



U.S. General Services Administration

ADMINISTRATOR'S SEMIANNUAL MANAGEMENT REPORT TO CONGRESS

REPORT NO. 60
OCTOBER 1, 2018–MARCH 31, 2019



U.S. General Services Administration

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May 2019

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Message from the Administrator

I am pleased to provide this *Semiannual Management Report to Congress* summarizing audit-related actions and accomplishments of the U.S. General Services Administration (GSA) for the 6-month period ending March 31, 2019.

GSA's unique responsibility for delivering value and savings in real estate, acquisition, technology, and other mission-support services across Government requires that all levels of GSA manage agency work effectively and efficiently, to help ensure that other agencies can meet their mission needs on behalf of the American public.

GSA's accomplishments during this period reflect the high priority the agency has placed on continued strengthening of audit oversight and internal control processes. These enhancements hold GSA managers and supervisors accountable for ensuring timely development and implementation of corrective actions across audit-subject offices and related offices. These enhancements also reinforce GSA's internal control framework, as well as GSA's audit resolution and follow-up analysis and monitoring.

During the past 6 months, GSA took final action on 30 Office of Inspector General (OIG) contract audits, both pre-award and post-award. While the Government's partial shutdown slightly affected GSA's closure rate, GSA significantly reduced the number of newly issued and pending contract audit reports for which no action has been taken in 12 months to a 4-year low of just 95 contract audits.

Additionally, GSA resolved several OIG operational audits, of which the below are key:

- Partnered with Digital Accountability and Transparency Act of 2014 (DATA Act) stakeholders to include routine reviews similar to GSA's annual verification and validation efforts of Federal Procurement Data System—Next Generation (FPDS-NG) data;
- Ensured appropriate enforcement of the restrictions for GSA SmartPay® travel charge card usage and increased monitoring efforts for the resolution of questionable charges;
- Strengthened controls concerning Federal acquisition and the use of outside consultants;
- Heightened oversight of the implementation of the minimum performance criteria concerning capital projects; and
- Implemented tighter controls to ensure that contractors bill ordering agencies in compliance with the pricing terms of Blanket Purchase Agreements for GSA's Wireless Federal Strategic Sourcing Initiative.

GSA is committed to providing customer agencies with maximum value on behalf of the American taxpayer. We value the work and insights of the GSA OIG in helping accomplish this goal and look forward to continued work with the GSA OIG and Congress to help Government be more responsive for the American taxpayer.



Overview

This report, GSA's 60th report to Congress since the implementation of the reporting requirement, presents management's perspective on audit resolution and follow-up activity for the semiannual reporting period, in addition to general statistical summaries. The data in the report indicates that GSA's audit monitoring and management activities continue to play a significant and effective role in the effective management of GSA operations, the accomplishment of the agency mission, and the effective use of taxpayer dollars.

U.S. General Services Administration Organization

GSA's Public Buildings Service and Federal Acquisition Service provide Government-wide delivery of real estate, acquisition, and technology services. GSA's Office of Government-wide Policy manages the development of specific Government-wide policies and regulations. GSA's 11 regions provide local support to Federal agencies nationwide, while GSA's several staff offices provide support to other GSA organizations and other Federal agencies and the public.

The Administrator of General Services directs the execution of all GSA functions. Members of the Administrator's 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. Heads of Services and Staff Offices also are responsible for the execution of programs and services within their offices, under the leadership of the Administrator.

Organization of Audit Follow-up Program

GSA has effective systems in place for tracking and managing audit recommendations, and enhancement and modification of these systems is ongoing. GSA's management, which is held accountable for ensuring that appropriate corrective action is taken promptly, works with supervisors and program managers who develop remedies to identified vulnerabilities and report progress in implementing solutions. Agency managers have the responsibility to act on the auditor's recommendations, with the audit resolution process overseen by the Agency Audit Follow-up Official. The descriptions of the duties of the GSA officials involved in the audit follow-up process are below.

Agency Audit Follow-up Official

The GSA Deputy Administrator as the Agency Audit Follow-up Official has overall responsibility for the audit follow-up program. This includes responsibility for ensuring the adequacy of the agency's follow-up system, monitoring the resolution of audit recommendations, and ensuring timely implementation of corrective actions. The incumbent in this position also makes final decisions to resolve differences between agency management and the GSA OIG.

