than 6 months old	92	70	\$ 43,629,961
More than 6 months old	<u>13</u>	<u>12</u>	<u>2,138,269</u>
<b>TOTAL</b>	<b>105</b>	<b>82</b>	<b>\$ 45,768,230</b>

# Statistical Summary of OIG Accomplishments

## Management Decisions on Audit Reports With Financial Recommendations

Tables 2 and 3 present the audits identified in Table 1 as containing financial recommendations by category (funds to be put to better use or questioned costs). Some of the reports contained recommendations that funds be put to better use as well as questioned costs, and these reports are therefore included in both Tables 2 and 3.

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

	No. of Reports	Financial Recommendations
For which no management decision had been made as of 10/1/94		
Less than 6 months old	80	\$ 103,381,971
More than 6 months old	6	3,280,308
Reports issued this period	<u>139</u>	<u>81,417,546</u>
<b>TOTAL</b>	<b>225</b>	<b>\$188,079,825</b>
For which a management decision was made during the reporting period		
Recommendations agreed to by management based on proposed		
• management action	—	\$ 130,202,611
• legislative action	—	
Recommendations not agreed to by management	—	<u>12,459,659</u>
<b>TOTAL</b>	<b>156</b>	<b>\$142,662,270</b>
For which no management decision had been made as of 3/31/95		
Less than 6 months old	57	\$ 43,279,286
More than 6 months old	<u>12</u>	<u>2,138,269</u>
<b>TOTAL</b>	<b>69</b>	<b>\$ 45,417,555</b>

# Statistical Summary of OIG Accomplishments

**Table 3. Management Decisions on OIG Audits with Questioned Costs**

	No. of Reports	Questioned Costs	Unsupported Costs
For which no management decision had been made as of 10/1/94			
Less than 6 months old	8	\$ 3,155,511	\$—
More than 6 months old	0	0	—
Reports issued this period	<u>42</u>	<u>13,224,173</u>	<u>—</u>
<b>TOTAL</b>	<b>50</b>	<b>\$ 16,379,684</b>	<b>\$—</b>
For which a management decision was made during the reporting period			
Disallowed costs	—	\$ 13,067,650*	\$—
Costs not disallowed	—	<u>3,992,187</u>	<u>—</u>
<b>TOTAL</b>	<b>36</b>	<b>\$ 17,059,837**</b>	<b>\$—</b>
For which no management decision had been made as of 3/31/95			
Less than 6 months old	14	\$ 350,675	\$—
More than 6 months old	<u>0</u>	<u>0</u>	<u>—</u>
<b>TOTAL</b>	<b>14</b>	<b>\$ 350,675</b>	<b>\$—</b>

\* \$6,076,174 of this amount was recovered in civil settlements, as reported in Table 5.  
 \*\* Includes \$1,030,828 that management decided to seek that exceeded recommended amounts.

# Statistical Summary of OIG Accomplishments

## *Investigative Workload*

The OIG opened 172 investigative cases and closed 179 cases during this period. In addition, the OIG received and evaluated 78 complaints and allegations from sources other than the Hotline that involved GSA employees and programs. Based upon our analyses of these complaints and allegations, OIG investigations were not warranted.

## *Referrals*

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

**Table 4. Summary of OIG Referrals**

Type of Referral	Cases	Subjects
Criminal	36	71
Civil	9	18
Administrative	<u>82</u>	<u>206</u>
<b>TOTAL</b>	<b>127</b>	<b>295</b>

In addition, the OIG made 29 referrals to other Federal activities for further investigation or other action and 58 referrals to GSA officials for informational purposes only.

## *Actions on OIG Referrals*

Based on these and prior referrals, 21 cases (43 subjects) were accepted for criminal prosecution and 11 cases (18 subjects) were accepted for civil litigation. Criminal cases originating from OIG referrals resulted in 10 indictments/informations and 9 successful prosecutions. OIG civil referrals resulted in 10 case settlements. Based on OIG administrative referrals, management debarred 31 contractors, suspended 18 contractors, and took 12 personnel actions against employees.

# Statistical Summary of OIG Accomplishments

## Monetary Results

Table 5 presents the amounts of fines, penalties, settlements, judgments, and restitutions payable to the U.S. Government obtained as a result of criminal and civil actions arising from OIG referrals.

In addition, the OIG identified for recovery \$2,123,137 in money and/or property during the course of its investigations.

**Table 5. Criminal and Civil Recoveries**

	<u>Criminal</u>	<u>Civil</u>
Fines and Penalties	\$ 10,150	\$ —
Settlements or Judgments	—	7,150,212 *
Restitutions	<u>47,989</u>	<u>—</u>
<b>TOTAL</b>	<b>\$ 58,139</b>	<b>\$7,150,212</b>

*\*This amount includes \$6,076,174 reportable pursuant to section 5(a)(8) of the Inspector General Act as management decisions to disallow costs. See Table 3.*



# ***APPENDICES***



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# Appendix I – Significant Audits From Prior Reports

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

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

## **Real Property Sales**

*Period First Reported: April 1, 1994 to September 30, 1994*

The review found that GSA was not fully recovering costs and that its accounting system could not adequately track costs. All of the report's recommendations have been implemented; however, audit closure awaits a management follow-up review scheduled for completion by September 30, 1995.

## **Real Estate Management**

*Period First Reported: April 1, 1994 to September 30, 1994*

The review found that repair and alteration projects in one region could be more comprehensively planned and data bases more accurately maintained. The report contained ten recommendations; seven have been implemented.

One of the remaining recommendations, involving the validation of work items listed in the data base, is scheduled for completion by August 31, 1996. The second recommendation requires the identification of building retention status and is scheduled for completion by June 30, 1996. The third recommendation involves the validation of inspection data which is scheduled for completion by October 31, 1995.

## **Maintenance Control Center Operations**

*Period First Reported: April 1, 1994 to September 30, 1994*

The review identified opportunities for improvement in the processing of invoices and the management of maintenance and repair data. The report contained five recommendations; none have been implemented.

The recommendations require the establishing of alternative payment procedures, recording of necessary repair and maintenance information, transferring service information from customer agencies, and streamlining operational structure. They are scheduled for completion by November 30, 1995.

## **Federal Computer Acquisition Center**

*Period First Reported: April 1, 1994 to September 30, 1994*

The review found that the Center lacked adequate management and financial control systems and needed to fully implement GSA policies and procedures regarding automated information system security. The report contained three recommendations; one has been implemented.

The remaining two recommendations require the development of a system of internal management controls and improvements in automated information system security. They are scheduled for completion by April 30, 1995.

## **Administrative Support Services**

*Period First Reported: April 1, 1994 to September 30, 1994*

The review identified opportunities for improvement in the administrative support services GSA provides to its program activities. All of the report's recommendations have been implemented; however, audit closure awaits a management follow-up review scheduled for completion by June 30, 1995.

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# Appendix I – Significant Audits From Prior Reports

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## **Federal Protective Service**

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

The review found that GSA needed to strengthen its control over firearms and improve physical security. The report contained 14 recommendations; 13 have been implemented.

The remaining recommendation involves an operational review and the development of a plan for the efficient operation of the control centers. It is scheduled for completion by July 31, 1995. A management follow-up review is scheduled for completion by August 31, 1995.

## **Inventory Management**

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

The review identified opportunities for savings in the inventory management of stock in depots. All of the report's recommendations have been implemented; however, audit closure awaits a management follow-up review scheduled for completion by March 31, 1996.

## **Distribution Centers**

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

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

One of the remaining recommendations requires the implementation of stock locator software. It is scheduled for completion by September 30, 1995. The other recommendation involves improvements in stock selection accuracy. All actions related to the implementation have been completed except for a follow-up review. It is scheduled for completion by November 30, 1995.

