



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

We conducted this audit to assess the effectiveness of the U.S. Environmental Protection Agency's (EPA's) management of Government furnished property (GFP). We specifically sought to determine whether EPA properly manages GFP.

Background

As of September 30, 2005, EPA's contractor-supplied records indicated about \$110 million in EPA-provided GFP for 153 contracts. Of this amount, about \$70 million was for items costing \$25,000 or more. EPA can either perform GFP property administration functions itself or have the functions performed by the Defense Contract Management Agency (DCMA) through an interagency agreement.

For further information, contact our Office of Congressional and Public Liaison at (202) 566-2391.

To view the full report, click on the following link:
www.epa.gov/oig/reports/2006/20060919-2006-P-00035.pdf

EPA Needs to Strengthen Oversight of Government Furnished Property

What We Found

EPA's Office of Acquisition Management (OAM) needs to improve its management and administrative controls over GFP. OAM did not have accurate and reliable records to indicate:

- Which contractors had received EPA-provided GFP,
- The dollar value of the GFP provided, or
- Whether contractors had performed the required annual inventories.

OAM also needs to improve the administration of its interagency agreement with DCMA. OAM did not have accurate records of contracts with GFP to compare against the DCMA listing of contracts that DCMA was overseeing. As a result, some contracts with GFP were not being administered by either OAM or DCMA, and OAM had paid DCMA to administer GFP for some contracts that did not have any GFP. These conditions generally occurred due to outdated policies and procedures that did not assign specific responsibility for GFP property administration. Improved management controls will enable EPA to better manage its \$110 million of GFP provided to contractors and reduce GFP vulnerability to loss.

What We Recommend

OAM agreed to strengthen its policies and procedures, as well as its administration of the interagency agreement with DCMA, and initiated corrective actions while our audit was in progress. We recommend that the Assistant Administrator for Administration and Resources Management ensure OAM completes current efforts to update policies and procedures regarding management of GFP, including the need to maintain accurate records and properly administer interagency agreements with DCMA. The Assistant Administrator's response indicated general agreement with our report and concurrence with our recommendation.