Chief Administrative Services Officer (CASO)

The CASO provides direction and oversight to the officials in the Office of Administrative Services (OAS) who manage the GSA's Audit Resolution and Follow-up System. Their responsibilities are as follows:

- Liaison with the GSA OIG and the U.S. Government Accountability Office (GAO) for the coordination of OIG and GAO audits in progress within GSA, and coordinate preparation of responses and reports for the signature of the Heads of Service and Staff Offices or the Administrator, as required;
- Ensure timely resolution and implementation of internal and external audit recommendations made by the GSA OIG and GAO;
- Oversee the collection and proper accounting of monetary amounts determined due to the Government as the result of audit-related claims;
- Analyze GSA's programs, upon request from the Administrator, particularly as related to past or present audit recommendations; and
- Maintain an automated control system for internal and external audits that provides an accurate means for monitoring, analyzing, tracking, and documenting actions taken to implement audit recommendations.

Heads of Services and Staff Offices, 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, and for the following:

- Ensure controls are implemented to provide timely, accurate, and complete responses to audit reports;
- Develop, advocate, and document agency positions on audit recommendations;
- Prepare responses to GSA OIG and GAO draft and final reports;
- Provide comments on audit decision papers prepared by the GSA OIG to accurately state management's position on unresolved audit recommendations.

Synopsis of Audit Activity

The Inspector General Act of 1978, as amended, requires the Administrator of General Services to report directly to Congress on management decisions and final actions taken on audit recommendations made by the GSA OIG.

This report covers the period of October 1, 2018, through March 31, 2019. Included in the report are summaries of GSA audit activities concerning the following:

- GSA implementation of GSA OIG audit report recommendations.
- Final actions not taken on audits 1 year after the date of the management decision.
- Audit reports and audit actions involving financial recommendations, including disallowed costs, funds to be put to better use (better use funds), or both.

On October 1, 2018, GSA had 103 contract and internal audit reports pending final action. These reports contained financial recommendations totaling \$760,057,251 (section A, pages 7 and 8).

- Financial recommendations for 91 contract audits totaled \$760,057,251.
- Financial recommendations for 12 internal audits totaled \$0.

Between October 1, 2018, through March 31, 2019, GSA finalized management decisions on 21 audit reports concerning nationwide GSA programs and operations.

- In 15 of the 21 audits, a total of \$126,261 in pre-award contracts and internal program spending was found to have been incorrectly charged to the Government and determined to be disallowed costs. GSA OIG did not issue any post-award audits during this reporting period.
- In 15 of the 21 audits, it was recommended that \$121,066,323 could be used more effectively (better use funds) if management took action to implement and complete the GSA OIG recommendations (see Appendix).

During this 6-month reporting period, GSA successfully took final action on 38 audits. These audits represent the recovery of \$5,973,132.84 (section C, page 8) in Government funds and the identification of \$214,357,765 in potential future savings (section C, page 8), of which \$19,790,000 affected GSA's budget.

As of March 31, 2019, GSA had 95 open audit reports. Ten of these audits involve claims under appeal or in litigation.

Audits with Disallowed Costs

Final action for the six-month period Ending March 31, 2019	Number of Audit Reports	Disallowed Costs
A. Audit reports for which final action had not been taken by the commencement of the reporting period.	103	\$51,331,586
B. Audit reports on which GSA/OIG management decisions were made during the reporting period.	21	\$126,261
C. Audit reports on which final action was taken during the reporting period.	38	\$6,736,966.84
<i>(i) the dollar value of disallowed costs</i>		\$5,973,132.84
- collections.....\$3,810,525.00		
- offset.....\$0.00		
- property in lieu of cash.....\$0.00		
- surplus.....\$2,162,603.84		
- other.....\$4.00		
<i>(ii) the dollar value of disallowed costs that were written off by management.</i>		\$763,834
D. Audit reports for which no final action has been taken by the end of the reporting period and audit reports issued during this reporting period.	95	\$50,173,774

Audits with Better Use Funds (Potential Cost Savings)

Final action for the six-month Ending March 31, 2019	Number of Audit Reports	No budget Impact (Actual and Estimated)	Budget Impact
A. Audit reports for which final action had not been taken by the commencement of the reporting period.	103	\$708,725,665	\$0
B. Audit reports on which management decisions were made during the reporting period.	21	\$121,066,323	\$0
C. Audit reports on which final action was taken during the reporting period.	38	\$194,567,765	(\$19,790,000)¹
(i) the actual dollar value of recommendations that were actually completed.		\$0	
(ii) the actual dollar value of recommendations that management has subsequently concluded should not or could not be implemented or completed.		\$0	
(iii) the actual dollar value of recommendations that management has subsequently concluded should not or could not be determined (calculated).		\$0	
(iv) the estimated dollar value of "funds to be put to better use" as agreed to by GSA management and the OIG.		\$214,357,765	
D. Audit reports for which no final action has been taken by the end of the reporting period and audit reports issued during this reporting period.	95	\$632,337,719	\$0

¹ Total Award amount GSA to pay to vendors according to Civilian Board of Contract Appeals decisions in cases 5344, 5400, 5605, and 5323/5652.

