

**Fiscal Year 2022 Budget Request**

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**Appropriations Language**

For necessary expenses of the Office of Inspector General and services as authorized by 5 U.S.C. 3109, \$69,000,000: *Provided*, That not to exceed \$50,000 shall be available for payment for information and detection of fraud against the Government, including payment for recovery of stolen Government property: *Provided further*, That not to exceed \$2,500 shall be available for awards to employees of other Federal agencies and private citizens in recognition of efforts and initiatives resulting in enhanced Office of Inspector General effectiveness.

**Program Description**

This appropriation provides agency-wide audit, investigative, and inspection functions to identify and correct management and administrative deficiencies within the General Services Administration (GSA), including conditions for existing or potential instances of fraud, waste, and mismanagement. This audit function provides internal audit and contract audit services. Contract audits provide professional advice to GSA contracting officials on accounting and financial matters relative to the negotiation, award, administration, repricing, and settlement of contracts. Internal audits review and evaluate all facets of GSA operations and programs, test internal control systems, and develop information to improve operating efficiencies and enhance customer services. The investigative function provides for the detection and investigation of improper and illegal activities involving GSA programs, personnel, and operations. The inspection function supplements traditional audits and investigations by providing systematic and independent assessments of the design, implementation, and/or results of GSA's operations, programs, or policies.

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**5-Year Appropriation History Table**

	<b>FY 2018 Enacted</b>	<b>FY 2019 Enacted</b>	<b>FY 2020 Enacted</b>	<b>FY 2021 Enacted</b>	<b>FY 2022 Request</b>
<b>Request to Congress:</b>	<b>\$66,000,000</b>	<b>\$67,000,000</b>	<b>\$68,000,000</b>	<b>\$67,000,000</b>	<b>\$69,000,000</b>
Appropriated:					
Annual Funds	\$65,000,000	\$65,000,000	\$67,000,000	\$67,000,000	
Rescissions					
Sequestration					
No-Year Funds					
Rescissions					
<b>Total.....</b>	<b>\$65,000,000</b>	<b>\$65,000,000</b>	<b>\$67,000,000</b>	<b>\$67,000,000</b>	

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**Amounts Available for Obligation**

(Dollars in Thousands)

	FY 2020 Actual	FY 2021 Enacted	FY 2022 Request
Unobligated balance, start of year <sup>1</sup> .....	\$4,008	\$3,527	\$1,527
<i>Discretionary authority:</i>			
Appropriation (annual).....	\$67,000	\$67,000	\$69,000
Appropriation (no-year).....			
<i>Reimbursable authority:</i>			
Offsetting collections.....	\$600	\$600	\$600
<b>Subtotal amount available for obligation</b>	<b>\$71,608</b>	<b>\$71,127</b>	<b>\$71,127</b>
<i>Discretionary authority:</i>			
Unobligated balance, expiring.....	(\$436)	\$0	\$0
Unobligated balance, end of year.....	(\$3,527)	(\$1,527)	\$0
<i>Reimbursable authority:</i>			
Unobligated balance, expiring.....	(\$253)	\$0	\$0
<b>Total obligations</b>	<b>\$67,392</b>	<b>\$69,600</b>	<b>\$71,127</b>
Obligations, appropriated (annual).....	\$66,564	\$67,000	\$69,000
Obligations, appropriated (no-year).....	\$481	\$2,000	\$1,527
Obligations, reimbursable.....	\$347	\$600	\$600
<b>Net outlays, appropriated.....</b>	<b>\$66,923</b>	<b>\$68,838</b>	<b>\$70,381</b>

<sup>1</sup> Unobligated balance reflects no-year funds appropriated in FY 2014 through FY 2016.

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**Explanation of Changes, Appropriated Dollars, and FTE**

(Dollars in Thousands)

