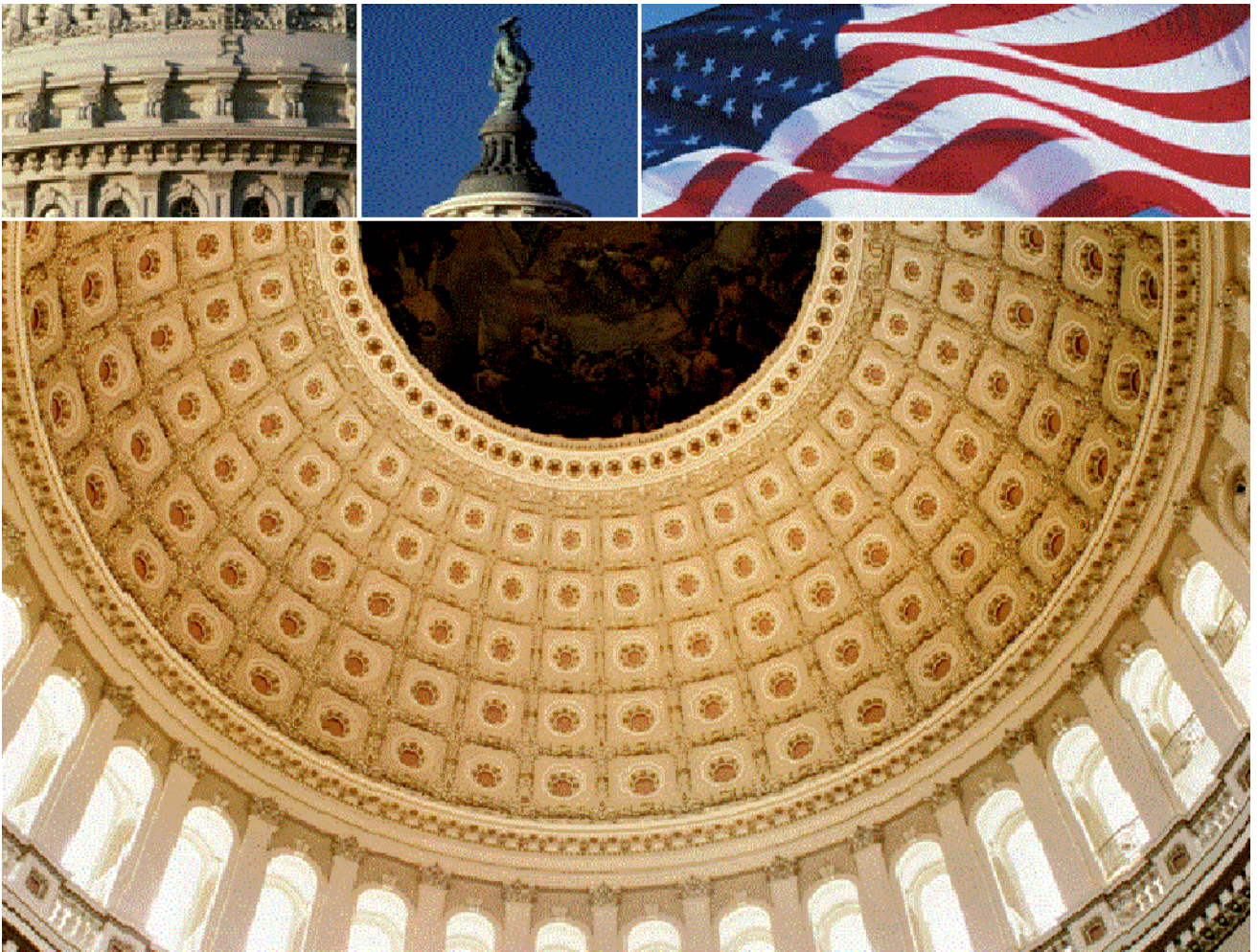




U.S. General Services Administration

# Administrator's Semiannual Management Report to Congress



**Report No. 47**

April 1, 2012

to September 30, 2012

[U.S. General Services Administration](#)

Daniel M. Tangherlini  
Acting Administrator

[Office of Administrative Services](#)

Cynthia A. Metzler  
Chief Administrative Services Officer

[GAO/IG Audit Response Division](#)

Ralph L. Boldt  
Director

November 2012

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GAO/IG Audit Response Division (H1C), Cubicle (659D), 1275 First Street, NE  
Washington, DC 20417

[Or e-mail](#) your request to: [Ralph.Boldt@gsa.gov](mailto:Ralph.Boldt@gsa.gov)

