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Source of document: OIG Freedom of Information Act Officer
GSA, Office of Inspector General (JC)
1800 F Street, N.W., Room 5326
Washington, DC 20405
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U.S. GENERAL SERVICES ADMINISTRATION
Office of the Inspector General

April 30, 2012

Re: Freedom of Information Act Request (OIG Tracking Number 12-31)

This is in response to your e-mail dated April 3, 2012 to the General Services Administration (GSA), Office of Inspector General (OIG) FOIA office, in which you requested "a copy of each Management Deficiency Report produced by the GSA OIG anytime during the time period January 1, 2007 to the present." Your request was received in General Services Administration, Office of Inspector General on April 4, 2012.

We interpreted your request as asking for reports that reasonably could be considered management deficiency reports, regardless of their title. We suggest as an initial matter that you visit the OIG webpage, www.gsaig.gov, and review "special reports" under "audit reports" under "OIG reports." We believe these "special reports" could be responsive to your request. In addition, we searched through the Office of Inspector General's records and found other documents responsive to your request which we are releasing to you, with certain information withheld under exemptions 6 and 7(C) of the FOIA. The withheld information relates to personal information regarding persons other than yourself. Release of information redacted pursuant to Exemption (6) of the FOIA, 5 U.S.C. §522(b)(6), would constitute a clearly unwarranted invasion of the personal privacy of the persons mentioned in the records. Release of information redacted pursuant to Exemption 7(C) of the FOIA, 5 U.S.C. §522(b)(7)(C), could reasonably be expected to constitute an unwarranted invasion of the personal privacy of the persons mentioned in the records.

You have the right to appeal for disclosure of any undisclosed information by writing to the Freedom of Information Act Officer, Office of the Inspector General, General Services Administration, Washington, D.C. 20405, within 120 days of your receipt of this letter. The appeal must be in writing and contain a statement of reasons for the appeal. Please enclose copies of your initial request and this response. The envelope and letter should be clearly marked as a "Freedom of Information Act Appeal."

Sincerely,

Richard P. Levi
Counsel to the Inspector General
(FOIA Officer)

Enclosure





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U.S. GENERAL SERVICES ADMINISTRATION
Office of Inspector General

National Capital Region Investigations Office

January 6, 2012

MEMORANDUM FOR: ROBERT PECK
COMMISSIONER
PUBLIC BUILDINGS SERVICE (P)

FROM: (b) (7)(C) (b) (7)(C)
SPECIAL AGENT IN CHARGE
NATIONAL CAPITAL REGION
INVESTIGATIONS OFFICE (JIW)

SUBJECT: Special Report on GSA Employee/Contractors Bribery
Investigation/File Number I10W0106

This memorandum summarizes the findings of our investigation regarding the captioned matter and the identified weaknesses in management oversight and internal controls that may have allowed the criminal activity by GSA PBS employees to go undetected. This report is being provided to you so that you can take appropriate action to improve management oversight and internal controls.

As discussed during our meeting on December 14, 2011, the Office of Inspector General, Office of Investigations, initiated a proactive review of the GSA Citibank Purchase Credit Card System. Our review disclosed patterns that led us to focus our investigation on several GSA employees. The investigation, which spanned a seven year period, identified criminal activity as far back as 2003.

The findings from our investigation included the following.

- The identified GSA employees used their Government Purchase Card (GPCs) to make multiple purchases just under the GPC limit from the same person/company, in some cases splitting larger procurements to keep them under that limit.
- The same person owned and operated several "companies" that received orders and payments from the identified GSA employees. While the companies had different names, they all used the same business telephone number and address.
- In one case, a contractor made purchases using the GPC of a former Building Manager while the manager was on extended sick leave.

The investigation resulted in the conviction of eleven individuals on federal bribery charges in U.S. District Court: six GSA employees, a U.S. Tax Court employee, a U.S. Treasury employee, and three federal contractors.

National Capital Region
Investigations Office (JI-W)
300 D ST SW, Washington, DC 20024
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The GSA employees convicted in this fraud scheme were assigned to the following PBS Service Centers:

- Metropolitan - Gary Thompson, Building Manager and William Dodson, Building Manager.
- Potomac - Eric Minor, Customer Service Manager.
- DC - Suresh Malhotra, Mechanical Engineer and Raj Singla, Engineer.
- White House - James Fisher, Planner/Estimator.

The other federal employees convicted in the fraud scheme were Fred Timbol, U.S. Tax Court and Daniel Money, U.S. Treasury. The federal contractors convicted in the fraud scheme were Oscar Flores, owner and operator of OMF Contractors, Narsinh Patel, manager of Monument Construction, and Tarsem Singh, Vice-President of Specialty Construction.

The investigation that led to these convictions revealed several weaknesses in PBS management oversight and internal controls, including the following:

- Supervisors did not review GPC statements or transaction history. A review of statements would have shown, for example, multiple transactions just under the GPC limit within a short time period with the same contractor.
- Supervisors did not verify that contractors completed the work.
- There was no system to detect split procurements, and employees used multiple smaller transactions to satisfy one large purchase.
- There was no review process for expenditures in Pegasys.
- There was no system in place to detect indicators of fraud such as the same identifiers (telephone number and address) being linked to multiple companies.
- There was no system in place to determine average and normal pricing of work performed.
- We identified instances in which the approval of inflated change orders and the award of contracts were made to favored contractors because the contracting officers relied on the information provided to them by Malhotra, Singla, and Fisher, without independently verifying the information themselves.

Finally, we noted that the convicted GSA employees and contractors seemed to believe that taking bribes was an accepted practice. For example, several employees introduced the contractors offering bribes to other employees. As part of the sentencing process for Eric Minor, six GSA employees wrote letters of recommendation on his behalf, including (b) (7)(C) Construction Representative Specialist, who wrote a letter on GSA letterhead, leading to a perception that GSA felt this criminal activity was acceptable.