Audits under Appeal/Litigation

Financial recommendations are not included for contract awards or actions that are not completed.

REPORT NUMBER NAME OF CONTRACTOR	DATE OF REPORT	MANAGEMENT DECISION AMOUNTS	
		Disallowed Costs	Better Use Funds
A140110P4X15003 Suffolk Construction Company, Inc.	11/10/2014	\$0	
A140116P4X15016 City Lights Electrical Company, Inc.	01/30/2015	\$0	
A140074Q6X15037 Engility Corporation	06/10/2015	\$1,886,901	
A140118P4X16005 N.B. Kenney Company, Inc.	11/13/2015	\$0	
A160093Q7X16074 United Liquid Gas Company	09/19/2016	\$3,321,947	
A120149Q4X17015 Lockheed Martin Integrated Systems, Incorporated	12/29/2016	\$12,221,921	
A160104P5X17028 M. A. Mortenson Company	02/22/2017	\$0	
A160106P2X17052 RK Mechanical, Inc.	09/13/2017	\$0	
A170108P3X18011 RK Mechanical, Incorporated	12/21/2017	\$0	
A160105P4X18017 NCES-Nuprecon JV	02/22/2018	\$0	

Contract Audits

Audits with Management Decisions made prior to March 31, 2018, but with Final Action not taken as of March 31, 2019.

Financial recommendations are not included for contract awards or actions that are not completed.

REPORT NUMBER NAME OF CONTRACTOR	DATE OF REPORT	MANAGEMENT DECISION AMOUNTS		REASON FOR NO FINAL ACTION
		Disallowed Costs	Better Use Funds	
A090042Q9X09019 Computer Sciences Corporation	12/29/2008	\$14,951,923		Investigation in process - An investigation has been opened by either the OIG or the Justice Department regarding actions taken by the contractor
A130136Q3X14026 Fisher Scientific Company LLC	04/14/2014	\$0		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A110139Q9X14028 Alaska Structures, Incorporated	04/24/2014	\$1,999,255		Investigation in process - An investigation has been opened by either the OIG or the Justice Department regarding actions taken by the contractor
A140110P4X15003 Suffolk Construction Company, Inc.	11/10/2014	\$0		Litigation in process - The contractor has appealed the Contracting Officer's decision and the audit is now in the litigation process
A140116P4X15016 City Lights Electrical Company, Inc.	01/30/2015	\$0		Litigation in process - The contractor has appealed the Contracting Officer's decision and the audit is now in the litigation process

Contract Audits

Audits with Management Decisions made prior to March 31, 2018, but with Final Action not taken as of March 31, 2019.

Financial recommendations are not included for contract awards or actions that are not completed.

REPORT NUMBER NAME OF CONTRACTOR	DATE OF REPORT	MANAGEMENT DECISION AMOUNTS		REASON FOR NO FINAL ACTION
		Disallowed Costs	Better Use Funds	
A140149P4X15027 Donaldson Interiors, Inc.	03/27/2015	\$0		Price/settlement negotiated - Negotiations have been completed between Contracting Officer and contractor
A140039Q4X15029 High Performance Technologies Innovations, LLC	03/31/2015	\$539,872		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A140074Q6X15037 Engility Corporation	06/10/2015	\$1,886,901		Litigation in process - The contractor has appealed the Contracting Officer's decision and the audit is now in the litigation process
A150083QAX16004 LCG Systems, LLC	11/10/2015	\$149,663		In the process of collection - GSA is in the process of collecting funds owed the Government from the contractor
A140118P4X16005 N.B. Kenney Company, Inc.	11/13/2015	\$0		Litigation in process - The contractor has appealed the Contracting Officer's decision and the audit is now in the litigation process
A150113P4X16008 Matsuo Engineering Centerre Construction, A Joint Venture	11/20/2015	\$0		Mediation in Progress - GSA and the vendor entered a period of mediation to resolve a dispute

Contract Audits

Audits with Management Decisions made prior to March 31, 2018, but with Final Action not taken as of March 31, 2019.

Financial recommendations are not included for contract awards or actions that are not completed.

