

BRIEFLY...

Highlights of Report Number: 03-09-002-10-001, *Procurement Violations and Irregularities Occurred in OSHA's Oversight of a Blanket Purchase Agreement*, to the Deputy Assistant Secretary for Safety and Health, dated March 31, 2009.

WHY READ THE REPORT

In response to a referral from the U.S. Department of Labor's (DOL) Solicitor concerning possible contracting improprieties, the Office of Inspector General (OIG) conducted a performance audit of a Blanket Purchase Agreement (BPA), and related task orders, established between the Occupational Safety and Health Administration (OSHA) and Global Management Systems, Incorporated (GMSI). The possible contracting improprieties involved using the BPA as a means to fulfill a request from then Assistant Secretary for Occupational Safety and Health, Edwin Foulke, Jr., to procure the services of Mr. Randy Kimlin.

WHY OIG CONDUCTED THE AUDIT

OIG conducted the audit to answer the following question:

Did violations and irregularities occur in OSHA's oversight of the BPA and related task orders?

READ THE FULL REPORT

To view the report, including the scope, methodology, and full agency response, go to: <http://www.oig.dol.gov/public/reports/oa/2009/03-09-002-10-001>

March 2009

PROCUREMENT VIOLATIONS AND IRREGULARITIES OCCURRED IN OSHA'S OVERSIGHT OF A BLANKET PURCHASE AGREEMENT

WHAT OIG FOUND

The OIG found violations and irregularities occurred in the administration of the BPA and the related task orders. OSHA circumvented Federal and DOL procurement requirements by using the GMSI BPA to obtain consulting services non-competitively from Mr. Kimlin, who was requested by then Assistant Secretary Edwin Foulke, Jr. This was not in the scope of the GMSI BPA. Additionally, OSHA did not have proper documentation to approve invoices submitted by GMSI for Mr. Kimlin's consulting services. Finally, OSHA allowed GMSI to invoice more hours than awarded for Mr. Kimlin and approved unallowable travel expenses incurred by Mr. Kimlin while commuting between his home in South Carolina and Washington, D.C., in violation of the terms of the BPA. As a result, OSHA cannot justify procuring Mr. Kimlin's consulting services nor demonstrate that the \$681,379 charged for his work was reasonable. At the time of our audit, OIG's Office of Special Investigations was investigating the matter.

WHAT OIG RECOMMENDED

The OIG recommended that that the Deputy Assistant Secretary for Occupational Safety and Health: work with OASAM procurement officials to develop an internal policy for obtaining consulting services; recover \$681,379 paid to GMSI for Mr. Kimlin's labor and travel costs; and ensure OSHA managers and supervisors do not bypass control procedures for administering contracts.

HOW AUDITEE RESPONDED

The Deputy Assistant Secretary agreed with the recommendations except for the recovery of payments to the contractor, GMSI, for Mr. Kimlin's labor and travel costs. The Deputy Assistant Secretary stated that OSHA defers making a final response on the recommended recovery until the OIG's Office of Inspections and Special Investigations completes its investigation into this matter.

The response did not change the findings and recommendations.