

Department of Homeland Security **Office of Inspector General**

Costs Invoiced by McKing Consulting Corporation
Under Order Number HSFEHQ-05-F-0438



American Recovery and Reinvestment Act of 2009

OIG-12-106

July 2012




OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

JUL 30 2012

MEMORANDUM FOR: Catherine Patterson
Branch Chief
Assistance to Firefighters Grants Program Office
Federal Emergency Management Agency

FROM: Anne L. Richards 
Assistant Inspector General for Audits

SUBJECT: *Costs Invoiced by McKing Consulting Corporation Under
Order Number HSFEHQ-05-F-0438*

Attached for your action is our final report, *Costs Invoiced by McKing Consulting Corporation Under Order Number HSFEHQ-05-F-0438*. We incorporated the formal comments from the Office of Policy and Program Analysis, Federal Emergency Management Agency (FEMA) in the final report.

The report contains three recommendations for FEMA to resolve \$154,535 of questionable costs and to improve its administration of the contract. The Office of Policy and Program Analysis concurred with all recommendations. As prescribed by Department of Homeland Security Directive 077-1, Follow-Up and Resolutions for the Office of Inspector General Report Recommendations, within 90 days of the date of this memorandum, please provide our office with a written response that includes your (1) agreement or disagreement, (2) corrective action plan, and (3) target completion date for each recommendation. Also, please include responsible parties and any other supporting documentation necessary to inform us about the current status of the recommendation. Until your response is received and evaluated, the recommendations will be considered open and unresolved.

Consistent with our responsibility under the *Inspector General Act*, we are providing copies of our report to appropriate congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please call me with any questions, or your staff may contact John E. McCoy II, Deputy Assistant Inspector General for Audits, at (202) 254-4100.

Attachment



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Abbreviations

| | |
|------|-------------------------------------|
| DHS | Department of Homeland Security |
| FEMA | Federal Emergency Management Agency |
| FTE | full-time equivalent |
| G&A | general and administrative |
| GSA | General Services Administration |
| IT | information technology |
| OIG | Office of Inspector General |
| OMB | Office of Management and Budget |



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Executive Summary

The Federal Emergency Management Agency (FEMA) awarded a task order to McKing Consulting Corporation to assist in administering its grants to firefighters. FEMA subsequently modified the order to include the Fire Station Construction Grants authorized by the *American Recovery and Reinvestment Act of 2009*, as amended, and added \$721,000 in funds from the *American Recovery and Reinvestment Act of 2009*, as amended, to help finance the modification. The total amount of the task order was not to exceed \$49,197,425. McKing Consulting Corporation invoiced costs of \$42,361,519.

We conducted our audit to determine whether invoiced costs were allowable, allocable, and reasonable according to the task order and applicable Federal requirements.

We questioned \$154,535 paid to McKing Consulting Corporation. We determined that costs of \$143,173 invoiced for labor were questionable because certain individuals did not qualify for the rates at which they were billed. In addition, we concluded that costs of \$11,362 invoiced for storage exceeded the storage costs incurred by McKing Consulting Corporation. Also, we determined that McKing Consulting Corporation complied with the *American Recovery and Reinvestment Act of 2009*, as amended, requirement for submitting recipient reports; however, the reports included inaccurate and unsupported information.

FEMA agreed with our three recommendations to resolve the questioned costs, examine the qualifications of other staff to determine whether billing rates were appropriate, and decide whether McKing Consulting Corporation should resubmit its final recipient report.



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Background

FEMA awarded a task order, No. HSFEHQ-05-F-0438, to McKing Consulting Corporation (McKing) on July 1, 2005, for supervision, labor, equipment, and materials necessary to support the fiscal year 2005 Assistance to Firefighters Grant Program and Staffing for Adequate Fire and Emergency Response Act Grants. Under this order, McKing technical assistance staff supported the FEMA program offices, maintained the program websites, developed and distributed educational tutorials, conducted peer review panels, and provided administrative and technical support. The order's period of performance included a base year (July 2005 to June 2006) and 4 option years extending through June 2010. FEMA subsequently extended the period of performance through December 2010. The cost ceiling for the order was \$49,197,425. McKing invoiced costs of \$42,361,519.