REPORT NUMBER NAME OF CONTRACTOR	DATE OF REPORT	MANAGEMENT DECISION AMOUNTS		REASON FOR NO FINAL ACTION
		Disallowed Costs	Better Use Funds	
A140146P4X16017 Cauldwell Wingate Company, LLC	12/21/2015	\$0		Price/settlement negotiated - Negotiations have been completed between Contracting Officer and contractor
A140145P4X16018 Pace Plumbing Corporation	12/28/2015	\$0		Price/settlement negotiated - Negotiations have been completed between Contracting Officer and contractor
A140148P4X16022 Five Star Electric Corporation	01/29/2016	\$0		Price/settlement negotiated - Negotiations have been completed between Contracting Officer and contractor
A140147P2X16030 ASM Mechanical Systems, Inc.	03/30/2016	\$1,120,928		Price/settlement negotiated - Negotiations have been completed between Contracting Officer and contractor
A150087Q5X16050 LC Industries	07/21/2016	\$83,268		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A150080Q2X16052 Connecticut Container Corporation	07/27/2016	\$0		In negotiation - Negotiations are proceeding between Contracting Officer and contractor

Contract Audits

Audits with Management Decisions made prior to March 31, 2018, but with Final Action not taken as of March 31, 2019.

Financial recommendations are not included for contract awards or actions that are not completed.

REPORT NUMBER NAME OF CONTRACTOR	DATE OF REPORT	MANAGEMENT DECISION AMOUNTS		REASON FOR NO FINAL ACTION
		Disallowed Costs	Better Use Funds	
A160039Q3X16055 Carahsoft Technology Corporation	08/08/2016	\$0		Unresolved - Agreement has not been reached between OIG and Contracting Officer on the Decision Record
A160027Q7X16068 Agilent Technologies, Inc.	09/08/2016	\$3,352		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A160093Q7X16074 United Liquid Gas Company	09/19/2016	\$3,321,947		Litigation in process - The contractor has appealed the Contracting Officer's decision and the audit is now in the litigation process
A150083QAX17005 LCG Systems, LLC	10/13/2016	\$832,697		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A150094Q6X17006 KeyPoint Government Solutions, Inc.	10/17/2016	\$370,955		Price/settlement negotiated - Negotiations have been completed between Contracting Officer and contractor
A140133Q9X17007 ARES Corporation	10/27/2016	\$2,524,644		In negotiation - Negotiations are proceeding between Contracting Officer and contractor

Contract Audits

Audits with Management Decisions made prior to March 31, 2018, but with Final Action not taken as of March 31, 2019.

Financial recommendations are not included for contract awards or actions that are not completed.

REPORT NUMBER NAME OF CONTRACTOR	DATE OF REPORT	MANAGEMENT DECISION AMOUNTS		REASON FOR NO FINAL ACTION
		Disallowed Costs	Better Use Funds	
A120149Q4X17015 Lockheed Martin Integrated Systems, Incorporated	12/29/2016	\$12,221,921		Litigation in process - The contractor has appealed the Contracting Officer's decision and the audit is now in the litigation process
A160095Q9X17022 Ogilvy Public Relations Worldwide	01/24/2017	\$29,766		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A150102Q2X17024 Riverside Research Institute	01/25/2017	\$4,217		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A160074P4X17023 ARRIBA Corporation	01/26/2017	\$0		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A160104P5X17028 M. A. Mortenson Company	02/22/2017	\$0		Litigation in process - The contractor has appealed the Contracting Officer's decision and the audit is now in the litigation process
A160111Q3X17029 Ambit Group, LLC	03/03/2017	\$1,075		In negotiation - Negotiations are proceeding between Contracting Officer and contractor

Contract Audits

Audits with Management Decisions made prior to March 31, 2018, but with Final Action not taken as of March 31, 2019.

Financial recommendations are not included for contract awards or actions that are not completed.

REPORT NUMBER NAME OF CONTRACTOR	DATE OF REPORT	MANAGEMENT DECISION AMOUNTS		REASON FOR NO FINAL ACTION
		Disallowed Costs	Better Use Funds	
A150001Q2X17033 Noble Sales Co., Inc.	03/30/2017	\$285,906		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A160069Q2X17034 Security Engineered Machinery Company, Inc.	04/05/2017	\$9,940		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A160088QAX17039 CSRA, Inc.	05/17/2017	\$0		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A160117Q6X17043 StrategicHealthSolutions, LLC	06/20/2017	\$169,269		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A170067Q3X17051 Catapult Technology, Ltd.	09/07/2017	\$45,680		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A160106P2X17052 RK Mechanical, Inc.	09/13/2017	\$0		Litigation in process - The contractor has appealed the Contracting Officer's decision and the audit is now in the litigation process
A160056QAX17053 Omniplex World Services Corporation	09/28/2017	\$0		In negotiation - Negotiations are proceeding between Contracting Officer and contractor

Contract Audits

Audits with Management Decisions made prior to March 31, 2018, but with Final Action not taken as of March 31, 2019.

