



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

Pandemic-Related Contract Actions

This is a revised version of the report prepared for public release.



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Memorandum

OCT 12 2021

To: Megan Olsen
Director, Office of Acquisition and Property Management

From: Mark Lee Greenblatt 
Inspector General

Subject: Final Inspection Report – *Pandemic-Related Contract Actions*
Report No. 2021-FIN-010

This memorandum transmits our inspection report on the U.S. Department of the Interior's Coronavirus Aid, Relief, and Economic Security Act and pandemic-related contract actions.

We provide seven recommendations to help the DOI and its bureaus and offices improve contract oversight and accountability. Based on the responses to our draft report, we consider Recommendations 1 and 2 to be resolved and implemented, Recommendations 3, 4, and 6 to be resolved but not implemented, and Recommendations 5 and 7 to be unresolved. In addition, the bureaus resolved the \$40,530 in funds that could be put to better use and are working to resolve the \$3,848 in questioned costs identified in the report.

We will refer Recommendations 3 – 7 to the Office of Policy, Management and Budget for resolution and implementation tracking and to report to us on their status. In addition, we will notify Congress about our findings, and we will report semiannually, as required by law, on actions you have taken to implement the recommendations and on recommendations that have not been implemented. We will also post a public version of this report on our website.

If you have any questions, please contact me at 202-208-5745.



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Inspection Report

Pandemic-Related Contract Actions

The DOI received

\$909.7 million

under the CARES Act to respond to impacts from the coronavirus:

- **\$453 million** for the Bureau of Indian Affairs (BIA)
- **\$157.4 million** for DOI operations (Office of the Secretary OS)
- **\$69 million** for the Bureau of Indian Education (BIE)
 - **\$153.7 million** for the BIE transferred from the U.S. Department of Education
- **\$55 million** for the Office of Insular Affairs
- **\$12 million** for the Bureau of Reclamation (BOR) water resources
- **\$8.1 million** for the BOR policy and administration
- **\$1 million** for the Office of Inspector General
- **\$500,000** for the BOR Central Utah Project Completion Act

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted, providing the U.S. Department of the Interior (DOI) with \$909.7 million to support the needs of DOI programs and bureaus, Indian Country, and the Insular Areas. From March 18, 2020, through October 31, 2020, eight DOI bureaus and offices issued 523 CARES Act and pandemic-related contract actions (e.g., blanket purchase agreements, contracts, delivery/task orders, modifications, and purchase orders), totaling \$41,597,064.

Why We Performed This Inspection

On June 5, 2020, the Pandemic Response Accountability Committee (PRAC) received a congressional request with questions about high-risk contractors (e.g., first-time contractors and contractors operating outside their normal scope of business) and the procurement process (e.g., how contractors were vetted). See Attachment 1 for our scope and methodology, which further details the questions in the request. Informed by the risks identified in our previous inspections and the congressional request itself, our objectives were to (1) determine contract fulfillment, (2) determine DOI compliance with guidance, and (3) provide additional information related to the congressional request. To meet our objectives, we inspected the following contract actions that occurred from March 18, 2020, through October 31, 2020:

- 80 high-risk contract actions with CARES Act or pandemic-related coding, totaling \$16,791,141 to determine whether contract terms and conditions were fulfilled
- All DOI contract actions (both CARES Act and non-CARES Act related) to determine whether bureaus and offices followed departmental guidance and properly accounted for COVID-19 and pandemic-related contract actions using the correct National Interest Action (NIA) code
- The 523 CARES Act and pandemic-related contract actions to provide information regarding the number of first-time contractors, the number of contractors providing services outside of their regular scope of business, and any contracts awarded without competition (per the congressional request)

Results of Our Inspection

We found the following concerns with the contract actions we inspected:

- Eight of the 80 contract actions, totaling \$775,102, were not fulfilled. Specifically, the BIA did not receive some goods as contracted (\$771,254 in funds that could be put to better use) and received other goods—namely, four computers—with duplicate serial numbers (\$3,848 in questioned costs).¹
- The DOI and its bureaus and offices did not follow guidance regarding use of the COVID-19 NIA code in the Federal Procurement Data System (FPDS), which resulted in \$10.5 million in contract actions not being properly recorded.