We suggest that in deciding what action to take you consider such factors as the absence of management oversight, the length of time involved, the pattern of criminal activity, and the lack of effective internal controls. Please advise us within 30 days of your planned corrective actions.

Should you require additional information, you may contact (b) (7)(C) Special Agent-in-Charge, National Capital Region, Investigations Office, at (202) (b) (7)(C)

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U.S. GENERAL SERVICES ADMINISTRATION
Office of Inspector General

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AUGUST 24, 2010

MEMORANDUM FOR GAIL T. LOVELACE
CHIEF HUMAN CAPITAL OFFICER (C)
SENIOR AGENCY OFFICIAL FOR PRIVACY
CHAIRMAN, DATA INTEGRITY BOARD

FROM: (b) (6)
DIRECTOR, OFFICE OF FORENSIC AUDITING (JEF)
OFFICE OF EVALUATIONS AND ANALYSIS

SUBJECT: GSA/Transit-1, Transportation Benefits Records
Employee Transit Benefit Data Integrity

As part of the GSA Office of Inspector General's (OIG's) ongoing computer matching program, the OIG is hereby providing information about data elements in systems of records that appear to contain errors. This information is provided to you so that the systems' owners may correct any extant errors, and to improve GSA's ability to reconcile its transit benefit records. Accordingly, the OIG requests that the enclosed list of suspected errors be reviewed to determine what corrections, if any, should be made in related Agency systems.

Background and Systems of Records

On June 21, 2010, a Computer Matching Program was established. Under it, two internal GSA systems of records are being compared: transportation benefits records¹ and payroll records.² GSA maintains records of employees who apply for transit subsidies for use of public transportation and vanpools to and from the workplace. GSA also maintains payroll records comprised of an employee's complete service life.

The purpose of the OIG's matching program is to determine whether individuals who are not GSA employees are receiving transit benefits from the Agency. The OIG's program is ongoing.

Record Reconciliation

The OIG will attempt to verify the eligibility of current transit benefit recipients by referencing payroll records. Any indications that an ineligible individual is receiving transit benefits will be independently verified using other data sources. OIG will then refer the results of the data matching activities to the appropriate Agency officials.

¹ GSA/Transit-1, Transportation Benefits Records, 73 FR 22393 (April 25, 2008).

² GSA/PPFM-9, Payroll Accounting and Reporting System (PAR), 73 FR 22398 (April 25, 2008).

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Accuracy Assessment

As in any process involving manual data entry, errors will likely be found in the data repositories. The systems of records involved in this matching program are no exception. Approximately 272 employee transportation benefit records contain apparent errors that can be roughly categorized as follows:

Database	Description	Subtotals	Percentage
DOT	Name does not match PAR ³	94	33.2
DOT	Incorrect last 4 digits of SSN	75	26.5
DOT	Spelling errors –participant name, missing apostrophe	47	16.6
DOT	Participant not found in PAR	35	12.4
DOT	First and Last Names Reversed/Transposed	14	4.9
PAR	Missing apostrophe, hyphen or space in participant name	15	5.3
DOT	Ex-Employee: ineligible for transit benefits	2	0.7
DOT	Need to verify employee location/region.	1	0.4
Total ⁴		283	100

In this computer matching program, the employee name and the last four digits of the Social Security Number (SSN) are the primary employee identifiers and the keys used to reconcile the two systems. If errors are present in these fields then employees cannot be readily located in GSA's payroll records. This in turn, would suggest that the individual is not a GSA employee. Each of these records requires extensive research to establish eligibility and eliminate the possibility of a "false-positive". The OIG is documenting data elements that appear to contain errors as well as their source system so as to assist the systems' owners in the manner and for the reasons set forth above.

Proposed Action

The OIG requests that above-referenced list of suspected errors be reviewed to determine what corrections, if any, should be made in GSA's Comprehensive Human Resources Integrated System (CHRIS) or GSA/PPFM-9 PAR.

Questions about data in the GSA/PPFM-9 PAR system are highlighted in yellow in the enclosed list. The remainder, and majority, of the suspected errors listed appear to be located in the GSA/Transit-I system.

The OIG will provide a digitally encrypted copy of the attachment via email to an OCHCO-designated recipient. The password will be delivered separately.

Please respond with designated contact information and any technical questions to (b) (6) at 202-(b) (6)

Attachment

³ Note: Potentially due to a legal name change (marriage, etc.).

⁴ Note: There were 272 DOT transit benefit accounts billed to GSA, some with multiple errors.

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U.S. GENERAL SERVICES ADMINISTRATION
Office of Inspector General

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APRIL 6, 2011

MEMORANDUM FOR MICHAEL J. ROBERTSON
CHIEF OF STAFF (A)

FROM: ROBERT C. ERICKSON JR. 
DEPUTY INSPECTOR GENERAL (J)

SUBJECT: LIMITED SCOPE REVIEW
GSA HEADQUARTERS PARKING PROGRAM
REPORT NUMBER: JEF10-003-000

Attached please find (1) a report on the GSA Headquarters Parking Program prepared by the Office of Forensic Auditing (JEF) and (2) an exhibit summarizing the individuals who obtained parking permits contrary to GSA policy, as explained in the report. Based on that report and exhibit, the OIG recommends you:

1. Update GSA Order ADM 7030.1B to ensure consistency with Federal Management Regulations and Office of Management and Budget Memorandum M-07-17.
2. Eliminate the practice of distributing parking spaces contrary to policy.
3. Ensure better documentation supporting the assignment of parking permits.
4. Take appropriate action regarding the individuals identified as obtaining parking permits without complying with GSA policy.