## **Business Allocation**

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

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

The remaining recommendation involves GSA's determination of its future role in contractor revenue allocation and indicating it in future proposals. It is scheduled for completion by January 31, 1996.

## **Procurement Personnel Development**

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

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

This recommendation requires improving the warranting, training, and certification programs. These improvements are scheduled for completion by May 31, 1995.

## **Local Telephone Service Program**

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

The review disclosed the need to provide better service to Federal customers of the local telecommunications program. The report included six recommendations; two have been implemented.

Two of the remaining recommendations require comparing costs with telephone services available from the private sector and identifying customers who should be provided service from another type of system.

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# ***Appendix I – Significant Audits From Prior Reports***

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The other two recommendations involve rate agreements and management of toll calls. An action plan outlining revised implementation dates for the recommendations is scheduled for completion by May 31, 1995.

## ***Employee Benefit Programs***

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

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

The remaining recommendation required a determination whether it would be cost beneficial to recover health benefit insurance contributions for prior years and to take appropriate action based on that determination. While

all pertinent actions have been taken on this recommendation, it remains open until all recovery actions are completed.

## ***Contract Workload Management***

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

This review revealed the need to develop a strategy for addressing procurement workload concerns. The report contained one recommendation; it has not yet been implemented.

This recommendation involves the development of the means to monitor Multiple Award Schedule contracting workload. This recommendation remains open, and the Office of Acquisition Policy is monitoring the Agency's ongoing systems development efforts.

# Appendix II – Audit Report Register

Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
<i>(Note: Due to the pre-decisional nature of some audits, the financial recommendations pertaining to these reports are not listed in this Appendix.)</i>				
<b>PBS</b>	<b>INTERNAL AUDITS</b>			
10/13/94	A42161	Preaward Lease Review: Federal Courthouse, Pecos, Texas, Lease Number GS-07B-14146		
10/31/94	A43024	Postaward Lease Audit: The Portals Building, Lease Number GS-11B-20644		
11/08/94	A41519	Audit of Negotiation and Award of Supplemental Architect-Engineer Contracts, Region 5		
11/15/94	A32461	Review of Pricing and Management of Reimbursable Work Authorizations, Pacific Rim Region		
11/22/94	A41249	Audit of GSA Region 4 Energy Conservation Projects		
12/07/94	A53007	Preaward Lease Review: 1331 Pennsylvania Avenue, NW; Washington, DC, Lease Number GS-11B-40134		
12/22/94	A41543	Audit of GSA's Fine Arts Program		
01/18/95	A42147	Audit of Buildings Management Field Office, El Paso, Texas		
01/27/95	A32454	Audit of Repair and Alteration Inventory, Public Buildings Service, Pacific Rim Region		
02/03/95	A53012	Preaward Lease Review: 950 L'Enfant Plaza, SW; Washington, DC, Lease Number GS-11B-50124		
02/06/95	A53016	Preaward Lease Review: 633 Indiana Avenue, NW, Washington, DC, Lease Number GS-11B-20069		
02/14/95	A42419	Audit of the Use of Repair and Alteration Term Contracts, Pacific Rim Region		
02/27/95	A42124	Audit of Region 7 Indefinite Quantity Term Contracts Used for Repairs and Alterations		\$7,675
03/14/95	A42153	Audit of Computer Aided Design (CAD) Equipment Utilization, Region 7		

# Appendix II – Audit Report Register

Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
03/14/95	A42158	Audit of Energy Conservation Projects, Region 7		
03/14/95	A52484	Preaward Lease Audit: 5051 Rodeo Road, Los Angeles, California, Pacific Rim Region, Lease Number GS-09B-93226		
03/23/95	A42144	Audit of Negotiation and Award of Supplemental Architect-Engineer Contracts		
03/30/95	A42731	Audit Report on Indirect Costs on PBS Reimbursable Work Authorizations		
03/30/95	A53030	Audit of Overtime Practices: Real Property Management Division		
<b>PBS CONTRACT AUDITS</b>				
10/04/94	A43492	Preaward Audit of Architect and Engineering Services Contract: DMS International, Inc., Solicitation Number GS11P94EGD0013		
10/06/94	A40651	Preaward Audit of Cost or Pricing Data, Relating to a Claim for Extended Field and Home Office Overhead Costs: Volmar Construction, Inc., Contract Number GS-02P-91-CUC-0035		
10/11/94	A43493	Preaward Audit of Architect and Engineering Services Contract: CRSS Constructors, Inc., Solicitation Number GS-03P-94-DXD-0010		
10/20/94	A41581	Preaward Audit of Architect and Engineering Services Contract: Leonard Parker Associates, Architects, Inc., Solicitation Number GS05P94GBD0020		
10/25/94	A42467	Audit of Termination Proposal: Pacific Southwest Roofing, Inc., Contract Number GS-09P-90-NPC-0014		
10/25/94	A42505	Preaward Audit of Cost or Pricing Data: O'Connor Construction Management, Inc., Contract Number GS-09P-94-NPC-0031		
10/27/94	A42504	Preaward Audit of Cost or Pricing Data: Daniel, Mann, Johnson & Mendenhall, Solicitation Number GS-09P-94-NPC-0031		

## Appendix II – Audit Report Register

Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
10/31/94	A40666	Preaward Audit of Architect and Engineering Services Contract: Helpern Architects, Solicitation Number GS-02P-94-CUC-0071(N)		
10/31/94	A40670	Preaward Audit of Architect and Engineering Services Contract: Lakhani & Jordan Engineers, P.C., Solicitation Number GS-02P-94-CUC-0071(N)		
10/31/94	A43501	Preaward Audit of Architect and Engineering Services Contract: CKL Architects, Inc., Solicitation Number GS-11P-94-EDG-0006		
11/04/94	A40947	Audit of a Claim: SAE Americon Mid-Atlantic, Inc., Contract Number GS-03P-91-CDC-0006		
11/08/94	A40658	Preaward Audit of a Claim: Evergreene Painting Studios, Inc., Contract Number GS-02P-91-CTC-0049		
11/08/94	A43484	Preaward Audit of Sole Source Contract: Omnisecon International, RFP Number GS-11P-94-MJC-0031		
11/08/94	A43502	Preaward Audit of Sole Source Contract: 4-S Construction, Inc., RFP Number GS-11P-94-MKC-0030		
11/10/94	A41582	Preaward Audit of Architect and Engineering Services Contract: Phillips Swager Associates, Solicitation Number GS05P94GBD0020		
11/14/94	A41840	Preaward Audit of Small Business Administration 8(A) Pricing Proposal: Williams Electrical Construction & Wholesale, Inc., Solicitation Number GS06P94GYC-0062(N)		
11/15/94	A41579	Preaward Audit of Architect and Engineering Services Contract: Cannon Corporation, Solicitation Number GS06P94GYD0033		
11/15/94	A52412	Preaward Audit of Cost or Pricing Data: SecureCo, Solicitation Number GS-09P-94-KSC-0171		
11/16/94	A50606	Preaward Audit of Cost or Pricing Data: Armrest Security Patrol, Inc., RFP Number GS-02P-94-CTD-0099		
11/22/94	A52523	Preaward Audit of Architect and Engineering Services Contract: Silverman & Light, Inc., Solicitation Number GS-09P-94-KTC-0027		