In addition, we determined that 24 contracts were awarded to 17 first-time Federal contractors, four contractors were working outside their usual scope of business, and 54 contracts were awarded without competition. We did not develop any recommendations associated with these findings. We provide seven recommendations to help the DOI improve its oversight and accountability related to contract fulfillment and data accuracy. See Attachment 2 for the monetary impact of our findings.

The BIA Did Not Receive Some Contracted Goods

We reviewed 80 high-risk contract actions from the eight DOI bureaus and offices that issued contract actions from March 18, 2020, through October 31, 2020. We found that 72 of those actions were fulfilled, and 8 actions were not fulfilled. Specifically, the BIA did not receive goods valued at \$771,254 as contracted. These are funds that could be put to better use. In addition, some of the goods that the BIA did receive—four computers that were delivered to different schools—had duplicate serial numbers. The BIA incurred charges of \$3,848 for these computers, which constitute questioned costs. See Figure 1 for details by bureau and office of contract actions inspected.

Figure 1: Details of Contract Actions Inspected, by Bureau

Bureau/ Office	CARES Act (\$)	COVID-19 (\$)	All Pandemic Related (\$)	Funds To Be Put To Better Use (\$)	Questioned Costs (\$)
BIA	10,291,055	256,271	10,547,326	771,254	3,848
FWS	–	4,276,308	4,276,308	–	–
BSEE	5,840	812,526	818,366	–	–
BOR	568,581	0	568,581	–	–
OS	265,320	–	265,320	–	–
BLM	30,580	138,733	169,313	–	–
NPS	46,099	49,828	95,927	–	–
USGS	–	50,000	50,000	–	–
Total	\$11,207,475	\$5,583,666	\$16,791,141	\$771,254	\$3,848

Abbreviations: FWS = U.S. Fish and Wildlife Service • BSEE = Bureau of Safety and Environmental Enforcement • BLM = Bureau of Land Management • NPS = National Park Service • USGS = U.S. Geological Survey

¹ According to the Inspector General Act of 1978, “funds that could be put to better use” are funds that could be use more efficiently, and “questioned costs” are costs we question because they allegedly violate a provision, lack support, or are determined to be unnecessary.

The BIA issued six contracts totaling \$730,724 for information technology (IT) hardware to be provided to various tribal schools. The hardware was not provided by the contracted due dates, which ranged from October 9, 2020, to October 31, 2020. As the contractor did not meet the terms and conditions of the contract and the BIA did not provide payment, these are funds that could be put to better use.

Additionally, BIA contracting officials raised concerns about two contracts totaling \$40,530 with a first-time contractor. The contracting officials reported (1) that the contracted goods had not been received and (2) that the contractor was not responding to requests for updates on the delivery schedule. The two contracts were for transit curtains on buses for the Turtle Mountain Community Elementary and Middle Schools. Transit curtains are clear protective barriers that are placed at every seat in school buses to reduce the spread of germs between children and drivers and to safely allow more passengers on every route. The curtains were to be provided by October 19, 2020, but, as of November 18, 2020, they had not been delivered and the BIA had not provided payment. BIA contracting officials stated that, based on the lack of response from the contractor, they did not believe the schools would ever receive the curtains; therefore, these are funds that could be put to better use.

Finally, the BIA received and paid for \$3,848 in IT hardware—four computers—with duplicate serial numbers. Manufacturers use these product identifiers to indicate product information, including the warranty status, coverage options, and software licenses, as well as to run diagnostics tests to find common problems. Duplicate serial numbers could affect the warranty and potentially the use of the IT hardware; therefore, we question the \$3,848 expended on these computers.

The contracting officials with the remaining bureaus and offices did not report any delay in receipt of contracted goods or services or any concerns regarding the contractor or the goods or services provided.

Recommendation 1: We recommend that the BIA resolve the \$730,724 that could be put to better use through a mechanism such as deobligating the funds from the contracts.

Recommendation 2: We recommend that the BIA resolve the \$40,530 that could be put to better use and determine if the contract should be cancelled.

