

# **Summary: Investigation of a National Park Service Contract Related to Hurricane Sandy Recovery Efforts**

**Report Date: March 18, 2014**

OIG investigated a \$1,278,613 contract that the National Park Service (NPS) had awarded to Prizim, Inc., for hazardous materials remediation related to Hurricane Sandy recovery efforts. We initiated the investigation based on an OIG audit of costs that Prizim claimed under the contract, which had revealed three potential fraud indicators: unreasonable and excessive rental charges for equipment, high cost for consumable materials, and improper and inconsistent reporting of labor time.

We did not find evidence that Prizim's claimed costs were fraudulent. Our investigation revealed that, while the equipment rental charges and the costs for consumable materials seemed high, they were allowable expenses under the contract. Due to the magnitude of the damage from Hurricane Sandy, in November 2012 the President gave agencies flexibility with contract competition so that they could more quickly procure the supplies and services needed to support response and recovery. Based on the urgency of the situation, NPS had opted to take advantage of this flexibility and award its hazmat remediation contract directly to Prizim under an existing blanket purchase agreement rather than issuing a solicitation for competition.

In addition, NPS contracting personnel explained that the Federal Acquisition Regulations did not require complete documentation of timesheets. Further, the contracting personnel indicated that they would have approved all invoices submitted to NPS by Prizim before issuing any payments.

Because we found no evidence of wrongdoing, we closed the case without further action.

*This summary was posted to the web on October 28, 2015.*