	<b>FTE</b>	<b>Budget Authority</b>
2021 Enacted	296	\$ 67,000
2022 Request	<u>296</u>	<u>\$ 69,000</u>
Net Change.....	0	\$ 2,000
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<b>Maintaining Current Levels:</b>		
FY 2021 Pay Increase (1.0%), Q1 FY 2022		\$ 93
FY 2022 Pay Increase (2.7%), Effective Jan 2022		\$ 753
FY 2022 FERS Retirement Payments Increase (1.1% for Non-LEO, 1.8% for LEO)		\$ 483
<b>Subtotal, Maintaining Current Levels</b>		<b>\$ 1,329</b>
<b>Program Increases:</b>		
Travel and Transportation		\$ 735
Purchases of Services from Govt Accounts		\$ 338
Rent		\$ 34
Contractual Services		<u>\$ 31</u>
<b>Subtotal, Program Increases</b>		<b>\$ 1,138</b>
<b>Program Decreases</b>		
Equipment		\$ (467)
<b>Subtotal, Program Decreases</b>		<b>\$ (467)</b>
Net Change.....	0	\$ 2,000
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Reimbursable Resources	3	\$ 600

### Summary of Request

The FY 2022 budget requests a total of **\$69,000 thousand** for the Office of Inspector General. This represents a net increase of **\$2,000 thousand** from the FY 2021 request and includes the following adjustments:

- \$93 thousand for FY 2021 pay increase (1.0%), Q1 FY 2022
- \$753 thousand for FY 2022 pay increase (2.7%), effective January 2022
- \$483 thousand for FERS retirement payments increase (1.1% for non-LEO, 1.8% LEO)
- \$735 thousand for travel and transportation increase
- \$338 thousand for purchases of services from government accounts increase
- \$34 thousand for rent increase
- \$31 thousand for contractual services increase
- \$467 thousand for equipment decrease

**Reimbursable Programs:** The FY 2022 OIG reimbursable request includes **\$600 thousand** for the following reimbursable work: (1) \$350 thousand for the Fleet Card Program; and (2) \$250 thousand for on-going reimbursable work with other agencies and independent commissions.

<b>FY 2022 Annual CIGIE Assessment (0.36% of \$69,000,000)</b>	<b>\$248,400</b>
<b>FY 2022 Annual Training Request: Certified by the Inspector General, (includes training travel)</b>	<b>\$725,000</b>

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**Obligations by Object Classification**

(Dollars in Thousands)

	FY 2020	FY 2021	FY 2022
	Actual	Enacted	Request
11.1 Full-time permanent	\$34,986	\$34,786	\$35,503
11.3 Other than full-time permanent	\$765	\$858	\$879
11.5 Other personnel compensation	\$2,414	\$2,730	\$2,740
11.8 Special personal services payments	\$(40)	\$0	\$0
<b>11.9 Total personnel compensation</b>	<b>\$38,125</b>	<b>\$38,374</b>	<b>\$39,122</b>
12.1 Civilian personnel benefits	\$14,662	\$15,139	\$15,720
21.0 Travel and transportation of persons	\$747	\$447	\$1,182
22.0 Transportation of things	\$0	\$0	\$0
23.1 Rental payments to GSA	\$5,060	\$5,101	\$5,135
23.2 Rental payments to others	\$0	\$0	\$0
23.3 Communications, utilities and miscellaneous charges	\$369	\$355	\$355
24.0 Printing and reproduction	\$5	\$9	\$9
25.1 Advisory and assistance services	\$1,608	\$2,219	\$2,250
25.2 Other services	\$10	\$10	\$10
25.3 Purchases of goods and services from government accounts	\$3,824	\$3,212	\$3,550
25.4 Operation and maintenance of facilities	\$0	\$2	\$2
25.7 Operation and maintenance of equipment	\$1,194	\$1,300	\$1,300
26.0 Supplies and materials	\$135	\$140	\$140
31.0 Equipment	\$817	\$692	\$225
42.0 Insurance claims and indemnities	\$8	\$0	\$0
<b>99.0 Subtotal</b>	<b>\$66,564</b>	<b>\$67,000</b>	<b>\$69,000</b>
99.0 Reimbursable obligations	\$347	\$600	\$600
<b>99.9 Total Obligations</b>	<b>\$66,911</b>	<b>\$67,600</b>	<b>\$69,600</b>

## **FY 2022 Request**

For FY 2022, the General Services Administration (GSA) Office of Inspector General (OIG) requests \$69,000 thousand to execute our mission to detect and deter waste, fraud, abuse, and misconduct and to promote economy and efficiency in GSA's multibillion dollar programs and operations including contracts.

