

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Office of the Inspector General

Inspector General



March 4, 2016

Christopher Weaver  
Director  
Department of General Services  
2000 14<sup>th</sup> Street, N.W., 8<sup>th</sup> Floor  
Washington, D.C. 20009

Dear Mr. Weaver:

This letter is to inform you of the results of our *Audit of the Department of General Services' (DGS) Award and Administration of the City-Wide Security Contract* (OIG No. 14-1-01PO/AM). We conducted this audit to determine: (1) whether the contract award was made in compliance with applicable laws, rules, regulations, policies, and procedures; (2) the effectiveness of contract administration; and (3) the adequacy of internal controls to safeguard against fraud, waste, and abuse. In addition, for calendar years 2012 and 2013, we conducted a review of the DGS purchase card (P-Card) program to determine whether DGS: (1) complied with the requirements of applicable laws, regulations, policies and procedures; and (2) implemented adequate internal controls to safeguard against fraud, waste, and abuse. The scope of the audit covered the citywide security services contract<sup>1</sup> for the period of August 5, 2009, through April 17, 2012.

Although we found that the citywide security services contract was awarded in compliance with applicable laws, rules, regulations, policies, and procedures, we also found that DGS did not maintain supporting documentation for contract administration activities performed to ensure contract compliance. Additionally, we noted that DGS did not maintain adequate supporting documentation for P-Card transactions. As a result, we were unable to determine whether DGS performed effective contract administration and P-Card program oversight.

Although we will not issue an audit report for this engagement, this letter summarizes our findings and suggested improvements to strengthen your office's contract administration and P-Card program oversight. Please note that suggested improvements in this letter are not recommendations that require a written response from your office. However, upon a future reevaluation of contract administration and P-Card oversight at your office, we will assess whether the conditions reflected in our findings have been addressed.

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<sup>1</sup> The District awarded contract DCPO-2009-C-008C to U. S. Security Associates as the prime contractor and DCPO-2009-C-008C to Allied Barton Security as the sub-contractor.

## **FINDINGS**

DGS did not design and implement internal controls over record maintenance related to contract administration activities and P-Card program oversight. As required by the contract terms and conditions and P-Card policies and procedures, DGS did not maintain documentation to support the following activities:

- unannounced inspection visits to manned locations;
- incident reporting and Metropolitan Police Department arrests;
- security personnel licensure status tracking and monitoring;
- certification of payments to contractors;
- P-Card transactions and Agency Review Team (ART) activities;
- contract close-out reporting prior to the final contract payment;
- Contracting Officer's Technical Representative (COTR) and project manager meetings;  
and
- quality control inspections.

The lack of supporting documentation is an indication of DGS's weak controls over contract administration and the P-Card program. Therefore, we conclude that DGS did not have adequate controls over contract administration activities to provide reasonable assurance that the \$26.5 million in contract payments were accurate.

## **SUGGESTED IMPROVEMENTS**

To strengthen record maintenance controls over contract administration and the P-Card program, DGS should consider:

1. Enhancing record maintenance mechanisms to ensure the COTR maintains proper and adequate documentation of contract administration activities in accordance with the responsibilities detailed in the contract, such as performing penetration tests and maintaining supporting documentation (i.e., log books, quality reviews) of actions performed.
2. Obtaining and maintaining supporting documentation for all P-Card transactions and ART activities.

In January 2016, we discussed the above-described control deficiencies and suggested improvements with DGS officials who agreed to document:

- unannounced inspection activities through penetration exercise reports, telephonic logs, and watch command reports;
- incident reports through Contract Incident logs;
- training/compliance of all contract guard records in the Protective Services Division training tracker;
- support for certification of payments to contractors through an automated process; and
- all receipts and other related documentation to the JP Morgan Chase PaymentNet system for all P-Card transactions.

I appreciate the cooperation and courtesy extended to our audit staff during the engagement. If you need additional information, please call me or Toayoa Aldridge, Assistant Inspector General for Audits, at (202) 727-2540.

Sincerely,

  
Daniel W. Lucas  
Inspector General

DWL/fg

cc: Rashad M. Young, City Administrator, District of Columbia (via email)  
The Honorable Jack Evans, Chairperson, Committee on Finance and Revenue, Council of the District of Columbia (via email)  
The Honorable Mary M. Cheh, Chairperson, Committee on Transportation and the Environment, Council of the District of Columbia (via email)  
The Honorable Kathleen Patterson, District of Columbia Auditor, Office of the D.C. Auditor (via email)