



Office of Inspector General  
U.S. General Services Administration

# SEMIANNUAL REPORT TO THE CONGRESS

April to September 2023



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## MESSAGE FROM THE INSPECTOR GENERAL



I am pleased to submit to Congress our Semiannual Report for the period of April 1, 2023, through September 30, 2023.

Health and safety in federal buildings remains an important focus of our work. We issued a memo alerting GSA that, over a period of just 5 weeks, elevated levels of Legionella bacteria—which can cause a fatal pneumonia—were detected in water at six GSA-controlled buildings nationwide. The number of contaminations over various geographically dispersed buildings, in such a short time, reveals the potential for a wide-scale problem warranting immediate action. We also issued an audit report showing that the agency is facing challenges in meeting indoor air-quality standards in federal buildings, risking the exposure of building occupants to airborne viruses, including COVID-19.

During this period, we continued to scrutinize GSA’s \$40 billion Multiple Award Schedule (MAS) procurement program. Our auditors found that GSA’s evaluation of its Transactional Data Reporting pilot for MAS contracts wrongly portrayed the pilot as a success. Despite GSA’s assertions, the data collected through the pilot has never been used to analyze and negotiate contract-level pricing. Instead, GSA has amassed a collection of data that is almost entirely inaccurate, unreliable, and unusable. Another audit found MAS contracts offered prohibited Chinese-made telecom devices, putting federal agencies at risk of unauthorized surveillance by foreign adversaries.

In the law enforcement arena, our investigators delivered many notable outcomes, including an investigation that resulted in three government contractors and a lobbyist being convicted for their involvement in a set-aside contract fraud scheme. They were ordered to pay more than \$1.2 million in restitution. Another investigation found a company president falsely represented to federal agencies that his company manufactured security cameras and other electronics in the United States when, in fact, they were made by Chinese companies. He was sentenced to 4 years in prison and ordered, along with his company, to pay more than \$2 million in fines and restitution. In another case, we found that a Tampa man fraudulently used the account information for several GSA government purchase cards—as well as other credit cards belonging to multiple people—to make more than \$150,000 in illicit purchases. He was sentenced to more than 70 months in prison.

I am honored to be leading this dedicated team of professionals in our important oversight endeavors and we all deeply appreciate the ongoing support of Congress and GSA management.

A handwritten signature in black ink that reads "Robert C. Erickson". The signature is written in a cursive, flowing style.

Robert C. Erickson  
Acting Inspector General  
September 30, 2023

# OIG PROFILE

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## ORGANIZATION

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

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

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

## OFFICE LOCATIONS

### Headquarters:

Washington, D.C.

### Field and Regional Offices:

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

## STAFFING AND BUDGET

As of September 30, 2023, our onboard staffing level was 249 employees. The OIG's Fiscal Year (FY) 2023 budget is \$74.58 million in annual, appropriated funds plus \$600,000 in reimbursable authority.

## FISCAL YEAR 2023 RESULTS

During FY 2023, OIG activities resulted in:

- More than \$346.5 million in recommendations that funds be put to better use and questioned costs—if adopted, these recommendations ultimately result in savings for the taxpayer;
- More than \$56.8 million in criminal, civil, administrative, and other investigative recoveries;
- 57 audit reports, 2 audit memoranda, and 3 evaluation reports that assisted management in improving the efficiency and effectiveness of GSA operations;
- 92 new investigations opened and 100 cases closed;
- 62 subjects accepted for criminal prosecution and 37 subjects accepted for civil litigation;
- 50 criminal indictments/informations and 46 successful prosecutions on criminal matters previously referred;
- 11 civil settlements and judgments;
- 31 employee actions taken on administrative referrals involving government employees;
- 144 contractors/individuals suspended and debarred;
- 8 lost pieces of New Deal artwork recovered; and
- 1,010 hotline contacts received—of these, 131 were referred to GSA program officials for review and appropriate action, 30 were referred to other federal agencies, 53 were referred to the OIG Office of Audits, 3 were referred to the OIG Office of Inspections, and 78 were referred to investigative field offices for investigation or further review.

## GSA's MANAGEMENT CHALLENGES

The Reports Consolidation Act of 2000, Public Law 106-531, requires Inspectors General (IGs) to report on the most significant management challenges facing their agencies. The following table briefly describes the challenges the OIG identified for GSA for FY 2023. The complete assessment is posted in the Audits section of our website.

MANAGEMENT CHALLENGE	DESCRIPTION
<b>Establishing and Maintaining an Effective Internal Control Environment</b>	GSA continues to face significant challenges in establishing a comprehensive and effective system of internal control. Since our <i>Assessment of GSA's Management and Performance Challenges for Fiscal Year 2019</i> , we have cited pervasive internal control weaknesses as a challenge for GSA. This trend continued for GSA in Fiscal Year (FY) 2022, with significant deficiencies in GSA schedule pricing, air and water quality in re-opened GSA facilities, and IT controls for financial systems and undelivered orders as identified by GSA's independent auditors.
<b>Improving Contract Administration</b>	GSA is responsible for the procurement of billions of dollars' worth of products, services, and facilities for federal government agencies. Since our <i>Assessment of GSA's Management and Performance Challenges for Fiscal Year 2021</i> , we have reported on challenges facing GSA's contract administration. We continued to identify deficiencies in GSA's contract administration during FY 2022, including inconsistent application of contract liability clauses, payment for unallowable costs, failure to enforce staffing requirements, and weaknesses in controls to monitor and prohibit the sale of products that do not comply with the Trade Agreements Act. GSA has taken action to improve contract administration by strengthening policy, addressing performance and training needs of contracting staff, and implementing contract administration process improvements. However, GSA must remain focused on improving its contract administration.
<b>Enhancing Government Procurement</b>	Over the past 5 years, GSA has continued to set the strategic goal to establish itself as the premier provider of efficient and effective acquisition solutions across the federal government. As an integral part of GSA, FAS has significant responsibility in meeting this goal. It is undertaking a number of acquisition solution initiatives (including transforming the MAS Program and supply risk chain management) that are intended to help it meet GSA's strategic goal and ensure compliance with recent legislation. However, the initiatives also significantly change FAS's processes and programs, creating challenges to FAS's ability to meet its mission.
<b>Maximizing the Performance of GSA's Real Property Inventory</b>	GSA must maximize the performance of its real property inventory in order to provide its tenant agencies with space that meets their needs at a reasonable cost to American taxpayers. To achieve this goal, PBS should plan the best approach to reduce and consolidate space, reduce leasing costs, and meet operations and maintenance needs of increasingly aging buildings. Further, PBS must properly administer the capital construction program and ensure effective management of energy and utility contracts.
<b>Managing Agency Cybersecurity Risks</b>	Like all federal agencies, GSA is dependent upon information technology to fulfill its mission. However, as cyber threats continue to emerge, sensitive government information and systems must be adequately secured to safeguard against internal and external threats that could compromise critical information and systems. Accordingly, GSA is challenged in effectively monitoring and efficiently identifying and responding to cyber threats against Agency systems and data. GSA will have to continuously identify technical solutions and implement controls to mitigate such threats as bad actors find new ways to penetrate and navigate government networks and systems undetected.
<b>Safeguarding Federal Facilities and Providing a Secure Work Environment</b>	GSA plays a significant role in providing a safe, healthy, and secure environment for federal employees and visitors at over 8,300 federally owned and leased facilities nationwide. Part of GSA's responsibility is implementing its PBS Safety and Health Management Program to ensure compliance with mandated safety and health requirements. Additionally, with the U.S. Department of Homeland Security, GSA is responsible for the installation, maintenance, and repair of approved security fixtures, including physical access control systems. However, there is an ongoing need for GSA management to monitor the safety and security of federal facilities, as shown in recent audits and inspections.
<b>Managing the Electrification of the Federal Fleet</b>	To achieve the mandated transition of the federal fleet to zero-emission vehicles, GSA faces the challenges of finding available zero-emission vehicles, rapidly expanding the electric vehicle charging infrastructure, and securing sufficient funding to replace its fleet. Many federal agencies require heavy-duty vehicles, such as sport utility vehicles and trucks, to meet their mission needs. However, GSA's available electric vehicle options generally do not include these types of vehicles. GSA is also experiencing difficulties finding electric vehicles available for purchase. Additionally, the current vehicle charging infrastructure is not adequate to accommodate widespread electric vehicle use. Finally, GSA did not receive any funding for this initiative in FY 2022 or FY 2023.
<b>Managing the Impact of COVID-19</b>	As the nation emerges from the COVID-19 pandemic and GSA and tenant agencies return to facilities, GSA faces three significant challenges. First, GSA must consistently implement return-to-facilities guidance. Second, GSA must ensure that heating, ventilation, and air conditioning systems provide adequate ventilation to minimize the spread of the virus. Third, GSA must ensure that clean water is available in facilities where decreased occupancy and water use may have caused water to stagnate, increasing the risk of water contamination.

# SIGNIFICANT AUDITS

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The Office of Audits conducts independent and objective audits to improve the effectiveness and efficiency of GSA's management and operations. These audits focus on GSA's programs, internal controls, information technology infrastructure, and compliance with federal laws and regulations. Audits are also performed to assist GSA contracting personnel in obtaining the best value and price for federal customers. During this reporting period, we issued 29 audit reports, including 18 contract audits. Our contract audit work identified more than \$104.3 million in potential cost savings and recoveries for the federal government.

## PREAWARD AUDITS

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

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

During this reporting period, three of our more significant preaward audits were of schedule contracts with combined projected government sales of more than \$263 million. Through these audits, we identified potential savings and recoveries of nearly \$76 million. We found, among other things, that Commercial Sales Practices (CSP) submissions were not current, accurate, or complete; proposed labor rates were overstated; and unqualified labor was used.

## PERFORMANCE AUDITS

### GSA'S FISCAL YEAR 2020 TRANSACTIONAL DATA REPORTING PILOT EVALUATION PROVIDES AN INACCURATE ASSESSMENT OF THE PROGRAM

*Report Number A210081/Q/3/P23001, dated May 1, 2023*

Under the Multiple Award Schedule (MAS) Program, GSA's Federal Acquisition Service (FAS) establishes long-term, government-wide contracts. Through these contracts, millions of commercial products and services are made available to government agencies. In FY 2022 alone, MAS Program sales exceeded \$40 billion.

The intent of the MAS Program is to leverage the government's buying power to obtain competitive, commercial prices for customer agencies. Historically, GSA has used two mechanisms—commercial pricing disclosures and price reduction protections—to obtain commercial pricing over the life of MAS contracts. In June 2016, GSA published a final rule in the Federal Register establishing the Transactional Data Reporting (TDR) pilot for MAS contracts. Under the pilot, MAS contractors are required to report transactional data, including prices paid by government customers, for products and services sold under their respective contracts. In exchange for this transactional data, contractors are no longer required to disclose commercial pricing or adhere to price reduction requirements.

We performed this audit to determine if *GSA's TDR Pilot Evaluation Plan and Metrics Version 2.0* enabled GSA to objectively measure and evaluate whether TDR can fulfill the Commercial Sales Practices and Price Reductions Clause contract-level pricing negotiation function while lowering industry reporting burden.

In April 2021, GSA reported on the results of its evaluation of the TDR pilot for FY 2020. GSA's evaluation portrayed the TDR pilot as a success. However, GSA's portrayal of the TDR pilot as a success ignores the fact that the data collected through the pilot program has never been used to analyze and negotiate contract-level pricing. Instead, GSA has amassed a collection of data that is almost entirely inaccurate, unreliable, and unusable.

After more than 6 years of running the TDR pilot, GSA could provide us with only one example purporting to show its use of TDR pilot data for contract-level pricing decisions. In that example, the contractor asserted that its TDR pilot data was unreliable, and the contracting officer concluded that the data was likely inaccurate. As a result, contrary to GSA's assertion, the contracting officer ultimately did not use the TDR data to make the contract-level pricing decisions on that particular contract.