Due to the results of this review, please furnish this office the results of any administrative action or management decision made in this matter within 45 days of the date of this memo. If administrative action is planned to revoke/suspend parking privileges for participants cited in this report, or to change parking program policy, I request that you inform me of the anticipated date that final action will be taken.

You are advised that this report and exhibit are from a system of records known as GSA/ADM 25, Internal Evaluation Case Files, which is subject to the provisions of the Privacy Act of 1974. Consequently, this report may be disclosed only to appropriate GSA officials who have a need for it in the performance of their duties. If the information in this report and exhibit is to be used as a basis for administrative action, pertinent portions may be duplicated by your office for disclosure to the subject only after obtaining the approval of (b) (6), Director, Office of Forensic Auditing (JEF) in the Office of Inspector General. Please notify this office if any portions are duplicated.

If you have any questions, please contact (b) (6) at (202) (b) (6)

Attachments:

Limited Scope Review of the GSA Headquarters Parking Program, dated March 31, 2011

Exhibit - Results Summary

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U.S. General Services Administration
Office of Inspector General

MARCH 31, 2011

MEMORANDUM FOR: ROBERT C. ERICKSON JR.
DEPUTY INSPECTOR GENERAL (J)
(b) (6)
(b) (6)

FROM: (b) (6)
ACTING DIRECTOR, EVALUATION AND ANALYSIS (JE)
DIRECTOR, OFFICE OF FORENSIC AUDITING (JE-F)
OFFICE OF INSPECTOR GENERAL

SUBJECT: LIMITED SCOPE REVIEW
GSA HEADQUARTERS PARKING PROGRAM
REPORT NUMBER: JEF10-003-000

The Office of Forensic Auditing conducted a limited scope review of the GSA Headquarters Parking Program. A proactive review of employees simultaneously participating in the GSA Headquarters Parking Program and the transit benefit program was initiated in June 2010. In August 2010, the GSA OIG Hotline received two complaints alleging unfair treatment and program mismanagement in the GSA Headquarters Parking Program. Consequently, we conducted a limited scope review of the assignment of employee parking spaces used for privately owned vehicle under the GSA Headquarters Parking Program. This office will report on the transit benefit review separately.

Our limited scope review of the GSA Headquarters Parking Program identified issues regarding compliance with Federal Management Regulations (41 C.F.R. § 102-74.285(e)-(g)), GSA Order ADM 7030.1B, and Office of Management and Budget Memorandum M-07-17, specifically:

- 1) Assignment of parking permits by program administrators outside of policy;
- 2) Undocumented modifications to parking space assignment policy and procedures;
- 3) Qualified carpool applications rejected; and
- 4) Insufficient oversight and enforcement of parking policies and procedures.

Questions regarding the above may be addressed to (b) (6) at 202 (b) (6) or (b) (6) at 202 (b) (6)

Overview

Our objectives were to review the assignment of employee parking spaces used for privately owned vehicles for compliance with GSA Headquarters Parking Program policy, and to determine whether employees simultaneously participated in the GSA Headquarters Parking Program and the transit benefit program.

In order to accomplish the objectives, we reviewed applicable laws, regulations and GSA policy, GSA OIG Hotline complaint documentation, parking lists, parking applications, medical documentation regarding severely disabled permits, temporary access lists, daycare contract files and other related documentation. Additionally, we conducted parking lot surveillance, visually inventoried parked vehicles, and conducted interviews.

We identified the following issues in the GSA Headquarters Parking Program:

- 1) Assignment of employee parking permits by program administrators outside of policy, to include:
 - a. Permits issued without application;
 - b. Permits issued without meeting eligibility criteria;
 - c. Permits issued to contractors;
 - d. Temporary passes issued for periods of up to four months and without established criteria;
 - e. Severely disabled parking applications not certified.
- 2) Undocumented modifications to parking space assignment policy and procedures.
 - a. Delegation of parking application review and space assignment to non-Security Division personnel;
 - b. Parking spaces apportioned to SSOs and SSO spaces assigned without application process.
- 3) Qualified carpool applications rejected.
- 4) Insufficient oversight and enforcement of parking policies and procedures, to include:
 - a. Lack of carpool parking oversight permitted ongoing violations;
 - b. SES parking space provided to GS-15 employee; and
 - c. Parking permit applicants not checked against Transit Benefit recipients.

With respect to parking program administrators assigning parking permits outside of GSA policy, we found:

- Seven GSA employees obtained parking permits in 2010 without submitting a 2010 application;
- Two GSA employees obtained “Unusual Hours” parking permits without qualifying for the category and two additional permit holders in this category obtained permits without fully establishing that they met the 80 percent rule criteria;
- Three non-GSA employees obtained temporary parking spaces for up to 15 months;
- Temporary parking did not involve applications, had very little documentation, did not meet established eligibility criteria, and in effect assigned long-term parking passes to individuals who did not appear to otherwise meet the criteria for parking; and

- Parking applications for the “Severely Disabled” category were reviewed but not documented or certified as required.

We also found undocumented modifications to parking policy and procedures that apportioned spaces to SSOs, making it possible for GSA employees to obtain parking permits without following prescribed policy.

We found three valid carpool applications rejected. Thus not only did parking permits go to individuals who did not meet established criteria, but also qualified federal employees were displaced in the process.

Finally, we found that parking policies and procedures were not sufficiently enforced and oversight was lacking. These program management and administration issues contributed to pass holder violations going undetected:

- A GSA employee fabricated carpool rider information;
- A part-time employee ineligible for a parking pass who also failed to timely surrender a carpool pass after not replacing lost riders;
- A GS-15 employee applied for and received an SES parking space; and
- One GSA employee enrolled in the GSA Transit Benefits Program while assigned a handicapped parking permit.