## **Appendix II – Audit Report Register**

<b>Date of Report</b>	<b>Audit Number</b>	<b>Title</b>	<b>Financial Recommendations</b>	
			<b>Funds To Be Put To Better Use</b>	<b>Questioned (Unsupported) Costs</b>
11/23/94	A40667	Preaward Audit of a Claim: Kohn, Pedersen, Fox Associates, P.C., First Tier Subcontractor to BPT Properties, L.P., Contract Number GS-02P-91CUC0057		
11/23/94	A52524	Preaward Audit of Architect and Engineering Services Contract: Gayner Engineers, Solicitation Number GS-09P-94-KTC-0027		
11/30/94	A40661	Preaward Audit of Change Order Proposal: Leewen Mechanical Corporation, Contract Number GS02P93-CUC0054		
11/30/94	A40671	Preaward Audit of Architect and Engineering Services Contract: Mayers & Schiff Associates PC, Solicitation Number GS-02P-94-CUC-0069(N)		
11/30/94	A40946	Audit of a Claim: Fluidics, Inc., Subcontractor to SAE/Americon, Inc., Contract Number GS-03P-91-CDC-0006		
11/30/94	A40950	Audit of a Claim: Trade Images, Inc., Subcontractor to SAE/Americon, Inc., Contract Number GS-03P-91-CDC-0006		
11/30/94	A50607	Preaward Audit of Cost or Pricing Data: Armrest Security Patrol, Inc., RFP Number GS-02P-94-CTC-0039		
12/02/94	A40349	Audit of Settlement Proposal: Kenneth R. Adams, Inc., Contract Number GS-01P-93-BZC-0054		
12/06/94	A52522	Preaward Audit of Architect and Engineering Services Contract: Holben, Martin & White, Subcontractor to Leo A. Daly, Solicitation Number GS-09P-94-KTC-0031		
12/06/94	A52531	Preaward Audit of Architect and Engineering Services Contract: Baltes-Valentino Associates, Solicitation Number GS-09P-94-KTC-0030		
12/06/94	A52535	Preaward Audit of Cost or Pricing Data: Leo A. Daly Company, Solicitation Number GS-09P-KTC-0031		
12/08/94	A51511	Preaward Audit of Architect and Engineering Services Contract: Environ, Inc., Solicitation Number GS05P94-GBD0021		

## **Appendix II – Audit Report Register**

<b>Date of Report</b>	<b>Audit Number</b>	<b>Title</b>	<b>Financial Recommendations</b>	
			<b>Funds To Be Put To Better Use</b>	<b>Questioned (Unsupported) Costs</b>
12/08/94	A51514	Preaward Audit of Architect and Engineering Services Contract: Pierce, Goodwin, Alexander & Linville, Solicitation Number GS-07P-94-JUC-0011		
12/09/94	A52417	Preaward Audit of Architect and Engineering Services Contract: Stone Marraccini Patterson, Solicitation Number GS-09P-94-KTC-0027		
12/12/94	A51207	Preaward Audit of Architect and Engineering Services Contract: The Freelon Group, Incorporated, Solicitation Number GS-04P-94-EXC-0040		
12/12/94	A51208	Preaward Audit of Architect and Engineering Services Contract: Hellmuth, Obata & Kassabaum, Inc., Solicitation Number GS-04P-92-EXC-0017		
12/12/94	A53609	Preaward Audit of Architect and Engineering Services Contract: McMullan & Associates, Inc., Solicitation Number GS11P94EGD0016		
12/15/94	A40656	Audit of a Claim for Additional Costs: Volmar Construction, Inc., Contract Number GS-02P-91- CUC-0035		
12/16/94	A50616	Preaward Audit of Architect and Engineering Services Contract: Lakhani & Jordan Engineers, P.C., Solicitation Number GS-02P-94-CUC-0069(N)		
12/16/94	A51510	Preaward Audit of Architect and Engineering Services Contract: Guidry Beazley Ostteen Architects, Partner in the Lafayette Design Group, Joint Venture, Proposed Contract Number GS-07P-94-JUC-0009		
12/21/94	A51512	Preaward Audit of Architect and Engineering Services Contract: Eskew Filson Architects, Partner in the Lafayette Design Group Joint Venture, Proposed Contract Number GS-07P-94-JUC-0009		
12/22/94	A52411	Preaward Audit of Cost or Pricing Data: Abide International, Inc., Solicitation Number GS-09P-94- NPC-0031		
12/22/94	A52532	Preaward Audit of Architect and Engineering Services Contract: SEM Design Corporation, Solicitation Number GS-09P-94-KTC-0030		

## **Appendix II – Audit Report Register**

<b>Date of Report</b>	<b>Audit Number</b>	<b>Title</b>	<b>Financial Recommendations</b>	
			<b>Funds To Be Put To Better Use</b>	<b>Questioned (Unsupported) Costs</b>
12/29/94	A53612	Preaward Audit of Change Order Proposal: G&B Environmental, Inc., a Subcontractor to A. S. McGaughan Company, Inc., Contract Number GS-11P91MKC-0196 U		
01/03/95	A51812	Audit of Claim for Increased Costs: Spirco Environmental, Inc., Subcontractor to BSI Constructors, Inc., Contract Number GS06P89GYC0192		
01/05/95	A41842	Audit of Claim for Increased Costs: Guarantee Electrical Company, Subcontractor to BSI Constructors, Inc., Contract Number GS06P89GYC-0192		
01/06/95	A50617	Preaward Audit of Architect and Engineering Services Contract: Hardy Holzman Pfeiffer Associates, Contract Number GS-09P-94-KTC-0031(NAZ04600)		
01/09/95	A41841	Audit of Claim for Increased Costs: BSI Constructors, Inc., Contract Number GS06P89GYC0192		
01/09/95	A51809	Audit of Claim for Increased Costs: Gross Mechanical Contractors, Inc., Subcontractor to BSI Constructors, Inc., Contract Number GS06P89GYC-0192		
01/10/95	A50615	Preaward Audit of Architect and Engineering Services Contract: Narov Associates, Solicitation Number GS-02P-93-CUC-0062(NEG)		
01/10/95	A51217	Preaward Audit of Cost or Pricing Data: Gilbane Building Company, Solicitation Number GS-07P-94-JUC-0013		
01/12/95	A50614	Preaward Audit of Architect and Engineering Services Contract: Richard Meier & Partners, Solicitation Number GS-09P-94-KTC-0030(NAZ03600)		
01/18/95	A52533	Preaward Audit of Architect and Engineering Services Contract: Grommes-Meade Engineering, Inc., Subcontractor to Langdon Wilson Architecture Planning Interiors, Solicitation Number GS-09P-94-KTC-0030		
01/20/95	A50608	Preaward Audit of a Change Order Proposal: Leewen Contracting Corporation, Contract Number GS-02P-93-CUC-0100(N)		

## *Appendix II – Audit Report Register*

<b>Date of Report</b>	<b>Audit Number</b>	<b>Title</b>	<b>Financial Recommendations</b>	
			<b>Funds To Be Put To Better Use</b>	<b>Questioned (Unsupported) Costs</b>
01/23/95	A52536	Preaward Audit of Architect and Engineering Services Contract: Langdon Wilson Architecture, Solicitation Number GS-09P-94-KTC-0030		
01/24/95	A43494	Audit of Claim for Increased Cost: The George Hyman Construction Company, Contract Number GS-11P92-MKC0062		
01/24/95	A51218	Preaward Audit of Architect and Engineering Services Contract: Ray Huff Architects P.A., Solicitation Number GS-04P-94-EXC-0033		
01/24/95	A51220	Preaward Audit of Architect and Engineering Services Contract: Stevens & Wilkinson of S.C., Inc., Consultant to Ray Huff Architects P.A., Solicitation Number GS-04P-94-EXC-0033		
01/25/95	A40673	Preaward Audit of a Claim: BPT Properties, Foley Square, L.P., Contract Number GS-02P-91CUC0057		
01/26/95	A51519	Preaward Audit of Architect and Engineering Services Contract: Gausman & Moore Associates, Inc., Consultant to Leonard Parker Associates, Architects, Solicitation Number GS05P94GBD0020		
01/27/95	A51520	Preaward Audit of Architect and Engineering Services Contract: Oftedal, Locke, Broadston & Associates, Inc., Consultant to Leonard Parker Associates, Architects, Solicitation Number GS05P94GBD0020		
01/31/95	A43499	Audit of Claim for Increased Costs: MRC Construction, Inc., GSBCA Number 12745		
02/01/95	A40945	Audit of a Claim: Contarino Brothers, Inc., Subcontractor to SAE American, Inc., Contract Number GS-03P-91-CDC-0006		
02/01/95	A51518	Preaward Audit of Change Order Proposal: Setterlin Construction Company, Contract Number GS05P94-GBC0002(NEG)		
02/06/95	A53620	Preaward Audit of Architect and Engineering Services Contract: Scharf-Godfrey Inc., Solicitation Number GS11P94EGD0013		