GSA collected transactional data for FY 2022 sales totaling more than \$14.6 billion. We found that the data reported for \$12.6 billion of these sales (87 percent) cannot be used for meaningful price analysis. We also found that GSA's FY 2020 evaluation of the TDR pilot program produced misleading results that enabled GSA to assert that the TDR pilot met its performance objectives and portray it as a success. This occurred because GSA used flawed methodologies, as well as inaccurate and unsupported information to evaluate the TDR pilot performance metrics. Additionally, we identified significant deficiencies with GSA's evaluation

## SIGNIFICANT AUDITS

of the metrics it used to determine whether the TDR pilot was used for contract-level price negotiations and lowered industry reporting burden. Taken together, these deficiencies clearly demonstrate that the TDR pilot has not been a success and point to significant problems that must be corrected before its expansion across the MAS Program.

Based on our audit findings, we made three recommendations to the GSA Administrator, FAS Commissioner, and Associate Administrator of the Office of Government-wide Policy: (1) cease further expansion of TDR until the problems are corrected or the pilot is terminated; (2) address the problems with the TDR data and usage as described in the report within 1 year of report issuance; and (3) if GSA cannot successfully complete the corrective actions outlined in Recommendation 2 within 1 year of report issuance or makes the decision not to take those corrective actions, execute the exit strategy for the TDR pilot and transition participating contractors out of the pilot in accordance with FAS Policy and Procedures 2016-11, *Transactional Data Reporting – Federal Supply Schedule Program Implementation, Paragraph 8(G), Pilot Cancellation*.

The Associate Administrator of the Office of Government-wide Policy partially agreed with our report recommendations.

## MULTIPLE AWARD SCHEDULE CONTRACTS OFFERED PROHIBITED ITEMS, PUTTING CUSTOMERS AT RISK OF UNAUTHORIZED SURVEILLANCE BY FOREIGN ADVERSARIES

*Report Number A220016/Q/6/P23002, dated July 10, 2023*

GSA's FAS is responsible for ensuring regulatory compliance related to items that contractors include on its MAS contracts. In 2017 and 2018, Congress passed laws that prohibit the federal government's procurement of certain telecommunications and video surveillance services or equipment (i.e., telecom items) from certain named entities. Given FAS's responsibility and the challenge these laws present, we performed this audit to determine if FAS is complying with laws, regulations, and policies to ensure that MAS contracts do not offer prohibited telecom items.

Federal laws and the Federal Acquisition Regulation (FAR) prohibit the procurement of certain telecom items that foreign adversaries could use for unauthorized surveillance. FAS relies on contractor self-certifications in GSA's System for Award Management and the Prohibited Products Robomod (Robomod) process to ensure that MAS contracts do not include prohibited telecom items. However, the self-certifications are inadequate and the Robomod process is insufficient to prevent contractors from including prohibited telecom items on their MAS contract price lists.

In addition, we found that FAS: (1) has not taken adequate actions against contractors that repeatedly violate the FAR restrictions on providing or using prohibited telecom items; (2) does not have a process in place to notify customer agencies about their purchases of prohibited telecom items; and (3) did not initially comply with FAR requirements to include subsidiaries and affiliates of named entities in its efforts to identify prohibited telecom items on MAS contracts.

Based on our audit findings, we made five recommendations to the FAS Commissioner: (1) strengthen FAS's Robomod process to ensure it identifies MAS contracts with prohibited telecom items; (2) establish and enforce procedures and internal controls to ensure that contract modifications are issued promptly when FAS identifies prohibited telecom items on MAS contracts, and ensure that contractors promptly remove prohibited telecom items from MAS contract price lists; (3) implement more stringent consequences for contractors that repeatedly attempt to offer prohibited telecom items, including executing General Services Administration Acquisition Regulation clause 552.238-79, *Cancellation*; (4) implement a process to instruct contractors that violate the FAR restrictions on the procurement of prohibited telecom items to notify and remit refunds to any customer agencies that purchased prohibited telecom items after the FAR was updated regarding named entities; and (5) identify items offered from subsidiaries and affiliates of named entities and either cancel the subject contract or remove the prohibited items from MAS contracts.

The FAS Commissioner agreed with our report recommendations.

### ALERT MEMORANDUM: PBS MUST TAKE IMMEDIATE ACTION TO ADDRESS THE RISK OF *LEGIONELLA* CONTAMINATION IN GSA-CONTROLLED BUILDINGS

*Memorandum Number A230072-1, dated September 20, 2023*

Since July 11, 2023, elevated levels of *Legionella* bacteria (*Legionella*)—the primary cause of Legionnaires' disease, a potentially fatal type of pneumonia—were detected in water at six GSA-controlled (i.e., owned and leased) buildings located across four different GSA regions. *Legionella* is the leading cause of reportable waterborne disease outbreaks in the United States. Legionnaires' disease can be caused when an individual breathes in water droplets containing *Legionella* bacteria or if contaminated water enters their lungs while drinking.

We previously alerted PBS to the need for *Legionella* testing. In September 2022, we notified PBS that it did not effectively test for water contamination, including *Legionella*, prior to reopening GSA child care centers that were closed during the COVID-19 pandemic.<sup>1</sup> PBS subsequently tested the water in the child care centers. However, the testing did not include tests for *Legionella* bacteria.

The number of positive results for *Legionella* over a geographically dispersed number of buildings in a short period of time points to the potential for a wide-scale problem. The elevated levels of *Legionella* in the six buildings have occurred at a time of reduced building occupancy across the federal government. The current reduced building occupancy levels can lead to water stagnation, which provides ideal conditions for the growth and spread of *Legionella* and increases the likelihood that other buildings may be contaminated.

PBS's current approach to *Legionella* testing is not comprehensive or consistent. PBS does not require testing for *Legionella* bacteria in buildings' potable water systems. It also does not have any testing requirements for *Legionella* in leased buildings. PBS relies extensively on operations and maintenance (O&M) contractors and lessors to maintain water quality in its owned and

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<sup>1</sup> Alert Memorandum: PBS Did Not Test Water Prior to Reopening GSA Child Care Centers Closed During the COVID-19 Pandemic (Memorandum Number A201018-8, September 6, 2022).

leased buildings. However, as we have reported multiple times, PBS has struggled with oversight of contractors and lessors.

The detection of elevated *Legionella* levels in GSA-controlled buildings coupled with the increased risk of the growth and spread of the bacteria due to water stagnation demonstrate that *Legionella* presents a significant challenge to PBS. Accordingly, PBS must take immediate action to address the risk of *Legionella* contamination in its owned and leased buildings. In doing so, PBS must address deficiencies in its testing requirements and strengthen oversight of its contractors and lessors.

### AUDIT OF GSA'S RESPONSE TO COVID-19: PBS FACES CHALLENGES TO MEET THE VENTILATION AND ACCEPTABLE INDOOR AIR QUALITY STANDARD IN GSA-OWNED BUILDINGS

*Report Number A201018/P/4/R23008, dated June 5, 2023*

In April 2020, we began monitoring GSA's activities in response to the nationwide public health emergency resulting from COVID-19 and GSA's implementation of the Coronavirus Aid, Relief, and Economic Security Act. During our monitoring efforts, we became aware of concerns with ventilation system capabilities in GSA-owned buildings. As a result, we initiated this audit to determine whether GSA's PBS (1) adhered to federally adopted industry standards for acceptable indoor air quality and (2) implemented Centers for Disease Control and Prevention (CDC) and Occupational Safety and Health Administration (OSHA) guidance to mitigate and prevent the spread of COVID-19 in GSA-owned buildings.

We found that PBS did not meet or did not have complete information to determine if it was meeting the ventilation standard of the American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) in GSA-owned buildings. We also found that PBS did not consistently implement CDC and OSHA recommendations to improve ventilation in GSA-owned buildings. Taken together, these deficiencies increased the risk that building occupants would be exposed to airborne viruses, including the virus that causes COVID-19.

Based on our audit findings, we made five recommendations to the PBS Commissioner: (1) complete a comprehensive assessment to determine whether GSA-owned building air handlers meet the ASHRAE ventilation standard's minimum outdoor air requirements and develop a comprehensive plan to address deficiencies identified; (2) create and implement a plan to notify building occupants whenever deficiencies and hazards associated with outdoor air requirements are identified; (3) ensure that all PBS staff with ventilation system responsibilities, including contracting officer's representatives (CORs), contracting officers, project managers, and building managers, are trained on the requirements of the ASHRAE ventilation standard; (4) ensure O&M contracts define requirements for regular testing, adjusting, and balancing of air handlers; and (5) ensure that GSA's *Guidance for COVID-19 HVAC Operations* adheres to CDC COVID-19 guidance for improved building ventilation.

The PBS Commissioner agreed with our report recommendations.

### AUDIT OF PBS BASIC REPAIRS AND ALTERATIONS PROJECT: WILLIAM AUGUSTUS BOOTLE FEDERAL BUILDING AND U.S. COURTHOUSE

*Report Number A210076/P/4/R23009, dated September 29, 2023*

We performed an audit of the PBS Southeast Sunbelt Region's (PBS Region 4's) \$3.345 million sole-source basic repairs and alterations contract to modernize the heating, ventilation, and air conditioning (HVAC modernization) at the William Augustus Bootle Federal Building and U.S. Courthouse (Bootle Building) in Macon, Georgia. Our audit objective was to determine whether the contract was planned, awarded, administered, and closed out in accordance with the FAR, General Services Administration Acquisition Manual (GSAM), and other applicable policies.

We found that PBS did not award and administer the Bootle Building HVAC modernization contract in accordance with applicable regulations and GSA policies. As a result, PBS Region 4 overpaid the contractor, providing it with excessive profits; circumvented congressional oversight; did not enforce building security requirements; and enabled subcontractors to underpay employees. PBS's actions disregarded the intent of the congressional prospectus process and caused the government to incur significantly inflated costs.

Based on our audit findings, we made seven recommendations to the PBS Region 4 Regional Commissioner. These recommendations included ensuring that: (1) 8(a) program contractors provide applicable cost or pricing data, and PBS Region 4 contract officials properly justify pricing and incorporate design changes into contracts; (2) PBS personnel do not circumvent the prospectus process by splitting related projects; (3) contractor and subcontractor employees possess appropriate security clearances; and (4) subcontractor employees are paid in accordance with Construction Wage Rate Requirements.

The PBS Region 4 Regional Commissioner agreed with our report recommendations and acknowledged the problems that occurred with the contract after award. However, PBS Region 4 maintains that it did not disregard the intent of the congressional prospectus process. We disagreed with the PBS Regional Commissioner's response and maintain that PBS Region 4 disregarded the intent of the congressional prospectus process.

### AUDIT OF PBS BASIC REPAIRS AND ALTERATIONS PROJECT: FORT LAUDERDALE FEDERAL BUILDING AND COURTHOUSE

*Report Number A220042/P/6/R23007, dated April 20, 2023*

We initiated this audit in response to a hotline complaint that raised concerns over project management in PBS Region 4's Gulf Coast Branch. Although we determined that the complaint did not have merit, we identified risks concerning the Gulf Coast Branch's award and administration of contracts that warranted an audit. To conduct our audit, we selected one basic repairs and alterations project from the Gulf Coast Branch. Our audit objective was to determine whether PBS Region 4 planned, awarded, administered, and closed out the task order for a \$1.2 million project for water intrusion repairs and mold remediation at the U.S.

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Federal Building and Courthouse in Fort Lauderdale, Florida (Fort Lauderdale Federal Building and Courthouse), in accordance with the FAR, GSAM, and other applicable policies.

We found that PBS Region 4 did not plan, award, administer, and close out the water intrusion repairs and mold remediation task order for the Fort Lauderdale Federal Building and Courthouse in accordance with the FAR, GSAM, and other applicable policies. PBS Region 4 did not maintain a complete and accurate task order file. PBS Region 4 also did not ensure that contractor and subcontractor employees were paid in compliance with the Davis-Bacon Act.<sup>2</sup> Additionally, PBS Region 4 improperly allowed project managers to perform COR duties without delegation of authority. Finally, PBS Region 4 did not perform the required review to identify and resolve any issues when the task order file was transferred to a new contracting officer.

