

Final Audit Report 06-08, September 29, 2006, “Audit of Settlement Proposal by [GPO Contractor]”

In accordance with Section 49.107 of the Materials Management Acquisition Regulation (MMAR), the Office of Inspector General (OIG) performed an audit of the settlement proposal submitted by a GPO contractor for two GPO purchase orders to provide consulting services and support related to the passport inventory system required by the Department of State. The purchase orders were terminated for convenience by GPO. The total value of the two purchases orders exceeded \$700,000. As of July 31, 2006, GPO had paid the GPO contractor a total of \$493,868.50.

Although the audit found that a portion of the contractor’s claim was allowable, the OIG questioned \$176,322 of the claim. This sensitive report, which was advisory in nature, was submitted to the GPO Contracting Officer for use in negotiating settlement or issuing a unilateral determination regarding the contractor’s proposal.