The level of funding requested would prevent deterioration in our capacity to meet our mission. The OIG's success in carrying out its mission is directly tied to the expertise of auditors, special agents, inspectors, attorneys on staff, and the administrative staff that support these personnel; such expertise comes with a price. Due to the highly skilled workforce needed to perform our work, we have often sacrificed FTE in lieu of experience in order to execute our mission and keep pace with GSA as it implements new programs and initiatives. Maintaining a highly skilled workforce, in addition to recently mandated increases to agency FERS contribution rates and awards spending, have contributed to the reduction of FTE levels of personnel which we can support.

Full funding of the Inspector General function provides a positive return to taxpayers. Our work routinely results in large financial recoveries each year that significantly exceed our appropriation. In fact, over the past few years our efforts resulted in recoveries totaling \$91 million in FY 2020, \$122 million in FY 2019, and \$111 million in FY 2018. Additionally, we recommended cost savings and identified funds put to better use totaling more than \$151 million dollars in additional potential savings during FY 2020.

During FY 2020, the OIG made a smooth transition to all-office telework in order to perform our mission in the midst of the global pandemic. Our audit, inspection, and investigative efforts during this time continued to produce high quality results.

One recent example, our audit of the safety and security of GSA child care centers, found significant security vulnerabilities at all 11 child care centers we tested. GSA provides space for 100 child care centers nationwide, which provide care for more than 7,000 children. We found that security upgrades recommended by Department of Homeland Security facility security assessments to address vulnerabilities at the centers we tested were not implemented, and the centers did not meet minimum security standards. Our report attracted Congressional attention and prompted a commitment from GSA management to improve the security of the child care centers.

Our work also contributed materially to strengthening the capability of the federal government to continue operations and support the physical reconstitution of federal executive departments and agencies, including the Executive Office of the President, in the event of a catastrophic emergency. Our Office of Inspections' evaluation of GSA's 2018 Eagle Horizon Exercise found that GSA's Office of Mission Assurance (OMA) used an insufficient, incomplete, and outdated Continuity Plan to conduct the Exercise. OMA's use of an outdated GSA plan, assignment of distracting collateral duties to exercise



evaluators, and misrepresentation of the results of the evaluators' assessments resulted in the exercise not properly reflecting the agency's actual state of readiness to perform its crucial role in helping federal agencies function following a catastrophe. The agency agreed with our recommendations to strengthen its readiness level.

Our special agents continue to find and aggressively investigate cases of procurement fraud, including those featuring contractors that import foreign-made goods and fraudulently sell them to the U.S. government as being American-made. In one recent notable case, a company executive pleaded guilty to misrepresenting that more than \$1.7 million of Chinese-made military and law enforcement tactical gear sold to the government was manufactured in the United States. Additionally, we successfully investigated set-aside fraud schemes that involved contracts worth nearly \$375 million.

Our investigative data analytics capability continues to strengthen and yield results. For example, our investigative efforts led to the successful prosecution of Hurriyet Arslan for his role in a scheme that involved illegally accessing and manipulating a government contractor's account in GSA's System for Award Management (SAM) in order to fraudulently divert a \$23.4 million government payment to Arslan's own bank account. Additionally, one of Arslan's co-conspirators has now been indicted. Our investment in data analytics staff and tools significantly aided in this and other related investigations by providing a robust platform to digest and analyze the data from SAM. Beginning in 2020, we doubled the size of our data analytics staff, increasing from two FTEs to four. In addition to the efficiencies realized in ongoing cases, our continued investment in this important program enables us to refine our existing fraud detection analytics models and develop new models to identify procurement fraud schemes, including those involving bid rigging, set-aside contract fraud, and excluded parties who conceal their identities to illegally obtain federal contracts.

We describe these and other highlights of the work of our auditors, investigators, and inspectors below.

## **GSA OIG Business Component Justifications**

Our major operational components—the Office of Audits, Office of Investigations, and Office of Inspections—share primary responsibility for overseeing GSA programs and operations. Increasingly, coordinated and joint efforts by the OIG’s offices are producing results that lead to program correction, savings, and successful prosecutions, some of which are noted below. While each component’s own activities well justify its cost, we are finding that often the combined efforts of our professional staffs add an important dimension to the OIG’s arsenal against misconduct and inefficiency. The appropriations for the OIG reflect a prudent investment in oversight of GSA activities.