Based on our audit findings, we made four recommendations to the PBS Region 4 Regional Commissioner: (1) provide training to Gulf Coast Branch contracting officials with respect to maintaining complete and accurate contract file documentation in accordance with the FAR, GSAM, and other applicable policies, ensuring employees are paid in accordance with applicable statutory and regulatory labor requirements, designating CORs properly before delegating contract responsibilities, and complying with applicable FAR and GSAM clauses governing the transfer of contract files; (2) prepare and implement oversight procedures to ensure contract file documentation within the Gulf Coast Branch complies with the FAR, GSAM, and other applicable policies; (3) perform a review of all certified payroll documentation for this task order and take action to compensate any contractor employees who were underpaid; and (4) perform a review of contracts awarded by the Gulf Coast Branch to ensure that the contract files contain complete and accurate contract documentation in accordance with the FAR, GSAM, and other applicable policies.

The PBS Region 4 Regional Commissioner agreed with our report recommendations.

### AUDIT OF SECURITY CONTROLS FOR MOBILE TECHNOLOGIES USED BY GSA

*Report Number A220055/I/T/F23004, dated September 29, 2023*

We performed an audit of the mobile technology security controls used by GSA to manage thousands of mobile devices, including smartphones and tablets, to conduct federal business. The security of these devices is critical. If not properly managed, GSA mobile devices can be exploited to gain access to federal systems, networks, or data.

This audit report is restricted from public release due to the sensitivity of its contents.

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<sup>2</sup> The Davis-Bacon Act requires contractors and subcontractors to pay their employees no less than the locally prevailing wages and fringe benefits as outlined in the wage determination.

### IMPLEMENTATION REVIEW OF CORRECTIVE ACTION PLAN: OPPORTUNITIES FOR PBS TO IMPROVE MANAGEMENT AND OVERSIGHT OF ITS FEDERAL AGGREGATED SOLAR PROCUREMENT PILOT CONTRACTS, REPORT NUMBER A201020/P/9/R21008, SEPTEMBER 30, 2021

*Assignment Number A230030, dated August 3, 2023*

We performed an implementation review to determine whether GSA has taken the actions as outlined in the corrective action plan for our September 30, 2021, audit report, *Opportunities for PBS to Improve Management and Oversight of Its Federal Aggregated Solar Procurement Pilot Contracts*. Our audit objective was to determine whether PBS's selection and oversight of Federal Aggregated Solar Procurement Pilot (FASPP) sites maximize energy savings and comply with applicable laws, regulations, policies, safety standards, and contract requirements.

Our original audit found that PBS could improve its site selection, administration, and oversight of the FASPP contracts. PBS's selection of two FASPP sites resulted in PBS paying more for electricity and not achieving expected energy savings. Furthermore, PBS's inadequate oversight of the FASPP contracts resulted in safety hazards, substandard energy production, violations of Buy American Act and Trade Agreements Act (BAA/TAA) requirements, and lost opportunities to maximize energy savings.

Based on our audit findings, we made 12 recommendations to the PBS Regional Commissioner for the Pacific Rim Region. Our implementation review found that PBS did not fully implement the corrective actions for 4 of the 12 recommendations, resulting in lost energy savings, incomplete review of fall protection, and inadequate procedures for complying with BAA/TAA requirements.

Specifically, we found that PBS did not: (1) include a provision in its standard operating procedures for PBS to select future photovoltaic project sites that have solar energy rates that are less than local utility rates; (2) complete its review of fall protection at the U.S. Geological Survey Menlo Park Campus to protect against the risk of serious injury or death; (3) include effective controls in the standard operating procedures to ensure compliance with BAA/TAA requirements; and (4) consider all options for the use of solar renewable energy certificates, risking lost opportunities to maximize energy savings.

### IMPLEMENTATION REVIEW OF CORRECTIVE ACTION PLAN: FAS'S USE OF PRICING TOOLS RESULTS IN INSUFFICIENT PRICE DETERMINATIONS, REPORT NUMBER A180068/Q/3/P20002, DECEMBER 23, 2019

*Assignment Number A230051, dated September 21, 2023*

We performed an implementation review to determine whether GSA has taken the actions as outlined in the corrective action plan of our December 23, 2019, audit report, *FAS's Use of Pricing Tools Results in Insufficient Price Determinations*. The objectives of the audit were to determine if: (1) FAS has sufficient and appropriate policy, guidance, and internal controls related to the use of services pricing tools; (2) FAS contracting specialists/officers are using and documenting the use of services pricing tools in accordance with existing FAS policy and federal regulations; and (3) the services pricing tools provide accurate data for price analysis.

## SIGNIFICANT AUDITS

Our original audit found that FAS contracting officers used flawed methodologies and practices when performing price analysis with FAS pricing tools. We also found that the data in the Contract Awarded Labor Category (CALC) tool is incomplete, inaccurate, and duplicative and, as a result, may skew the price analyses. Finally, we found that FAS contracting officers did not adequately document their use of the pricing tools to support price analyses and pricing determinations.

Based on our audit findings, we made three recommendations to the FAS Commissioner. Our implementation review determined that FAS did not fully implement the corrective actions for two of our three recommendations. Specifically, we found that FAS did not establish: (1) comprehensive policy, guidance, and controls to ensure resultant price analyses are valid; and (2) controls to ensure that data contained in the pricing tools is complete, accurate, and consistent and identifies labor rates associated with contracts with no sales activity.

### IMPLEMENTATION REVIEW OF CORRECTIVE ACTION PLAN: PBS'S NATIONAL CAPITAL REGION IS FAILING TO ADEQUATELY MANAGE AND OVERSEE THE BUILDING SERVICES CONTRACTS AT THE FDA'S WHITE OAK CAMPUS, REPORT NUMBER A190021/P/5/R21003, MAY 17, 2021

*Assignment Number A230047, dated August 24, 2023, reissued September 28, 2023*

We performed an implementation review to determine whether GSA has taken the actions as outlined in the corrective action plan for our May 17, 2021, audit report, *PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus*. The objective of the audit was to determine whether the GSA PBS National Capital Region (NCR) is administering and managing the building services contracts at the U.S. Food and Drug Administration's (FDA) White Oak campus in accordance with applicable regulations and policies.

Our original audit found that PBS NCR: (1) failed to manage and oversee building services at the White Oak campus and is not enforcing requirements of the energy savings performance contract task order; (2) charged the FDA for overpriced services that are not being provided; (3) did not ensure that security protocols are followed; (4) mismanaged fire, life, and safety services for the White Oak campus; (5) allowed employees to perform COR duties although they lacked the required certification; (6) improperly provided the contractor with the "right of first refusal" for all O&M work on the campus, undermining competition and pricing; (7) improperly destroyed contract file documentation; and (8) did not provide a clean, sanitary, safe, and healthy space at the child care center.

Based on our audit findings, we made 12 recommendations to improve PBS NCR's oversight of the administration and management of the building services contracts at the FDA's White Oak campus. Our implementation review determined that PBS NCR did not fully implement the corrective actions for 3 of our 12 recommendations. Specifically, PBS NCR did not implement the appropriate personnel actions needed to address deficiencies in the contracting officer's management of contracts for the White Oak campus and recover overpayment for after-hours O&M services from the contractor and reimburse the FDA for the overpayment.

### GSA OFFICE OF INSPECTOR GENERAL'S FISCAL YEAR 2022 RISK ASSESSMENT OF GSA'S CHARGE CARD PROGRAM

*Memorandum Number A230044-2, dated September 8, 2023*

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

Through our limited purchase card testing, we found that the Office of Administrative Services should continue to improve controls over cardholders uploading supporting documentation into GSA's purchase card system of record. In addition, we found that GSA should ensure that purchase cardholder refresher training requirements are documented consistently. Based on the findings from our testing and the centrally billed nature of purchase card accounts, we assessed the risk for GSA's purchase card program as moderate.

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

### GSA COMPLIED WITH THE PAYMENT INTEGRITY INFORMATION ACT IN FISCAL YEAR 2022

*Report Number A230016/B/T/F23003, dated May 17, 2023*

We performed this audit in accordance with the Payment Integrity Information Act of 2019. This law aims to improve efforts to identify and reduce government-wide improper payments and requires federal agencies to review their programs and identify those that were susceptible to significant improper payments. Our audit objective was to determine if GSA complied with the Payment Integrity Information Act of 2019 in FY 2022.

We determined that GSA complied with the Payment Integrity Information Act of 2019 in FY 2022; therefore, we had no reportable findings or report recommendations.

### IMPLEMENTATION REVIEW OF CORRECTIVE ACTION PLAN: AUDIT OF THE FEDERAL RISK AND AUTHORIZATION MANAGEMENT PROGRAM, PROGRAM MANAGEMENT OFFICE'S GOALS AND OBJECTIVES, REPORT NUMBER A170023/Q/T/P19002, MARCH 21, 2019

*Assignment Number A230068, dated September 25, 2023*

We performed an implementation review to determine whether GSA has taken the actions as outlined in the corrective action plan for our March 21, 2019, audit report, *Audit of the Federal Risk and Authorization Management Program, Program Management Office's Goals and Objectives*. The objective of the audit was to determine if the Federal Risk and Authorization Management Program (FedRAMP) Program Management Office's (PMO's) goals and objectives were sufficient to assess its effectiveness in accomplishing its mission.

## SIGNIFICANT AUDITS

Our original audit found that the FedRAMP PMO did not establish an adequate structure comprised of its mission, goals, and objectives for assisting the federal government with the adoption of secure cloud services. Specifically, the mission statement did not provide a clear direction for the FedRAMP PMO; objective statements were missing key attributes; and the alignment of the mission, goals, and objective statements made it difficult to determine if the FedRAMP PMO was meeting its mission in an effective manner.

Based on our audit findings, we made three recommendations to the Director of FAS's Technology Transformation Services (TTS). Our implementation review determined that FAS's TTS has taken appropriate corrective actions to address the recommendations and that no further action is necessary.

## SUMMARY OF CONTRACT AUDIT REPORTS

The Office of Audits issues contract audit reports to provide assistance to contracting officials in awarding and administering GSA contracts.

The two primary types of contract audits include:

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

During the period April 1, 2023, to September 30, 2023, we issued 18 contract audit reports. In these reports, we found:

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

We also recommended more than \$104.3 million in cost savings. This includes funds that could be put to better use, which is the amount the government could save if our audit findings are implemented. It also includes questioned costs, which is money that should not have been spent such as overbillings and unreported price reductions.

April 1, 2023 – September 30, 2023

CONTRACT AUDIT REPORTS	
Recommendations That Funds Be Put to Better Use	\$94,106,812
Questioned Costs	\$10,232,396

<sup>3</sup> This includes claims that have been submitted but not yet paid.

## FAR DISCLOSURE PROGRAM

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

### FAR RULE FOR CONTRACTOR DISCLOSURE

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

### DISCLOSURES FOR THIS REPORTING PERIOD

As disclosures are made, our Offices of Audits, Investigations, and Counsel jointly examine each acknowledgment and make a determination as to what actions—if any—are warranted. During this reporting period, we received five new disclosures regarding contract overbillings, TAA noncompliance, inaccurate small business determinations, and unqualified labor. We concluded our evaluation of 3 disclosures, assisted with 8 disclosures referred by other agencies because of the potential effect on GSA operations, and continued to evaluate 10 existing disclosures during this reporting period. Our efforts resulted in \$466,003 in settlement and recoveries to the government.

## STATISTICAL SUMMARY OF OIG AUDITS

April 1, 2023 – September 30, 2023

<b>OFFICE OF AUDITS</b>	
Total Financial Recommendations	\$104,339,208
These include:	
Recommendations That Funds Be Put to Better Use	\$94,106,812
Questioned Costs	\$10,232,396
Audit Reports Issued	29
Audit Memoranda Provided to GSA	2
<b>GSA Management Decisions Agreeing with Audit Recommendations</b>	<b>\$49,682,384</b>

# SIGNIFICANT INVESTIGATIONS

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The Office of Investigations conducts independent and objective investigations relating to GSA programs, operations, and personnel. The office consists of special agents with full, statutory, law enforcement authority to make arrests, execute search warrants, serve subpoenas, and carry concealed weapons. Special agents conduct investigations that may be criminal, civil, or administrative in nature and often involve complex fraud schemes. Investigations can also involve theft, false statements, counterfeit or substandard products, embezzlement, bribery, antitrust violations, credit card fraud, diversion of excess government property, and digital crimes.