Financial recommendations are not included for contract awards or actions that are not completed.

REPORT NUMBER NAME OF CONTRACTOR	DATE OF REPORT	MANAGEMENT DECISION AMOUNTS		REASON FOR NO FINAL ACTION
		Disallowed Costs	Better Use Funds	
A170078Q7X17056 ADTRAV Corporation	09/28/2017	\$20,723		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A170065Q6X17055 National Government Services, Inc.	09/28/2017	\$0		Unresolved - Agreement has not been reached between OIG and Contracting Officer on the Decision Record
A160129Q6X17054 Galls, LLC	09/28/2017	\$117,900		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A160136Q6X18005 Insight Public Sector, Inc.	11/16/2017	\$4,743,334		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A170058QAX18006 August Schell Enterprises, Inc.	12/14/2017	\$2,466		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A170108P3X18011 RK Mechanical, Incorporated	12/21/2017	\$0		Litigation in process - The contractor has appealed the Contracting Officer's decision and the audit is now in the litigation process

Contract Audits

Audits with Management Decisions made prior to March 31, 2018, but with Final Action not taken as of March 31, 2019.

Financial recommendations are not included for contract awards or actions that are not completed.

REPORT NUMBER NAME OF CONTRACTOR	DATE OF REPORT	MANAGEMENT DECISION AMOUNTS		REASON FOR NO FINAL ACTION
		Disallowed Costs	Better Use Funds	
A160105P4X18017 NCES-Nuprecon JV	02/28/2018	\$0		Litigation in process - The contractor has appealed the Contracting Officer's decision and the audit is now in the litigation process
A160052P2X18019 Concentric Security, LLC	03/08/2018	\$0		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A170059Q5X18020 Technical Communities, Inc. dba Testmart	03/21/2018	\$224,992		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A170099Q5X18021 DHA Group, Inc.	03/23/2018	\$1,402,985		In negotiation - Negotiations are proceeding between Contracting Officer and contractor
A170087QAX18022 International Business Machines Corporation	03/29/2018	\$0		In negotiation - Negotiations are proceeding between Contracting Officer and contractor

Internal Audits

Audits with Management Decisions Made Prior to March 31, 2018, but with Final Action not Taken as of March 31, 2019.

Financial recommendations are not included for internal audits or actions that are not completed.

REPORT NUMBER TITLE OF REPORT	DATE OF REPORT	MANAGEMENT DECISION AMOUNTS		REASON FOR NO FINAL ACTION	PROJECTED COMPLETION DATE
		Disallowed Costs	Better Use Funds		
A130003P2R17002 Procurement and Internal Control Issues Exist within PBS's Brooklyn/Queens/Long Island Service Center	01/20/2017	\$0		Audit is in the Implementation Stage	04/30/2019
A150009P5R17006 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	08/24/2017	\$0		Audit is in the Working Stage	No established date at this time.
A160101O7F18002 GSA Should Monitor and Track Facility Security Assessments	12/04/2017	\$0		Audit is in the Implementation Stage	04/04/2019

Open OIG Recommendations Not Fully Resolved as of March 31, 2019

Audits with Management Decisions and Approved Due Dates

Number and Title of Report	Report Issue Date	Recommendation Number	Entire Recommendation	Original Due Date	Current Due Date
<p>A160028OTF16003 Audit of GSA's Response to the Personally Identifiable Information Breach of September 18, 2015</p> <p><small>(Reopened for an implementation review)</small></p>	9/28/2016	001	Review and certify GSA's September 18, 2015, breach notification efforts and determine if any additional action is needed to ensure all affected individuals have been notified.	12/31/2018	04/30/2019
<p>A160028OTF16003 Audit of GSA's Response to the Personally Identifiable Information Breach of September 18, 2015</p> <p><small>(Reopened for an implementation review)</small></p>	9/28/2016	004	Assess policies to ensure objectives are clear, roles, and responsibilities are detailed, and comprehensive procedures are established for Agency Response Teams to communicate and document relevant information necessary for making decisions and taking action in response to a PII breach. Take appropriate actions to address and correct those are identified as deficient.	03/29/2019	04/30/2019
<p>A130003P2R17002 Procurement and Internal Control Issues Exist within PBS's Brooklyn/Queens/Long Island Service Center</p>	01/20/2017	006	Determine the corrective actions needed to remediate the missing and incorrect documents that were identified by the audit team's review of the contract files.	09/11/2017	04/30/2019