### **Office of Audits**

#### **Program Description**

The Office of Audits is an organization charged with overseeing GSA’s use of taxpayer dollars as GSA administers its programs and operations. The goal of our audits is to support GSA’s primary business lines—acquisition services and real property—while ensuring their integrity, economy, and efficiency. To that end, we balance our audit coverage between contract and internal audits to meet a number of needs and requirements as follows:

- Program audits provide GSA management with independent assessments and input on potential solutions to challenges, when appropriate.
- Information technology and systems audits evaluate whether GSA’s information systems are designed to enable efficient and effective operations, contain adequate systems controls, are properly secured, and meet user requirements.
- Regulatory audits evaluate whether GSA complies with applicable laws and regulations.
- Internal control audits test the controls built into GSA’s programs and systems to determine whether those controls are operating as intended and providing reasonable assurance of achieving effective and efficient operations, reliable financial and performance reporting, and compliance with applicable laws and regulations.
- Contract audits examine selected contractors’ records and develop the financial information necessary for GSA contracting officers to negotiate favorable pricing arrangements on contract awards and administer existing contracts. These engagements include preaward and postaward examinations of Multiple Award Schedule contracts, as well as audits of construction claims, requests for equitable adjustment, and close-out audits.
- Audit oversight ensures independent public accountants comply with standards when performing the annual financial statements audit required under the 1990

Chief Financial Officer's Act and the independent evaluation of GSA's information security program and practices required under the Federal Information Security Modernization Act of 2014.

Our auditors provide extensive oversight of billions of dollars in contracts awarded by GSA for products, services, and real property. During Fiscal Year 2020, our audits recommended over \$151 million in cost avoidances and recoveries, which included over \$7.6 million from our construction contract audits.

Two key audits completed in FY 2020 illustrate the significance of the results achieved by this organization. In January 2020, we issued an audit of security vulnerabilities of child care centers in GSA-controlled buildings. Minimum security standards for child care centers in GSA-controlled buildings were established after the tragic bombing of the Alfred P. Murrah Federal Building in Oklahoma City, Oklahoma, on April 19, 1995. We performed this audit to determine if GSA provides safe and secure environments for children and staff in 100 independently operated child care centers, which care for over 7,000 children daily within GSA buildings. We identified significant security vulnerabilities at all 11 child care centers we tested. We found child care centers in GSA-controlled buildings that do not meet the minimum federal security standards. We also found child care centers in buildings that are or may be at risk. Finally, we found that many of the federal government's recommended security countermeasures have not been implemented.

Based on our audit findings, we made recommendations to GSA to ensure it maintains child care centers in safe locations that meet minimum security standards, addresses specific vulnerabilities we identified for the child care centers, conducts a comprehensive assessment to identify security vulnerabilities at each child care center located in a GSA-controlled building, and expedites action to upgrade these buildings to the minimum security standards. We also recommended that if GSA cannot address vulnerabilities identified in these buildings, it should move the child care centers to safer locations.

In December 2019, we issued a report entitled FAS's Use of Pricing Tools Results in Insufficient Price Determinations. To assist its contracting officers in evaluating pricing proposals for MAS service contracts, FAS developed the Contract-Awarded Labor Category tool (CALC) and Contract Operations Division Contractors Database (CODCD) labor category pricing tool. However, we found that FAS contracting officers used flawed methodologies and practices when performing analyses with these pricing tools. Contracting officers relied either solely or primarily on the pricing tools to establish price reasonableness, inappropriately based pricing comparisons on labor categories that were not the "same or similar," used inconsistent sampling methods, and used an inappropriate basis to establish acceptable price ranges. We also found that the data in the Contract-Awarded Labor Category tool is incomplete, inaccurate, and duplicative; and as a result, use of that data 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 recommended that FAS discontinue use of the CALC and CODCD pricing tools until comprehensive policy, guidance, and controls are established and implemented to ensure resultant price analyses are valid; establish controls to ensure that data contained and uploaded into the pricing tools is complete, accurate, and consistent; seek to automate the process to reduce human error; and develop and implement controls to ensure compliance with FAS policy and procedure in regards to documenting use of the pricing tools.

Other significant work included an audit of PBS's green roof and safety practices. PBS manages nearly 2 million square feet of green roofs on federally owned buildings throughout the nation. According to estimates from a 2011 GSA study, these roofs were installed at a cost of at least \$48 million. While more expensive to both install and maintain than traditional roofs, green roofs can provide economic, environmental, and societal benefits that offset their added costs. However, failure to maintain green roofs will result in lost benefits, thereby negating the justification to install this premium roof type. Accordingly, PBS has a responsibility to ensure its green roofs are maintained in accordance with internal guidance and industry standards. In doing so, PBS must also protect individuals accessing these roofs by providing required fall protection.

