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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510-6250

May 10, 2012

The Honorable Brian Miller
Inspector General
General Services Administration
1800 F Street, NW
Washington, D.C. 20405

Dear Inspector General Miller:

We appreciate your service to the taxpayers in uncovering the waste, abuse, and potential fraud associated with the 2010 Western Regions Conference (WRC) of the Public Building Service (PBS). Your investigation will help deter similar abuses in the General Services Administration (GSA) and will send a warning shot across the government that reckless and illegal spending of taxpayer dollars will not be tolerated.

We understand the WRC investigation has already prompted hotline tips related to spending across GSA that you are investigating. In an effort to ensure effective oversight by our Committee, we request that you provide us regular updates on the status of these continuing investigations.

Based on our review of the documents you provided to our Committee related to the investigation of the WRC, we are also writing to suggest areas in which additional work by your office would provide a better understanding of whether breakdowns in fiscal discipline within GSA are limited to certain regional offices, or whether there is a broader management crisis at GSA. In addition, we have provided our views on other information from you that would be helpful to our oversight of GSA.

First, we recommend that your office conduct a review of other GSA conference and travel expenses. We ask that you begin by examining other contracts for conferences held by the regional offices, as well as invoices submitted pursuant to those contracts. Should your initial review find any other extravagant or potentially illegal spending on conferences, or any suspicious travel expenses – including unusually long trips and large expenses claimed for travel in an employee's local area – we ask that you conduct a full investigation as you did with the WRC, and let us know of your findings.

Second, given our Committee's oversight of federal procurement, we were particularly alarmed by the numerous violations of contracting regulations in the procurements related to the 2010 WRC. As the agency responsible for promoting efficient contracting practices throughout the government, GSA should set the standard for excellence in contracting. Instead, as your report on the WRC showed, GSA officials repeatedly refused to seek multiple bids for contracts and engaged in other unethical and illegal behavior. As a result, they failed to obtain fair and reasonable prices for the government. Therefore, we recommend that you examine a representative sampling of other contracts supporting the activities of GSA's regional offices to determine the frequency with which they violate procurement regulations. Such a sampling would help determine the need for additional audits of particular regions or

programmatic activities. Furthermore, both GSA and Congress would benefit from your examination of, and recommendations on how to improve, GSA's recruitment, certification, and training of contract officers.

Third, we continue to have concerns that, far too frequently, some employees use government purchase cards for illegal purposes. The misuse of purchase cards has long been a concern of our Committee, and as GSA is the agency that administers the purchase card program for the federal government, the use by GSA employees of government charge cards for personal benefit is particularly galling. As you know, the Deputy PBS Commissioner for Region 9, Daniel Voll, pleaded guilty in April 2010 for embezzlement through fraudulent use of his government purchase card for personal use on perks such as luxury hotels, dining, and spas. Remarkably, his conviction failed to trigger adequate oversight of Region 9 by GSA headquarters. We question, therefore, whether GSA has sufficiently rigorous internal controls on purchase card procurements. We recommend that you conduct additional audits and investigations of purchase card use throughout GSA as soon as possible.

Fourth, we are also interested in your views on specific improvements that could be made to improve GSA's internal oversight of its funds. Allegations related to the WRC came to your attention through a request by the Deputy Administrator of GSA to investigate based on information she received. Unfortunately, we fear that absent this specific request, your office, Congress, and the public would have remained unaware of this scandal. Are there changes to the organizational structure, investigative techniques, or audit protocols of your office that would have triggered earlier detection of the waste and abuse of taxpayer money in the WRC case? Do you have recommendations on GSA's organizational structure or its internal controls that would deter such waste and abuse?

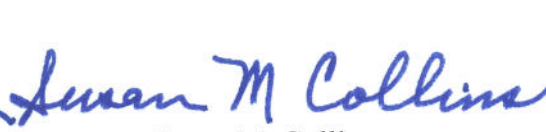
Fifth, we ask that you keep us apprised of the status of your recommendations to GSA management stemming from the WRC investigation and let us know whether GSA implements meaningful and effective changes.

We recognize that you have ongoing investigations and audits related to many of the specific areas of oversight that we have outlined here. Consequently, as mentioned earlier, we ask that you keep our staffs informed of such work and also meet with our staffs regularly to discuss possible additional work.

Again, we thank you for your report on the WRC and all your efforts to expose waste, fraud, and abuse within GSA.

Sincerely,


Joseph I. Lieberman
Chairman


Susan M. Collins
Ranking Member