## *Appendix II – Audit Report Register*

<b>Date of Report</b>	<b>Audit Number</b>	<b>Title</b>	<b>Financial Recommendations</b>	
			<b>Funds To Be Put To Better Use</b>	<b>Questioned (Unsupported) Costs</b>
02/15/95	A50610	Preaward Audit of Architect and Engineering Services Contract: Haines Lundberg Waehler, Solicitation Number GS-02P-93-CUC-0062(N)		
02/15/95	A50627	Preaward Audit of Architect and Engineering Services Contract: Hardie & Associates Consulting Engineers, Solicitation Number GS-02P-93-CUC-0062(NEG)		
02/15/95	A53615	Audit of Claim for Increased Cost: Dynalectric Company, Subcontractor to The George Hyman Construction Co., Contract Number GS-11P92MKC-0062		
02/17/95	A50618	Preaward Audit of Architect and Engineering Services Contract: Cesar Pelli & Associates, Solicitation Number GS-02P-93-CUC-0062(N)		
02/22/95	A53622	Preaward Audit of Cost or Pricing Data: L. H. Cranston & Sons, Inc., A Subcontractor to Donohoe Construction Company, Inc., Solicitation Number GS-11B-3013B		
02/28/95	A40944	Audit of a Claim: Dan LePore & Sons, Incorporated, Contract Number GS-03P-91-CDC-0006		
03/03/95	A52517	Preaward Audit of Cost or Pricing Data: ATL, Inc., Solicitation Number GS-09P-94-KTC-0044		
03/06/95	A52516	Preaward Audit of Cost and Pricing Data: O'Brien-Kreitzberg and Associates, Inc., Solicitation Number GS-09P-94-KTC-0046		
03/09/95	A50328	Preaward Audit of Architect and Engineering Services Contract: Kallman McKinnell & Wood Architects, Inc., Solicitation Number GS-05P-94-GBC-0047		
03/10/95	A53619	Audit of Claim for Increased Cost: Manganaro Corporation, Maryland, Contract Number GS-11P-92MKC0062		
03/15/95	A51529	Preaward Audit of Architect and Engineering Services Contract: Karlsberger Architects, Inc., Partner in Joint Venture, Kallmann McKinnell & Wood Architects, Inc., and Karlsberger Architects, Inc., Proposed Contract Number GS-05P-94-GBC-0047		

## **Appendix II – Audit Report Register**

<b>Date of Report</b>	<b>Audit Number</b>	<b>Title</b>	<b>Financial Recommendations</b>	
			<b>Funds To Be Put To Better Use</b>	<b>Questioned (Unsupported) Costs</b>
03/15/95	A51530	Preaward Audit of Architect & Engineering Services Contract: Korda/Nemeth Engineering, Inc., Consultant to the Joint Venture, Kallmann McKinnell & Wood Architects, Inc. & Karlsberger Architects, Inc., Proposed Contract No. GS-05P-94-GBC-0047		
03/17/95	A53628	Preaward Audit of Architect and Engineering Services Contract: Florance Eichbaum Esocoff King Architects, Solicitation Number GS11P94EGC0023		
03/20/95	A50621	Preaward Audit of Architect and Engineering Services Contract: Consentini Associates, Solicitation Number GS-02P-93-CUC-0062(N)		
03/20/95	A51822	Preaward Audit of Cost or Pricing Data: Air Masters Corporation, Subcontractor to Mosley Construction, Inc., Solicitation Number GS06P94GYC0082(N)		
03/20/95	A53627	Preaward Audit of Claim for Increased Costs: Stromberg Metal Works, Inc., Contract No. GS-11P-90MKC-0199/IDC 68201		
03/21/95	A53631	Preaward Audit of Architect and Engineering Services Contract: GHT Chartered Consulting Engineers, Solicitation Number GS11P94EGC0023		
03/22/95	A50629	Preaward Audit of Cost or Pricing Data: John Milner Associates, Inc., Contract Number GS-02P-91-CUC-0069(N)		
03/24/95	A50334	Preaward Audit of Architect and Engineering Services Contract: The Architects Forum, Inc., Solicitation Number GS-01P-95-BZD-0003		
03/24/95	A50928	Preaward Audit of Architect and Engineering Services Contract: Roy F. Weston, Inc., Contract Number GS11P94EGC0011		
03/24/95	A52547	Preaward Audit of Architect and Engineering Services Contract: Lerch Bates Hospital Group, Inc., Solicitation Number GS-11P-94-EGC-0011		
03/28/95	A51230	Preaward Audit of Architect and Engineering Services Contract: Hanscomb Associates, Incorporated, Solicitation Number GS-11P-94-EGC-0011		

# Appendix II – Audit Report Register

Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
03/28/95	A52498	Preaward Audit of Architect and Engineering Services Contract: Yost Grube Hall Architecture P.C., Solicitation Number GS-10P-94-LTC-0049		
03/28/95	A52499	Preaward Audit of Architect and Engineering Services Contract: Glumac International, Solicitation Number GS-10P-94-LTC-0049		
03/29/95	A51531	Preaward Audit of Cost or Pricing Data: Huber, Hunt & Nichols, Inc., Solicitation Number GS-09P-94-KTC-0044		
03/30/95	A51225	Preaward Audit of Small Business Administration 8(A) Pricing Proposal: Ebony Glass & Mirror Company, Solicitation Number GS-04P-94-EXC-0062		
03/30/95	A53676	Preaward Audit of Architect and Engineering Services Contract: System Performance Corporation, Solicitation Number GS11P95EGD0004		
03/30/95	A53634	Preaward Audit of Sole Source Contract: TEX/AM Construction Co., Inc., Solicitation Number GS11P94-MKC0062		
<b>FSS INTERNAL AUDITS</b>				
10/25/94	A31862	Audit of the Federal Supply Service's Multiple Award Schedule Items to Stock Program		
11/21/94	A31823	Audit of GSA's Travel Services Programs		
11/30/94	A41550	Audit of the Commercial Disposal of GSA Vehicles, Region 5		
12/23/94	A53006	Audit of Regional Fleet Management Center Operations		
02/10/95	A42564	Audit of Billback Amounts for Damaged Vehicles, Pacific Rim Region		
02/27/95	A42143	Audit of Internal Controls Over Surplus Personal Property Sales, Region 7		