Call in your request: (202) 501-3094

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## Contents

Synopsis of Audit Activity.....	4
Introduction and Overview .....	5
U.S. General Services Administration Organization .....	5
Organization of Audit Follow-up Program .....	6
Agency Audit Follow-up Process .....	6
Senior Agency Official .....	6
The Chief Administrative Services Officer.....	6
Heads of Services and Staff Offices and Regional Administrators .....	7
Organization Chart.....	8
Audits with Disallowed Costs.....	9
Audits with Better Use Funds .....	10
Internal Audits .....	11
Audits under Appeal/Litigation .....	12
Contract Audits .....	13
Glossary of Terms.....	19
Appendix A.....	22

## Synopsis of Audit Activity

This report covers the semiannual reporting period of April 1, 2012, to September 30, 2012. It is in accordance with the Inspector General Act Amendments of 1978 and the amendments to agency semiannual reporting requirements provided in the Inspector General Reform Act of 2008. The Acting Administrator of the U.S. General Services Administration (GSA) is pleased to report GSA management actions on audit recommendations by the Office of the Inspector General (OIG).

The report provides a summary of all audits conducted during the reporting period for (1) implementation of the recommendations by GSA management contained in audit reports issued by the OIG and (2) a report of cases where final action has not been taken on an audit one year after the date of the management decision.

For this semiannual reporting period, the OIG issued 54 audit reports on nationwide GSA programs and operations, identifying \$15,570,783 in pre- and post-award contracts and internal program spending that GSA management concurred should not be charged to the Government. The OIG also identified \$407,397,425 that could be used more efficiently if management took action to implement and complete the recommendations (details in Appendix A). Working closely with the OIG, GSA management successfully closed 33 audits during the reporting period, resulting in the recovery of \$20,663,771 and an additional potential savings to the Government of \$407,397,425 (details on page 9 and 10, section C of this report).

## **Introduction and Overview**

This report, submitted pursuant to the Inspector General Act of 1978, as amended, presents management's perspective on audit resolution and follow-up activity at GSA for the period beginning April 1, 2012, through September 30, 2012. This is the agency's 47th report to the Congress since the implementation of the Act (Public Law 100-504). The data in the report indicates that GSA's audit follow-up efforts continue to play a significant role in the effective management of the agency's operations and the accomplishment of its mission.

## **U.S. General Services Administration Organization**

GSA is organized around two major business functions represented by the Federal Acquisition Service (FAS) and the Public Buildings Service (PBS). GSA houses the Office of Government-wide Policy, the Office of Citizen Services and Innovative Technologies, and a number of Staff Offices that provide support to the other GSA organizations. There are 11 regions in the GSA structure.

The Acting Administrator of GSA directs the execution of all GSA functions. Members of his office, as well as Regional Administrators and Heads of Services and Staff Offices, advise and make recommendations on policy or operational issues of national scope. They are also responsible for execution of programs and services within their service, region or staff office, under the leadership of the Acting Administrator.

## **Organization of Audit Follow-up Program**

### **Agency Audit Follow-up Process**

GSA has effective systems in place for keeping track of audit recommendations. In addition, GSA has senior management commitment to ensure that appropriate corrective action is taken. Agency managers have the responsibility to act upon the auditor's recommendations, with the audit resolution process being supervised by the agency audit follow-up official. The following provides a description of the responsibilities of GSA officials involved in the audit follow-up process.

#### **Senior Agency Official**

The Deputy Administrator is the Senior Agency Official responsible for audit follow-up in the agency. As such, she has overall responsibility for ensuring the adequacy of the agency's follow-up system, monitoring the resolution of audit recommendations, and ensuring the prompt implementation of corrective actions. She also makes final decisions to resolve differences between agency management and the Office of Inspector General.

#### **The Chief Administrative Services Officer**

The Chief Administrative Services Officer provides administrative direction to the officials in the Office of Administrative Services (OAS) who manage the GSA's Audit Resolution and Follow-up System. Their responsibilities include:

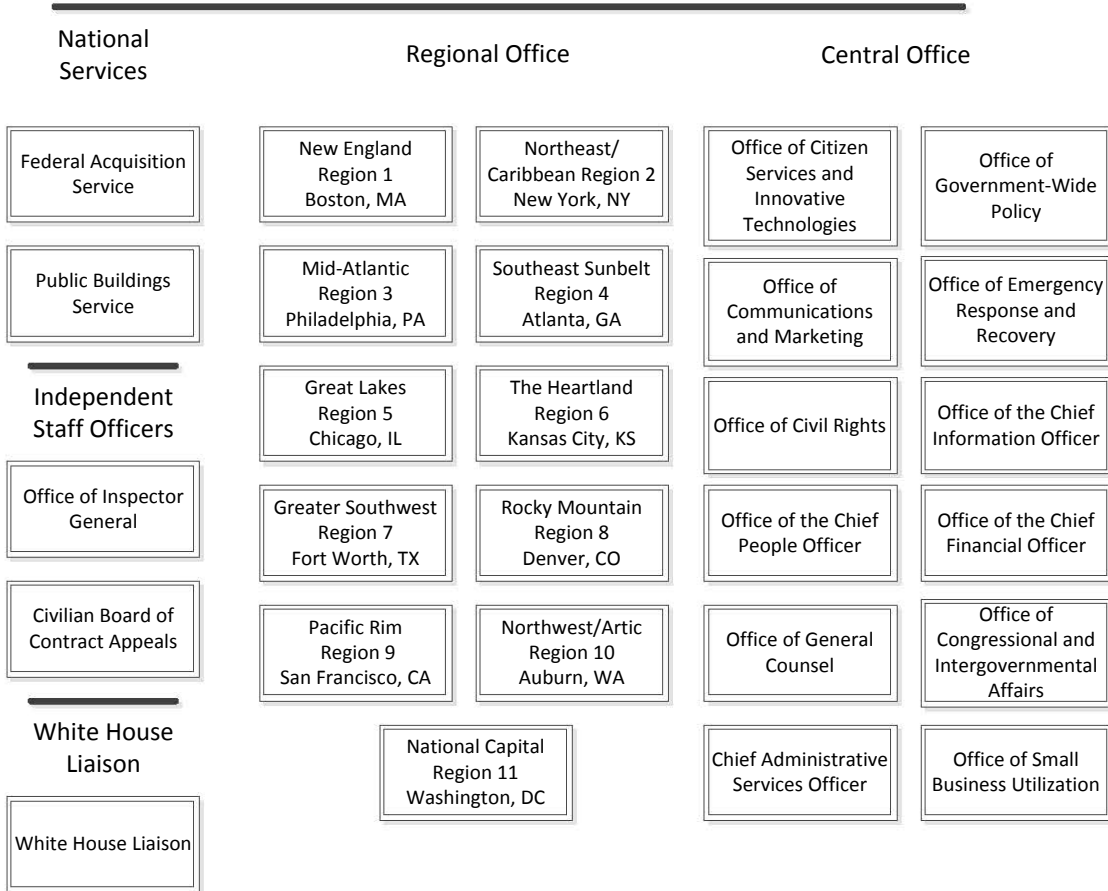
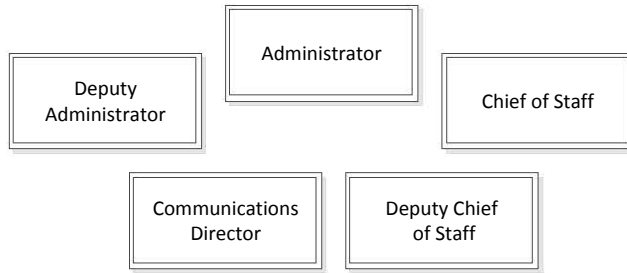
- Acting as the liaison with the Government Accountability Office (GAO) for the coordination of GAO audits in progress within GSA and for preparation of responses and reports for the signature of the Administrator on GAO recommendations as required by law;
- Ensuring timely resolution and implementation of internal and external audit recommendations made by the OIG as well as GAO;
- Overseeing the collection and proper accounting of amounts determined due to the Government as the result of audit-related claims;
- Analyzing GSA's programs upon request from the Administrator, particularly as related to past or present audit recommendations; and,
- Maintaining an automated report control system for both internal and external audits that provides an accurate means for tracking and documenting actions taken in implementing audit recommendations.

## **Heads of Services and Staff Offices and Regional Administrators**

Heads of Services and Staff Offices and Regional Administrators to whom audit recommendations pertain, have primary responsibility for resolving and implementing recommendations promptly. Their responsibilities include:

- Ensuring controls are implemented to provide timely, accurate, and complete responses to audit reports;
- Developing, advocating, and documenting agency positions on audit recommendations;
- Preparing responses to draft and final GAO reports in coordination with the Office of the Chief Financial Officer;
- Providing comments on audit decision papers prepared by the OIG to ensure that management's position on unresolved audit recommendations is properly stated.