Recommendation 3: We recommend that the BIA resolve the questioned costs of \$3,848.

The DOI and Its Bureaus and Offices Did Not Follow Guidance Related to COVID-19 Spending

The DOI Acquisition, Assistance, and Asset Policy (DOI-AAAP) 0042, *Ensuring Accurate Procurement Data Reporting to the Federal Procurement Data System Next Generation (FPDS-NG)*, issued on May 26, 2016, states that bureaus and offices must have policies describing actions for holding bureau procurement chiefs, managers, supervisors, and contracting officers accountable for data accuracy.

For the DOI contract actions that were issued from March 18, 2020, to October 31, 2020 (both CARES Act and non-CARES Act related), the DOI and its bureaus and offices did not follow departmental guidance for appropriate use of the COVID-19 NIA code. Bureaus and offices are required to use the NIA code for pandemic-related contract actions but may not use the code when it is not applicable. Use of the NIA code provides complete and accurate information to identify, track, and manage COVID-19-related procurement actions in the FPDS. Moreover, it provides transparency into procurements across the DOI.

Guidance was issued to bureaus and offices on March 20, 2020, by the DOI Senior Procurement Executive and the Assistant Secretary – Policy, Management and Budget, stating that contracting officers must track all relevant COVID-19 procurement actions using the COVID-19 NIA code in the FPDS. On April 6, 2020, the Office of Federal Procurement Policy (OFPP), which is a part of the Office of Management and Budget (OMB), issued a memorandum to Senior Procurement Executives; the Director of the DOI’s Office of Acquisition and Property Management forwarded that memorandum to the bureaus and offices with the same guidance regarding use of the NIA code in the FPDS. In addition, on July 14, 2020, the OMB issued Memorandum M-20-27, which offered additional guidance for use of the NIA code, stating that the code “will be used for all procurement actions reported into [the] FPDS that are issued in response to the pandemic.”

The DOI made 87,652 contract actions from March 18, 2020, to October 31, 2020, totaling \$3,702,560,512. Of those, we found \$10,522,887 in contract actions that were pandemic-related but that did not use the COVID-19 NIA code in the FPDS as required. The number of contract actions, by bureau and office, is shown in Figure 2 below.

Figure 2: Contract Actions Missing NIA Codes, by Bureau

Bureau/ Office	No. of Contract Actions	Total (\$)
BIA	135	6,432,720
FWS	14	2,580,048
NPS	34	1,003,790
BLM	36	451,324
OS	1	20,000
BOR	4	16,162
BSEE	1	14,400
USGS	1	4,443
Total	226	\$10,522,887

Conversely, we also found two contract actions that should not have been recorded in the FPDS using the COVID-19 NIA code. One contract action was for a reduction in funding because travel was removed from the contract due to COVID-19. The contracting officer said that the code was used because the guidance indicated that any modification related to COVID-19 required the code. The other contract action was related to a zero-dollar extension of a contract because the facility in question was closed due to COVID-19. The contract specialist similarly used the NIA code because the modification was related to the pandemic. When we reviewed the OFPP’s guidance stating that all procurement actions related to COVID-19 require the use of the COVID-19 NIA code, we found that it was unclear, especially as applied to situations of these types.

We accordingly asked OMB staff in writing how it intended to construe the language in OMB Memorandum M-20-27 referring to “all procurement actions.” OMB staff responded to us that the guidance does not cover deobligations of funds or actions related to funds that were previously not obligated for COVID-19. For the two contract actions in question, the initial contracts were not awarded due to COVID-19, and funds were not added to the contract due to COVID-19; that is, at no time was the funding related to COVID-19. Therefore, according to the OMB’s stated interpretation of its guidance, the actions should not have been recorded in the FPDS using the COVID-19 NIA code. While we did not test every contract action, we examined the data we collected and determined that 55 other contract actions for deobligating funds may also contain this error.

Recommendation 4: We recommend that the DOI and its bureaus and offices review the FPDS and correct any COVID-19 pandemic-related procurement actions missing the COVID-19 NIA code.