# Appendix II – Audit Report Register

Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
<b>FSS CONTRACT AUDITS</b>				
10/05/94	A40664	Preaward Audit of Multiple Award Schedule Contract: Eastman Kodak Company, Solicitation Number FCGS-X5-94-0039-B-N		
10/06/94	A40345	Preaward Audit of Multiple Award Schedule Contract: International Equipment Company, Solicitation Number FCGS-Y8-94-0040		
10/06/94	A41575	Preaward Audit of Cost or Pricing Proposal: Mobium, Inc.		
10/06/94	A42487	Preaward Audit of Multiple Award Schedule Contract: Zenger-Miller Achieve, Solicitation Number 2FYG-JI-94-0004-B		
10/06/94	A42573	Preaward Audit of Multiple Award Schedule Contract: Avon Marine, Inc., Solicitation Number 7FXI-T5-94-1902-B		
10/06/94	A42575	Limited Audit of Government Billings: Zenger-Miller Achieve, Contract Number GS-02F-3037A		\$3,977
10/11/94	A42520	Preaward Audit of Cost or Pricing Data: Munson Manufacturing, Inc., Solicitation Number 7FXI-T5-93-1901-B		
10/13/94	A41258	Preaward Audit of Multiple Award Schedule Contract: Organon Teknika Corporation, Solicitation Number FCGS-X5-94-0039-B-N		
10/13/94	A42574	Limited Audit of Government Billings: Meridian Instruments, Inc., Contract Number GS-00F-4744A		\$3,951
10/13/94	A51209	Limited Audit of Government Billings: Organon Teknika Corporation, Contract Number GS-00F-2560A		\$12,547
10/13/94	A51210	Limited Audit of Government Billings: Organon Teknika Corporation, Contract Number GS-00F-7007A		\$20,115
10/14/94	A42567	Preaward Audit of Multiple Award Schedule Contract: Meridian Instruments, Inc., Solicitation Number FCGS-Y8-94-0040-B-N		

## *Appendix II – Audit Report Register*

Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
10/18/94	A42566	Preaward Audit of Multiple Award Schedule Contract: Bio-Rad Laboratories, Solicitation Number FCGS-X5-94-0039-B-N		
10/28/94	A40348	Preaward Audit of Multiple Award Schedule Contract: Jeol USA, Inc., Solicitation Number FCGS-Y8-94-0040-B-N		
10/31/94	A40669	Preaward Audit of Multiple Award Schedule Contract: New Brunswick Scientific Company, Inc., Solicitation Number FCGS-Y8-94-0040-B-N		
11/01/94	A42548	Limited Scope Postaward Audit of Multiple Award Schedule Contract: Peninsula Laboratories, Inc., Contract Number GS-00F-4745A		
11/03/94	A40347	Preaward Audit of Multiple Award Schedule Contract: American Management Association, Solicitation Number 2FYG-JI-94-0004		
11/04/94	A40665	Preaward Audit of Multiple Award Schedule Contract: Carl Zeiss, Incorporated, Solicitation Number FCGS-Y8-94-0040-B-N		
11/07/94	A51211	Limited Audit of End-of-Contract Aggregate Discount: Neotronics of North America, Incorporated, Contract Number GS-00F-2304A		\$20,649
11/08/94	A42470	Price Adjustments on Multiple Award Schedule Contract: Finnigan Corporation, Contract Number GS-00F-5911A for the Interim Period January 1, 1994 Through May 31, 1996		
11/08/94	A43498	Preaward Audit of Multiple Award Schedule Contract: Skatron Instruments, Inc., Solicitation Number FCGS-X5-94-0039-B-N		
11/09/94	A41580	Preaward Audit of Multiple Award Schedule Contract: National Education Training Group, Inc., Solicitation Number 2FYG-JI-94-0004-B		
11/09/94	A52418	Limited Audit of Government Billings: Peninsula Laboratories, Inc., Contract Number GS-00F-4745A		\$1,900

## Appendix II – Audit Report Register

Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
11/16/94	A40324	Preaward Audit of Multiple Award Schedule Contract: Nova Biomedical Corporation, Solicitation Number FCGS-X5-94-0039		
11/16/94	A40951	Preaward Audit of Multiple Award Schedule Contract: E.I. DuPont DeNemours and Company, Inc., Solicitation Number FCGS-X5-94-0039-B-N		
11/17/94	A40953	Preaward Audit of Multiple Award Schedule Contract: E.I. DuPont DeNemours and Company, Inc., Solicitation Number FCGS-Y8-94-0040-B-N		
11/17/94	A41576	Preaward Audit of Multiple Award Schedule Contract: Baxter Healthcare Corporation, Solicitation Number FCGS-X5-94-0039-B-N		
11/18/94	A51509	Preaward Audit of Multiple Award Schedule Contract: Lyon Metal Products, Inc., Solicitation Number 3FNH-94-F502-N		
11/21/94	A50312	Preaward Audit of Multiple Award Schedule Contract: Chartpak, Solicitation Number 2FYs-AP-94-0001B		
11/22/94	A42525	Preaward Audit of Cost or Pricing Data: Wajax-Pacific Fire Equipment, Inc., Solicitation Number FCXA-IC-93IFS-B		
11/23/94	A40668	Preaward Audit of Multiple Award Schedule Contract: Nikon, Incorporated, Solicitation Number FCGS-Y8-94-0040-B-N		
11/23/94	A41259	Preaward Audit of Multiple Award Schedule Contract: Firearms Training Systems, Incorporated, Solicitation Number 2FYG-JI-94-0004-B		
11/23/94	A50314	Postaward Audit of Government Billings Under Contract Number GS00F2482A: Nova Biomedical Corporation		\$19,321
11/30/94	A42568	Preaward Audit of Multiple Award Schedule Contract: Beckman Instruments, Inc., Solicitation Number FCGS-X5-94-0039-B-N		
11/30/94	A51515	Preaward Audit of Multiple Award Schedule Contract: Office Products International, Solicitation Number 2FYs-AP-94-0001B		

# Appendix II – Audit Report Register

Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
12/01/94	A40932	Postaward Audit of Multiple Award Schedule Contract: Ricoh Corporation, Contract Number GS-00F-1972A for the Period October 1, 1990 Through September 30, 1993		\$21,720
12/05/94	A00342	Postaward Audit of Multiple Award Schedule Contract: Perkin-Elmer Corporation, Contract No. GS-00F-93781 for the Period May 18, 1987 Through April 30, 1990		\$1,754,902
12/05/94	A10218	Postaward Audit of Multiple Award Schedule Contract: Perkin-Elmer Corporation, Contract No. GS-00F-03601 for the Interim Period June 1, 1988 Through April 30, 1990		\$444,859
12/05/94	A43496	Preaward Audit of Multiple Award Schedule Contract: Dynatech Laboratories, Inc., Solicitation Number FCGS-X5-94-0039-B-N		
12/06/94	A43475	Preaward Audit of Cost or Pricing Data: Zodiac of North America, Inc., Solicitation Number 7FXI-T5-94-1902-B		
12/14/94	A50612	Preaward Audit of Multiple Award Schedule Contract: Innerspace Technology, Inc., Solicitation Number GS-03F-94-AYC-0041		
12/19/94	A51806	Postaward Audit of Multiple Award Schedule Contract: Wieland Furniture Company, Contract No. GS-00F-5332A for the Interim Period May 13, 1991 Thru April 30, 1993 & Contract No. GS-00F-6295A for the Interim Period August 26, 1991 Thru April 30, 1993		\$39,770
12/20/94	A31544	Postaward Audit of Multiple Award Schedule Contract: Nicolet Instrument Corporation, Contract Number GS-00F-2456A, June 8, 1990 Through April 30, 1994		\$174,192
12/20/94	A50310	Preaward Audit of Multiple Award Schedule Contract: Lista International Corporation, Solicitation Number 3FNH-94-F502-N		
12/22/94	A40344	Preaward Audit of Multiple Award Schedule Contract: Instrumentation Laboratory, Solicitation Number FCGS-X5-94-0039		
12/22/94	A41837	Postaward Audit of Multiple Award Schedule Contract: Quanta Corporation, Contract Number GS-03F-1026A for the Period August 14, 1991 Through March 31, 1994		\$11,405