We found that PBS does not have a comprehensive maintenance strategy in place to protect its investment in green roofs. We reviewed maintenance approaches at 14 sites representing 43 percent of PBS's total managed green roof square footage and found that in most cases PBS did not properly maintain the green roofs. PBS's failure to maintain its green roof inventory has led to lost environmental benefits, wholesale green roof failures, and wasted taxpayer dollars. We also found that PBS has not put safeguards in place to protect contractors and employees against fall hazards for half of the green roofs we tested.

Based on our audit findings, we made six recommendations to the PBS Commissioner. The recommendations included: developing a comprehensive strategy to maintain the green roof inventory; providing training on the unique requirements of green roof maintenance; using life-cycle costing during the green roof design phase; protecting individuals accessing green roofs from fall hazards; mitigating fall hazards when installing green roofs; and discontinuing the installation of future green roofs until all recommendations have been implemented.

We also performed an audit of contract administration practices for PBS's \$1.7 billion Energy Savings Performance Contracts (ESPCs). This audit was a follow-on to our September 2016 and August 2017 audits that identified significant deficiencies in PBS's award of ESPCs. Under an ESPC, a contractor privately finances energy improvements to federal facilities. The government uses the resultant energy cost savings to reimburse the contractor for the cost of the improvements. We found that PBS did not realize savings to fully fund payments for two of the seven ESPC projects we examined and that it did not have evidence that other projects were meeting their operations and maintenance savings.

In addition, we found that PBS did not provide effective oversight of the accuracy of energy savings claimed by energy service companies (ESCOs). On multiple projects, PBS did not witness the ESCO energy measurement and verification activities or review ESCO measurement and verification reports, but instead relied on the contractor to self-monitor and self-report whether it achieved the savings. We also identified deficiencies in PBS's ESPC contract file administration. PBS was not ensuring the completeness of contract files and was not completing contractor performance assessments in accordance with the Federal Acquisition Regulation (FAR). Finally, PBS did not oversee the administration of ESPC projects after award.

Based on our audit findings, we recommended PBS improve oversight of ESPC savings evaluation; identify and, if possible, recover savings shortfalls; renegotiate operations and maintenance contracts; ensure witnessing and proper review of measurement and verification reports; verify that current and future ESPCs have all required contract documents; ensure that annual evaluations are completed for all future ESPCs in accordance with the FAR; and increase the oversight of the regions' administration of ESPCs through the performance period.

Finally, we conducted an audit on a GSA information system and provided recommendations to address significant issues. Due to security concerns, this audit is restricted from public release.

## **Office of Investigations**

### **Program Description**

The Office of Investigations is comprised of special agents with full statutory law enforcement authority: they make arrests, execute search warrants, serve subpoenas, and carry firearms. Allegations investigated by OIG special agents include bribery, kickbacks, extortion, public corruption, false claims, credit card fraud, theft, diversion of excess government property, counterfeit products, product substitution, false statements, and a variety of other fraud-related crimes and offenses.

The Office of Investigations has developed and implemented an investigative action plan which contains the following elements:

- Investigations of alleged criminal violations and civil fraud by contractors, employees, and others relating to GSA acquisition programs;
- Criminal investigations relating to the integrity of GSA programs, operations, and personnel;

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- The development and implementation of proactive investigations which address systemic investigative issues that cross GSA regional boundaries; and
- Investigations of allegations of serious misconduct by high-ranking GSA officials.

Highlights of the Office's work in FY 2020 include the following:

A GSA OIG investigation found that Brian Ganos, the president of Sonag Company, Inc., and vice president of Nuvo Construction Company, Inc., conspired with others to make false representations in order to obtain over \$200 million worth of government construction contracts in the Milwaukee area. The contracts were issued under the U.S. Small Business Administration 8(a), Department of Transportation Disadvantaged Business Enterprise, and Department of Veterans Affairs Serviced-Disabled Veteran-Owned Small Business set-aside programs. Ganos pled guilty to wire and mail fraud and was sentenced to 78 months' incarceration and ordered to pay a forfeiture money judgment of \$1.9 million. After a four day trial, Mark Spindler, who provided accounting services to Ganos and the companies he controlled, was found guilty of conspiring with Ganos and others. GSA OIG investigated this case with the FBI, VA OIG, DOT OIG, SBA OIG, DCIS, Army CID, and the Defense Contract Audit Agency.