This order was awarded on a time and materials basis. McKing recorded the hours that its staff worked on tasks authorized under the order and billed FEMA on negotiated rates based on rates published in McKing's Authorized Federal Supply Services and Products Schedule Pricelist (General Services Administration (GSA) Schedule). McKing's GSA Schedule sets forth its job titles, staff descriptions and qualifications, and applicable billing rates. The order also authorizes McKing to bill materials at cost plus applicable general and administrative (G&A) costs. McKing negotiates G&A rates with the U.S. Department of Health and Human Services.

On February 17, 2009, Congress enacted the *American Recovery and Reinvestment Act of 2009* (Recovery Act), as amended, which included an appropriation of \$210 million to FEMA for competitive firefighter assistance grants to modify, upgrade, or construct non-Federal fire stations. The Recovery Act authorized FEMA to use up to 5 percent of the appropriation for program administration. Using funds from this provision, FEMA modified the 2005 task order with McKing to obtain additional program support services to accelerate the award of the fire station construction grants. This modification (No. P00010) totaled \$888,765 and was financed in part with \$721,000 of Recovery Act funds. With McKing's assistance, after evaluating approximately 6,000 grant applications, FEMA awarded 116 grants totaling \$207 million.



Results of Audit

Of \$42,361,519 in invoiced costs, we questioned reimbursement of \$154,535, which included \$143,173 billed for staff who did not qualify for the invoiced rates and \$11,362 in storage costs that exceeded McKing's incurred costs. McKing complied with requirements to submit recipient reports, but the reports included inaccurate and unsupported information.

Staffing Education and Experience

We questioned \$143,173 of labor costs because McKing charged time to the task order for certain individuals who did not meet the education and employment experience qualifications published in McKing's GSA Schedule. Included as part of the qualifications are the education levels and the employment experience required for the positions. McKing billed approximately 220 individuals' time to the task order.

We reviewed the resumes and personnel file information of 45 individuals McKing charged to the task order. We found that McKing billed six (13 percent) individuals' time to staffing categories for which the individuals did not meet the education/employment experience standard in McKing's GSA Schedule (see appendix C for our analysis and McKing's comments). For example, in July 2009 McKing billed FEMA for a subcontracted Application Programmer-V who did not meet the labor experience or education requirement in the GSA Schedule. According to the schedule, this position requires a bachelor's degree and 12 years of experience or a master's degree and 10 years of experience. The individual had an associate's degree in computer programming and 7 years of information technology (IT) experience before coming to work for the subcontractor in February 2006. This combination of education and experience qualified the individual for the position of Senior Website Developer. For 3 years prior to July 2009, McKing charged this individual's time to the task order as a Senior Website Developer.

A McKing official explained that for a labor category with a bachelor's degree standard, McKing reduces employment experience requirements by 2 years for individuals who have a 2-year associate's degree. The official also said that McKing accepts 2 years of college education as equivalent to an associate's degree. We accept the associate's degree justification because a degree is awarded upon completion of a course of study. However, we do not agree that 2 years of college study equates to an associate's degree. A degree requires



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completion of a core curriculum, whereas 2 years of college study may merely represent completion of general study requirements.

According to McKing, FEMA granted a waiver of the GSA Schedule education and employment experience requirements. According to a McKing official, staff from the prior contract were allowed to work in the same labor category on this task order to ensure continuity even if they did not meet the requirements. FEMA's Contracting Officer was unable to locate such a waiver in the contract file.

Storage Costs

Under Modification P00007, McKing was to relocate and provide secure storage for official grant files offsite for 19 months. McKing proposed and billed rental costs for the storage space at \$2,523 per month for a total of \$47,931. Storage space rental is considered a direct cost. For the 19-month period, McKing received rental credits and adjustments of \$10,260. McKing did not pass on the cost savings to FEMA. Additionally, McKing's G&A costs were charged to the task order as a percentage of its other direct costs. As a result, McKing overcharged FEMA \$1,102 of G&A costs. We questioned the overcharge of \$11,362.