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Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
12/22/94	A53613	Preaward Audit of Multiple Award Schedule Contract: Congressional Information Service, Inc., Solicitation Number 2FYG-LG-940002-B		
12/23/94	A51513	Preaward Audit of Multiple Award Schedule Contract: TimeMed Labeling Systems, Inc., Solicitation Number 2FYS-AP-94-0001B		
12/27/94	A50611	Preaward Audit of Multiple Award Schedule Contract: Moody's Investors Service, Solicitation Number 2FYG-LG-940002-B		
12/30/94	A51213	Preaward Audit of Small Business Administration 8(A) Pricing Proposal: Trinity Furniture, Incorporated, Solicitation Number 3FNO-94-M109-N-9-30-94		
12/30/94	A52415	Preaward Audit of Multiple Award Schedule Contract: Grass Valley Group, Inc., Solicitation Number GS-03F-94-AYC-0041		
01/04/95	A52502	Limited Audit of Government Billings: RGB Spectrum, Contract Number GS-03F-2032A		\$7,160
01/06/95	A52537	Limited Scope Postaward Audit: Bio-Rad Laboratories, Contract Number GS-00F-2516A		\$5,948
01/10/95	A21884	Postaward Audit of Multiple Award Schedule Contract: Western Lithotech, Contract Number GS-00F-06200 for the Period October 24, 1988 Through June 30, 1991		\$399,914
01/12/95	A53606	Preaward Audit of Multiple Award Schedule Contract: Life Technologies, Inc., Solicitation Number FCGS-X5-94-0039-B-N		
01/13/95	A51219	Preaward Audit of Multiple Award Schedule Contract: S & W Manufacturing, Incorporated, Solicitation Number 2FYS-AP-94-0001B		
01/17/95	A51521	Preaward Audit of Multiple Award Schedule Contract: Forma Scientific, Inc., Solicitation Number FCGE-94-C9-0144-N		
01/18/95	A50319	Preaward Audit of Multiple Award Schedule Contract: O.R.E. International, Incorporated, Solicitation Number GS-03F-94-AYC-0041		

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Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
01/18/95	A50322	Postaward Audit of Government Billings Under Contract Number GS00F5729A: O.R.E. International, Inc.		\$9,609
01/18/95	A50609	Preaward Audit of Multiple Award Schedule Contract: Xerox Corporation, Solicitation Number 2FYP-DW-94-0007-B		
01/18/95	A52112	Preaward Audit of Cost and Pricing Data: Monaco Enterprises, Inc., Contract Number GS-07F-3275A		
01/20/95	A42569	Preaward Audit of Multiple Award Schedule Contract: Beckman Instruments, Inc., Solicitation Number FCGS-Y8-94-0040-B-N		
01/23/95	A00041	Postaward Audit of Multiple Award Schedule Contract: Carsonite International, Inc., Contract Number GS-07F-14533		\$931,109
01/23/95	A00042	Postaward Audit of Multiple Award Schedule Contract: Carsonite International, Inc., Contract Number GS-07F-11010		\$205,151
01/24/95	A42571	Preaward Audit of Multiple Award Schedule Contract: Beckman Instruments, Inc., Solicitation Number FCGS-X5-94-0039-B-N		
01/24/95	A53618	Preaward Audit of Multiple Award Schedule Contract: Bureau of National Affairs, Inc., Solicitation Number 2FYG-LG-940002-B		
01/25/95	A33429	Postaward Audit of Multiple Award Schedule Contracts: Rubbermaid Commerical Products, Inc.		\$1,507,850
01/26/95	A50321	Preaward Audit of Multiple Award Schedule Contract: Barker Advertising Specialty Company, Solicitation Number 7FXG-H8-94-9903-B		
01/26/95	A50327	Postaward Audit of Government Billings Under Contract Number GS07F6121A: Barker Advertising Specialty Company		\$6,053
02/01/95	A50613	Preaward Audit of Multiple Award Schedule Contract: Newport/Klinger, Solicitation Number GS-03F-94-AYC-0041		

## *Appendix II – Audit Report Register*

Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
02/03/95	A51524	Preaward Audit of Cost or Pricing Data: All Line, Inc., Subcontractor to C & S Industrial Supply, Inc., Solicitation Number 7FXI-T6-94-4001-N		
02/06/95	A51817	Preaward Audit of Multiple Award Schedule Contract: Labconco Corporation, Solicitation Number FCGE-94-C9-0144-N		
02/07/95	A53624	Limited Postaward Audit of Government Billings: Life Technologies, Inc., Contract Number FCGS-X9-90-0023-B-N		\$3,133
02/08/95	A51527	Preaward Audit of Multiple Award Schedule Contract: DEC Art Designs, Inc., Solicitation Number GS-03F-95-AYC-0002		
02/08/95	A53607	Preaward Audit of Multiple Award Schedule Contract: Lexmark International, Inc., Solicitation Number 2FYS-AP-94-0001B		
02/09/95	A52459	Preaward Audit of Cost or Pricing Data: Productivity Plus, Inc., Solicitation Number 2FYS-AP-94-0001B		
02/14/95	A50316	Preaward Audit of Multiple Award Schedule Contract: Raytheon Marine Company, Solicitation Number GS-03F-94-AYC-0041		
02/14/95	A50318	Preaward Audit of Multiple Award Schedule Contract: American Lightwave Systems, Inc., Solicitation Number GS-03F-94-AYC-0041		
02/14/95	A50912	Preaward Audit of Multiple Award Schedule Contract: McNaughton Book Service, Solicitation Number 2FYS-AN-94-0016-M		
02/14/95	A51516	Preaward Audit of Multiple Award Schedule Contract: KI, Solicitation Number 3FNO-94-M205-NB-9-29-94		
02/15/95	A52118	Preaward Audit of Multiple Award Schedule Contract: Credit Bureau Reports, Inc., Solicitation Number FCXS-FC-940005-N		
02/15/95	A53625	Preaward Audit of Multiple Award Schedule Contract: Leonard's Draperies, Inc., Solicitation Number GS-03F-95-AYC-0002		

## Appendix II – Audit Report Register

Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
02/16/95	A52125	Preaward Audit of Multiple Award Schedule Contract: Southwest Decor, Solicitation Number GS-03F-95-AYC-0002		
02/17/95	A50920	Price Adjustments on Multiple Award Schedule Contract: Allstate Office Products, Incorporated, Contract Number GS-25F-4087B for the Interim Period December 1, 1994 through March 31, 1998		
02/17/95	A52543	Preaward Audit of Multiple Award Schedule Contract: FLIR Systems, Inc., Solicitation No. GS-03F-94-AYC-0041		
02/17/95	A53623	Preaward Audit of Multiple Award Schedule Contract: Yardstick Interiors, Solicitation Number GS-03F-95-AYC-0002		
02/21/95	A41578	Price Adjustments on Multiple Award Schedule Contract: Allsteel, Inc., Contract Number GS-00F-5073A for the Interim Period March 1, 1995 Through September 30, 1996		
02/22/95	A50324	Preaward Audit of Multiple Award Schedule Contract: Thomas W. Raftery, Inc., Solicitation Number GS-03F-95-AYC-0002		
02/22/95	A50325	Preaward Audit of Multiple Award Schedule Contract: Warren, Gorham & Lamont, Solicitation Number 2FYG-LG-940002-B		
02/22/95	A51223	Preaward Audit of Multiple Award Schedule Contract: Speedline Athletic Wear, Incorporated, Solicitation Number 7FXG-K4-94-8410-B		
02/23/95	A21273	Limited Postaward Audit of Multiple Award Schedule Contract: Game Time, Incorporated, Contract Number GS-07F-16891		\$87,163
02/23/95	A50910	Preaward Audit of Multiple Award Schedule Contract: Stanley-Vidmar, Inc., Solicitation Number 3FNH-94-F502-N		
02/24/95	A51815	Preaward Audit of Multiple Award Schedule Contract: Contract Draperies, Inc., Solicitation Number GS-03F-95-AYC-0002		