During this reporting period, the office opened 51 investigative cases, closed 47 investigative cases, referred 39 subjects for criminal prosecution, and helped obtain 23 convictions. Civil, criminal, and other monetary recoveries resulting from our investigations totaled more than \$43.3 million.

## CRIMINAL INVESTIGATIONS

### FOUR INDIVIDUALS SENTENCED FOR INVOLVEMENT IN A \$7 MILLION 8(A) FRAUD SCHEME TO OBTAIN SET-ASIDE CONTRACTS

A GSA OIG investigation revealed that three government contractors and a lobbyist submitted false statements through GSA's Central Contractor Registration and Online Representations and Certifications Application and were subsequently awarded \$7 million in set-aside contracts that they were ineligible to receive. Milton Boutte, Joe Diaz, Arturo Vargas, and George Lowe conspired to charge lobbying and other unauthorized costs to U.S. Army contracts through falsified invoices. The contracts supported the Big Crow Program Office (BCPO) of the U.S. Army Space and Missile Defense Command, which operated electronic warfare testing aircraft. The four individuals were indicted in 2017 for conspiracy, wire fraud, major fraud against the United States, and false statements. In 2018, contractors Diaz and Vargas pleaded guilty for their roles in the scheme, and Lowe, the lobbyist, pleaded guilty in 2020.

On June 27, 2022, a federal jury seated in the District of New Mexico found Boutte, the former director of the BCPO, guilty of conspiracy to defraud the United States and conspiracy to commit wire fraud. On June 20, 2023, Boutte was sentenced to 2 years in prison, 100 hours of community service, and 1 year of supervised release; Vargas was sentenced to 100 hours of community service and 3 years of probation. On June 21, 2023, Lowe was sentenced to 300 days of home detention, 100 hours of community service, and 3 years of supervised release; Diaz was sentenced to 6 months of home detention, 100 hours of community service, and 3 years of supervised release. The four conspirators were also ordered to pay \$1.2 million in

## SIGNIFICANT INVESTIGATIONS

restitution. GSA OIG investigated this case with Army CID, Defense Criminal Investigative Service (DCIS), Small Business Administration (SBA) OIG, and Defense Contracting Audit Agency.

### TAMPA MAN SENTENCED TO MORE THAN 70 MONTHS IN PRISON FOR CREDIT CARD FRAUD INVOLVING GSA SMARTPAY ACCOUNT INFORMATION

A GSA OIG investigation determined that Kevin Anderson used the account information for GSA SmartPay government purchase cards assigned to the U.S. Department of Agriculture (USDA) to conduct fraudulent transactions. The investigation connected Anderson to 10 fraud cases across Florida and more than \$150,000 in fraudulent credit card charges.

Anderson was arrested for fraudulently obtaining property valued at \$50,000 or more, using the identification of 20 to 30 individuals without consent, and trafficking in or possessing 15 to 49 counterfeit credit cards. On June 7, 2023, Anderson was sentenced to more than 70 months in prison, 10 years of probation, and was ordered to pay \$115,044 in restitution. GSA OIG investigated this case with USDA OIG and the Sarasota County Sheriff's Office.

### COMPANY ORDERED TO PAY \$4 MILLION IN RESTITUTION AND A \$1 MILLION FINE FOR ILLEGALLY SELLING GOVERNMENT PLANES

A GSA OIG joint investigation found that the Royal Air Museum, Inc. received several airplanes from GSA through the Florida State Agency for Surplus Property (FLSASP). GSA administers the Federal Surplus Property Donation Program and arranges the transfer and utilization of surplus federal government property through this program. The program prohibits private individuals and charities from obtaining federal property for personal use or gain.

The investigation determined that the Royal Air Museum fraudulently acquired several airplanes through the FLSASP by representing that the planes would be used to promote their organization and the preservation of aerospace history, including display and exhibition. Instead, the Royal Air Museum sold a fuselage, engines, and other airplane parts without authorization from GSA. During the investigation, agents seized five airplanes; three of them were sold through GSA Auctions for a total of \$545,100, which was paid to GSA. The other two planes were released to authorized recipients. Royal Air Museum pleaded guilty to major fraud against the United States, and on July 27, 2023, the company was sentenced to 5 years of probation and was ordered to pay \$4 million in restitution to GSA and a \$1 million fine. GSA OIG investigated this case with Department of Transportation OIG, DCIS, and National Aeronautics and Space Administration OIG .

### FORMER GOVERNMENT EMPLOYEES SENTENCED AND ORDERED TO PAY A TOTAL OF \$3.32 MILLION IN RESTITUTION FOR THEIR ROLES IN A GOVERNMENT PURCHASE CARD FRAUD SCHEME

A GSA OIG investigation revealed that Randius McGlown and Charles Gates, former Department of Veterans Affairs (VA) employees, utilized their respective positions as an inventory manager and an acquisition specialist in furtherance of a government purchase card fraud scheme. McGlown and Gates created a shell logistics company with another individual and then used their GSA SmartPay government purchase cards to make approximately \$2.9 million in fictitious

## SIGNIFICANT INVESTIGATIONS

purchases from the company for equipment and materials on behalf of the VA. They then created fake invoices using existing VA inventory materials to conceal that no items were delivered to the VA. McGlown and Gates were arrested and charged with one count each of theft of government funds. On July 13, 2023, McGlown was sentenced to 1 year in prison, 1 year probation, and ordered to pay \$2.9 million in restitution. That same day, Gates was sentenced to 5 months in prison, and ordered to pay \$422,284 in restitution, jointly and severally with McGlown. GSA OIG investigated this case with VA OIG and the FBI.

### GOVERNMENT CONTRACTOR SENTENCED FOR LYING ABOUT SELLING CHINESE-MADE PRODUCTS TO THE GOVERNMENT

A GSA OIG investigation revealed Suhiab Allababidi—owner and president of 2M Solutions, Inc.—sold Chinese-made equipment (such as security cameras, digital video recorders, and other electronics) to various U.S. Government agencies while claiming that the products were manufactured in the United States. Allababidi represented that 2M was a “USA Manufacturing Company”; however, the company did little-to-no manufacturing and instead purchased the products from Chinese companies, removed labels reflecting the true country of origin, and replaced them with labels indicating they were manufactured in 2M’s Texas facility. By falsely representing that its products were manufactured in the United States, 2M was able to secure contracts subject to the BAA, a law which generally prohibits U.S. Government agencies from purchasing products made from Chinese companies. Allababidi pleaded guilty to conspiracy to defraud the United States. 2M pleaded guilty to conspiracy to defraud the United States and filing false or misleading export information. On May 5, 2023, Allababidi was sentenced to 4 years in prison and 2M was sentenced to 5 years of probation plus a \$1 million fine. Allababidi and 2M were jointly and severally ordered to pay \$1.15 million in restitution. GSA investigated this case with DCIS, FBI, Department of Commerce Office of Export Enforcement, Homeland Security Investigations (HSI), and Department of Justice (DOJ) OIG.

### ATLANTA MAN SENTENCED IN THE VIRGIN ISLANDS TO 2 YEARS IN PRISON FOR AGGRAVATED IDENTITY THEFT INVOLVING GSA SMARTPAY ACCOUNT INFORMATION

A GSA OIG investigation determined that Chance Campbell used the account information for a government purchase card assigned to the Department of the Interior (DOI) Fish and Wildlife Service to conduct fraudulent transactions in the Virgin Islands. The investigation connected Campbell to jewelry purchases totaling \$30,000 in fraudulent charges. On January 12, 2023, Campbell was arrested in Georgia and ordered removed to the U.S. Virgin Islands. Campbell pleaded guilty to aggravated identity theft and was sentenced on September 8, 2023, to 2 years in prison followed by 1 year of supervised release. GSA OIG investigated this case with HSI.

### GOVERNMENT EMPLOYEE SENTENCED IN \$800,000 GSA SMARTPAY GOVERNMENT PURCHASE CARD FRAUD SCHEME AND FRAUDULENT USE OF A GSA FLEET CARD

A GSA OIG investigation revealed that Dema Martinez, an employee of the Bureau of Indian Affairs, made more than \$800,000 in fraudulent government purchase card purchases,

## SIGNIFICANT INVESTIGATIONS

including furniture, jewelry, appliances, airline tickets, and an Audi S4 vehicle. To conceal the true nature of her purchases, she submitted fake receipts and invoices from fictitious vendors to support the charges, often uploading them into DOI's online credit card management review system. In addition to the government purchase card scheme, Martinez fraudulently used a Fleet credit card for personal purchases of gasoline and car washes. Martinez pleaded guilty to wire fraud and fraudulent use of an access device and, on May 12, 2023, was sentenced to 50 months in prison and 3 years of probation, and payment of \$826,109 in restitution. GSA OIG investigated this case with DOI OIG.

## CIVIL SETTLEMENTS

### FEDERAL CONTRACTOR AGREES TO PAY \$7 MILLION TO SETTLE FALSE CLAIMS ACT ALLEGATIONS

Foresee Results, Inc. and Verint Americas, Inc. (collectively, Foresee), agreed to pay \$7 million to resolve allegations that they violated the False Claims Act by falsely representing to the United States that they used the methodology of the American Customer Satisfaction Index (ACSI). In 2011, Foresee was awarded a five-year blanket purchase agreement (BPA) to measure the public's satisfaction with certain government websites and make recommendations regarding how to improve satisfaction. In awarding the BPA to Foresee, the government understood that Foresee would be applying the trusted methodology of the ACSI to provide federal agencies with an ACSI measurement. The government alleged that Foresee did not use the ACSI methodology and that the company made false statements and omissions about the methodology it used. GSA OIG investigated this case with DOI OIG.

### COOPERATING FEDERAL CONTRACTOR RESOLVES LIABILITY FOR FAILING TO FULLY IMPLEMENT CYBERSECURITY CONTROLS

On September 5, 2023, Verizon Business Network Services, LLC, agreed to pay more than \$4 million to resolve False Claims Act allegations that it failed to completely satisfy certain cybersecurity controls in connection with its Managed Trusted Internet Protocol Service (MTIPS), which is designed to provide federal agencies with secure connections to public internet and other external networks. After learning of the issues, Verizon provided the government with a written self-disclosure, initiated an independent investigation and compliance review of the issues, and provided the government with multiple detailed supplemental written disclosures. Verizon cooperated with the government's investigation of the issues and took prompt and substantial remedial measures. GSA OIG investigated the case with the DOJ's Civil Division, Commercial Litigation Branch, Fraud Section as part of DOJ's Civil Cyber-Fraud Initiative.

### ADOBE INC. AGREED TO PAY \$3 MILLION TO SETTLE KICKBACK ALLEGATIONS INVOLVING FEDERAL SOFTWARE SALES

On April 13, 2023, Adobe, Inc. (Adobe), agreed to pay \$3 million to resolve allegations that it violated the False Claims Act by making payments in violation of the Anti-Kickback Act in return for influence over the sale of Adobe software to the federal government. Between January 2011 and December 2020, Adobe allegedly paid prohibited kickbacks under its Solution Partner program to companies that had a contractual or other relationship with the federal government, allowing them to influence purchases of Adobe software. Adobe allegedly paid the companies a percentage of the purchase price of the software under multiple GSA contracts. GSA OIG investigated the case with DCIS and U.S. Air Force Office of Special Investigations (AFOSI).

### CONTRACTOR AGREED TO PAY \$150,000 TO RESOLVE FALSE CLAIMS ALLEGATIONS

On May 22, 2023, Amcore Cherokee Joint Venture, LLC (Amcore) and its owner, John Adams, entered into a civil settlement with the United States and agreed to pay \$150,000 to satisfy allegations that Amcore violated the False Claims Act by making false statements concerning Amcore's status as a Service-Disabled Veteran-Owned Small Business. GSA OIG investigated the case with VA OIG, SBA OIG, and DCIS.

### GOVERNMENT CONTRACTOR SETTLES FALSE CLAIMS ACT ALLEGATIONS BASED ON VIOLATIONS OF THE TRADE AGREEMENTS ACT

On June 29, 2023, Omni Business Systems agreed to pay \$80,944 to resolve False Claims Act allegations that it fraudulently misrepresented the country of origin for more than a dozen toner products manufactured by Hewlett Packard, Inc., and offered them for sale, as TAA compliant, through a GSA MAS contract and an Air Force BPA. GSA OIG investigated this case with AFOSI.