BACKGROUND

Program Administration and Oversight

Per GSA Order ADM 7030.1B (Order), the Emergency Management Staff, Office of the Chief of Staff, designates a Parking Coordinator who is responsible for administering and managing the parking management program at the GSA Headquarters Building. The Director of the Security Division (WP) is the designated Parking Coordinator. The Security Division has responsibility for accepting and reviewing parking applications on an annual basis for accuracy and completeness, and has responsibility to make determinations regarding all parking assignments, with the GSA Chief of Staff, or designee, required to approve any exceptions. The Security Division ranks carpool applications according to the Order point system for number of riders, distance traveled, and years of service. (b) (6) is the (b) (6) of the Security Division, and served as the (b) (6) during the period of this review.

The Acting Chief of Staff (COS), who held the position from January 2009 through September 2010, advised that early in 2009 questions arose regarding the management of the parking program. The Acting COS subsequently delegated responsibility for accepting, reviewing, and assigning parking spaces to two staff members in the Office of the Administrator (Staff). The non-Security Division Staff were advised to follow all guidance for parking assignments; however, they were not delegated the additional Parking Coordinator responsibilities outlined in the Order. Responsibilities such as the authority to enforce parking policies and procedures, close the GSA Building courtyard due to special circumstances, liaison between GSA Headquarters Building associates and the PBS in obtaining services provided by the Federal Ridesharing Program, were retained by the Parking Coordinator.

Objectives, Scope and Methodology

The objective of the review was to identify employees simultaneously participating in the GSA Headquarters Parking Program and the transit benefit program. Simultaneous participation constitutes improper receipt of federal benefits. In August 2010, the GSA OIG Hotline received two complaints alleging unfair treatment and program mismanagement in the GSA Headquarters Parking Program. Consequently, we conducted a limited scope review of the assignment of employee parking spaces under the GSA Headquarters Parking Program.

To accomplish these objectives, we reviewed applicable laws, regulations and GSA policy, GSA OIG Hotline complaint documentation, parking lists, parking applications, medical documentation regarding severely disabled permits, temporary access lists, daycare contract files and other related documentation. Additionally, we conducted parking lot surveillance, visually inventoried parked vehicles, and conducted interviews of program administrators and a sample of program participants.

Results of Review

Assignment of parking permits outside of policy

Parking Permits Assigned to GSA Employees Who Did Not Submit Applications

The Order requires all associates requesting a parking permit to submit and certify an application annually. We identified seven GSA employees who obtained parking permits in 2010 without submitting a 2010 application. The Order, Section 5, states that all associates requesting a parking permit must complete a parking application. We found that permits issued without application were a direct result of non-Security Division Staff apportioning spaces to SSOs.

Parking Permits Issued to GSA Employees Who Did Not Meet or Establish Eligibility Criteria

Two GSA employees obtained parking permits without meeting the “Unusual Hours” criteria of the Order. One application identified the employee’s tour of duty as 8:00 AM to 5:00 PM and the second application listed a tour of duty as 7:00 AM to 4:00 PM. Neither application identified any special work requirements. Furthermore, the second applicant obtained an “Individual” permit – a category not identified in the Order. Staff advised that “Individual” pass holders should meet the “unusual hours” criteria.

Similarly, two additional GSA employees obtained parking permits for Unusual Hours without establishing that they met the 80 percent rule for extended work hours. One applicant stated that (b) (6) worked outside of the normal work hours of 7:30 AM to 5:30 PM and needed access to (b) (6) car for trips to the Capitol. The second applicant, with a tour of duty as 8:00 AM to 6:00 PM, identified the need to come in early and/or work late to meet office needs and childcare responsibilities. Neither of these employee applications established that their extended work hours occurred during at least 80 percent of the business week.

GSA Headquarters Parking Program policy, Section 8, defines “unusual hours” as precluding the use of carpools, public transportation, and paid public parking. The Order notes that public

parking is normally available 6:00 AM through 7:00 PM. The Order specifies that the extended work hours must occur during at least 80 percent of the business week for the employee to qualify. Under the category of Unusual Hours, section 8 also provides that applicants with “special work requirements” must include a description of the special work requirements.

Staff advised that the only “true unusual hours” employees are the Office of Emergency and Remedial Response (OERR) employees who serve in that capacity on a rotational basis. Thus, based on the tours of duty identified in the applications, and the employees’ failure to establish special work requirements and/or extended work hours meeting the 80 percent rule, the permits issued did not meet the criteria for unusual work hours, or any other type of parking permit.

Parking Spaces Assigned to Non-GSA Employees

We identified three non-GSA employees with parking spaces. Section 5 of the Order specifies that applicants must be full-time GSA associates working in the GSA HQ Building. The three contractors were assigned temporary passes for periods of up to 15 months.

Temporary Parking Program Undocumented and Operated Outside of the GSA Order

Temporary parking passes were issued without applications or other documentation supporting parking privileges. The Order establishes no criteria for granting temporary parking privileges and many individuals with long-term temporary parking passes did not appear to meet any other Order criteria for parking.

The Security Division maintains a Security Access List, updated on business days, that identifies all temporary pass holders. The purpose of the list is to notify security guards of the employees who may park their vehicles in the courtyards. The Security Access list issued September 23, 2010 identified approximately 28 temporary passes issued for privately owned vehicles. Of these, 13 temporary parking passes ranged in length from two to four months.

Parking Applications for Severely Disabled Not Processed in Accordance with Prescribed Policy

Parking applications for the “Severely Disabled” category were not certified by the Public Health Services physician. Section 7 requires review and certification by the Public Health Services physician prior to the issuance of a permit. Pursuant to section 7, the certification would establish that the applicant has a severe, physical or mental impairment, “which for all practical purposes precludes the use of public transportation” and that the applicant is “unable to operate a motor vehicle . . . and [is] driven to work by another GSA associate.”