## Appendix II – Audit Report Register

Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
02/24/95	A52460	Preaward Audit of Multiple Award Schedule Contract: Berg Systems International, Inc., Solicitation Number GS-03F-94-AYC-0041		
02/27/95	A52416	Preaward Audit of Multiple Award Schedule Contract: IAC Industries, Solicitation Number 3FNH-94-F502-N		
03/02/95	A50624	Preaward Audit of Multiple Award Schedule Contract: Dun & Bradstreet, Corporation, Solicitation Number FCXS-FC-940005-N		
03/03/95	A50622	Preaward Audit of Multiple Award Schedule Contract: Allentown Caging Equipment Company, Inc., Solicitation Number FCGE-94-C9-0144-N		
03/06/95	A22160	Postaward Audit of Multiple Award Schedule Contract: Joerns Healthcare, Inc., Contract Number GS-00F-07366		\$155,884
03/07/95	A50326	Preaward Audit of Multiple Award Schedule Contract: Ascom Hasler Mailing Systems, Inc., Solicitation Number FCGE-94-C1-0147B-N		
03/10/95	A52441	Preaward Audit of Multiple Award Schedule Contract: Intermec Corporation, Solicitation No. 2FYS-AP-94-0001B		
03/15/95	A42136	Postaward Audit of Multiple Award Schedule Contract: Uniforms Manufacturing, Inc., Contract Number GS-07F-4011A		\$111,541
03/20/95	A50628	Preaward Audit of Multiple Award Schedule Contract: Research Institute of America, Solicitation Number 2FYG-LG-940002-B		
03/20/95	A51224	Preaward Audit of Multiple Award Schedule Contract: Loral Test and Information Systems: Solicitation Number GS-03F-94-AYC-0041		
03/22/95	A51532	Preaward Audit of Multiple Award Schedule Contract: Cummins-Allison Corporation, Solicitation Number FCGE-94-C1-0147B-N		
03/23/95	A51526	Preaward Audit of Multiple Award Schedule Contract: ADM International, Inc., Solicitation Number GS-03F-95-AYC-0002		

# Appendix II – Audit Report Register

Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
03/24/95	A50626	Preaward Audit of Multiple Award Schedule Contract: The C-Mor Company, Solicitation Number GS-03F-95-AYC-0002		
03/30/95	A50630	Preaward Audit of Multiple Award Schedule Contract: Michaels Textile Company, Inc., Solicitation Number GS-03F-95-AYC-0002		
03/30/95	A50642	Limited Scope Postaward Audit of Government Billings Under Contract Number GS-02F-4058A: Research Institute of America		\$1,533
03/30/95	A50916	Preaward Audit of Multiple Award Schedule Contract: Office Depot, Incorporated, Solicitation Number 2FYS-AP-94-0001B		
03/30/95	A52421	Preaward Audit of Multiple Award Schedule Contract: Neff Instrument Corporation, Solicitation Number FCGS-Y5-95-0042-B-N		
03/30/95	A52545	Preaward Audit of Multiple Award Schedule Contract: TRW Information Systems Group, Business Credit Services Division, Solicitation Number FCXS-FC-940005-N-11-30-94		
<b>ITS INTERNAL AUDITS</b>				
12/02/94	A40924	Audit of the GSA Purchase of Telecommunications Services (POTS) Program		
12/08/94	A40341	Audit of Contracting Officers' Technical Representatives Activities		
12/27/94	A43042	Audit of Contract Award Procedures for Computer Maintenance Services		
01/25/95	A33720	Audit of GSA Delegations of Procurement Authority for Automated Data Processing Resources		
<b>ITS CONTRACT AUDITS</b>				
10/03/94	A40339	Preaward Audit of Multiple Award Schedule Contract: Picturitel Corporation, Solicitation Number GSC-KES-00065		

## Appendix II – Audit Report Register

Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
10/05/94	A43488	Preaward Audit of Multiple Award Schedule Contract: Mobile Telesystems, Inc., Contract Number GS00K-93AGS0653		
10/06/94	A42555	Preaward Audit of Multiple Award Schedule Contract: Silicon Graphics, Incorporated, Contract Number GS00K94AGS5993		
10/06/94	A42557	Preaward Audit of Multiple Award Schedule Contract: Calcomp Incorporated, Contract Number GS00K94-AGS5608 (Renewal)		
10/12/94	A42570	Preaward Audit of Multiple Award Schedule Contract: Micro Decisionware, Inc., Solicitation Number KESO-94-0001 (4-19)		
10/13/94	A40340	Preaward Audit of Multiple Award Schedule Contract: Executone Information Systems, Inc., Contract Number GS-00K-94AGS-0432		
10/26/94	A00763	Postaward Audit of Multiple Award Schedule Contract: Tandem Computers, Inc., Contract Number GS00K-86AGS5719 (PS01)		\$1,339,464
10/26/94	A22479	Postaward Audit of Multiple Award Schedule Contract: Tandem Computers, Inc., Contract Number GS-00K-86AGS5719 (PS02)		\$1,199,444
10/26/94	A22480	Postaward Audit of Multiple Award Schedule Contract: Tandem Computers, Inc., Contract Number GS00K-89AGS5519		\$1,078,972
10/26/94	A42565	Preaward Audit of Multiple Award Schedule Contract: McBride & Associates, Inc., Solicitation Number KESO-94-0001 (4-19)		
10/31/94	A42480	Preaward Audit of Multiple Award Schedule Contract: Axil Workstations, Solicitation Number KESO-94-0001 (4-19)		
11/09/94	A40674	Preaward Audit of Change Order Proposal: AT&T Communications, Contract Number GS-00K-89-AHD0008		
11/22/94	A40332	Preaward Audit of Multiple Award Schedule Contract: EMC Corporation, Solicitation Number KESO-94-0001		

## Appendix II – Audit Report Register

Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
11/22/94	A41831	Audit of Proposed 1993 Overhead Rates: U.S. Sprint Communications Company, Contract Number GS00K89-AHDO009		
11/23/94	A50313	Postaward Audit of Government Billings Under Contract Number GS00K92AGS5527: EMC Corporation		\$36,000
11/30/94	A43487	Report on Review of the Termination for Convenience Claim, Contract No. GS-04K-93-BFD-0808: OAO Corporation, Information Systems Support Division, Greenbelt, Maryland		
12/05/94	A43473	Preaward Audit of Multiple Award Schedule Contract: Unisys Corporation, Solicitation Number KESO-94-0001 (4-19)		
01/24/95	A43485	Preaward Audit of Change Order Proposals: Bell Atlantic Corporation, Contract Number GS00K89ADH0011		
02/17/95	A50311	Postaward Audit of Multiple Award Schedule Contract: Picturitel Corporation, Contract Number GS00K92-AGS0413 for the Period October 1, 1991 to September 30, 1992		\$68,472
02/17/95	A50317	Postaward Audit of Multiple Award Schedule Contract: Picturitel Corporation, Contract Number GS00K92-AGS0413, First Renewal Year, for the Period October 1, 1992 Through September 30, 1993		\$26,635
02/22/95	A00417	Postaward Audit of Multiple Award Schedule Contract: Landmark Systems Corporation, Contract No. GS00K89-AGS5526, for the Period October 1, 1988 Through September 30, 1989		\$165,000
03/09/95	A53633	Preaward Audit of Cost or Pricing Data: American Management Systems, Solicitation No. KECP-94001		
03/15/95	A00180	Postaward Audit of Multiple Award Schedule Contract: Federal Sales Service, Inc., Contract No. GS00K88-AGS0214 for the Period April 1, 1988, Through April 30, 1989		\$213,172
03/15/95	A10029	Postaward Audit of Multiple Award Schedule Contract: Federal Sales Service, Inc., Contract No. GS00K-86AGS0237 for the Period May 20, 1986, Through March 31, 1987		\$70,307