# Organization Chart



As of 9/30/2012



## Audits with Disallowed Costs

Final action for the six-month period <u>Ending SEPTEMBER 30, 2012</u>	Number of Audit <u>Reports</u>	Disallowed <u>Costs</u>
A. Audit reports for which final action had not been taken by the commencement of the reporting period.	50	\$70,919,133
B. Audit reports on which management decisions were made during the reporting period.	17	\$15,570,783
C. Audit reports on which final action was taken during the reporting period.	13	\$40,964,426
<i>(i) the dollar value of disallowed costs that</i>		\$21,139,262
- collections ..... \$20,663,771		
- offset ..... \$475,491		
- property in lieu of cash...\$0		
- surplus ..... \$0		
- other                   \$0		
<i>(ii) the dollar value of disallowed costs that were written off by management.</i>		\$19,825,164
D. Audit reports for which no final action has been taken by the end of the reporting period.	54	\$45,525,490

## Audits with Better Use Funds

Final action for the six-month period <u>Ending SEPTEMBER 30, 2012</u>	Number of Audit <u>Reports</u>	No budget Impact ( <u>Actual</u> and <u>Estimated</u> )	Budget <u>Impact</u>
A. Audit reports for which final action had not been taken by the commencement of the reporting period.	81	\$669,099,522	\$0
B. Audit reports on which management decisions were made during the reporting period.	25	\$407,397,425	\$0
C. Audit reports on which final action was taken during the reporting period.	20	\$287,592,903	\$0
<i>(i) the actual dollar value of recommendations that were actually completed.</i>		\$407,397,425	\$0
<i>(ii) the actual dollar value of recommendations that management has subsequently concluded should not or could not be implemented or completed.</i>		\$0	\$0
<i>(iii) the actual dollar value of recommendations that management has subsequently concluded should not or could not be determined (calculated).</i>		\$0	\$0
<i>(iv) the estimated dollar value of "funds to be put to better use" as agreed to by GSA management and the OIG.</i>		\$0	\$0
D. Audit reports for which no final action has been taken by the end of the reporting period.	86	\$788,904,044	\$0

## Internal Audits

### Audits with Management Decisions Made Prior to September 30, 2011, but with Final Action not Taken as of September 30, 2012

REPORT NUMBER TITLE OF REPORT	DATE OF REPORT	MANAGEMENT DECISION AMOUNTS		REASON FOR NO FINAL ACTION	PROJECTED COMPLETION DATE
		Disallowed Costs	Better Use Funds		
A100123QFP11002 FY 2010 Office of Inspector General Information Technology Security Audit of the Information Technology Solutions Shop (ITSS) System	11/09/2010	\$0	\$0	Open, Implementation of Action Plan in progress.	10/15/2012
A110072Q6P11004 Review of the Federal Acquisition Service's National Customer Service Center	03/31/2011	\$0	\$0	Recommendations and action steps are in progress.	01/15/2013
A100204QAP11005 Review of Consistency in Implementing Policy Across Acquisition Centers – Temporary Extensions	03/31/2011	\$0	\$0	08/09/11 Received MDR and action plan from FAS.	11/15/2012
A100123-2QFP11006 Audit of the Information Technology Solutions Shop (ITSS) System Performance and Functionality	05/18/2011	\$0	\$0	Action plan in implementation stage.	12/15/2012
A100188QAP11007 Review of GSA Fleet's Monitoring of Alternative Fuel Vehicle Surcharge Payments	06/09/2011	\$0	\$0	Action plan in implementation stage.	11/15/2012
A080173QTP09001 FY 2009 Office of Inspector General Information Technology Security Audit of USAccess, GSA's Homeland Security Presidential Directive 12 System	03/26/2009	\$0	\$0	Reopened based on Implementation Review.	01/15/2013
A100078BFF11002 Audit of the General Services Administration's Fiscal Year 2010 Financial Statement	12/23/2010	\$0	\$0	Open, Implementation of recommendations and action plans are in process.	01/15/2013

## Audits under Appeal/Litigation

REPORT NUMBER NAME OF CONTRACTOR	DATE OF REPORT	MANAGEMENT DECISION AMOUNTS	
		Disallowed Costs	Better Use Funds
A060196P9X07091 TIGARD ELECTRIC, INCORPORATED	08/28/2007	\$0.00	\$988,088.00

## Contract Audits

**Audits with Management Decisions Made Prior to September 30, 2011, but with Final Action not Taken as of September 30, 2012**