Recommendation 5: We recommend that the DOI and its bureaus and offices hold bureau procurement chiefs, managers, supervisors, and contracting officers accountable for data accuracy in accordance with the data quality control plans they have developed pursuant to DOI-AAAP-0042.

Recommendation 6: We recommend that the DOI and its bureaus and offices review contract actions coded with the COVID-19 NIA code for accuracy.

Recommendation 7: We recommend that the DOI confer with and seek additional guidance from the OMB regarding proper COVID-19 NIA code use and clarify guidance to procurement officials as appropriate.

Contracts Awarded to First-Time Federal Contractors

Of the DOI's 523 CARES Act and pandemic-related contract actions, we found that four bureaus—the BIA, the BLM, the NPS, and the BOR—awarded 24 contracts, totaling \$513,446, to 17 first-time Federal contractors (see Figure 3).

Figure 3: First-Time Contractor Details, by Bureau

Bureau/ Office	No. of First-Time Contractors	No. of Contract Actions	CARES Act (\$)	COVID-19 (\$)	Total (\$)
BIA	9	15	182,580	207,530	390,110
BLM	3	3	30,580	44,000	74,580
NPS	3	3	–	33,965	33,965
BOR	2	3	14,791	–	14,791
Total	17	24	\$227,951	\$285,495	\$513,446

We interviewed the contracting officials for each of the first-time Federal contractors to discuss the solicitation for the contract, vetting processes, and whether there were concerns regarding the contractor or goods or services provided. Officials told us that they relied on searches of the System for Award Management (SAM), the Contract Performance Assessment Reporting System, and the Federal Awardee Performance and Integrity Information System (FAPIS) during the vetting process to determine whether there were documented concerns regarding the contractor.

As discussed previously, we found some concerns associated with a first-time contractor who did not fulfill two contracts for transit curtains and did not respond to requests for updates from contracting officials. All other first-time contractors fulfilled their contracts.

Contractors Working Outside Their Regular Scope of Business

Of the DOI's 523 CARES Act and pandemic-related contract actions, we identified 15 contract actions with 4 contractors working outside their regular scope of business. We asked contracting officials to provide

information regarding contract performance, and in all cases, officials stated the goods or services had been provided and expressed no concerns about either the contractor or the goods or services received.

To provide further insight into potential concerns, we examined use of the North American Industry Classification System (NAICS), which is used to clarify a contractor's exact industry. We compared the NAICS designation identified in each contract to the information that the contractor registered in SAM. If the information differed, we checked the contractor's website to see whether it mentioned the good or service. (See Attachment 1 for more detailed information about the NAICS and how we used it in this inspection.) We did not identify additional concerns based on this inquiry.

Contracts Awarded Without Competition

Six bureaus—the BIA, the BLM, the BOR, the NPS, the FWS, and the USGS—awarded contracts that were not competed or were not available for competition for various reasons. Of the DOI's 523 CARES Act and pandemic-related contract actions, we identified 54 pandemic-related contracts totaling \$3,887,602 that were awarded without competition (10.3 percent). See Figure 4 for a breakdown of these contracts by bureau and office.

Figure 4: Contracts Awarded Without Competition, by Bureau

Bureau/ Office	Number of Contracts	CARES Act (\$)	COVID-19 (\$)	Total (\$)
BIA	26	\$1,822,026	\$146,945	\$1,968,971
BLM	5	0	94,733	94,733
BOR	4	975,934	11,054	986,988
NPS	17	22,450	760,785	783,235
FWS	1	0	3,675	3,675
USGS	1	0	50,000	50,000
Totals	54	\$2,820,410	\$1,067,192	\$3,887,602