In September 2010, the Security Division identified 20 permanent severely disabled parking spaces. Each of the corresponding 20 severely disabled applications included a statement from a medical doctor. Although the applications were reviewed by the GSA Headquarters Public Health Services Physician, they were not certified as required. Furthermore, the GSA Headquarters Public Health Services Physician stated that (b) (6) provided the Security Division with documentation in the form of “Post-It/Sticky Notes” attached to the medical documents. The Security Division discarded these notes.

Undocumented modifications to parking assignment policy and procedures

Parking Application Review and Assignment Delegated to non-Security Division Staff

In 2009, the Acting COS delegated responsibility for accepting, reviewing, and assigning parking spaces to two staff members in the Office of the Administrator (Staff). The non-Security Division Staff were advised to follow all guidance for parking assignments; however, they were not delegated the additional Parking Coordinator responsibilities outlined in the Order. The Order was not revised to document this change in parking space assignment practices. The delegation restricted the Parking Coordinator's management oversight role, and failed to address the enforcement of parking policies and procedures.

Parking Apportioned to SSOs and Assigned Outside of Eligibility Criteria

The Acting COS also directed Staff to apportion spaces, including visitor spaces, among the various SSOs, and gave SSOs, rather than the Security Division, responsibility for verifying that applicants qualified for parking spaces. Additionally, Staff gave "left over" spaces to the SSOs.

There were no revisions to the Order accommodating the above parking program policy modifications. The modifications made it possible for GSA employees to obtain parking permits from their SSOs without following the established application processes and policies.

Qualified Carpool Applicants Rejected

Three carpool applications that met the Order criteria were rejected. Thus, not only did parking permits go to individuals who did not meet established criteria, but also qualified federal employees were displaced in the process.

Parking policies and procedures not enforced, oversight lacking

Violations by Ineligible Carpool Permit Holders

We identified one carpool parking pass holder who provided false rider information on parking applications over several years, and one carpool pass holder who falsely identified (b) (6) as a full-time employee and who also failed to replace riders who left (b) (6) carpool within applicable time frames. These carpool pass holders were riding alone while receiving "carpool" parking privileges.

Section 9 of the Order provides that when a rider leaves a carpool, the applicant has "15 working days to replace the departing member with a new member of like standing." The Order further provides that if the applicant fails to replace the departing member, then the applicant will be reassessed based on the number of remaining members. Based on that assessment, the parking permit may be terminated and the parking privileges reassigned to the next applicant on the waiting list.

Section 5 of the Order requires that applicants must be full-time GSA associates working in the GSA HQ building.

SES Parking Space Obtained by GS-15 Employee

An employee applied for and obtained SES parking, yet GSA payroll records, as of March 11, 2011, indicate that the employee was a GS-15, and not a member of the SES. The parking space assigned to the employee was found under a different name in the September 13, 2010 annual parking list. The same employee also appears on the Temporary Parking Access List for the period December 15, 2009 through March 31, 2011.

Transit Benefits Recipient Participating in GSA Headquarters Parking Program

We identified a GSA employee simultaneously enrolled in the GSA Transit Benefits Program and the GSA Headquarters Parking Program.

Office of Management and Budget Memorandum M-07-17 (May 14, 2007) instructs the Heads of Departments and Agencies to check Federal Transit Benefits Program applicants against parking benefits records to prevent the abuse of program benefits. The simultaneous participation in both the transit subsidy benefits program and the parking program indicate that GSA is not crosschecking the records, despite the OMB mandate.

APPLICABLE GUIDANCE

Federal Management Regulation

The Federal Management Regulation (FMR) sets forth the requirements for parking at federal facilities (41 C.F.R. §§ 102-74.265 through 102.74.310). The FMR requires federal agencies, upon approval from GSA, to provide for regulating and policing the parking at facilities, identifies the allowed uses of parking spaces, and describes the priority that agencies must use when assigning parking spaces.

As it applies to the GSA Headquarters Building, the FMR (41 C.F.R. § 102-74.285(e)-(g)) mandates the following priority for assigning parking spaces in federally controlled areas:

1. Federally owned and leased vehicles, including those in motor pools or assigned for general use;
2. Service vehicles, vehicles used in child care center operations, and vehicles of visitors whenever an agency's mission requires visitor parking; and
3. Private vehicles owned by employees, using spaces not needed for official business.

When making spaces available to agency employees, the FMR (41 C.F.R. § 102-74.305(a)-(e)) assigns priority as follows:

1. Severely disabled employees;
2. Executive personnel and persons who work unusual hours;
3. Vanpool and carpool vehicles;
4. Private owned vehicles used for Government business at least 12 days per month and that qualify for reimbursement under Government travel regulations; and

5. Other privately owned vehicles of employees, on a space-available basis.

GSA Order ADM 7030.1B

In accordance with the FMR, GSA Order ADM 7030.1B, *Management of GSA Headquarters Building Parking* (Order), issued April 2, 2004, sets forth the policies and procedures for parking at the GS Building located at 1800 F Street. The Order defines the responsibilities of the Parking Coordinator, describes the application process, specifies the priority for assigning spaces to employees driving privately owned vehicles, defines severe disabilities, unusual work hours, and carpools, and establishes the rules for permit holders.

Section 4, "Responsibilities," places responsibility on the Chief of Staff to designate a Parking Coordinator to administer and manage the GSA Headquarters Parking Program. The Coordinator's responsibilities include managing all parking issues, assigning parking spaces, maintaining parking assignment records, issuing parking permits, annually reviewing and updating parking assignments, handling carpool requests, and enforcing the Order's parking policies and procedures. At the GSA Headquarters Building, the Director of the Security Division (WP) has been so designated.