REPORT NUMBER NAME OF CONTRACTOR	DATE OF REPORT	MANAGEMENT DECISION AMOUNTS		REASON FOR NO FINAL ACTION
		Disallowed Costs	Better Use Funds	
A100195Q3X11013 Knight Protective Service, Inc.	11/22/2010	\$16,032.40	\$4,777,562.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A090192Q2X11015 SHI International Corporation	11/24/2010	\$0.00	\$0.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A100201Q4X11017 Government-Buys, Incorporated	12/14/2010	\$5,119.00	\$128,521.00	Price/Settlement Negotiated - Negotiations have been completed between Contracting Officer and contractor.
A100172Q6X11020 New England Woodcraft, Inc. collecting	12/27/2010	\$10,850.00	\$0.00	In the Process of Collection - GSA is in the process of collecting funds owed the government from the contractor.
A100193Q4X11014 The Stratix Corporation	11/24/2010	\$41,168.00	\$0.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A100213P9X11023 Cobb Mechanical Contractors, Colorado Springs, CO	01/27/2011	\$0.00	\$4,864,953.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A100178P2X11024 Bovis Lend Lease LMB, Inc.	01/31/2011	\$0.00	\$410,983.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A100075Q7X11022 Cort Business Services Corporation	01/27/2011	\$0.00	\$1,575,000.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A110022Q3X11021 Cooper Notification, Inc	01/31/2011	\$45,767.00	\$342,405.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A080057Q5X11010 The Sherwin-Williams Company	11/16/2010	\$7,580,000.00	\$5,700,000.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A100181Q9X11029 L.N. Curtis & Sons	02/18/2011	\$17,938.00	\$152,976.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A100003Q7X11030 McLane Advanced Technologies, LLC	02/24/2011	\$0.00	\$0.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.

REPORT NUMBER NAME OF CONTRACTOR	DATE OF REPORT	MANAGEMENT DECISION AMOUNTS		REASON FOR NO FINAL ACTION
		Disallowed Costs	Better Use Funds	
A100062Q5X11032 Carahsoft Technology Corporation	03/10/2011	\$0.00	\$15,700,000.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A100168Q5X11034 Johnson Controls, INC.	03/16/2011	\$0.00	\$9,700,000.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A100114Q2X11036 Ahurs Scientific, Inc.	03/29/2011	\$123,252.00	\$0.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A100171P9X11025 Layton Construction Company, Inc.	02/02/2011	\$0.00	\$1,899,985.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A110073Q6X11049 PPS Infotech, LLC (PPS)	05/10/2011	\$0.00	\$0.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A110113Q3X11050 Smiths Detection, Inc	05/13/2011	\$25,711.00	\$0.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A110044Q7X11051 Vaisala, Inc.	05/12/2011	\$1,243.00	\$0.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A110063QAX11053 IntelliDyne, LLC	05/16/2011	\$3,948,160.00	\$0.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A100183P9X11054 Moshe Safdie and Associates, Inc.	05/17/2011	\$0.00	\$2,735,713.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A110070P9X11058 Bergelectric Corporation	06/01/2011	\$0.00	\$2,828,737.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A110087Q3X11057 National Interest Security Company, LLC	06/01/2011	\$649,465.00	\$5,728,148.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A100221Q6X11052 Mainline Information Systems, Inc	05/12/2011	\$208,889.00	\$876,904.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A110108Q4X11063 Protective Products Enterprises	06/13/2011	\$0.00	\$553,510.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.

REPORT NUMBER NAME OF CONTRACTOR	DATE OF REPORT	MANAGEMENT DECISION AMOUNTS		REASON FOR NO FINAL ACTION
		Disallowed Costs	Better Use Funds	
A080177Q9X09015 Tecolote Research, Incorporated	12/12/2008	\$0.00	\$658,765.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A080136Q2X09028 Dynamic Decisions, Inc.	01/20/2009	\$0.00	\$0.00	Price/Settlement Negotiated - Negotiations have been completed between Contracting Officer and contractor.
A090045Q7X11066 C-Tech Industries Inc. / Karcher North America, Inc.	06/30/2011	\$0.00	\$0.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A110098P5X11069 KenMor Electric Company, L.P.	07/06/2011	\$0.00	\$1,045,954.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A110132PRX11067 R.A. Heintges & Associates	07/08/2011	\$0.00	\$95,839.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A110140PAX11071 Architect/Engineering Proposal Lehman Smith McLeish, PLLC, Subcontractor to Smith-Miller & Hawkinson Architects LLP	07/14/2011	\$0.00	\$176,478.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A090112Q6X11060 ITS Services, Inc	06/07/2011	\$21,927,177.00	\$0.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A100140Q5X11070 Veterans Imaging Products, Inc.	07/07/2011	\$3,893.00	\$496,000.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A080188P2X11074 Dynalecric Company, Subcontractor to Dick Corporation	07/22/2011	\$0.00	\$2,836,054.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A110109Q41X11078 Security Consultants Group, Incorporated	07/27/2011	\$0.00	\$83,119,440.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A100170P9X11077 Caddell Construction Company, Incorporated	07/27/2011	\$0.00	\$5,948,364.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A110062Q2X11075 Premier & Companies, Inc.	07/26/2011	\$35,267.00	\$0.00	Price/Settlement Negotiated - Negotiations have been completed between Contracting Officer and contractor.
A100174P2X11076 Leon D. Dematteis Construction Corporation	07/25/2011	\$0.00	\$1,401,452.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.