Conclusion

In accomplishing our objectives and answering the PRAC's questions, we found eight contract actions that were unfulfilled because the BIA did not receive goods by the contracted due date. We also found that the BIA received four computers with duplicate serial numbers. The unfulfilled contracts resulted in \$771,254 in funds that could be put to better use, and the computers with duplicate serial numbers resulted in \$3,848 in questioned costs. In addition, DOI bureaus and offices did not comply with departmental guidance for NIA coding of CARES Act and pandemic-related procurement activities on numerous contract actions, causing \$10.5 million in funds to be improperly recorded. We provide seven recommendations to help the DOI and its bureaus and offices improve contract oversight and accountability. Based on the responses to our draft report we consider Recommendations 1 and 2 to be resolved and implemented, Recommendations 3, 4, and 6 to be resolved but not implemented, and Recommendations 5 and 7 to be unresolved. In addition, the BIA responded to our draft report, stating that its six contracts totaling \$730,724 for IT hardware were fulfilled, which we confirmed. As a result, we removed that amount from the monetary impact of our findings. The BIA also resolved the additional \$40,530 in funds that could be put to better use and is working to resolve the \$3,848 in questioned costs identified in the report. See Attachment 3 for a summary of the responses to our draft report and Attachment 4 for the status of recommendations.

Attachment 1: Scope and Methodology

Scope

Our objectives were to determine whether contracts were fulfilled for the 80 high-risk contract actions we selected, to determine whether the U.S. Department of the Interior (DOI) and its offices followed guidance to properly account for contract actions related to Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and pandemic-related contract actions using the appropriate National Interest Action (NIA) code for all contract actions from March 18, 2020, to October 31, 2020, and to provide information sought in a congressional request to the Pandemic Response Accountability Committee (PRAC). The request asked how many contracts were awarded to first-time Federal contractors, how potential contractors were vetted, whether there were any delays due to first-time contractors, and whether the contracts had been fulfilled. The request also sought information regarding Federal contracts related to the COVID-19 pandemic that were awarded to contractors to deliver goods or services that were outside their regular scope of business and what changes could be made to the procurement process to ensure vetted, reputable companies that are able to fulfill the contracts are the recipients of Federal funds.

The scope of our inspection included contract actions issued March 18, 2020, through October 31, 2020, for the following eight DOI bureaus and offices:

- Bureau of Indian Affairs
- Bureau of Land Management
- Bureau of Reclamation
- Bureau of Safety and Environmental Enforcement
- National Park Service
- Office of the Secretary
- U.S. Fish and Wildlife Service
- U.S. Geological Survey

As of October 31, 2020, the DOI had issued 303 CARES Act contract actions, totaling \$31 million, and 220 COVID-19-related contract actions (not charged to CARES Act funds), totaling \$10.6 million. The DOI has established distinct accounting codes to record whether these purchases are CARES Act or COVID-19-related.

For our inspection, we included purchase orders, delivery/task orders, blanket purchase agreements, and contracts as our contract action universe.

Methodology

We conducted our inspection in accordance with the *Quality Standards for Inspection and Evaluation* as put forth by the Council of the Inspectors General on Integrity and Efficiency. We believe that the work performed provides a reasonable basis for our conclusions and recommendations.

To accomplish our objectives, we:

- Gathered background information to provide a working knowledge of the DOI's contracting practices affecting the scope of this inspection
- Obtained and reviewed relevant prior audit reports for risk factors affecting the scope of this inspection
- Obtained and reviewed Federal acquisition regulations and DOI and bureau policies and procedures related to contracting to determine our inspection criteria
- Obtained the universe of 523 contract actions, totaling \$41,597,064, from March 18, 2020, through October 31, 2020, using the funding code and the NIA code for COVID-19
- Analyzed the 523 contract actions selected to determine the level of competition for each contract and identified 54 were awarded without competition
- Judgmentally selected 80 high-risk contract actions—54 contract actions based on risk (e.g., dollar amount and nomenclature review), 24 contract actions that used 17 first-time contractors, and 2 contract actions that included an administrative modification and a reduction in the total contract award amount—to determine whether goods or services had been provided and whether there were concerns about the contractor or the goods or services received
- Identified 24 first-time vendor contract actions totaling \$513,446 to determine how the contract action was solicited, how the contractor was vetted, and any concerns regarding the contractor or the goods or service received
- Compared the North American Industry Classification System (NAICS) designation on the DOI's 523 CARES Act and pandemic-related contract actions with the contractor information registered in the Government's System for Award Management (SAM) to identify businesses performing work outside their regular scope of business (for both the primary and secondary NAICS information), and compared the contracted goods or services to the contractor's website information to see whether the good or service was mentioned (if the NAICS information was not listed in SAM or was different)
- Compared the universe of DOI contracts awarded from March 18, 2020, to October 31, 2020, to the Federal Procurement Data System (FPDS) documentation to identify contracts related to the COVID-19 pandemic that were not recorded as such in the FPDS