Open OIG Recommendations Not Fully Resolved as of March 31, 2019

Audits with Management Decisions and Approved Due Dates

Number and Title of Report	Report Issue Date	Recommendation Number	Entire Recommendation	Original Due Date	Current Due Date
A150009P5R17006 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	08/24/2017	001	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.		
A150009P5R17006 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	08/24/2017	002	Determine and implement the appropriate corrective action needed for PBS NCR personnel's non-compliance with competition requirements.		
A150009P5R17006 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	08/24/2017	003	Institute the necessary management controls to ensure that procurements for the campus comply with the Competition in Contracting Act of 1984 and Federal Acquisition Regulation 6.3.		
A150009P5R17006 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	08/24/2017	004A	Implement internal controls to ensure ESPCs comply with DOE regulations and guidance including verifying that costs of implementing energy conservation measures are paid for from the resulting cost savings.		

GSA and OIG are continuing with discussions to finalize an Implementation Plan concerning these recommendations.

Open OIG Recommendations Not Fully Resolved as of March 31, 2019

Audits with Management Decisions and Approved Due Dates

Number and Title of Report	Report Issue Date	Recommendation Number	Entire Recommendation	Original Due Date	Current Due Date
A150009P5R17006 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	08/24/2017	004B	Implement internal controls to ensure ESPCs comply with DOE regulations and guidance including witnessing and independently verifying that baselines developed by the energy company are accurate.		
A150009P5R17006 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	08/24/2017	004C	Implement internal controls to ensure ESPCs comply with DOE regulations and guidance including verifying that the financial Selection Memorandum from the energy company is certified as being the best value for the Government.		
A150009P5R17006 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	08/24/2017	005A	Implement training for PBS NCR personnel responsible for the preparation of acquisition plans.		
A150009P5R17006 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	08/24/2017	005B	Implement training for PBS NCR personnel responsible for price reasonableness determinations for ESPC contracting, including the development and use of independent Government estimates.		

GSA and OIG are continuing with discussions to resolve an Implementation Plan concerning these recommendations.

Open OIG Recommendations Not Fully Resolved as of March 31, 2019

Audits with Management Decisions and Approved Due Dates

Number and Title of Report	Report Issue Date	Recommendation Number	Entire Recommendation	Original Due Date	Current Due Date
A150009P5R17006 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	08/24/2017	005C	Implement training for PBS NCR personnel responsible for contract file documentation requirements.	GSA and OIG are continuing with discussions to resolve an Implementation Plan concerning these recommendations.	
A150009P5R17006 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	08/24/2017	005D	Implement training for PBS NCR personnel responsible for Compliance with requirements to hold a Preaward Review Board review prior to award, or if waived, a Postaward Review Board review for applicable task orders.		
A150009P5R17006 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	08/24/2017	006	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.		
A160101O7F18002 GSA Should Monitor and Track Facility Security Assessments	12/04/2017	001A	Implement policies and procedures to monitor and track facility security assessment reports. This should include developing an automated methodology to track whether PBS received the facility security assessment reports.		11/30/2018

Open OIG Recommendations Not Fully Resolved as of March 31, 2019

Audits with Management Decisions and Approved Due Dates

Number and Title of Report	Report Issue Date	Recommendation Number	Entire Recommendation	Original Due Date	Current Due Date
A140143QTP18004 Audit of Transactional Data Reporting Pilot Evaluation Plan and Metrics	07/25/2018	001	Revise the TDR pilot objectives to include specific statements of accomplishment to measure performance.	01/31/2019	04/12/2019
A140143QTP18004 Audit of Transactional Data Reporting Pilot Evaluation Plan and Metrics	07/25/2018	002	Establish performance targets for each pilot metric.	01/31/2019	04/12/2019
A140143QTP18004 Audit of Transactional Data Reporting Pilot Evaluation Plan and Metrics	7/25/2018	003	Ensure that TDR data is available, accurate, and reliable for use in and evaluation of the pilot.	03/29/2019	04/12/2019
A160133P6R18002 Audit of GSA's Public Buildings Service Does Not Track and Report All Unused Leased Space as Required	08/10/2018	001	Develop and implement a process to ensure that PBS reports and mitigates all unused space for all non-cancelable occupancy agreements in its lease portfolio.	GSA and OIG are continuing with discussions to resolve an Implementation Plan concerning these recommendations.	
A160133P6R18002 Audit of GSA's Public Buildings Service Does Not Track and Report All Unused Leased Space as Required	08/10/2018	002	Take action to ensure that existing and future non-cancelable occupancy agreements comply with PBS's policy.		
A170097Q7P19001 FAS Cannot Evaluate the FAS Lane Program's Performance for Contract Modifications	10/24/2018	001	Implement a process to evaluate and accurately report the FAS Lane Program performance for contract modifications that identifies and tracks FAS Lane modifications upon submission of the modification requests.	10/31/2019	10/31/2019