# Appendix II – Audit Report Register

Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
03/15/95	A10030	Postaward Audit of Multiple Award Schedule Contract: Federal Sales Service, Inc., Contract No. GS00K87-AGS0232 for the Period June 11, 1987, Through March 31, 1988		\$142,646
03/17/95	A50908	Postaward Audit of Multiple Award Schedule Contract: Bell Atlantic Network Services, Inc., Contract Number GS00K94AGS0412 for the Period October 14, 1993 Through September 30, 1994		\$26,245
03/30/95	A52540	Limited Audit of Government Billings: Plantronics, Inc., Contract Number GS-00K-92-AGS-0453 PS02		\$56,278
<b>FTS2000 INTERNAL AUDITS</b>				
01/13/95	A23603	Audit of FTS2000 Modifications, AT&T Contract		
<b>OTHER INTERNAL AUDITS</b>				
11/04/94	A42732	Limited Audit of the Chief Financial Officer's Fiscal Year 1994 Section 2 Federal Managers' Financial Integrity Act Assurance Statement		
11/04/94	A42733	Limited Audit of the Office of Management Services and Human Resources' Fiscal Year 1994 FMFIA Assurance Statement		
11/04/94	A43050	Limited Audit of the Information Technology Service's Fiscal Year 1994 Section 2 Assurance Statement		
11/04/94	A43051	Limited Audit of the Public Buildings Service's Fiscal Year 1994 Section 2 Assurance Statement		
11/04/94	A43053	Limited Audit of the Federal Supply Service Assurance Statement, Fiscal Year 1994 Section 2		
11/04/94	A43054	Limited Audit of the Office of FTS2000 Assurance Statement, Fiscal Year 1994 Section 2		
11/04/94	A43055	Limited Audit of the Federal Property Resources Service Assurance Statement, Fiscal Year 1994 Section 2		
11/15/94	A42730	Consolidated Report of Fiscal Year 1994 FMFIA, Section 2 Assurance Statements		

# Appendix II – Audit Report Register

Date of Report	Audit Number	Title	Financial Recommendations	
			Funds To Be Put To Better Use	Questioned (Unsupported) Costs
12/08/94	A43027	Audit of State and Local Taxes on FTS2000 Services	\$2,500,000	\$2,500,000
12/28/94	A52710	Limited Audit of the Chief Financial Officer's Fiscal Year 1994 Section 4 Federal Managers' Financial Integrity Act Assurance Statement		
01/03/95	A41832	Audit of GSA's Processing of Thrift Savings Plan Transactions		
01/13/95	A53009	Limited Review of the General Services Administration's Compliance with the Byrd Amendment Restrictions on Lobbying Activities		
02/01/95	A42729	Oversight of CPA Contract, FY 1994 Financial Statements		
03/10/95	A42728	Audit of Public Buildings Service, Cost Per Occupiable Square Foot Comparison		
03/10/95	A52714	Audit of Federal Supply Service, Cost Per \$100 Sales-Stock		
<b>OTHER CONTRACT AUDITS</b>				
10/31/94	A40659	Preaward Audit of a Claim: Bridgefield Associates, Inc., Contract Number N71013		
11/16/94	A43500	Audit of Termination Proposal: Pulsar Data Systems, Inc., Contract Number GS-00A-1991/3-92-1-6048		
<b>NON-GSA INTERNAL AUDITS</b>				
03/01/95	A53014	Audit of the Thomas Jefferson Commemoration Commission		
03/23/95	A53017	Audit of the Administrative Procedures of the Committee for Purchase From People Who Are Blind or Severely Disabled		

# Appendix III – Delinquent Debts

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

## **GSA Efforts to Improve Debt Collection**

During the period October 1, 1994 through March 31, 1995, GSA efforts to improve debt collection and reduce the amount of debt written off as uncollectible focused on upgrading the collection function and enhancing debt management. These activities included the following:

- Began using preauthorized debits which are now available for use by GSA debtors who have signed promissory notes. This allows GSA to go directly to the debtor's bank account and electronically withdraw monthly payments.
- Continued to participate in the IRS Tax Refund Offset Program. Tax refund offset is a tool the Government uses to collect a debt by withholding all or part of an income tax refund. GSA also participates in the Federal Debt/Credit Forum which is a clearinghouse for ideas on how to collect non-federal debts.
- Placed special emphasis on collecting debts by administrative offset. Collection of debts by this method has been on the increase.
- Began using the promissory note as the "course of last resort." In situations where it appears nothing may be collected from a debtor, special effort is expended to negotiate a promissory note for whatever the debtor can afford to pay. As a result, instead of collecting nothing and writing off the debt, some money will be collected. This saves the Government time and money by not attempting to prosecute a debtor who cannot or will not otherwise pay a debt.
- Continued to refer delinquent debtors to the U.S. Army for inclusion in their booklet, "List of Contractors Indebted to the United States." This may prevent contracting officers in GSA and the remainder of the Government from issuing new contracts to delinquent debtors.
- Continued to initiate quarterly follow-ups with the contracting offices concerning claims that are in dispute. Quarterly follow-ups are also initiated on audit-related items with the Office of Management Controls and Evaluation. Assistance is provided to the contracting offices on the correct procedures for processing claims.

## **Non-Federal Accounts Receivable**

	As of October 1, 1994	As of March 31, 1995	Difference
Total Amounts Due GSA	\$46,503,700	\$45,002,433	\$(1,501,267)
Amount Delinquent	\$25,932,404	\$23,769,614	\$(2,162,790)
Total Amount Written Off as Uncollectible Between 10/1/94 and 3/31/95	\$ 169,243		

Of the total amounts due GSA and the amounts delinquent as of October 1, 1994 and March 31,

1995, approximately \$963,000 and \$602,000 respectively, are being disputed.

# Appendix IV – Reporting Requirements

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

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

<b>Requirement</b>	<b>Page</b>
<b>Inspector General Act</b>	
Section 4(a)(2)–Review of Legislation and Regulations .....	18
Section 5(a)(1)–Significant Problems, Abuses, and Deficiencies.....	2,6
Section 5(a)(2)–Recommendations With Respect to Significant Problems, Abuses, and Deficiencies .....	2,6
Section 5(a)(3)–Prior Recommendations Not Yet Implemented .....	29
Section 5(a)(4)–Matters Referred to Prosecutive Authorities.....	24
Sections 5(a)(5) and 6(b)(2)–Summary of Instances Where Information Was Refused .....	None
Section 5(a)(6)–List of Audit Reports .....	32
Section 5(a)(7)–Summary of Each Particularly Significant Report .....	2,6
Section 5(a)(8)–Statistical Tables on Management Decisions on Questioned Costs .....	23
Section 5(a)(9)–Statistical Tables on Management Decisions on Recommendations That Funds Be Put to Better Use.....	22
Section 5(a)(10)–Summary of Each Audit Report Over 6 Months Old for Which No Management Decision Has Been Made .....	None
Section 5(a)(11)–Description and Explanation for Any Significant Revised Management Decision.....	None
Section 5(a)(12)–Information on Any Significant Management Decisions With Which the Inspector General Disagrees .....	None
<b>Senate Report No. 96-829</b>	
Resolution of Audits .....	21
Delinquent Debts.....	56

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