## FLEET CARD FRAUD

The Office of Investigations collaborates with GSA's Fleet Loss Prevention Team to prevent, detect, and investigate fraud involving GSA's government-wide fleet program. During this reporting period, these investigations uncovered a black-market fuel operation in South Florida, a credit card trafficking ring, and use of GSA Fleet cards for personal gain. Our work on Fleet card investigations during this reporting period resulted in 3 arrests and 11 individuals sentenced to a combined total of 11 years of confinement, 45 years of probation, and 152 hours of community service.

Examples of successful Fleet card fraud cases include the following:

- Carlos Carrazana trafficked credit card account information, including compromised GSA Fleet cards. Carrazana was arrested and charged with trafficking 15 to 49 credit cards or

## SIGNIFICANT INVESTIGATIONS

related documents and, on August 8, 2023, was sentenced to 24 months in state prison followed by 10 years of probation. The investigation also identified an illegal fuel yard in South Florida where Deyvis Hernandez purchased stolen fuel. On August 24, 2023, Hernandez pleaded guilty to racketeering, conspiracy to commit racketeering, money laundering, and dealing in stolen property. Hernandez was sentenced to 150 days of incarceration followed by 10 years of probation. GSA OIG investigated this case with the U.S. Secret Service and the Miami-Dade Police Department.

- Ketrick Barron, a former Amtrak employee assigned to the Amtrak Ivy City Maintenance Facility, Washington, D.C., used multiple GSA Fleet credit cards to purchase fuel for personally owned vehicles. Barron was charged in the District of Maryland with theft of government property. Barron was sentenced on May 9, 2023, to 3 years of probation and ordered to pay \$6,580 in restitution. GSA OIG investigated this case with Amtrak OIG.
- Chad Kolarik, a member of the Pennsylvania National Guard, used multiple GSA Fleet credit cards to purchase fuel for his personally owned vehicle. On February 13, 2023, he was ordered to pay \$562 in restitution. On September 28, 2023, Kolarik was sentenced to 6 months of probation.
- Nathaniel Williams, a government contractor at the Hunter Army Airfield in Savannah, GA, pleaded guilty to fraudulently using GSA Fleet cards for personal use. On September 20, 2023, he was sentenced to 5 years of probation, 40 hours of community service, and ordered to pay \$9,485 in restitution and a \$1,000 fine.
- A Sergeant First Class (SFC) assigned to the U.S. Army CID, Joint Base Lewis-McChord, Washington, used multiple GSA Fleet credit cards for his financial benefit. On June 26, 2023, the SFC pleaded guilty to fraudulent use of an access device at a special court-martial and was sentenced to mandatory retirement and ordered to pay \$2,330 in restitution.
- A U.S. Army active-duty military member assigned to the 11th Transportation Battalion, Fort Story, Virginia, used GSA Fleet credit cards to fuel his personal vehicle and the personal vehicle of an acquaintance. On April 24, 2023, a nonjudicial punishment hearing under Article 15, Uniform Code of Military Justice (UCMJ) was completed, and the military member was demoted in rank from Sergeant (E-5) to Specialist (E-4); additionally, his pay was reduced \$3,038. He was also issued 45 days of extra duty while being restricted to specific areas of the base and he received a written reprimand.

## SIGNIFICANT ADMINISTRATIVE MISCONDUCT

### GSA EMPLOYEE RECEIVED 45-DAY SUSPENSION FOR MULTIPLE INFRACTIONS OF GSA POLICIES

On July 31, 2023, a GSA Realty Specialist received a 45-day suspension for improper use of their government-issued travel card, lack of candor, and use of public office for private gain. The OIG investigation found the employee used their government-issued travel card for personal expenses during a vacation, and they subsequently admitted to providing false statements during the investigation.

## INVESTIGATIONS OF SENIOR OFFICIALS

### ALLEGATIONS AGAINST SENIOR GOVERNMENT EMPLOYEE NOT SUBSTANTIATED

GSA OIG investigated allegations that a senior government official (GS-15) had a conflict of interest with a contractor hired to do work in support of their program. Specifically, it was alleged that the employee or their spouse had a personal relationship with the contractor. The allegations were not substantiated.

## NEW DEAL ART INVESTIGATIONS

During the New Deal era, the federal government created and administered four separate art projects, which operated from 1933 to 1943, to create employment opportunities. The Works Progress Administration was the largest of the New Deal era programs. New Deal artwork was produced by artists who created thousands of paintings, sculptures, and works on paper. The federal government loaned the available art to public agencies and nonprofit institutions throughout the nation. GSA is responsible for inventorying and cataloguing the loaned pieces of art. To date, more than 23,000 pieces of artwork have been located. Some circumstances have contributed to the separation of the borrowers from the artwork, resulting in New Deal art changing hands, and some pieces have found their way into private possession.

GSA's Fine Arts Program Office (FAP) and the OIG work together to locate, identify, and recover lost works of art. As a direct result of the cooperative efforts between the OIG and FAP, seven lost pieces of artwork, by various artists, were returned to the federal government during this reporting period by a resident of Sun City, AZ. The resident claimed the artwork had been passed around her family unopened for decades with only the words "pictures from the office" written on the outside of the package. She contacted the OIG after learning the paintings were government property. New Deal artwork is not subject to public sale, but the comparative value of these recovered pieces is \$9,200. Since cooperative efforts between the OIG and FAP began in 2001, 802 pieces have been recovered, with a comparative value of \$8,792,050.<sup>4\*</sup>

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<sup>4</sup> This number includes all pieces of artwork recovered through the joint publicity/recovery efforts of the OIG and FAP. Not all recoveries require direct intervention by the OIG; some are direct turn-ins to the FAP as result of our combined public information campaigns or Internet searches that reveal the claim of ownership by the government.

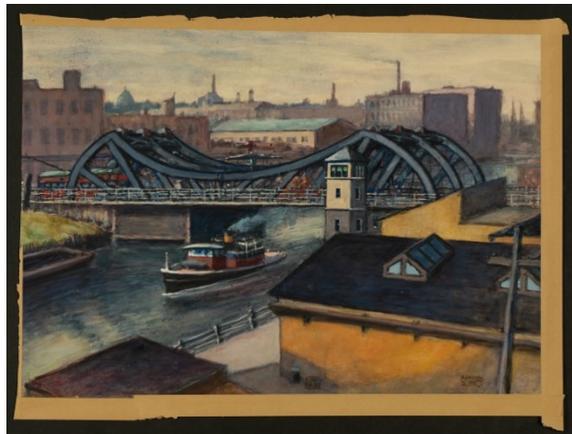
SIGNIFICANT INVESTIGATIONS



"Christmas Morning" by John Clinton



"City Street" by Rowena Fry



"Goose Island" by Ellsworth Young

## OTHER SIGNIFICANT WORK

### SUSPENSION AND DEBARMENT INITIATIVE

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

During this reporting period, the OIG made 24 referrals for consideration of suspension or debarment to the GSA Office of Acquisition Policy or other federal debarment officials. There were 74 actions issued based on current and previous OIG referrals.

### INTEGRITY AWARENESS

The OIG presents Integrity Awareness Briefings nationwide to educate GSA employees on the prevention of fraud, waste, and abuse. This period, we presented 40 briefings attended by 1,269 GSA employees, other government employees, and government contractors. These briefings explain the statutory mission of the OIG and the methods available for reporting suspected instances of wrongdoing. In addition, through case studies, the briefings make GSA employees aware of actual instances of fraud in GSA and other federal agencies and, thus, help prevent fraud's recurrence.

### HOTLINE

The OIG hotline provides an avenue for employees and other concerned citizens to report suspected wrongdoing. Hotline posters located in GSA-controlled buildings encourage employees to use the hotline. Our hotline also allows Internet-submission of complaints. During the reporting period, we received 521 hotline contacts. Of these, 64 were referred to GSA program officials for review and appropriate action, 18 were referred to other federal agencies, 33 were referred to the OIG Office of Audits, 1 was referred to the OIG Office of Inspections, and 36 were referred to investigative field offices for investigation or further review.

# STATISTICAL SUMMARY OF OIG INVESTIGATIONS

April 1, 2023 – September 30, 2023

OFFICE OF INVESTIGATIONS	
Referrals for criminal prosecution, civil litigation, administrative action, suspension & debarment	121
Indictments and informations on criminal referrals*	23
Subjects accepted for criminal prosecution	28
Subjects accepted for civil action	21
Convictions	23
Civil settlements/judgments	8
Contractors/individuals suspended and debarred	74
Employee actions taken on administrative referrals involving government employees	21
Investigative Reports**	1
Number of subpoenas	34
Total Investigative Receivables and Recoveries***	\$43,365,203

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

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

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

## Investigative Workload

The OIG opened 51 investigative cases and closed 47 cases during this period.

## Referrals

The OIG makes criminal and civil referrals to the DOJ or other authorities for prosecutive and litigative consideration. The OIG also makes administrative referrals to GSA officials on certain cases disclosing wrongdoing on the part of GSA employees, contractors, or private individuals doing business with the government.

## SIGNIFICANT INVESTIGATIONS

### Actions on OIG Referrals

Based on these and prior referrals, 28 subjects were accepted for criminal prosecution and 21 subjects were accepted for civil litigation. Criminal cases originating from OIG referrals resulted in 23 indictments or informations and 23 convictions. OIG civil referrals resulted in eight subject settlements/judgments. Based on OIG administrative referrals, GSA management debarred 29 contractors or individuals, suspended 45 contractors or individuals, and took 21 personnel actions against a government employee.

Table 1. Summary of OIG Referrals

TYPE OF REFERRAL	CASES	SUBJECTS
Civil	19	40
Criminal (DOJ)*	21	32
Criminal (State/Local)**	7	7
Administrative Referrals for Action/Response	10	18
Suspension	1	9
Debarment	6	15
<b>TOTAL</b>	<b>64</b>	<b>121</b>

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

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

## SIGNIFICANT INVESTIGATIONS

### Monetary Results

Table 2 presents the amounts of fines, penalties, settlements, recoveries, forfeitures, judgments, and restitutions payable to the U.S. Government as a result of criminal and civil actions arising from OIG referrals. Table 3 presents the amount of administrative recoveries and forfeitures as a result of investigative activities. Criminal, civil, and other monetary recoveries arising from our work totaled more than \$43.3 million.

Table 2. Criminal and Civil Results

	CRIMINAL	CIVIL
Fines and Penalties	\$2,151,100	\$0
Settlements/Judgments		\$16,418,285
Recoveries/Forfeitures	\$11,496,268	\$1,005,502
Restitutions	\$11,241,565	
<b>TOTAL</b>	<b>\$24,888,934</b>	<b>\$17,423,787</b>

Table 3. Non-Judicial Recoveries\*

Administrative Recoveries	\$1,038,736
Forfeitures/Restitution	\$13,746
<b>TOTAL</b>	<b>\$1,052,482</b>

\*This total includes the FAR disclosures reported on page 17.

# GOVERNMENT-WIDE POLICY ACTIVITIES

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

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

## INTERAGENCY AND INTRA-AGENCY COMMITTEES AND WORKING GROUPS

- **Council of the Inspectors General on Integrity and Efficiency.** The Acting IG is a member of the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Investigations and Legislation committees. Through CIGIE, we also participate in the following:
  - **Pandemic Response Accountability Committee.** The Office of Audits and the Office of Investigations both participate in CIGIE's Pandemic Response Accountability Committee. The government's coronavirus response includes \$2.6 trillion in economic relief to individual citizens, loans for businesses, and support for hospitals and other medical providers. In addition, this response includes economic relief for affected businesses; industries; and state, local, and tribal governments. The committee's mission is to promote transparency and ensure coordinated, comprehensive oversight of the government's spending and coronavirus response.
  - **Federal Audit Executive Council Information Technology Committee.** The Office of Audits participates in the Federal Audit Executive Council (FAEC) IT Committee. This committee provides a forum to share information and coordinate audits of significant IT issues with the OIG community and the federal government. The committee also develops and recommends best practices to be used by OIGs in addressing IT issues.
  - **Federal Audit Executive Council Contracting Committee.** The Office of Audits participates in the Federal Audit Executive Council Contracting Committee. This committee is involved with addressing contract, program, and acquisition management issues that

have a common interest throughout the OIG community. The committee shares information on audit topics, successful audits, and related techniques.