Another GSA OIG investigation revealed that the System for Award Management (SAM) account of a government vendor was fraudulently accessed, and the vendor's bank account information was altered in order to deliberately misdirect government payments into an account controlled by Hurriyet Arslan. The illegal access was facilitated by a phishing attack through which the authorized user's credentials were obtained. Arslan pleaded guilty to money laundering and conspiracy to commit mail, wire, and bank fraud and agreed to forfeit the proceeds of the crime, including a \$23.4 million Defense Logistics Agency payment that was illegally diverted into a bank account he controlled. The investigation also resulted in the arrest and charges against one of Arslan's co-conspirators. Our data analytics program significantly aided in this and other related investigations by providing a robust platform to digest and analyze the data from SAM. GSA OIG is the lead agency in this joint investigation with DCIS, HSI, and DOJ.

Proactive work by our data analytics team led to a GSA OIG investigation of a scheme to install Ruben Villarreal, a service-disabled veteran, as the figurehead owner of a construction company in order to illegally obtain SDVOSB set-aside contracts. From 2004 through 2017, the company received approximately \$250 million in SDVOSB set-aside contracts to benefit their large, non-qualified company. Villarreal and co-conspirator Michael Wibracht pleaded guilty to one count of conspiracy to defraud the government, and alleged co-conspirator Michael Padron was indicted on conspiracy and wire fraud charges. GSA OIG investigated this case with the Army Criminal Investigation Command, VA OIG, and DCIS.

A GSA OIG investigation determined that Daren Arakelian, owner of Great 4 Image, misrepresented that more than \$1.7 million of military and law enforcement tactical gear sold on GSA Advantage and through direct GSA contract sales was manufactured in the United States when, in fact, it was made in China. Our investigators proved that Arakelian was not only aware the products were made in China, but took steps to conceal the scheme, which included falsely certifying to federal contracting officials the products were manufactured in compliance with the Buy American Act and Trade Agreements Act. Arakelian was arrested and pleaded guilty to wire fraud charges. In addition, he agreed to pay \$702,000 to resolve allegations the company violated the False Claims Act. GSA OIG is the lead agency in this joint investigation with Army CID, DCIS, DHS OIG, and TIGTA.

Another GSA OIG investigation found that Frank Apicella and Michael Sforza, Owners, FENS Associates, LLC, used the service-disabled status and residence of Apicella's step-son, James, to establish Tactical Office Solutions, LLC, as a Service-Disabled Veteran-owned HUBZone furniture dealership to fraudulently obtain approximately \$16 million in set-aside contracts. Frank Apicella, Michael Sforza, and James Apicella pleaded guilty to conspiracy for their roles in defrauding the Service-Disabled Veteran-owned Small Business and HUBZone programs. All three were each sentenced to two years' probation and ordered to pay forfeiture of \$300,000 each. In addition, Frank Apicella and Michael Sforza were also ordered to each pay a \$300,000 fine. GSA OIG led this investigation with assistance from VA OIG and Army CID.

A GSA OIG investigation determined that GSA contractor MASS Service and Supply (MASS) submitted false statements to GSA and the Department of Defense in order to obtain approximately \$50 million in set-aside HUBZone contracts that it would not otherwise have been eligible to receive. The company's owner, Catherine Grasmick, and office manager, Angela Petersen, pled guilty to federal charges and were sentenced to 36 and 12 months' probation respectively. Grasmick also agreed to pay \$500,000 as part of a global resolution. GSA OIG investigated this case with DCIS, Army CID, and AFOSI.

The above examples illustrate the important work of the Office of Investigations, and the variety and complexity of the schemes that must be investigated to address fraud, waste and abuse in GSA's multi-billion dollar activities. Without the work of OIG special agents in all these areas, the integrity of GSA programs, operations, and staff would be undermined to the detriment of the Agency, the federal agencies who invest their taxpayer dollars in GSA's building and acquisition services, and the public interest in good governance and justice.