Recipient Reporting

Section 1512 of Division A of the Recovery Act requires recipients of Recovery Act funds to report quarterly to the Federal Government on various data elements, such as the amount of funds received, project description(s) and status, and an estimate of the number of jobs created and retained. These reporting requirements were incorporated into the Federal Acquisition Regulation as Subpart 4.15—American Recovery and Reinvestment Act – Reporting Requirements. FEMA's Modification P00012 required McKing to follow the Recovery Act reporting requirements. As required, McKing submitted reports for the third and fourth quarters of calendar year 2009 and first and second quarters of calendar year 2010 and designated the second quarter report as its final recipient report. We reviewed 16 data elements from McKing's 2010 first and second quarter reports and identified seven exceptions, which are discussed below.

Jobs Reported

McKing underreported jobs for the first quarter of calendar year 2010 by 4.74 jobs and over-reported jobs for the second quarter of calendar year 2010 by 1.36 jobs. McKing representatives said that they reported two jobs each quarter,



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which represented the two additional staff hired. Office of Management and Budget (OMB) criteria state that the number of jobs reported should be expressed as “full-time-equivalents” (FTEs), where:

$$\frac{\text{Recovery Act Funded Hours Worked (Qtr } n\text{)}}{\text{Hours in a Full-time Schedule (Qtr } n\text{)}} = \text{FTEs.}$$

Based on submitted billings, we determined that McKing should have reported 6.74 and 0.64 jobs for the first and second quarters of calendar year 2010, respectively.

Subawards to Organizations/Individuals

McKing personnel incorrectly entered its subagreement with the Cabazon Group as a subaward to an individual, which resulted in a duplicate reporting of the subagreement. Recovery Act recipient reports include information on the number and amount of subawards to organizations and to individuals. The reporting tool automatically captures and reports the total number of subawards to organizations based on the information entered into the Federal reporting website (FederalReporting.gov) by the prime recipient. Recipients are required to enter the total number of subawards to individuals into this website. As a result, McKing incorrectly reported its subcontract agreement with the Cabezon Group as two subcontract agreements.

Subaward Amount

The amount of McKing’s subcontract agreement with the Cabezon Group was incorrectly reported. McKing initially reported \$347,216 as the subaward amount to the Cabezon Group for both entries. Modification Number 10 to the subcontract agreement between McKing and the Cabezon Group increased the subcontract agreement amount by \$345,709 for fire station construction grant peer review support. McKing used Recovery Act funds received from FEMA to fund Modification Number 10. McKing identified the error and revised the amount under Subaward Amounts to Individuals in its submission of the 2010 first quarter recipient report, but did not correct the amount in the information for its subrecipient organizations submitted to the Federal reporting website.



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Subaward Date

McKing incorrectly reported July 23, 2009, as the subaward date. The effective date of Modification Number 10 discussed above is September 28, 2009.

Required to Report Top Five Highly Compensated Officials

McKing reported "No" to the data element asking whether the prime recipient and subrecipients were required to report the names and total compensation of the top five most highly compensated officials. OMB's *Recipient Reporting Data Model*, which expounds the specific data elements that Memorandum 09-21 requires to be reported, states that the recipient is to report "Yes" if the recipient and/or its subrecipients meet specific criteria. McKing representatives were unable to provide documentation to substantiate that it did not have to report on this data element, and said that it reported "No" because it did not have the information available at the time it submitted the calendar year 2009 third quarter recipient report.

OMB Memorandum 10-34, *Updated Guidance on the American Recovery and Reinvestment Act*, states that the recipient or Federal agency may initiate a change to a prior report if the Federal agency determines that the change is "material." The guidance further states that changes to prior reports may not be initiated for the "Number of Jobs" field. As a result, McKing can correct the errors related to the subaward and requirement to report highly compensated officials, but will not be able to correct the "Number of Jobs" errors.

Recommendations

We recommend that FEMA's Contracting Officer:

Recommendation #1:

Resolve the \$154,535 of questioned costs.

Recommendation #2:

Review the qualifications of the other staff billed by McKing on the task order and determine whether additional billing adjustments are warranted.



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Recommendation #3:

Review McKing's recipient reporting errors and determine whether a corrected final recipient report should be resubmitted.

Management Comments and OIG Analysis

FEMA provided formal comments to our draft report, which are included in appendix B.

FEMA Comments to Recommendation #1

FEMA stated that it will "allow McKing Consulting Corporation to return the excess funds [\$143,173] associated with the employment of staff that did not meet the education and employment experience qualifications as published in the GSA Schedule." FEMA also said it will "require McKing Consulting Corporation to return the \$11,362 in costs billed for grant file storage as McKing received rental credits and adjustments but did not pass the costs savings on to FEMA."