REPORT NUMBER NAME OF CONTRACTOR	DATE OF REPORT	MANAGEMENT DECISION AMOUNTS		REASON FOR NO FINAL ACTION
		Disallowed Costs	Better Use Funds	
A100119Q6X11081 Noble Sales Co., Inc.	08/03/2011	\$0.00	\$0.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A110133PAX11080 Architect Engineer Proposal Arup USA, Inc., Subcontractor to Smith- Miller & Hawkinson Architects LLP	08/04/2011	\$0.00	\$134,505.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A110182P4X11090 Hensel Phelps Construction Company	09/01/2011	\$0.00	\$1,396,219.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A110021P9X11093 Myrex Industries	09/08/2011	\$0.00	\$5,773,586.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A080210Q6X09062 Immix Technology, Inc.	04/27/2009	\$711,525.00	\$0.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A090106Q3X09084 Perot Systems Government Services, Inc.	08/19/2009	\$34,758.00	\$33,743,210.00	In the Process of Collection - GSA is in the process of collecting funds owed the government from the contractor.
A080210Q6X09062 Immix Technology, Inc.	04/27/2009	\$711,525.00	\$0.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A090106Q3X09084 Perot Systems Government Services, Inc.	08/19/2009	\$34,758.00	\$33,743,210.00	In the Process of Collection - GSA is in the process of collecting funds owed the government from the contractor.
A090090Q2X09086 Ezenia!, Inc.	08/21/2009	\$0.00	\$0.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A090228PCX09094 GreenHorne & O'Mara, Inc.	08/27/2009	\$0.00	\$53,000.00	Price/Settlement Negotiated - Negotiations have been completed between Contracting Officer and contractor.
A080030Q3X09087 Hewlett-Packard Company	08/21/2009	\$59,353.00	\$81,038,538.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A090254PCX09097 Greenhorne & O'Mara, Inc.	09/04/2009	\$0.00	\$118,000.00	Price/Settlement Negotiated - Negotiations have been between Contracting Officer and contractor.



REPORT NUMBER NAME OF CONTRACTOR	DATE OF REPORT	MANAGEMENT DECISION AMOUNTS		REASON FOR NO FINAL ACTION
		Disallowed Costs	Better Use Funds	
A090074Q7X09099 TechFlow, Inc.	09/04/2009	\$0.00	\$4,373,215.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A090089Q4X09095 Mohawk Carpet Corporation: Lees Carpets Division	09/03/2009	\$124,119.00	\$3,394,643.00	In the Process of Collection - GSA is in the process of collecting funds owed the government from the contractor.
A090232PCX09101 Haley & Aldrich, Inc.	09/09/2009	\$0.00	\$11,762.00	Price/Settlement Negotiated - Negotiations have been completed between Contracting Officer and contractor.
A090234PCX09102 HDR Architecture, Inc.	09/10/2009	\$0.00	\$809,387.00	Price/Settlement Negotiated - Negotiations have been completed between Contracting Officer and contractor.
A090202Q6X10016 Computech, Inc.	11/09/2009	\$0.00	\$19,043,879.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A060196P9X07091 TIGARD ELECTRIC, INCORPORATED	08/28/2007	\$0.00	\$988,088.00	Litigation in Process - The contractor has appealed the Contracting Officer's decision and the audit is now in the litigation process.
A080144Q7X10019 BMC Software, Inc.	11/17/2009	\$0.00	\$3,246,860.00	Price/Settlement Negotiated - Negotiations have been completed between Contracting Officer and contractor.
A090159Q5X10022 RCF Information Systems, Inc.	12/10/2009	\$4,459.00	\$522,882.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A090145Q5X09082 BTAS, Inc. Beaver creek, OH	08/06/2009	\$0.00	\$0.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A090222QWX10058 Force 3, Inc.	06/23/2010	\$0.00	\$0.00	Price/Settlement Negotiated - Negotiations have been completed between Contracting Officer and contractor.
A080070QWX10063 Accenture, LLP	07/06/2010	\$0.00	\$0.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A090140Q6X10081 Systems Research and Applications Corporation	08/24/2010	\$392,685.00	\$0.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.