Section 5, "Application for Parking Permit," requires that all GSA associates who request a parking permit complete a parking application. The Order mandates that parking applications must be certified annually. The Order also describes an "annual open season" for submitting parking applications. Taken together, these provisions envision redistributing assigned parking spaces each year. The Order cautions that providing false information or listing individuals not participating as regular members of a carpool will result in a suspension of parking privileges for a year, and the violators' names will be forwarded to their supervisor for appropriate action.

Section 6, "Assignment of Parking Spaces," mandates assigning spaces in the following priority:

1. Employees with severe disabilities;
2. Members of the SES;
3. Vanpool and carpool vehicles;
4. Employees who work unusual hours; and
5. Private owned vehicles regularly used for government business at least 12 days per month that qualify for mileage and travel expense reimbursement.

Section 6 does not authorize parking for other privately owned vehicles of employees, on a space available basis.

Section 7, "GSA Associates with Severe Disabilities," defines "severe disability" as a permanent impairment of such severity as to preclude the use of public transportation or render the employee unable to operate a motor vehicle. The Order requires applicants to include a valid medical statement, dated not more than three months prior to the application, and an explanation of why the disability precludes the use of public transportation, carpools or nearby commercial parking lots. The Order requires that all severe disability applications be reviewed and certified by the Public Health Services physician. The Order also allows for a temporary parking permit, if and when spaces are available, for employees with short-term disabilities that would meet the definition of "severe disability" other than permanence. The Order requires applicants to include

a valid medical statement providing how long the disability is expected to continue, in addition to other medical information.

Section 8, "GSA Associates Who Work Unusual Hours," defines unusual hours as precluding the use of carpools, public transportation, and paid public parking. The Order notes that public parking is normally available 6:00 AM through 7:00 PM. Thus, the Order implies those employees whose work hours prevent using carpools *and* public transportation, and therefore must drive, at a minimum, must either arrive at work before 6:00 AM or leave after 7:00 PM. The Order specifies that the extended work hours must occur during at least 80 percent of the business week for the employee to qualify. The Order also requires that applicants must include a description of their special work requirements, and the Order precludes GSA executives from qualifying for unusual work hours parking. (The Order does not define the term "executive.")

Section 9, "Vanpools and Carpools," provides that vanpools will be given priority over carpools, dependent on availability of suitable space for vans. The Order defines a vanpool as a group of 8 to 15 persons using a passenger van for transportation to and from work in a single daily round trip, whereas the Order defines a carpool as a group of two or more persons using a motor vehicle for transportation to and from work. The Order provides that a carpool of 2-3 riders need have only one GSA employee, and on a sliding scale carpools and vanpools with a larger number of riders must have a greater number of GSA employees.

The Order provides for a point system to determine priority among carpool applications, with one point for each full-time carpool member, three additional points for each GSA employee among the members, plus the one-way distance. The Order allows for non-GSA employees to be counted toward the number of riders. The Order provides that if a tie occurs, then the total years of government service becomes the operative factor in determining which applicant gets the parking space. The Order further provides that when a member leaves a carpool, the applicant has 15 working days to replace the rider; otherwise, the parking permit becomes revoked.

Section 12, "Rules for Permit Holders", provides that GSA employees may not permanently transfer their permits to any other person.

RESULTS SUMMARY

Permits issued without applications:

Name	Level	Notes	Space
(b) (6)	GS-15	No 2010 Application	(b) (6)
(b) (6)	GS-13	No 2010 Application	(b) (6)
(b) (6)	GS-15	No 2010 Application,	(b) (6)
(b) (6)	GS-15	No 2010 Application	(b) (6)
(b) (6)	GS-15	No 2010 Application	(b) (6)
(b) (6)	GS-15	No 2010 Application	(b) (6)
(b) (6)	GS-15	No 2010 Application - Temporary Pass* issued for 1/7/2010 through 9/30/2010	(b) (6)

Permits issued to Contractors:

(b) (6)	Contractor	Non-Employee – Temporary Pass* issued for 12/18/2009 through 3/31/2011	West Stacked
(b) (6)	Contractor	Non-Employee – Temporary Pass* issued for 7/7/2010 through 3/31/2011	West Stacked
(b) (6)	Contractor	Non-Employee – Temporary Pass* issued for 12/14/2009 through 7/6/2010	West Stacked

Permits issued without meeting or establishing eligibility for extended hours outside of 6:00 AM to 7:00 PM:

(b) (6)	GS-15	"Unusual Hours" - Tour of duty listed as 8:00 am – 5:00 pm, no special work requirements identified, and did not establish 80 percent rule.	(b) (6)
(b) (6)	GS-15	"Individual" - Tour of duty listed as 7:00 am– 4:00 pm, no special work requirements identified, and did not establish 80 percent rule.	(b) (6)
(b) (6)	GS-15	"Unusual Hours" – Tour of duty listed as 7:30 am – 5:30 pm and did not establish 80 percent rule.	(b) (6)
(b) (6)	GS-15	"Individual" – Tour of duty listed as 8:00 am– 6:00 pm and did not establish 80 percent rule.	(b) (6)

Temporary Parking issued outside of Order criteria¹

(b) (6)	GS-15	Application rejected - Subsequently issued a temporary pass for 1/04/2010 through 9/30/2010.	(b) (6)
(b) (6)	GS-14	Application rejected - Subsequently issued a temporary pass for 9/2010 through 11/2010.	(b) (6)

Violations by Carpool Permit Holders:

(b) (6)	GS-13	Fabricated carpool rider information – matter referred to Supervisor for administrative action and to Security Division (pass revoked).	(b) (6)
(b) (6)	GS-13	Part-time employee also failed to timely update when carpool riders left. Pass turned in to Security Division	(b) (6)

SES Application by non-SES employee:

(b) (6)	GS-15	SES Application (not SES). Also listed as having a Temporary Pass* for 12/15/2009 through 3/31/2011.	(b) (6)
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Transit Benefits Recipient Participating in Parking Program:

(b) (6)	GS-15	Simultaneous enrollment in transit benefits and parking program.	(b) (6)
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¹ *Temporary permits should also be considered under the category "Temporary Parking issued outside of Order criteria".