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

the guide in July 2023 to clarify how a Reviewed Organization's I&E program is assessed by requiring an overall rating of pass, pass with deficiencies, or fail. The working group continues to provide education and instruction on the external peer review process.

- **Collaboration Working Group.** The Office of Inspections participates in the Collaboration Working Group. This working group is comprised of I&E professionals from the IG community who are working to enhance the I&E collaboration site. The working group continues to identify best practices, templates, and other items to encourage collaboration across the IG community.
- **I&E Roundtable.** The Office of Inspections participates in the I&E Roundtable. The I&E Roundtable provides a forum to share information and coordinate issues of importance within the OIG I&E community.
- **Data Analytics Working Group.** The Office of Investigations participates in the CIGIE Data Analytics Working Group. This working group's projects include identifying new data analytics methods and techniques, sharing information about data and data sources available to the OIG community, and identifying crosscutting initiatives, such as using data analytics to detect fraud.
- **Investigations Training Subcommittee.** The Office of Investigations participates in the CIGIE Investigations Training Subcommittee. The subcommittee establishes and promotes training resources for investigative staff throughout the OIG community.
- **Investigations Undercover Review Committee.** The Office of Investigations participates in the CIGIE Undercover Review Committee. This committee provides recommendations and approvals on the suitability of undercover operations involving sensitive circumstances in accordance with the CIGIE's and the Attorney General's guidelines.
- **DOJ Civil Cyber-Fraud Initiative Working Group.** GSA OIG investigators, attorneys, and auditors participate in the OIG's partnership with the Civil Cyber-Fraud Initiative Working Group. This working group leverages the False Claims Act to hold accountable entities or individuals that put U.S. information or systems at risk by knowingly providing deficient cybersecurity products or services, misrepresenting their cybersecurity practices or protocols, or violating obligations to monitor and report cybersecurity incidents and breaches.
- **DOJ Antitrust Division's Procurement Collusion Strike Force.** The Office of Investigations is a partner agency of the Procurement Collusion Strike Force (PCSF). The PCSF leads a coordinated national response to combat antitrust crimes and related schemes in government procurement, grant, and program funding at federal, state, and local levels of government.

# APPENDIXES

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## APPENDIX I: ACRONYMS AND ABBREVIATIONS

ACSI	American Customer Satisfaction Index	GSA	General Services Administration
AFOSI	U.S. Air Force Office of Special Investigations	GSAM	General Services Administration Acquisition Manual
ASHRAE	American Society of Heating, Refrigerating and Air- Conditioning Engineers	HSI	Homeland Security Investigations
BAA	Buy American Act	HVAC	Heating, Ventilation, and Air Conditioning
BCPO	Big Crow Program Office	IAL2	Identity Assurance Level 2
BPA	Blanket Purchase Agreement	IAQ	Indoor Air Quality
CALC	Contract-Awarded Labor Category	I&E	inspection and evaluation
CDC	Centers for Disease Control and Prevention	IG	Inspector General
CICA	Competition in Contracting Act of 1984	IT	information technology
CID	Criminal Investigation Division	LAM	Lease Administration Manager
CIGIE	Council of the Inspectors General on Integrity and Efficiency	LPOE	Land Port of Entry
COR	Contracting Officer's Representative	MAS	Multiple Award Schedule
COVID-19	Coronavirus disease 2019	MTIPS	Managed Trusted Internet Protocol Service
CSP	Commercial Sales Practices	NASA	National Aeronautics and Space Administration
DCIS	Defense Criminal Investigative Service	NCIS	Naval Criminal Investigative Service
DEIA	Diversity, Equity, Inclusion, and Accessibility	NCR	National Capital Region
DOI	Department of the Interior	NIST	National Institute of Standards and Technology
DOJ	Department of Justice	O&M	Operations and Maintenance
ERM	Enterprise Risk Management	OGC	Office of General Counsel
ESPC	Energy Savings Performance Contract	OIG	Office of Inspector General
FAEC	Federal Audit Executive Council	OMB	Office of Management and Budget
FAP	Fine Arts Program	OSHA	Occupational Safety and Health Administration
FAR	Federal Acquisition Regulation	PBS	Public Buildings Service
FAS	Federal Acquisition Service	PCSF	Procurement Collusion Strike Force
FASPP	Federal Aggregated Solar Procurement Pilot	PMO	Program Management Office
FBI	Federal Bureau of Investigation	SBA	Small Business Administration
FDA	Food and Drug Administration	SFC	Sergeant First Class
FLSASP	Florida State Agency for Surplus Property	TAA	Trade Agreements Act
FPS	Federal Protective Service	TDR	Transactional Data Reporting
FY	Fiscal Year	TTS	Technology Transformation Services
GDA	Geospatial Data Act of 2018	UCMJ	Uniform Code of Military Justice
		U.S.C.	United States Code
		USDA	U.S. Department of Agriculture
		VA	Department of Veterans Affairs

## APPENDIX II: UNIMPLEMENTED RECOMMENDATIONS

Section 5(a)(2) of the Inspector General Act of 1978, as amended, requires that this report include an identification of each recommendation made before the reporting period for which corrective action has not been completed and include the potential costs savings associated with the recommendation. Additionally, this appendix includes a list of significant recommendations unimplemented due to agency disagreement.

### Recommendations Issued During Prior Periods for Which Agency Corrective Action Has Not Been Completed

#### FAS'S USE OF PRICING TOOLS RESULTS IN INSUFFICIENT PRICE DETERMINATIONS (A180068/Q/3/P20002, DECEMBER 23, 2019)

We recommend that the FAS Commissioner:

- Cease use of the CALC and Contract Operations Division Contractors Database (CODCD) pricing tools until comprehensive policy, guidance, and controls are established and implemented to ensure resultant price analyses are valid. Specifically, FAS must ensure that:
  - Pricing tools are used only as part of a larger negotiation strategy that seeks the lowest overall cost alternative to meet the needs of the federal government, as required by the Competition in Contracting Act of 1984 (41 USC 152);
  - More reliable pricing information is used to the fullest extent possible;
  - Pricing tool output is analyzed and verified to meet "same or similar" requirements of FAR 15.4;
  - Emphasis is placed on the evaluation of labor categories with the most sales;
  - Labor categories used as benchmarks come from contracts with recent sales history; and
  - Contracting officers do not use standard deviation as a basis to determine whether proposed rates are fair and reasonable.
- Establish controls to ensure that data contained and uploaded into the pricing tools is complete, accurate, and consistent and identifies labor rates associated with contracts with no sales activity. In addition, FAS should seek to automate the process to reduce human error.

#### PBS'S NATIONAL CAPITAL REGION IS FAILING TO ADEQUATELY MANAGE AND OVERSEE THE BUILDING SERVICES CONTRACTS AT THE FDA'S WHITE OAK CAMPUS (A190021/P/5/R21003, MAY 17, 2021)

We recommend that the PBS Regional Commissioner for the National Capital Region (NCR):

- Take appropriate action to address the issues associated with oversight of the O&M building services contract. At a minimum, PBS NCR should:

- Ensure that the “After-Hours Labor Estimate” contains valid, reliable data and that it reflects actual cost and schedule conditions; require Honeywell to provide an updated estimate based on actual performance and renegotiate the contract; and perform a procurement contract review to evaluate the effectiveness of its policies and make improvements.
- Conduct an assessment to: (1) identify staff required to be present during the after-hours shift, (2) enforce the statement of work, and (3) monitor staffing of the after-hours shift.
- Perform a comprehensive review of the after-hours staffing from August 2015 to the present, determine the total amount of overpayment for shifts that were understaffed and inadequately staffed, recover the overpayment from Honeywell, and return any overpayment to FDA.

#### EVALUATION OF THE GENERAL SERVICE ADMINISTRATION’S USE OF AN AD HOC APPRAISAL PROCESS FOR AN EXECUTIVE (JE21-002, SEPTEMBER 14, 2021)

We recommend that the Administrator should:

- Take appropriate action to remedy the harm caused [Redacted] by a tainted performance review process that resulted in an unsatisfactory rating and in [Redacted] removal from the [Redacted], as well as the loss of any opportunity for a FY 2017 performance period pay increase or bonus.

We recommend that the GSA General Counsel and Chief Human Capital Officer should:

- Review current processes and procedures to ensure sufficient oversight of employee misconduct and disciplinary reviews, including timely referral to the OIG.

#### OPPORTUNITIES FOR PBS TO IMPROVE MANAGEMENT AND OVERSIGHT OF ITS FEDERAL AGGREGATED SOLAR PROCUREMENT PILOT CONTRACTS (A201020/P/9/R21008, SEPTEMBER 30, 2021)

We recommend that the PBS Regional Commissioner for the Pacific Rim Region:

- Ensure PBS selects future sites for renewable energy projects with solar energy rates that are less than local utility rates and that can achieve the expected savings for the life of the project.
- Address the lack of fall protection at the U.S. Geological Survey Menlo Park Campus described in our alert memorandum and install ramps over conduit at the Robert F. Peckham Federal Building.
- Implement controls to ensure compliance with the Buy American Act and Trade Agreements Act requirements for all FASPP projects going forward.
- Coordinate with PBS’s Office of Facilities Management, Energy Division, to evaluate and implement the most economical and appropriate use of the solar renewable energy certificates, including considering granting ownership to the solar energy contractor in exchange for lower electricity rates.

## AUDIT OF SECURITY CAMERA AND ALARM SYSTEMS AT GSA-OWNED BUILDINGS (A210033/P/5/R22006, JUNE 22, 2022)

We recommend that the GSA Administrator:

- In conjunction with the Federal Protective Service:
  - Conduct a nationwide assessment of GSA-owned buildings to identify [Redacted] security camera and alarm systems.
  - Develop and implement a plan to repair, replace, and install the security camera and alarm systems identified through the nationwide assessment.
  - Revise GSA’s memorandum of agreement with FPS to clearly define responsibility for repairing and replacing security camera and alarm systems within an acceptable time frame.
- If, in conjunction with FPS, GSA is not able to secure funding to repair, replace, or install security camera and alarm systems, GSA should work with Congress to establish a consistent funding stream to address current and future security camera and alarm system [Redacted].

## VENTILATION ISSUES PERSIST IN UNRENOVATED WINGS OF GSA HEADQUARTERS BUILDING (JE23-001, NOVEMBER 28, 2022)

We recommend that the PBS Commissioner should:

- Continue to monitor IAQ in Wings 0 and 3 of the Headquarters Building, in accordance with the PBS Desk Guide.
- Expeditiously notify Headquarters Building occupants of any IAQ results that do not meet ASHRAE standards.

## PBS NEEDS TO STRENGTHEN ITS TRAINING AND WARRANTING PROGRAMS FOR CONTRACTING OFFICERS (A210053/P/2/R23002, DECEMBER 30, 2022)

We recommend that the PBS Commissioner takes appropriate action to address the deficiencies described in this report by:

- Ensuring that the training and development needs of contracting officers at the GS-12 level and above are adequately addressed to foster PBS’s operational success in achieving GSA’s mission.
- Implementing a national policy to establish a standardized process for evaluating and verifying the contracting experience and qualifications of warrant applicants.
- Implementing controls to mitigate warrant authority risks created by the limitations of the Federal Acquisition Institute Cornerstone OnDemand system.
- Ensuring that:
  - Key warranting records for the PBS acquisition workforce are properly maintained and

- Heads of Contracting Activity formally appoint acquisition career managers via delegation appointment memos and communicate their duties and responsibilities.

#### GSA OVERSIGHT OF FEDERAL SURPLUS FIREARMS (JE23-002, JANUARY 19, 2023)

We recommend that the Assistant Commissioner of the Office of General Supplies and Services should:

- Implement a centralized records management system to ensure both the consistent storage and efficient access of documentation supporting GSA’s Surplus Firearms Donation Program.