REPORT NUMBER NAME OF CONTRACTOR	DATE OF REPORT	MANAGEMENT DECISION AMOUNTS		REASON FOR NO FINAL ACTION
		Disallowed Costs	Better Use Funds	
A100148P9X10087 Alutiiq International Solutions, LLC	09/16/2010	\$0.00	\$3,456,189.00	Unresolved - Agreement has not been reached between OIG and Contracting Officer on the Decision Record.
A100156P9X11003 Acousti Engineering Company of Florida	10/12/2010	\$4,698,598.00	\$0.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A100117QWX1100 1 Dun & Bradstreet, Inc	10/07/2010	\$0.00	\$0.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A100167Q6X11007 Affordable Interior Systems, Inc.	11/02/2010	\$95,428.00	\$1,756,120.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A090133Q7X11005 SeaArk Marine, Inc.	10/27/2010	\$1,130,227.00	\$0.00	In the Process of Collection - GSA is in the process of collecting funds owed the Government from the contractor.
A090108Q5X10059 Integrated Data Services Inc.	06/24/2010	\$0.00	\$0.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A090130Q7X10076 Cort Business Furniture	08/16/2010	\$83,696.00	\$0.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.
A080124Q7X10086 ASAP SOFTWARE EXPRESS, INC.	09/15/2010	\$739,985.00	\$0.00	In Negotiation - Negotiations are proceeding between Contracting Officer and contractor.

## Glossary of Terms

The following definitions, based on the Inspector General Act Amendment of 1988, apply to terms used in this Semiannual Management Report:

Questioned Costs. Costs questioned by the OIG as a result of:

- an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds;
- a finding that, at the time of an audit, such cost is not supported by adequate documentation;
- a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

Disallowed Cost. Questioned costs that GSA management in a management decision sustained or agreed should not be charged to the Government.

Recommendation that Funds be Put to Better Use. A recommendation by the OIG that funds could be used more efficiently if management took action to implement and complete the recommendations, including:

- reductions in outlays;
- de-obligation of funds from programs or operations;
- withdrawal of interest subsidy costs on loans or loan guarantees, insurance or bonds;
- costs not incurred by implementing recommended improvements related to the operations of the establishment, a contractor or grantee;
- avoidance of unnecessary expenditures noted in pre-award reviews of contract or grant agreements;
- any other saving that are identified specifically.

Management Decision. The evaluation by management of the findings and recommendations included in an audit report and the issuance of a final decision by management concerning its response to such findings and recommendations, including planned corrective actions to remedy weaknesses identified in the report.

Final Action. The completions of all actions that GSA management concluded in its management decision were necessary with respect to the findings and recommendations included in the audit report. In the event that GSA management concluded no action was necessary, final action occurred when the management decision was made.

Management Actions - Questioned Costs. The following is a list of the different management actions used by GSA management to resolve questioned costs in an audit report.

- Audit reports on which management decisions were made during the period: Data pertaining to the number of audit reports on which management decisions were made during the period and the associated amount of disallowed costs was furnished by the OIG.
- Write-offs: For the purposes of this report, write-offs are interpreted to represent the difference between the disallowed cost and the amount successfully recovered.

Management Actions - Better Use Funds. The following is a list of the different management actions used by GSA management to resolve the "better use" of funds in an audit report.

- Better Use Funds: The figure represents amounts cited as "cost avoidance" and "funds to be put to better use," as agreed to by GSA management and the OIG. Prior to April 1990, no funds were identified by the OIG specifically as "funds to be put to better use," and no management decisions were issued based on the consideration of "better use" of funds.
- Budget Impact Funds: Funds identified as "budget impact" involve the obligation process. Audit-related savings of these funds, depending on the particular fund involved, may be available for reprogramming.
- No Budget Impact Funds: Funds identified as "no budget impact" are composed of estimated and actual amounts, and do not involve obligated monies, and, therefore, cannot be construed as having a material effect on GSA's appropriated funds.

- Audit reports on which management decisions were made during the period: Data pertaining to the number of audit reports on which management decisions were made during the period and the associated dollar amounts agreed to by management were furnished by the OIG.
- Value of recommendations that management concluded should not or could not be calculable: Management was unable to determine the award amounts and "better use funds" implemented since the amount is included in the overall award to the prime contractor and savings could not be determined.