U.S. General Services Administration
Office of Inspector General

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OCTOBER 22, 2008

MEMORANDUM FOR

JAMES A. WILLIAMS
ACTING ADMINISTRATOR (A)

FROM:

(b) (6)

DIRECTOR, OFFICE OF FORENSIC AUDITING
OFFICE OF INTERNAL EVALUATION AND ANALYSIS (JE)

SUBJECT:

Forensic Analysis of Fictitious Vendor Scheme
Heartland Region Finance Center

The Office of Forensic Auditing has completed a limited analysis of a fraud scheme committed in the Heartland Region Finance Center under which a GSA employee targeted money contained in the General Fund Proprietary Receipts Not Otherwise Classified (Fund 0890) for embezzlement, created a fictitious vendor, and had money paid to that vendor. The purpose of the analysis was to determine whether or not the agency was at risk for further loss. Specifically, our objectives were to: (1) determine the extent of funds lost as a result of the fraudulent vendor refunds; (2) look for evidence of collusion in the fraud scheme; (3) identify the accounting and operating control deficiencies that enabled the fraud scheme; and (4) determine whether or not additional similar fraud schemes, unrelated to this incident, were evident.

In summary, the theft appeared to total \$593,549.44. While we did not find any collusion or other fraud scheme, we did note internal control deficiencies that create a risk of additional losses in the future.

This report contains law enforcement sensitive information and is the property of the Office of Inspector General, General Services Administration. Distribution of this report should be limited to GSA employees with a need to know. This report may not be distributed further without the express consent of the Office of Inspector General.

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Summary of the Fraud Scheme

Between May 9, 2006 and May 5, 2008, a Supervisory Accountant in the Heartland Region Finance Center fraudulently prepared and approved a series of refund vouchers resulting in the issuance of 13 Treasury checks with a total value of \$593,549.44. Prior to processing the first fraudulent voucher, the subject set up a fictitious company, obtained a Pegasys vendor number for this company, and opened both a post office box and a checking account in the name of the company.

In admitting to the theft of government funds, the subject stated that (b) (6) was able to accomplish this scheme because (b) (6) was responsible for signing refunds as part of (b) (6) job, and (b) (6) knew that no one looked at Fund 0890 or the refunds (b) (6) knew that the Payables Branch did not maintain signature cards and did not have a listing of individuals authorized to sign refund vouchers; in fact, this process did not require a supervisor to authorize a refund. (b) (6) also stated, "There are millions of dollars going through GSA, people at Central Office only watch those things \$100,000 or more..." (b) (6) saw the lack of controls over the processing of refunds as (b) (6) opportunity to recoup money (b) (6) lost gambling because no one monitored the fund closely.

The subject stated that (b) (6) had a refund voucher form containing (b) (6) company name and tax identification number saved to (b) (6) hard drive. (b) (6) looked at transactions in the financial system for a deposit large enough to meet (b) (6) needs and referenced the deposit number on the voucher. After preparing and signing the refund voucher, the subject had one of (b) (6) employees take the voucher to the Payables Branch for processing. Once the refund voucher was entered and processed, a check was cut and mailed in accordance with the information listed on the refund voucher. As soon as the subject verified that the payment processed in the financial system (b) (6) transferred money from Fund 0890 to the Suspense Fund (Fund 206X) to prevent detection.

Scope Limitation

We conducted our forensic analysis between September 29 and October 10, 2008. All conclusions reached are based on the limited forensic analysis performed during this time frame.

Results of Forensic Analysis

Through the forensic techniques applied during the analysis of the Heartland Region Finance Center, we have determined that: (1) the initial transactions totaling \$593,549.44 appear to be the limit of the funds lost through this scheme; (2) no indication of collusion was present; (3) the lack of sufficient internal controls, including the lack of both segregation of duties and supervisory review, enabled the fraud to take place; and (4) no indications of similar unrelated fraud schemes were found in either the Heartland or Greater Southwest Finance Centers. We suggest that Agency management take immediate corrective action to address the lack of internal controls that enabled the fraud to take place.

We were also alerted to a possible manipulation of the suspense account fund balances at month end. While our analysis found no additional evidence of fund balance manipulation, this issue will be referred to the Office of Audits for its consideration in a future audit.

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Related Issue of Concern - Supervisory Review of Adjusting Entries

PricewaterhouseCoopers (PwC), GSA's independent public auditor (IPA), supplied the GSA Chief Financial Officer (CFO) with a Notification of Finding relating to the controls over the Budget Clearing Accounts during both the fiscal year (FY) 2007 and 2008 Financial Statement Audits. The condition description cited the lack of procedures for supervisory review and approval of adjustments made to the budget clearing accounts; specifically, Fund 206X¹ and 208X. As a result, the PwC financial statement audit found no mechanism to ensure that the adjusting entries are accurate, valid, and recorded to the appropriate fund. Furthermore, the finding specified that the problem exists in both the Heartland and Greater Southwest Finance Centers.

The Notification of Finding for FY 2007 and FY 2008 highlighted the need for a formalized review process to ensure the propriety of funds transferred out of the budget clearing accounts. The FY 2008 recommendation emphasized that supervisory review of adjustments should be conducted at least on a sample basis. CFO management did not concur with the finding in either fiscal year, citing mitigating controls to assure that cash collections and disbursements are properly recorded in the general ledger. The fraud that occurred in the Heartland Region Finance Center demonstrates that the controls identified in the CFO's response did not prevent the improper adjustments and the resulting loss of funds.

cc: Kathleen M. Turco, Chief Financial Officer (B)

¹ The subject took advantage of the lack of supervisory review procedures over Fund 206X to embezzle \$593,549.44 from this fund.