Attachment 2: Monetary Impact

Description	Funds To Be Put To Better Use (\$)	Questioned Costs (\$)
Contract not fulfilled	-	-
First-time vendor items not received	40,530	-
Duplicate product identifier	-	3,848
Total	\$40,530	\$3,848

Attachment 3: Recommendations Summary

The U.S. Department of the Interior (DOI) and the Bureau of Indian Affairs (BIA) provided responses to our draft report. The DOI and the BIA concurred with six of the recommendations and did not concur with one. Based on these responses, we consider two recommendations to be resolved and implemented, three recommendations to be resolved but not implemented, and two recommendations to be unresolved. We summarized the responses below and provided our comments on each recommendation.

1. We recommend that the BIA resolve the \$730,724 that could be put to better use through a mechanism such as deobligating the funds from the contracts.

BIA Response: The BIA did not expressly concur or not concur with our recommendation. BIA stated that each school received the referenced IT hardware; therefore, it stated that the “deobligation of funds is not necessary.” The BIA represented that the hardware was delivered late due to the increased nationwide demand for computers and the shortage of raw materials for the manufacture of computers, which could not have been foreseen at the time of award. According to the BIA, the contracting officer decided it was not in the U.S. Government’s best interest to cancel and reorder from a different vendor. Instead, the BIA stated that its “central contracting office has instituted communication practices” with the contracted vendor (████) and adjusted delivery lead times to “better manage expectations for all BIA and BIE customers.”

OIG Comment: Based on the BIA’s response, we consider this recommendation resolved and implemented. We contacted the schools at issue and confirmed receipt of the IT hardware. Because the contracts were fulfilled, we have removed these funds from the monetary impact of our findings.

2. We recommend that the BIA resolve the \$40,530 that could be put to better use and determine if the contract should be cancelled.

BIA Response: The BIA concurred with the recommendation. The BIA stated that it had terminated Order Nos. 140A2320P0680 and 140A2320P0596.

OIG Comment: Based on the BIA’s response, we confirmed that these orders were terminated and consider this recommendation resolved and implemented.

3. We recommend that the BIA resolve the questioned costs of \$3,848.

BIA Response: The BIA concurred with the recommendation and stated that it had contacted the customers and the vendor (Dell) for Order Nos. 140A2320F0212 and 140A2320F0316 “to determine if the school laptops with duplicate serial numbers have been replaced or issued new serial numbers.” The BIA stated that it expected resolution by July 30, 2021.

OIG Comment: We contacted the BIA’s head of contracting multiple times to determine whether resolution of the duplicate serial numbers had occurred but did not receive a response within the requested timeframe. Based on the BIA’s response to our draft report, we consider this recommendation resolved but not implemented.

4. We recommend that the DOI and its bureaus and offices review the Federal Procurement Data System (FPDS) and correct any COVID-19 pandemic-related procurement actions missing the COVID-19 National Interest Action code (NIA).

DOI Response: The DOI concurred with the recommendation and stated it would perform a Federal Procurement Data System – Next Generation (FPDS-NG) review to ensure contract actions are properly coded in alignment with the Office of Management and Budget (OMB) Memorandum M-20-27. The DOI provided a target completion date of March 30, 2022.

OIG Comment: Based on the DOI’s response, we consider this recommendation resolved but not implemented.

5. We recommend that the DOI and its bureaus and offices hold bureau procurement chiefs, managers, supervisors, and contracting officers accountable for data accuracy in accordance with the data quality control plans they have developed pursuant to the DOI Acquisition, Assistance, and Asset Policy (DOI-AAAP) 0042.

DOI Response: The DOI concurred with the recommendation. The DOI stated that the Office of Acquisition and Property Management will issue an Acquisition Flash reminding the DOI acquisition workforce of the “appropriate uses” of DOI-AAAP-0042 and will also “have a formal discussion with the head of contracting activities at the Acquisition Management Partnership meeting.” The DOI provided a target completion date of March 30, 2022.