Open OIG Recommendations Not Fully Resolved as of March 31, 2019

Audits with Management Decisions and Approved Due Dates

Number and Title of Report	Report Issue Date	Recommendation Number	Entire Recommendation	Original Due Date	Current Due Date
A160134P2R19001 Audit of the Public Buildings Service's Use of Contract Employees in the New England and Northeast and Caribbean Regions	12/12/2018	001	Implement, and maintain the management controls and policies and procedures necessary to ensure that PBS is not awarding and administering contracts in a manner that creates prohibited personal services contracts.		
A160134P2R19001 Audit of the Public Buildings Service's Use of Contract Employees in the New England and Northeast and Caribbean Regions	12/12/2018	002	Direct Regional Management to ensure that: a. Controls are strengthened to ensure that personnel in charge of service contracts adhere to and enforce contract requirements. b. Contract time limits are adhered to. c. Contracting officers are aware of schedule timeframe limitations prior to awarding any contract, especially for Temporary Administrative and Professional Staffing contracts. d. The Region recoups the \$2,515 overpayment identified in this audit. e. Contracting officers analyze proposed prices for accuracy prior to award. f. Contracting officers and CORs review invoices and supporting documentation prior to making any payments to contractors. g. CORs are properly certified and designated prior to being assigned contract oversight responsibilities.		GSA issued its response concerning the audit report and is awaiting GSA OIG's feedback.

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Audits with Management Decisions and Approved Due Dates

Number and Title of Report	Report Issue Date	Recommendation Number	Entire Recommendation	Original Due Date	Current Due Date
A170120OTF19001 Limited Scope Audit of the Technical Security Controls for the Enterprise Content Management System	12/19/2018	001	Ensure that the technical security control weaknesses identified by our audit are mitigated in accordance with the applicable standards, guidelines, and recommendations as defined by GSA IT, NIST, and CIS.	12/31/2019	12/31/2019
A170120OTF19001 Limited Scope Audit of the Technical Security Controls for the Enterprise Content Management System	12/19/2018	002	Assess applicable GSA IT policies to determine the most appropriate technical security.	12/31/2019	12/31/2019
A170027P6R19002 Audit of Environmental Issues at the Goodfellow Federal Complex in St. Louis, Missouri	03/15/2019	001	Conduct a comprehensive assessment of the PBS Occupational Safety and Health Program, focusing on the program's ability to ensure compliance with applicable occupational safety and health requirements. Take corrective action to address any weaknesses identified through the assessment.	GSA is developing its response concerning the audit report. The due date is 5/15/2019.	
A170027P6R19002 Audit of Environmental Issues at the Goodfellow Federal Complex in St. Louis, Missouri	03/15/2019	002	Finalize updates to the GSA Occupational Safety and Health Program Order to ensure transparency and adherence to OSHA reqs regarding environmental contamination in PBS facilities.		

Open OIG Recommendations Not Fully Resolved as of March 31, 2019

Audits with Management Decisions and Approved Due Dates

Number and Title of Report	Report Issue Date	Recommendation Number	Entire Recommendation	Original Due Date	Current Due Date
A170027P6R19002 Audit of Environmental Issues at the Goodfellow Federal Complex in St. Louis, Missouri	03/15/2019	003	Institute controls to ensure that the safety of tenants, contractors, and visitors to the Goodfellow complex is protected by preventing exposure to all hazards and posting safety plans when appropriate.	GSA is developing its response concerning the audit report. The due date is 5/15/2019.	
A170027P6R19002 Audit of Environmental Issues at the Goodfellow Federal Complex in St. Louis, Missouri	03/15/2019	004	Institute controls to ensure that PBS has a complete and publicly accessible repository for all environmental studies conducted on any and all of its properties in the Heartland Region.		
A170027P6R19002 Audit of Environmental Issues at the Goodfellow Federal Complex in St. Louis, Missouri	03/15/2019	005	Institute controls to ensure that all health, safety, and environmental studies are distributed upon completion of the occupants of any Heartland Region property where studies are performed.		
A170027P6R19002 Audit of Environmental Issues at the Goodfellow Federal Complex in St. Louis, Missouri	03/15/2019	006	Institute controls to ensure that corrective action is taken and publicly disclosed in response to all health, safety, and environmental studies performed within the Heartland Region.		