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U.S. GENERAL SERVICES ADMINISTRATION
Office of Inspector General

CENTRAL REGIONAL INVESTIGATIONS OFFICE
(312) 353-7779

September 21, 2011

MEMORANDUM FOR:

(b) (7)(C)
DIRECTOR
OFFICE OF FINANCIAL MANAGEMENT SYSTEMS (BD)

FROM:

(b) (7)(C)
(b) (7)(C)
SPECIAL AGENT IN CHARGE
OFFICE OF INVESTIGATIONS (JI-5)

SUBJECT:

RECOMMENDATION FOR ADVISORY
FRAUDULENT REQUESTS FOR CONTRACTOR FINANCIAL
INFORMATION
File No. I1152362

This memorandum is furnished for your information and action as deemed necessary.

A GSA contractor notified JI-5 that it received a letter on Department of Transportation (DoT) letterhead, which stated that it had not submitted a financial information release form required to be eligible for procurement. The letter further stated that the contractor's financial institution might not release financial information, even to the Government, without consent. The letter included a form entitled, "Authorization to release financial information." Fortunately, the contractor correctly identified the letter as a fraudulent phishing attempt.

The perpetrators likely obtain information on U.S. Government contractors through open sources of information, such as websites for the Central Contractor Registry, Federal Business Opportunities, and the Federal Procurement Data System. Advances in technology during the past decade, such as Voice Over Internet Protocol (VOIP), allow domestic phone numbers to be used virtually anywhere in the world. Moreover, the perpetrators are believed to be operating overseas in areas where international law enforcement cooperation is highly unlikely. Thus, similar letters will likely continue in circulation indefinitely without repercussion.

JI-5 contact with the DoT Office of Inspector General (OIG) revealed that similar letters have existed for at least five (5) years. The DoT has posted an advisory, including samples of these letters, to the attention of all current or potential contractors and all contracting personnel at the following website: http://www.dot.gov/ost/m60/fraudulent_letters.htm

While JI-5 has no knowledge of any similar phishing attempts using GSA letterhead, we believe that a distinct possibility exists that this will occur and that the GSA should consider posting an advisory on its website similar to that of the DoT. If the GSA does post such an advisory, we

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File No. I1152362

believe it should be in an area where contractors are likely to seek information pertaining to payments and financial information. We thought it most appropriate to address our concern to your attention since your office is responsible for GSA's core financial applications like Pegasys.

You are advised that this report is from a system of records known as GSA/ADM 24, Investigation Case Files, which is subject to the provisions of the Privacy Act of 1974. Consequently, this report may be disclosed to appropriate GSA officials who have a need for it in the performance of their duties pursuant to a routine use.

Should you have any questions or require additional information, please telephone me or Special Agent (b) (7)(C) of my staff at (b) (7)(C)

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U.S. GENERAL SERVICES ADMINISTRATION
Office of Inspector General

SOUTHEAST REGIONAL INVESTIGATIONS OFFICE

May 5, 2010

MEMORANDUM FOR JIM WELLER
ACTING REGIONAL COMMISSIONER
PBS OFFICE OF THE REGIONAL COMMISSIONER (4P)

FROM:

(b) (7)(C)

(b) (7)(C)

ACTING SPECIAL AGENT IN CHARGE (SAIC)

SUBJECT:

OIG Complaint

Case Number: I060197

Our office recently concluded an investigation with Department of Justice into allegations of possible gratuities and contract irregularities within the fire protection programs at GSA facilities. Although our investigation has resulted in no judicial action, our investigation revealed several procurement issues that we would like to bring to your attention in order to prevent similar actions in future GSA procurements.

Our review included numerous GSA contract actions related to fire protection construction and services with various contractors. The most significant procurement issues were identified in contracts awarded to Franke Risk Services. The following is a brief summary of the issues identified in each of the contracts listed:

GS04P05RBM0016 – Fire protection monitoring

- Lack of proper competition
- Communication with Franke Risk Services by GSA staff regarding negotiation of price before any bid submitted.
- Franke Risk Services proposal issued prior to Government estimate

GS04P06RBM0018 – Fire protection monitoring (continuation of 0016)

- Awarded as sole source based on previous contract improper award
- No justification for other than full and open competition

GS04P05RQM3007 – Fire protection monitoring

- Handwritten scope of work
- Lack of proper competition
- Handwritten justification for award is based on an unidentified company for which no documentation is available
- Awarded for \$98,532 to avoid contract warrant limit

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Office of Investigations (JI-4)

401 West Peachtree Street, Suite 1701, Atlanta, GA 30308 (404) 331-5126

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GS004P06RQC0034 – Fire protection monitoring (continuation of 3007)

- Awarded as a sole source based on previous contract
- Lack of proper competition
- Handwritten scope of work
- Awarded for \$99,540 in order to avoid contract warrant limit

Based on these contract awards alone, Franke Risk Services received over \$400,000 in payments from GSA for fire protection monitoring services within an approximate two year period.

It is our understanding that during the course of our investigation several actions were taken by GSA management in order to correct problems identified and prevent similar problems in future GSA procurements. Therefore, this memorandum is intended for your information only and does not require a response. Please feel free to contact my office if you wish to discuss this or any other issues in further detail.

You are advised that this report is from a system of records known as “GSA/ADM 24, Investigation Case Files,” which is subject to the provisions of the Privacy Act of 1974. Consequently, this report may be disclosed to appropriate GSA officials who have a need for it in the performance of their duties pursuant to a routine use. If the information in this memorandum is to be used as a basis for administrative action, pertinent portions may be copied and provided to the SUBJECTS only after first obtaining the approval of my office.

cc: Official File-JI4/ **1060197**

JI4: (b) (7)(C): 05/05/10:40 (b) (7)(C)

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