OIG Comment: Based on the DOI’s response, we consider this recommendation unresolved. We recognize that the Acquisition Flash and the formal discussion are important for reminding staff of requirements, but we require further details as to how staff will be held accountable for data accuracy. Although this could be accomplished in various ways, we note that mechanisms such as adding additional high-level reviews or formal data accuracy internal controls may be potential approaches.

6. We recommend that the DOI and its bureaus and offices review contract actions coded with the COVID-19 NIA code for accuracy.

DOI Response: The DOI concurred with the recommendation and will perform a FPDS-NG review to ensure contract actions are properly coded in alignment with the OMB Memorandum M-20-27. The DOI provided a target completion date of March 30, 2022.

OIG Comment: Based on the DOI’s response, we consider this recommendation resolved but not implemented.

7. We recommend that the DOI confer with and seek additional guidance from the OMB regarding proper COVID-19 NIA code use and clarify guidance to procurement officials as appropriate.

DOI Response: The DOI did not concur with the recommendation and stated that guidance permits COVID-19 NIA coding for “all contract actions impacted by the pandemic even if the action was not originally awarded as a COVID-19 action.” Specifically, the DOI referenced the Office of Federal Procurement Policy guidance, *Update to Guidance on Application of National Interest Action (NIA) Code to Increase Transparency*, issued on April 6, 2020, and OMB Memorandum M-20-27, *Additional Guidance on Federal Contracting Resiliency in the Fight Against the Coronavirus Disease (COVID-19)*, issued on July 14, 2020, which both state:

Agencies should assign this NIA code to all procurement actions reported into FPDS that are issued in response to the pandemic. This includes new awards for supplies and

services as well as modifications that are issued to address COVID-19, irrespective of whether the contract being modified was originally awarded to address COVID-19.

Using this guidance, the DOI concluded that the two contract actions addressed in the report and other similar actions were properly coded based on the aforementioned guidance.

OIG Comment: We considered DOI’s response above referring to OMB Memorandum M-20-27 in light of communications from OMB staff to us in January 2021, which stated that the guidance is “intended to cover de-obligation of funds that were obligated for COVID-19, irrespective of whether the contract under which the funds were obligated was originally awarded to address COVID-19. It does not cover de-obligation of funds that were not previously obligated for COVID-19.”

We also confirmed the DOI did not seek any additional information from the OMB. While we understand that the OMB’s guidance cited by the DOI in its response included the general language “all procurement actions,” the information we received from OMB staff leads us to conclude that it would be prudent for the DOI to seek additional guidance to ensure that its own actions align with OMB’s intent.

In addition, classifying all contract actions using the COVID-19 NIA code could lead to confusion or inaccuracies because actions such as deobligating funds or extending the period of performance of contract are not actions to prepare, prevent, or recover from coronavirus. While these actions could be deemed necessary because of the pandemic, they do not specifically address COVID-19 and are instead performed as administrative actions. To include these types of actions could overstate or understate pandemic procurement data.

We revised our original recommendation for the DOI, which stated that the agency should “clarify in writing the OMB guidance to procurement officials regarding the use of the NIA code for deobligation of funds or nonpandemic actions,” to a recommendation that the DOI seek additional guidance from the OMB regarding the COVID-19 NIA code and clarify guidance as appropriate.

Based on the DOI’s response, we consider this recommendation unresolved.

Attachment 4: Status of Recommendations

Recommendations	Status	Action Required
1 and 2	Resolved and implemented	No action is required.
3, 4, and 6	Resolved but not implemented	We will refer these recommendations to the Office of Policy, Management and Budget for implementation tracking.
5 and 7	Unresolved	We will refer these recommendations to the Office of Policy, Management and Budget for resolution.

Report Fraud, Waste, and Mismanagement



Fraud, waste, and mismanagement in Government concern everyone: Office of Inspector General staff, departmental employees, and the general public. We actively solicit allegations of any inefficient and wasteful practices, fraud, and mismanagement related to departmental or Insular Area programs and operations. You can report allegations to us in several ways.



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