# Appendix A



U.S. GENERAL SERVICES ADMINISTRATION  
Office of Inspector General

October 5, 2012

MEMORANDUM FOR RALPH BOLDT  
DIRECTOR  
GAO/IG AUDIT RESPONSE DIVISION (H1C)

FROM:

  
LISA L. BLANCHARD

DIRECTOR  
AUDIT PLANNING, POLICY, AND OPERATIONS STAFF (JAO)

SUBJECT:

Semiannual Report to Congress on the Number  
of Management Decisions

This memo is intended to relate the total management decisions for the period April 1, 2012 through September 30, 2012. The totals are based on H1C/JA Data Match Report, dated October 3, 2012 and JA's AIS database. The OIG's management decision statistics are, as follows:

Type of Audit	Number of Audits	Amount of Better Use Funds	Amount of Disallowed Cost
Preaward	30	\$372,197,425	\$ 1,074,932
Postaward	5	\$ 0	\$14,463,015
Internal	19	\$ 35,200,000	\$ 32,836
Totals	54	\$407,397,425	\$15,570,783

Please acknowledge your agreement of the statistics by signing below and returning to JAO as soon as possible.

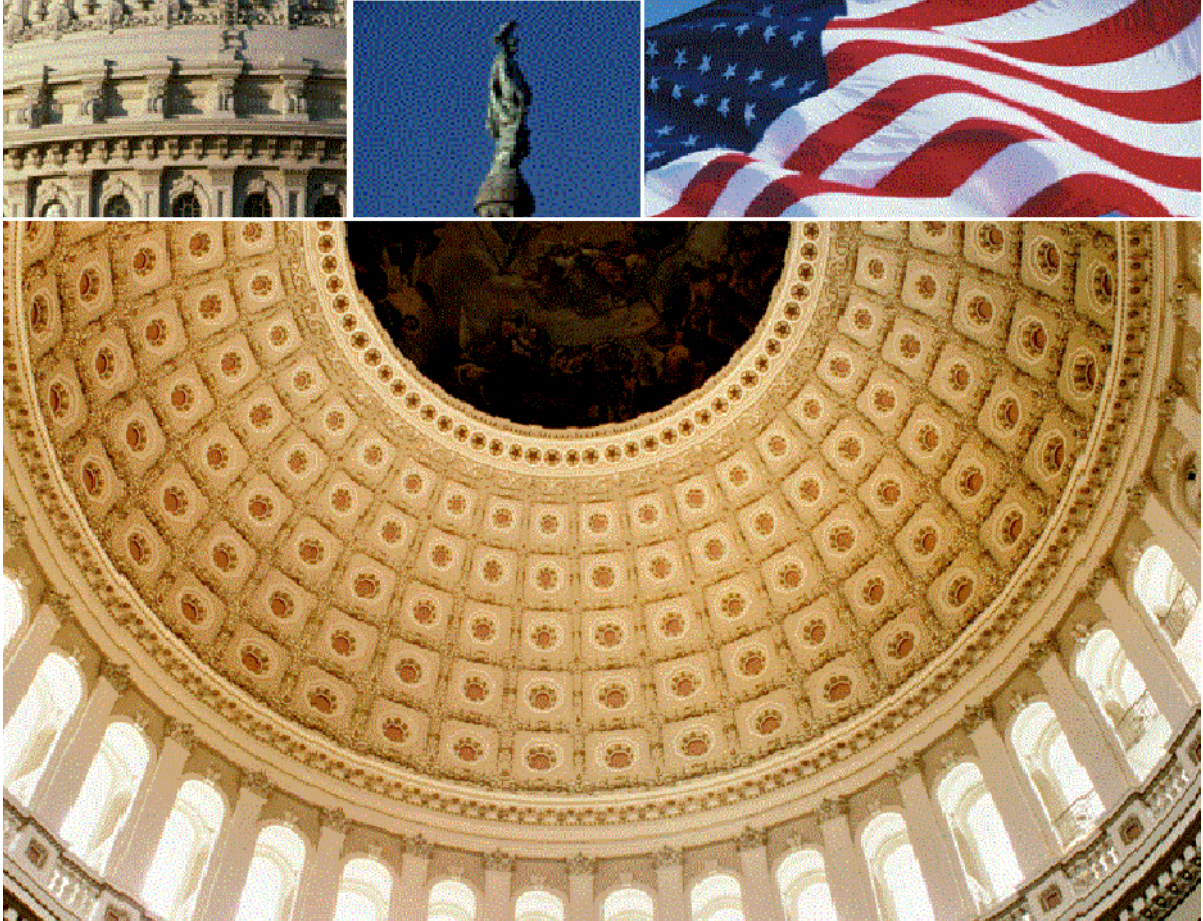
  
Name

DIRECTOR, H1C  
Title

10/5/12  
Date

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