OIG Analysis

Although concurring with the recommendation, FEMA did not provide an action plan including target dates and the names of responsible officials for recovering the agreed-upon questioned costs. Therefore, the recommendation is unresolved and open.

FEMA Comments to Recommendation #2

FEMA stated that it will "request that McKing Consulting Corporation provide a report on the qualifications of other staff billed on the task order to determine if they meet the education and employment experience qualifications."

OIG Analysis

Although concurring with the recommendation, FEMA did not provide an action plan including target dates and the names of responsible officials for completing the analysis of qualifications and taking any further corrective actions. Therefore, the recommendation is unresolved and open.



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FEMA Comments to Recommendation #3

FEMA said that it will request that McKing provide a corrected final recipient report.

OIG Analysis

Although concurring with the recommendation, FEMA did not provide an action plan including target dates and the names of responsible officials for obtaining the corrected final recipient report. Therefore, the recommendation is unresolved and open.



Appendix A

Objectives, Scope, and Methodology

The Department of Homeland Security (DHS) Office of Inspector General (OIG) was established by the *Homeland Security Act of 2002* (Public Law 107-296) by amendment to the *Inspector General Act of 1978*. This is one of a series of audit, inspection, and special reports prepared as part of our oversight responsibilities to promote economy, efficiency, and effectiveness within the Department.

The objective of the audit was to determine whether the costs invoiced by McKing were allowable, allocable, and reasonable according to the task order and applicable Federal requirements. Our audit covered costs of \$42,361,519 for a contractual period July 1, 2005, to December 31, 2010. Our tests and procedures included the following:

- Reviewing the task order and modifications between FEMA and McKing, the Recovery Act, FEMA program guidance, and the Federal Acquisition Regulation
- Interviewing McKing and Cabezon Group officials to obtain an understanding of the order's scope of work and McKing's accounting processes
- Interviewing FEMA and GSA contracting officials to obtain an understanding of the scope of work and GSA Schedule contracts
- Conducting fieldwork at McKing and the Cabezon Group
- Examining McKing timesheets, payroll ledgers, accounting documentation, vendor invoices, payment documents, and personnel files
- Selecting a representative sample of salary and other payments totaling \$6,602,636 from the 70 invoices submitted by McKing for reimbursement to assess eligibility for reimbursement
- Reviewing recipients' quarterly reports McKing submitted to the Federal Government and supporting documentation

We conducted this performance audit between July 2011 and April 2012 pursuant to the *Inspector General Act of 1978*, as amended, and according to generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based upon our audit objectives. We believe that the evidence



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obtained provides a reasonable basis for our findings and conclusions based upon our audit objectives.



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Appendix B
Management Comments to the Draft Report

U.S. Department of Homeland Security
Washington, DC 20472



FEMA

JUN 21 2012

MEMORANDUM FOR: Anne L. Richards
Assistant Inspector General for Audits
Office of Inspector General

FROM: *DK* David J. Kaufman *Kathie Fox*
Director
FEMA Office of Policy and Program Analysis

SUBJECT: Response to OIG Draft Report, *Costs Invoiced by McKing Consulting Corporation Under Order Number HSFHQ-05-F-0438 With the Federal Emergency Management Agency*

The Federal Emergency Management Agency (FEMA) appreciates the opportunity to review and respond to the Department of Homeland Security (DHS) Office of Inspector General (OIG) Draft Report, *Costs Invoiced by McKing Consulting Corporation Under Order Number HSFHQ-05-F-0438 With the Federal Emergency Management Agency* (OIG Job Code 11-135-AUD-FEMA). As noted in our responses to your recommendations, below, FEMA is continuing to work to resolve the issues identified in the audit and we are putting in place a process to avoid similar problems in the future.

Recommendation #1: Resolve the \$154,535 of questioned costs.