## Office of Inspections

### Program Description

The Office of Inspections is responsible for independently and objectively analyzing and evaluating GSA's programs and operations through management and programmatic inspections that are intended to provide insight into issues of concern to GSA, Congress, and the American public. The office also formulates, directs, and coordinates quality assurance for the OIG.

Inspections are systematic and independent assessments of the design, implementation, and results of GSA's operations, programs, and policies. Inspections may include an assessment of efficiency, effectiveness, impact, and sustainability.

In 2020, the Office of Inspections issued report JE20-001, *GSA's Performance and Appraisal System for Senior Executives Remains Deficient*. The evaluation revealed that GSA management did not address key issues identified in our prior report, *GSA Practices for Executive Performance Recognition and Awards* (May 16, 2013), which found deficiencies in GSA's Senior Executive Service (SES) performance management system that violated legal and policy requirements and failed to protect the rights of SES members. Our 2020 report found that GSA did not take adequate corrective action to address the prior report findings. We found that the agency failed to provide meaningful summary ratings, failed to provide meaningful opportunities for a higher-level review, failed to provide timely performance plans, failed to publish Performance Review Board membership in the Federal Register, and violated legal requirements of SES award practices. We also identified additional legal and policy deficiencies relating to GSA's higher-level review practices.

Our work also contributed materially to strengthening the capability of the federal government to continue operations and support the physical reconstitution of federal executive departments and agencies. In September 2019, the Office of Inspections issued an agency management alert report, JE19-006, *GSA's Continuity Plan is Outdated and Insufficient*. Our 2019 report found that the GSA Office of Mission Assurance (OMA) did not have an updated and approved agency-wide Continuity Plan that included plans for the reconstitution of the agency and for supporting the physical reconstitution of the Executive Office of the President and federal executive departments and agencies, which is GSA's primary mission essential function during a catastrophic emergency. The agency agreed with our recommendations and updated their National Continuity Plan.

Following our alert report, the Office of Inspections also issued report JE20-002, *GSA Office of Mission Assurance 2018 Eagle Horizon Exercise Results did not Properly Reflect Agency's State of Readiness*. Our evaluation found that OMA personnel did not adequately plan the 2018 Exercise; used an insufficient, incomplete, and outdated GSA Continuity Plan to conduct the Exercise; and assigned some of the evaluators collateral



duties that limited their opportunity to observe GSA participants. Further, we found that OMA did not have a designated alternate location for the GSA National Capital Region to perform its critical responsibilities related to the continuity of operations.

We also found that OMA management collaborated to change the results of two 2018 Exercise assessments in order to reflect more favorable ratings than the agency's FEMA-trained exercise evaluators assigned. OMA management changed the results for all six exercise evaluation guide rating criteria assessed by the evaluators to reflect more favorable results, and misrepresented an OMA director as an exercise evaluator. OMA management also changed the results of the evaluators' After Action Report to reflect more favorable ratings for 33 of the 56 report criteria. The changes made by OMA management, to both the evaluation guide and the After Action Report, misrepresented the concurrence of the evaluators on the results of the exercise, and were not supported by the 2018 Exercise documentation.

In each case, the changes inaccurately represented GSA's ability to perform mission and primary functions in the event of a catastrophic event. As a result, the changed results failed to alert senior leadership of the need for corrective actions in order for the agency to achieve the state of readiness needed to fully execute its mission and primary functions. Finally, we found that GSA's 2018 Exercise draft corrective action plan was never completed and did not address the deficiencies identified during the exercise.

The impact of inaccurate reporting extends far beyond the agency, as GSA is one of four agencies assigned the primary function of supporting reconstitution of the Executive Branch, including the Executive Office of the President. GSA's specific primary function is to lead and coordinate federal government physical reconstitution efforts, including acquisition and provisioning of real property, commercial goods, information technology, and critical contract services.

## **Executive Direction and Business Support Offices**

### **Program Descriptions**

**Office of the Inspector General:** The Inspector General (IG), Deputy Inspector General, Associate Inspector General, and their support staff supervise, coordinate, and provide policy and programmatic direction for all activities within the OIG, including audit, investigation, and inspection activities; Congressional affairs; and media relations. The IG recommends policies for and coordinates activities to promote economy and efficiency in the administration of and the prevention and detection of fraud and abuse in the programs and operations of GSA.