#### GSA’S ADMINISTRATION OF PERFORMANCE-BASED CONTRACTS PUTS THE GOVERNMENT AT RISK OF UNSATISFACTORY CONTRACTOR PERFORMANCE AND WASTED FUNDS (A210064/A/3/F23002, FEBRUARY 9, 2023)

We recommend that the GSA Administrator, through the Federal Acquisition Service and Public Buildings Service Commissioners, and the Assistant Administrator for the Office of Administrative Services:

- Require contracting personnel to complete refresher training on any revised policies and new training on any policies issued in response to this audit report;
- Ensure Contractor Performance Assessment Reporting System assessments are supported by justification narratives, accurately depict contractor performance, and are timely; and
- Implement management oversight to ensure contracting personnel comply with policies and procedures intended to ensure sufficient government oversight of contractor performance.

#### PBS SOUTHEAST SUNBELT REGION’S LACK OF PLANNING HAS RESULTED IN CHILLERS THAT ARE OUTDATED, INADEQUATELY MAINTAINED, AND LACK REDUNDANCY (A210030/P/5/R23004, FEBRUARY 16, 2023)

We recommend that the PBS Region 4 Commissioner:

- Assess the condition of all chillers within PBS Region 4 to identify those that:
  - Have, or will soon, exceed their useful lives;
  - Are due for or behind on manufacturer-recommended overhauls and are not nearing or beyond their useful lives; or
  - Lack required redundancy.
- Develop and implement a plan to:
  - Replace the chillers that have exceeded, or will soon exceed, their useful lives;
  - Perform the identified manufacturer-recommended overhauls, as well as ensure future overhauls are performed in a timely manner; and
  - Prioritize redundancy in accordance with GSA’s Facilities Standards for the Public Buildings Service.

Additionally, the PBS Commissioner should:

- Perform a similar assessment of the condition of all chillers across PBS's nationwide portfolio; and
- Develop and implement a plan to address the results of the assessment.

#### AUDIT OF PBS'S OVERSIGHT OF LEASE PERIODIC SERVICES (A220026/P/R/R23003, FEBRUARY 16, 2023)

We recommend that the PBS Commissioner:

- Require LAMs' supervisors to routinely ensure that LAMs are verifying that lessors complete all periodic services;
- Require that newly hired or assigned LAMs receive sufficient training on lease management requirements within a timely manner after starting in their position and routinely thereafter;
- Ensure regional offices conduct the required Management Analysis Review System reviews to ensure that LAMs maintain all required records in the Lease Management Tool, including the annual schedule of periodic services; and
- Require that upon assignment and on a regular basis, LAMs communicate with the lessor and tenant agency to obtain and verify the updated schedule of periodic services.

#### GSA IS NOT MONITORING DATA FROM ACCESS CARD READERS TO IDENTIFY RISKS TO GSA PERSONNEL AND FEDERAL PROPERTY (A210069/P/6/R23005, FEBRUARY 21, 2023)

We recommend that the GSA Administrator:

- Develop and implement procedures for monitoring access card data to identify repeated, failed access attempts that require follow up;
- Use the access card data that is being collected to produce trend data to inform building security stakeholders of individuals with a significant number of failed attempts over a specified period of time; and
- Create and disseminate guidance addressing how building security stakeholders should handle repeated, failed access attempts.

#### AUDIT OF THE CALEXICO WEST LAND PORT OF ENTRY EXPANSION AND MODERNIZATION PROJECT (A210070/P/9/R23006, MARCH 2, 2023)

We recommend that the PBS Regional Commissioner for the Pacific Rim Region:

- Review the contracts and site security procedures for the Calexico West LPOE project and modify contracts and site security procedures that contain inconsistent or contradictory security requirements.

#### GSA MISLED CUSTOMERS ON LOGIN.GOV'S COMPLIANCE WITH DIGITAL IDENTITY STANDARDS (JE23-003, MARCH 7, 2023)

We recommend that the FAS Commissioner should:

- Establish adequate management controls over TTS;
- Ensure adequate documentation of policies, decisions, procedures, and essential transactions involving TTS programs, including Login.gov, and records management in accordance with GSA standards;
- Implement a comprehensive review of Login.gov billings for IAL2 services;
- Establish a system for internal reviews of TTS programs to ensure that they comply with relevant standards; and
- Adopt a policy to clearly notify each customer agency seeking identity and authorization assurance services whether Login.gov meets all applicable NIST published standards and the services specified in the interagency agreements.

## Recommendations Unimplemented Due to Agency Disagreement

### GSA'S DECISIONS TO VACATE AND RENOVATE THE LEASED FEDERAL COURTHOUSE IN PENSACOLA ARE BASED ON FAULTY PREMISES (A150132/P/4/R17001, OCTOBER 25, 2016)

We recommend that the GSA Administrator direct PBS to:

- Reanalyze options for housing the tenants of the 1 North Palafox Street courthouse. As part of this analysis, PBS should:
  - Ensure an equal comparison of the options is reflected;
  - Ensure that the designs for the renovation, new, and leased construction options meet current building standards;
  - Ensure the designs for the new and leased construction options comply with the U.S. Courts Design Guide;
  - Ensure the estimated reversion values of the new and leased courthouse options are developed by an independent appraiser;
  - Ensure lease-buyout and other potential settlement costs are incorporated; and
  - Develop and incorporate realistic project schedules into the financial analysis that are based on historical performance of projects with similar scope or scale.
- Suspend all contracts and procurements for the prospectus project until PBS secures ownership of the 1 North Palafox Street courthouse, if PBS's revised analysis demonstrates that ownership is in the best interest of the government.

### PBS NATIONAL CAPITAL REGION'S \$1.2 BILLION ENERGY SAVINGS PERFORMANCE CONTRACT FOR WHITE OAK WAS NOT AWARDED OR MODIFIED IN ACCORDANCE WITH REGULATIONS AND POLICY (A150009/P/5/R17006, AUGUST 24, 2017)

We recommend that the Regional Commissioner, PBS NCR:

- Take immediate action to expedite the procurement of a new O&M contract that adheres to competition requirements specified in the Competition in Contracting Act of 1984 and the Federal Acquisition Regulation;

- Determine and implement the appropriate corrective action needed for PBS NCR personnel's non-compliance with competition requirements; and
- Once the procurement of a new O&M contract is secured, as stated in Finding 1, include the Limitation of Government Obligation clause on all non-ESPC O&M services.

#### EVALUATION OF GSA NONDISCLOSURE POLICY (JE18-002, MARCH 8, 2018)

We recommend that GSA's leadership should:

- Clarify GSA's policy on communications with Members of Congress in GSA's order on congressional and intergovernmental inquiries and relations.

#### EVALUATION OF GSA'S MANAGEMENT AND ADMINISTRATION OF THE OLD POST OFFICE BUILDING LEASE (JE19-002, JANUARY 16, 2019)

We recommend that before continuing to use the language, GSA:

- Determine the purpose of the Interested Parties provision;
- Conduct a formal legal review by OGC that includes consideration of the Foreign and Presidential Emoluments Clauses; and
- Revise the language to avoid ambiguity.

#### GSA'S TRANSACTIONAL DATA REPORTING PILOT IS NOT USED TO AFFECT PRICING DECISIONS (A140143/Q/6/P21002, JUNE 24, 2021)

We recommend that the FAS Commissioner:

- Take immediate action to mitigate the risks associated with the TDR pilot by restricting additional contractors from opting into the TDR pilot and restricting access to, and use of, the TDR pilot data; and
- Develop and implement an exit strategy for the TDR pilot and transition participating contractors out of the TDR pilot.

#### FAS CANNOT PROVIDE ASSURANCE THAT MAS CONTRACT PRICING RESULTS IN ORDERS ACHIEVING THE LOWEST OVERALL COST ALTERNATIVE (A200975/Q/3/P22002, SEPTEMBER 30, 2022)

We recommend that the FAS Commissioner:

- Cancel the TDR pilot in accordance with FAS Policy and Procedures 2016-11, Transactional Data Reporting – Federal Supply Schedule Program Implementation, Paragraph 8(G), Pilot Cancellation. We recognize that FAS rejected recommendations made in GSA's Transactional Data Reporting Pilot Is Not Used to Affect Pricing Decisions, Report Number A140143/Q/6/P21002, including that FAS develop and implement an exit strategy for the TDR pilot and transition participating contractors out of the TDR pilot. However, we continue to conclude that the TDR pilot should be canceled. After 6 years, the TDR pilot still has not resulted in a viable pricing methodology that ensures

compliance with CICA's requirement for orders to result in the lowest overall cost alternative to meet the government's needs.

- Inform customer agencies that they should perform separate and independent price determinations because relying on MAS contract pricing and following the ordering procedures in Federal Acquisition Regulation (FAR) 8.405, Ordering procedures for Federal Supply Schedules, may not ensure compliance with the CICA requirement that orders and contracts result in the lowest overall cost alternative. This should continue until the requirements and controls outlined in Recommendation 3 are set in place to ensure compliance with CICA.
- Establish requirements and controls to ensure that FAS contracting personnel adequately analyze CSP information to negotiate pricing consistent with CICA, FAR, and GSAR 538.270-1, Evaluation of offers without access to transactional data and to clearly identify and support the determination of most favored customer pricing.
  - FAS should ensure that offerors provide its contracting personnel with detailed information about the sales volumes, terms and conditions of pricing agreements, and any additional transactional discounts or pricing terms offered to individual commercial customers that receive the best pricing for the products and services proposed for the MAS contract.
  - FAS should establish protocols that require offerors to submit other than certified cost or pricing data to support proposed pricing when offerors do not have comparable sales to customers outside of its MAS contract.
  - FAS should cancel FAS Policy and Procedures 2017-02, Updated Procedures for Exercising the Option to Extend the Term of a Federal Supply Schedule Contract and develop and implement policy and procedures directing FAS's contracting personnel to perform price analyses of CSP disclosures provided by the offeror for MAS contract option extensions.

## APPENDIX III: AUDIT AND INSPECTION REPORT REGISTER

DATE OF REPORT	REPORT NUMBER	TITLE	DECISION DATE	FINANCIAL RECOMMENDATIONS	
				FUNDS TO BE PUT TO BETTER USE	QUESTIONED COSTS
Note: Because some audits pertain to contract awards or actions that have not yet been completed, the financial recommendations related to these reports are not listed in this Appendix.					
<b>PBS PERFORMANCE AUDITS</b>					
04/20/2023	A220042	Audit of PBS Basic Repairs and Alterations Project: Fort Lauderdale Federal Building and Courthouse	07/05/2023		
06/05/2023	A201018	Audit of GSA's Response to COVID-19: PBS Faces Challenges to Meet the Ventilation and Acceptable Indoor Air Quality Standard in GSA-Owned Buildings	09/27/2023		
08/03/2023	A230030	Implementation Review of Corrective Action Plan: Opportunities for PBS to Improve Management and Oversight of Its Federal Aggregated Solar Procurement Pilot Contracts, Report Number A201020/P/9/R21008, September 30, 2021	N/A		
08/24/2023	A230047	Implementation Review of Corrective Action Plan: PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus, Report Number A190021/P/5/R21003, May 17, 2021	N/A		
09/29/2023	A210076	Audit of PBS Basic Repairs and Alterations Project: William Augustus Bootle Federal Building and U.S. Courthouse			
<b>PBS CONTRACT AUDITS</b>					
06/26/2023	A230036	Independent Examination of an Architect/Engineer Proposal: Snow Kreilich Architects, Inc., Solicitation Number 47PF0022R0039	07/27/2023		
07/06/2023	A220001	Independent Examination of a Cost Accounting Standards Board Disclosure Statement: Consigli Construction Co., Inc., Contract Number 47PC0322C0001	07/06/2023		
07/14/2023	A201028	Independent Examination of Costs to Date: Massachusetts Institute of Technology Investment Management Company Relative to Its Exchange Agreement with the General Services Administration for the John A. Volpe National Transportation Systems Center	08/31/2023		
<b>FAS PERFORMANCE AUDITS</b>					
05/01/2023	A210081	GSA's Fiscal Year 2020 Transactional Data Reporting Pilot Evaluation Provides an Inaccurate Assessment of the Program	09/14/2023		
07/10/2023	A220016	Multiple Award Schedule Contracts Offered Prohibited Items, Putting Customers at Risk of Unauthorized Surveillance by Foreign Adversaries	09/28/2023		
09/21/2023	A230051	Implementation Review of Corrective Action Plan: FAS's Use of Pricing Tools Results in Insufficient Price	N/A		