FEMA Response: FEMA concurs with this recommendation to resolve the questioned costs of \$154,535. Upon review of the OIG's draft report, FEMA will allow McKing Consulting Corporation to return the excess funds associated with the employment of staff that did not meet the education and employment experience qualifications as published in the GSA Schedule. FEMA concurs with the OIG's determination that 2 years of college study does not equate to an associate's degree. Based on this determination, McKing should have charged a lower fee for the staff provided. The lower fee would have resulted in a \$143,173 cost savings. This amount must be returned to the federal government. Further, FEMA staff will require McKing Consulting Corporation to return the \$11,362 in costs billed for grant file storage as McKing received rental credits and adjustments but did not pass the cost savings on to FEMA. This includes the \$1,102 in overcharged General & Administrative costs charged to the task order related to the storage costs.

Within 30 days of receipt of the final report, FEMA will request that the FEMA Finance Center notify the grantee that \$154,535 is due to the federal government and inform the grantee about FEMA's debt collection procedures. FEMA will also work with its Contracting Officer's Technical Representative to implement procedures to prevent similar problems in the future. FEMA requests

www.fema.gov



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this recommendation be resolved and open pending implementation of the stated corrective action plan.

Recommendation #2: Review the qualifications of other staff billed on the task order and determine whether additional billing adjustments are warranted.

FEMA Response: FEMA concurs with this recommendation to review the qualifications of other staff billed on the task order to determine if they meet the education and employment experience qualifications as set forth in the McKing GSA Schedule.

Within 90 days of receipt of the final report and corrective action plan via the grantee notification memorandum, FEMA will request that McKing Consulting Corporation provide a report on the qualifications of other staff billed on the task order to determine if they meet the education and employment experience qualifications. FEMA will provide a report to the OIG regarding any additional billing adjustments necessary within 30 days of receiving this information from McKing. In future contracting, FEMA will request this information prior to award. FEMA requests this recommendation be considered resolved and open pending implementation of the stated corrective action plan.

Recommendation #3: Review McKing's recipient reporting errors and determine whether a corrected final recipient report should be resubmitted.

FEMA Response: FEMA concurs with this recommendation that McKing Consulting Corporation submit a corrected final recipient report. Within 90 days of receipt of the final report and corrective action plan via the grantee notification memorandum, FEMA will request that the grantee provide a report. FEMA requests this recommendation be resolved and open pending implementation of the stated corrective action plan.

Again, we thank you for the opportunity to review and comment on the recommendations concerning your draft report. Please do not hesitate to contact our Audit Liaison Office point of contact, Gina Norton at 202-646-4287, with any questions or concerns regarding our response.



Appendix C

OIG Analysis of Employees Billed to Task Order Who Did Not Meet Education and Employment Experience Standards and McKing Comments

The amount of questioned employee labor costs is summarized below and is followed by the basis for each exception.

| <u>Employee</u> | <u>Labor Category</u> | <u>Amount</u> |
|-----------------|--------------------------------------|------------------|
| Employee 1 | Grants Quality Control Specialist-II | \$51,144 |
| Employee 2 | Administrative Assistant-II | 20,909 |
| Employee 3 | Administrative Assistant-II | 6,004 |
| Employee 4 | Administrative Assistant-III | 20,069 |
| | Statistician-IV | 18,734 |
| Employee 6 | Applications Programmer-V | <u>26,313</u> |
| | | <u>\$143,173</u> |

See end of appendix for additional abbreviations.

Employee Number 1

Labor Category Billed: Grants Quality Control Specialist-I (GQCS-I)

Education and Employment Experience upon Hiring: The employee was hired in March 2005 as a Data Entry Specialist and promoted to a GQCS-I in September 2007. Employee was a high school graduate and attended college. The employee had 1 year of employment experience when hired.

OIG Analysis: The employee was billed as a GQCS-I in July 2008. Per McKing's GSA Schedule, a GQCS-I will have a bachelor's degree (BD) with 4 years of experience or a high school diploma (HSD) with 8 years of experience. Four years of experience (3 years with McKing plus 1 year prior to McKing) at the time of billing did not meet the 8-year standard for GQCS-I with HSD.

McKing Comments: The employee attended 2 years of college prior to being promoted to GQCS-I. McKing accepts 2 years of college credits as equivalent to an associate's degree (AD) under its GSA Schedule. An AD is generally considered halfway to a BD, and therefore the employment experience under McKing's GSA Schedule would proportionally be lowered to 6 years of employment experience. Even if not initially



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qualified as a GQCS-I, the employee became qualified for the position in 2010 (6 years of employment experience). The employee possess all of the skills necessary to qualify as a GQCS-I.