**Office of Counsel:** This office provides legal advice and assistance to all OIG components nationwide, represents the interests of the OIG in connection with audits

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and investigations and in litigation arising out of or affecting OIG operations, and advises on statutes and regulations and assists with legislative concerns. Counsel represents the OIG in personnel matters before administrative tribunals and provides support to U.S. Attorneys' Offices and the DOJ in False Claims Act and other litigation. The Office of Counsel also is responsible for the OIG's ethics, Freedom of Information Act, and Federal Acquisition Regulation mandatory disclosure programs.

**Office of Administration:** This office consists of a multidisciplinary staff that provides budgetary, human resources, information technology, facilities, contracting, and other administrative support and services to all OIG offices. The Office of Administration is responsible for providing the technical, financial, and administrative infrastructure to the OIG.

## **FY 2022 Performance Plan**

The OIG's strategic plan aligns with our statutory reporting requirements in the Semiannual Report to the Congress (SAR). We provide our annual performance in the SAR that is published shortly after the end of each fiscal year.

### **Strategic Goal No. 1: Protect taxpayer dollars by promoting the economy, efficiency, and effectiveness of GSA programs and operations.**

#### **Discussion**

The OIG's audits, inspections, and investigations support GSA operations by identifying mismanagement and control weaknesses; assisting contracting officers in achieving the best prices for goods and services; identifying non-compliance with statutes, regulations, and contract terms; suggesting ways to mitigate management control weaknesses and other systemic problems; and recommending or seeking recoveries of funds owed to the government. Audits, inspections, and investigations are performed in response to indications of possible deficiencies and requests for assistance from GSA personnel and Congress. The OIG advises GSA management of identified opportunities to increase the economy, efficiency, and effectiveness of GSA's programs and operations.

#### **Performance Goals:**

- *Identify potential savings and efficiencies in GSA contracts and programs.*
- *Seek recoveries of monies owed the United States.*
- *Provide audit, inspection, investigation, and other reports and memoranda that enable agency management to make improvements in agency operations.*

#### **Performance Measures:**

- *Dollar value of civil, criminal, and administrative monetary accomplishments.*
- *Financial impact identified in audit reports and memoranda issued.*
- *Program impact identified in audit reports and memoranda.*
- *Program impact identified in inspection reports and memoranda.*

**Strategic Goal No. 2: Prevent and detect fraud and abuse in GSA programs and operations.**

**Discussion**

The OIG uses information from its audits, investigations, and inspections to suggest ways GSA can mitigate problems that could allow fraud and or abuse to occur. The OIG detects potential fraud and other criminal conduct, and refers potential fraud cases to the Department of Justice. The OIG will provide information to GSA relevant to administrative actions and potential debarments.

***Performance Goals:***

- *Investigate allegations indicating violations of statutes, regulations, and policies.*
- *Seek Department of Justice involvement in potential fraud cases.*
- *Refer contractors to GSA officials for suspension and debarment where their level of responsibility poses a risk to federal government customers.*
- *Provide agency management with information necessary to take personnel and other administrative actions.*

***Performance Measures:***

- *Number of criminal referrals, acceptances, and convictions.*
- *Number of civil referrals, acceptances, and resolutions.*

**OIG Strategic Goal No. 3: Focus on high-risk and high-impact areas.**

**Discussion**

The OIG will focus its audit, inspection, and investigation resources on issues with potentially significant impact on GSA programs and operations; assist GSA management in ensuring the integrity of high-dollar and high-priority programs and procurements; and recommend to GSA any necessary programmatic changes to ensure process efficiency and achievement of the agency's mission and goals. By focusing on high-risk areas, the OIG should achieve greater monetary savings for GSA.

***Performance Goals:***

- *Perform audits of GSA contracts, programs, and systems that present the most significant management challenges, high-risk areas, cybersecurity vulnerabilities, and opportunities for improvement.*

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- *Perform inspections of high priority and high visibility GSA programs and activities that present significant risks to GSA and its stakeholders.*
- *Devote investigative resources to potentially significant government losses and serious breaches of the integrity of agency programs and operations.*

***Performance Measures:***

- *Percent of audit resources focused on high-priority areas, including management challenges and support of False Claims qui tam and other civil prosecution cases.*
- *Percent of inspection resources focused on high-priority assignments that impact GSA or the Federal Government.*
- *Percent of investigative resources focused on fraud and other high-priority cases.*