Open OIG Recommendations Not Fully Resolved as of March 31, 2019

Audits with Management Decisions and Approved Due Dates

Number and Title of Report	Report Issue Date	Recommendation Number	Entire Recommendation	Original Due Date	Current Due Date
A170047PRR19003 Audit of the PBS National Capital Region's Lease Financial Performance	03/20/2019	001	Quantify potential losses to GSA due to vacant space when planning space consolidation projects, and incorporate this risk analysis into business decisions.	GSA is developing its response concerning the audit report. The due date is 5/20/2019.	
A170047PRR19003 Audit of the PBS National Capital Region's Lease Financial Performance	03/20/2019	002	Develop a control to identify when termination rights are upcoming for a lease in order to have time to confirm with the tenant agency if space will still be required.		
A170047PRR19003 Audit of the PBS National Capital Region's Lease Financial Performance	03/20/2019	003	Implement a process to ensure timely and accurate execution of lease actions, such as lease awards, extensions, terminations, and tenant improvement adjustments.		
A170047PRR19003 Audit of the PBS National Capital Region's Lease Financial Performance	03/20/2019	004	Implement a control to pass through recoveries to tenant agencies as required by PBS policy.		
A170047PRR19003 Audit of the PBS National Capital Region's Lease Financial Performance	03/20/2019	005	Reimburse tenant agencies for overpayments from the past 5 years.		
A170047PRR19003 Audit of the PBS National Capital Region's Lease Financial Performance	03/20/2019	006	Work with the Office of the Chief Financial Officer to correct accounting errors in the lease FFO tracking process.		

Open OIG Recommendations Not Fully Resolved as of March 31, 2019

Audits with Management Decisions and Approved Due Dates

Number and Title of Report	Report Issue Date	Recommendation Number	Entire Recommendation	Original Due Date	Current Due Date
A170023QTP19002 Audit of the Federal Risk and Authorization Management Program, Program Management Office's Goals and Objectives	03/21/2019	001	Revise the FedRAMP PMO's mission statement to a concise, singular statement.		
A170023QTP19002 Audit of the Federal Risk and Authorization Management Program, Program Management Office's Goals and Objectives	03/21/2019	002	Revise the FedRAMP PMO's objectives to make them more specific and measurable.		
A170023QTP19002 Audit of the Federal Risk and Authorization Management Program, Program Management Office's Goals and Objectives	03/21/2019	003	Review the FedRAMP PMO's mission, goals, and objectives to ensure they align in a cohesive manner.		
A170092PRR19004 Audit of IT Security Requirements in GSA Leasing Support Services Contracts	03/21/2019	001	Coordinate with GSA IT to ensure that the IT requirements and solutions for the pending GLS Plus real estate broker solicitation accurately reflect the actual IT security requirements for contractor performance.	GSA is developing its response concerning the audit report. The due date is 5/20/2019.	

Open OIG Recommendations Not Fully Resolved as of March 31, 2019

Audits with Management Decisions and Approved Due Dates

Number and Title of Report	Report Issue Date	Recommendation Number	Entire Recommendation	Original Due Date	Current Due Date
A170092PRR19004 Audit of IT Security Requirements in GSA Leasing Support Services Contracts	03/21/2019	002	Identify other Public Buildings Service contracts through which contractors access government data through GSA Google or Virtual Desktop Interface accounts to ensure: a. The contracts include terms and conditions necessary to protect the data; and b. Guidance is in place defining roles and responsibilities governing compliance with applicable IT security requirements.		GSA is developing its response concerning the audit report. The date due is 5/20/2019.

Glossary of Terms

The following definitions, based on the Inspector General Act Amendment of 1978, 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 GSA 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 savings 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 and concurrence by the OIG 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 concluded no action was necessary, final action occurred when the management decision was made.

Glossary of Terms

Management Actions - Questioned Costs. The following are 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 are 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.



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