OIG Response: We do not believe that 2 years of college study should be considered equal to an AD because 2 years of college course work may not result in the completion of courses necessary for an AD. Therefore, it should not justify a reduction in the employment experience standard. Also, while the employee may possess the skills necessary to accomplish the tasks, the individual did not meet the qualifications established by McKing as necessary for the rate billed.

Employee Number 2

Labor Category Billed: Administrative Assistant-II (AA-II)

Education and Employment Experience upon Hiring: The employee was hired part time in May 2006 as an Administrative Assistant-I. Employee had a HSD and had attended 1 year of college. Employee's prior work experience was outdoor summer employment.

OIG Analysis: The employee was billed as an AA-II in July 2008. Per McKing's GSA Schedule, an AA-II will have an AD with 1 year of experience or an HSD with 4 years of experience. The employee with 3 years of experience (2 years with McKing and 1 year (3 summers) prior to McKing) at time of billing did not meet the experience standard for an AA-II with HSD.

McKing Comments: An AD is generally considered to be 2 years at a college. The employee had completed 1½ years of college credits prior to being billed as an AA-II, which McKing considers as three-fourths of an AD under our GSA Schedule. Therefore, proportionately, McKing considers 1½ years of employment experience as necessary to fulfill the AA-II requirements. The employee was hired as an Administrative Assistant-I in May 2006 and promoted to an AA-II in December 2007. McKing considered the employee qualified with 1½ years employment experience plus 1½ years college credits.

OIG Response: We do not believe that attending college for 1½ years should be considered three-fourths of an AD because there is no assurance that the courses taken would result in any degree. Therefore, it should not justify a reduction in the employment experience standard. The employee did not meet the employment experience standard at the time of billing.



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Employee Number 3

Labor Category Billed: Administrative Assistant-II (AA-II)

Education and Employment Experience upon Hiring: The employee was hired March 2006 as an AA-II. The employee was a high school graduate and had attended college. Employee had 3 years of employment experience when hired.

OIG Analysis: The employee was billed as an AA-II in May 2006. Per McKing's Schedule, an AA-II will have an AD with 1 year of experience or a HSD with 4 years of experience. The employee with an HSD and 3 years of experience did not meet the experience standard for an AA-II with an HSD.

McKing Comments: An AD is generally considered 2 years at a college. Therefore, McKing accepts 2 years of college credits as equivalent to an AD under our GSA Schedule. At the time the employee was hired as an AA-II in March 2006, the employee had attended 2½ years of college. The employee had also worked as an administrative assistant with a Federal agency from August 2004 to September 2005, giving the employee the requisite 1 year of employment experience.

OIG Response: As indicated in our analyses above, we do not believe that taking college courses should be equated with obtaining a degree, and therefore it should not be used as a justification to reduce the employment experience standard. The employee did not meet the employment experience standard at the time of billing.

Employee Number 4

Labor Category Billed: Administrative Assistant-III (AA-III)

Education and Employment Experience upon Hiring: The employee was hired in October 2004 as an Administrative Specialist. The employee had an HSD and had 1½ years of work experience when hired.

OIG Analysis: The employee was billed as an AA-III in May 2006. Per McKing's GSA Schedule, an AA-III will have an AD with 6 years of experience or an HSD with 9 years of experience. The employee had 3½ years of experience (2 years with Cabezon and 1½ years of prior work experience) at the time of the billing, and therefore did not meet the experience standard for an AA-III with an HSD.

McKing Comments: The employee is a carryover from the previous FEMA contract in which the employee was billed as an AA-II. Employee had acquired knowledge of



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operational procedures and existing administrative support procedures. At the time of billing, the employee's prior experience was considered to provide the agency with a level of continuity and inherent understanding of the contract's administrative requirements. Even if not initially qualified as an AA-III, the employee became qualified for the position in November 2008 with 9 years of employment experience.

OIG Response: The employee lacks the requisite number of years of experience to be billed as an AA-III. In addition, FEMA's Contracting Officer was unable to provide a copy of the waiver referred to by McKing.