## APPENDIXES

DATE OF REPORT	REPORT NUMBER	TITLE	DECISION DATE	FINANCIAL RECOMMENDATIONS	
				FUNDS TO BE PUT TO BETTER USE	QUESTIONED COSTS
		Determinations, Report Number A180068/Q/3/P20002, December 23, 2019			
09/25/2023	A230068	Implementation Review of Corrective Action Plan: Audit of the Federal Risk and Authorization Management Program, Program Management Office's Goals and Objectives, Report Number A170023/Q/T/P19002, March 21, 2019	N/A		
<b>FAS CONTRACT AUDITS</b>					
04/05/2023	A220059	Independent Preaward Examination of Multiple Award Schedule Contract: Eccalon, LLC, Contract Number 47QTCA18D00DK	06/05/2023		
04/17/2023	A220032	Independent Limited Scope Postaward Examination of Multiple Award Schedule Contract: Carahsoft Technology Corporation, Contract Number GS-35F-0119Y	04/24/2023		\$6,092,478
04/20/2023	A220063	Independent Preaward Examination of Multiple Award Schedule Contract: Peraton Government Communications, Inc., Contract Number 47QTCA18D00FD	06/09/2023		
05/18/2023	A220079	Independent Preaward Examination of Multiple Award Schedule Contract: Allsteel LLC, Contract Number GS-28F-0001V	07/13/2023		
06/16/2023	A220064	Independent Preaward Examination of Multiple Award Schedule Contract: HPI Federal LLC, Contract Number GS-35F-446AA	08/14/2023		
06/27/2023	A220050	Independent Preaward Examination of Multiple Award Schedule Contract: Nava PBC Corporation, Contract Number 47QTCA18D008M	07/27/2023		\$20,310
07/05/2023	A220069	Independent Preaward Examination of Multiple Award Schedule Contract: InfoPeople Corporation, Contract Number GS-35F-0554U	07/18/2023		\$252,347
07/14/2023	A201027	Independent Limited Scope Postaward Examination of Multiple Award Schedule Contract: Ad Hoc, LLC, Contract Number GS-35F-392DA	09/05/2023		\$3,867,261
08/10/2023	A230019	Independent Preaward Examination of Multiple Award Schedule Contract: DMC Management Services, LLC, Contract Number GS-33F-0004V	09/18/2023		
08/22/2023	A220065	Independent Preaward Examination of Multiple Award Schedule Contract: G4S Secure Solutions (USA) Inc., Contract Number 47QSWA18D0075	10/03/2023		
08/31/2023	A220071	Independent Preaward Examination of Multiple Award Schedule Contract: Management Concepts, Inc., Contract Number 47QREA18D000Y			
09/12/2023	A230028	Independent Preaward Examination of Multiple Award Schedule Contract: Nimbus Consulting LLC, Contract Number GS-35F-128BA	09/26/2023		

## APPENDIXES

DATE OF REPORT	REPORT NUMBER	TITLE	DECISION DATE	FINANCIAL RECOMMENDATIONS	
				FUNDS TO BE PUT TO BETTER USE	QUESTIONED COSTS
09/18/2023	A230024	Independent Preaward Examination of Multiple Award Schedule Contract: Crosby Marketing Communications, Inc., Contract Number 47QRAA19D0010	09/18/2023		
09/22/2023	A230014	Independent Preaward Examination of Multiple Award Schedule Contract: T-Rex Solutions, LLC, Contract Number GS-35F-022BA			
09/29/2023	A230015	Independent Preaward Examination of Multiple Award Schedule Contract: MindPoint Group, LLC, Contract Number GS-35F-018BA			
<b>OTHER PERFORMANCE AUDITS</b>					
05/17/2023	A230016	GSA Complied with the Payment Integrity Information Act in Fiscal Year 2022	05/17/2023		
09/29/2023	A220055	Audit of Security Controls for Mobile Technologies Used by GSA			

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

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

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

DATE OF REPORT	REPORT NUMBER	TITLE	
<b>CONTRACT AUDITS</b>			
03/30/2017	A150001	Preaward Examination of Multiple Award Schedule Contract Extension: Noble Sales Co., Inc., Contract Number GS-06F-0032K	
09/29/2020	A190088	Independent Preaward Examination of Multiple Award Schedule Contract Extension: United Rentals, Inc., Contract Number GS-06F-0068R	
02/11/2021	A200986	Independent Examination of a Claim: Balfour Beatty Construction, LLC, Contract Number GS-11-P-17-MM-C-0002	
06/09/2021	A201000	Independent Examination of a Claim: Berkel & Company Contractors, Inc., Subcontractor to Balfour Beatty Construction Company, LLC, Contract Number GS-11-P-17-MM-C-0002	
08/27/2021	A200997	Independent Examination of a Claim: Kirlin Design Build, LLC, Subcontractor to Balfour Beatty Construction, LLC, Contract Number GS-11-P-17-MM-C-0002	
03/03/2022	A210054	Independent Examination of a Claim: Desbuild EG Management Services JV, LLC, Contract Number GS-11-P-17-MK-C-0016	
09/15/2022	A220021	Independent Examination of a Cost Accounting Standards Board Disclosure Statement: Brasfield & Gorrie, LLC, Contract Number 47PD0121C0005	
<b>PERFORMANCE AUDITS, INSPECTIONS, AND EVALUATIONS</b>			<b>PROJECTED FINAL ACTION DATE</b>
12/23/2019	A180068	FAS's Use of Pricing Tools Results in Insufficient Price Determinations*	TBD**
05/17/2021	A190021	PBS's National Capital Region is Failing to Adequately Manage and Oversee the Building Services Contracts at the FDA's White Oak Campus*	TBD**
09/14/2021	JE21-002	Evaluation of the General Services Administration's Use of an Ad Hoc Appraisal Process for an Executive	TBD**
09/30/2021	A201020	Opportunities for PBS to Improve Management and Oversight of Its Federal Aggregated Solar Procurement Pilot Contracts*	10/31/2023
06/22/2022	A210033	Audit of Security Camera and Alarm Systems at GSA-Owned Buildings	12/29/2023

\* Audit reopened based on the results of an implementation review.

\*\* Corrective action plan or revised corrective action plan is in the approval process.

## APPENDIX V: MANAGEMENT DECISIONS

Section 5(a)(6) of the Inspector General Act of 1978, as amended, requires each Inspector General Semiannual Report to include information regarding any management decision made during the reporting period with respect to any audit, inspection, or evaluation issued during a previous reporting period. The table presented below lists all such decisions.

REPORT TITLE	REPORT DATE	DECISION DATE	OIG RECOMMENDATION		GSA DECISION	
			FUNDS TO BE PUT TO BETTER USE	QUESTIONED COSTS	FUNDS TO BE PUT TO BETTER USE	QUESTIONED COSTS
Independent Examination of Costs to Date Massachusetts Institute of Technology Investment Management Company Relative to Its Exchange Agreement with the General Services Administration for the John A. Volpe National Transportation Systems Center	12/27/22	06/26/23				
Independent Postaward Examination of Multiple Award Schedule Contract: Science Applications International Corporation, Contract Number 47QTCA18D006H	02/06/23	04/07/23		\$209,139		\$209,139
GSA's Administration of Performance-Based Contracts Puts the Government at Risk of Unsatisfactory Contractor Performance and Wasted Funds	02/09/23	05/08/23				
PBS Southeast Sunbelt Region's Lack of Planning Has Resulted in Chillers That Are Outdated, Inadequately Maintained, and Lack Redundancy	02/16/23	05/11/23				
Audit of PBS's Oversight of Lease Periodic Services	02/16/23	04/19/23				
GSA Is Not Monitoring Data from Access Card Readers to Identify Risks to GSA Personnel and Federal Property	02/21/23	05/01/23				
Audit of the Calexico West Land Port of Entry Expansion and Modernization Project	03/02/23	08/24/23				
GSA Misled Customers on Login.gov's Compliance with Digital Identity Standards	03/07/23	05/02/23				
			\$ —	\$209,139	\$ —	\$209,139

## APPENDIX VI: PEER REVIEW RESULTS

Section 5(a) (8)-(10) of the Inspector General Act of 1978, as amended, requires each IG to submit an appendix containing the results of any peer review conducted by another OIG during the reporting period or—if no peer review was conducted—a statement identifying the date of the last peer review that was conducted; a list of any outstanding recommendations—from any peer review conducted by another OIG—that have not been fully implemented, the status of the recommendations, and an explanation as to why the recommendations have not been completed; and a list of any peer reviews conducted by the OIG of another OIG during the reporting period, including a list of any outstanding recommendations made from any previous peer review that have not been fully implemented.

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

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

In FY 2023, the GSA OIG Office of Inspections underwent a peer review by the AmeriCorps OIG. The peer review team determined that the Office of Inspections' policies and procedures were consistent with the January 2012 and December 2020 CIGIE Quality Standards for Inspection and Evaluation (Blue Book). The peer review team also found that the selected reports complied with the Office of Inspections' internal policies and procedures and applicable Blue Book standards. No outstanding recommendations exist for the Office of Inspections.

In FY 2023, the GSA OIG Office of Investigations conducted a peer review of the Investigative Operations of the Federal Housing Finance Agency (FHFA) OIG. The peer review team found the system of internal safeguards and management procedures for the investigative function of the FHFA OIG complies with the Attorney General's Guidelines for Office of Inspectors General and the applicable quality standards established by CIGIE. No outstanding recommendations exist for external peer reviews performed by GSA OIG.

## APPENDIX VII: GOVERNMENT CONTRACTOR SIGNIFICANT AUDIT FINDINGS

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

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

## APPENDIX VIII: REPORTING REQUIREMENTS

The table below cross-references the reporting requirements prescribed by the Inspector General Act of 1978, as amended, to the specific pages where they are addressed. The information required by the National Defense Authorization Act for Fiscal Year 2008 and the Federal Acquisition Streamlining Act of 1994, as amended, are also cross-referenced to the appropriate pages of the report.

REQUIREMENTS		
INSPECTOR GENERAL ACT OF 1978, AS AMENDED (5 U.S.C. CHAPTER 4) <sup>5</sup>		
SECTION		PAGE
404(a)(2)	Legislative & Regulatory Recommendations	31
405(a)(1)	Significant Problems, Abuses & Deficiencies	4-18
405(a)(2)	Unimplemented Prior Period Recommendations	36
405(a)(3)	Significant Investigations Closed	19
405(a)(4)	Total Convictions Number	29
405(a)(5)	Report Listing with Dollar Values	44
405(a)(6)	Management Decisions Made on Prior Period Recommendations	48
405(a)(7)	Federal Financial Management Improvement Milestones	none
405(a)(8)-(10)	Peer Review Information & Results	49
405(a)(11)	Investigative Statistical Tables	28
405(a)(12)	Investigative Table Metrics	28
405(a)(13)	Investigations of Senior Employees with Substantiated Misconduct	none
405(a)(14)	Whistleblower Retaliation	none
405(a)(15)	Agency Interference with OIG Independence	none
405(a)(16)(A)	Non-public Audit, Evaluation or Inspection Reports	44
405(a)(16)(B)	Non-public Investigations of Senior Government Employees	25
OTHERS		
PL 106-531, Sec. 3	Most Significant Management Challenges	4
PL 103-355, Sec. 6009	Reports Over a Year with Final Agency Action Pending	47
PL 110-181, Sec. 845	Government Contractor Significant Audit Findings	50

<sup>5</sup> Public Law 117-263, “James M. Inhofe National Defense Authorization Act for Fiscal Year 2023,” section 5273, “Semiannual Reports.” As the National Defense Authorization Act (NDAA) amendments to section 5 modifying the reporting requirements in the IG Act are not yet codified in 5 U.S.C. § 405, all section 5 citations are to the requirements as amended by the NDAA.