Employee Number 5

Labor Category Billed: Statistician-IV (S-IV)

Education and Employment Experience upon Hiring: The employee was hired in May 2006 as an Administrative/Executive Assistant. The employee had a BD in social science and 14 years of experience in general administrative duties when hired.

OIG Analysis: The employee was billed as an S-IV in December 2010. Per McKing's GSA Schedule, an S-IV will have a BD with 8 years of experience. The employee, with a BD in social science, does not in our opinion meet the education requirement.

McKing Comments: The employee has an HSD and college course work that has included relevant subject areas, such as economics, algebra, and information literacy research methods. The employee worked at a consulting company for 2 years operating as an administrator with duties that included data gathering, report generation, and analysis of client information. Employee's experience supporting government clients included the creation of statistical projects such as the development of parity studies. The employee's education and relevant past experience satisfied the requirements of the functional needs of the position.

OIG Response: McKing's GSA Schedule includes three levels of Statisticians: 6, 4, and 3. Level 6 has a minimum education requirement of an advanced degree (master's degree or higher), and levels 4 and 3 have a minimum education requirement of a BD. Although McKing's GSA Schedule does not indicate specific majors for its labor categories, it describes a McKing statistician as having the academic and practical knowledge to (1) determine the mathematical principles involved and the most efficient methodology for solutions of problems; (2) act as an adviser or consultant on application of mathematical analysis to scientific and engineering problems; (3) gather and analyze collected information according to established statistical methods; and (4) prepare reports, charts, tables, and other visual aids. In our opinion, the employee did not meet



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the education standard established by McKing in its GSA Schedule for a midlevel statistician.

Employee Number 6

Labor Category Billed: Applications Programmer-V (AP-V)

Education and Employment Experience upon Hiring: The employee was hired in February 2006 as an Applications Developer. The employee had an AD in computer programming and had 7 years of IT experience when hired.

OIG Analysis: The employee was initially billed as a Senior Website Developer, but was billed as an AP-V in July 2009. Per McKing's Schedule, an AP-V will have a master's degree with 10 years of experience or a BD with 12 years of experience. The employee, with an AD, did not meet the minimum education requirement for an AP-V at the time of billing.

McKing Comments: The employee was billed as a Senior Website Developer in May 2006. For the Senior Website Developer labor category, the education and employment experience is a BD with 4 years of experience or an HSD with 8 years of experience. The employee possessed an AD in a related field. An AD is generally considered 2 years at a college, halfway to a BD, and therefore the employment experience under McKing's GSA Schedule would proportionally be lowered to 6 years of employment experience. It is believed that the employee met the requisite education and experience qualifications for the applicable labor category with the employee's 7 years of experience as noted in auditor comments. The employee was also a carryover from the prior FEMA contract in which the employee was a Senior Website Developer. FEMA granted a waiver of GSA requirements to allow employees to continue serving in the same position as in the prior FEMA contract to ensure continuity in the transition between contracts, even if they did not meet the GSA labor category requirements.

OIG Response: We agree that employee qualified as a Senior Website Developer but not as an AP-V. Also, FEMA's Contracting Officer was unable to provide a copy of the waiver referred to by McKing.

Abbreviations

| | |
|--------|------------------------------|
| AA-II | Administrative Assistant-II |
| AA-III | Administrative Assistant-III |
| AP-V | Applications Programmer-V |
| AD | associate's degree |



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| | |
|--------|-------------------------------------|
| BD | bachelor's degree |
| GQCS-I | Grants Quality Control Specialist-I |
| HSD | high school diploma |
| S-IV | Statistician-IV |



Appendix D

Major Contributors to This Report

Roger LaRouche, Audit Director
Jerome Fiely, Audit Manager
Puja Patel, Program Analyst
Maureen Duddy, Referencer



Appendix E

Report Distribution

Department of Homeland Security

Secretary
Deputy Secretary
Chief of Staff
Deputy Chief of Staff
General Counsel
Executive Secretary
Director, GAO/OIG Liaison Office
Assistant Secretary for Office of Policy
Assistant Secretary for Office of Public Affairs
Assistant Secretary for Office of Legislative Affairs
Departmental Recovery Act Coordinator
Administrator, Federal Emergency Management Agency
GAO/OIG Audit Liaison Official, Federal Emergency Management Agency

Office of Management and Budget

Chief, Homeland Security Branch
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