

January 31, 2007

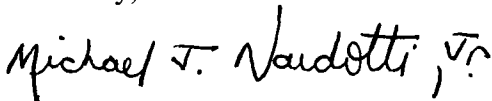
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Mr. James Burrus, Esq.  
Federal Bureau of Investigation  
Chair, Integrity Committee  
President's Council on Integrity and Ethics  
935 Pennsylvania Ave., NW - Room 3117  
Washington, D.C. 20535-0001

Dear Mr. Burrus:

Please accept my apologies for a typographical error in the letter I sent earlier today. In the second paragraph on page 2, the date referenced for my last inquiry to the senior GSA IG investigator should be January 9, 2007, not January 9, 2006. A corrected copy of the earlier letter is enclosed.

Sincerely,



Michael J. Nardotti, Jr.  
Major General, U.S. Army, Retired

*Counsel to Ms. Lurita A. Doan*

Enclosures

cc: The Honorable Clay Johnson, Deputy Director for Management, OMB

The Honorable Henry A. Waxman, Chairman, Committee on Government Oversight and Reform, U.S. House of Representatives

The Honorable Thomas M. Davis, Ranking Member, Committee on Government Oversight and Reform, U.S. House of Representatives

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RE: Leak of General Services Administration Inspector General Investigative Information

Dear Mr. Burrus:

I represent the Administrator of the General Services Administration, Ms. Lurita A. Doan, in an on-going GSA Inspector General ("GSA IG") investigation concerning alleged improprieties in an effort to award a small GSA contract in late July 2006. Recently, confidential and protected GSA IG investigative information and documents in this matter were leaked to outside sources, and portions of this sensitive information were published in the *Washington Post*. I am writing to request on Ms. Doan's behalf that you inquire into and take appropriate action with respect to the persons within your investigative jurisdiction who were involved in these leaks.

As a matter of background, the events underlying the GSA IG investigation began within Ms. Doan's first sixty days as GSA Administrator. At that time, the GSA Director of Small and Disadvantaged Business Utilization asked for Ms. Doan's help in stressing the importance of his office's small, minority, and women-owned business initiatives. After discussing the approach needed, Ms. Doan concluded that a quick and effective solution would be to commission a study and report through a relatively low cost contract with a recognized private sector expert in the field, Diversity Best Practices. Ms. Doan wanted to produce a tangible result quickly to demonstrate GSA's strong commitment to small, minority and women-owned businesses under her leadership. She erroneously believed the GSA had the authority to obtain the services of this expert on an expedited, non-competitive basis.

Mr. James Burrus, Esq.  
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Before a legally binding contract was awarded, however, Ms. Doan's staff informed her that an expedited, non-competitive approach was not proper under the circumstances. Once so informed, Ms. Doan directed that corrective action be taken. Approximately a month after Ms. Doan directed this corrective action, she was informed that the GSA IG had opened an investigative inquiry. When notified of the allegations and investigation in early September 2006, Ms. Doan pledged her full cooperation immediately and met with GSA investigators for an interview within days. Several days after the interview, Ms. Doan provided the investigators with documents they had requested, as well as an unsolicited and voluntary written statement. Since that time, she has made clear that she is prepared to cooperate further as needed.

Through inquiries made by me as Ms. Doan's counsel to the senior investigator in this matter, Ms. Doan has been advised that the investigation is not yet complete. In my last inquiry on her behalf on January 9, 2007, I was advised by the senior investigator that at least five more weeks would be needed to complete the investigation, to write the required report, and to complete the review of the report by appropriate supervisors.

Approximately one week later, reporters from the *Washington Post* notified Ms. Doan that the newspaper intended to publish within days an article about the investigation and other matters, including a seemingly unrelated dispute between Ms. Doan and the GSA IG regarding a budgetary matter. Ms. Doan agreed to meet with the reporters in advance of publication on January 17th.

When the meeting occurred, it became readily apparent that the reporters had been provided confidential and protected documents and information from the GSA IG investigative file, as well as confidential and protected correspondence between Ms. Doan and the GSA IG. This material was referenced also in a *Washington Post* article that was published on January 19th. (See Attachment 1: "GSA Chief Scrutinized for Deal with Friend")

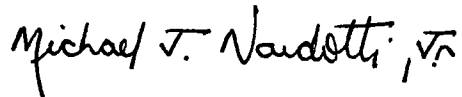
We believe the leak of confidential and protected file information in an on-going IG investigation is an extremely serious matter under any circumstance. It is not an understatement to say that the leaks have, at a minimum, compromised the appearance of fairness in the IG investigative process in this instance, and are extraordinarily harmful to Ms. Doan as the subject of the investigation. The reputational damage done by the leak of the allegations alone cannot be undone, and it has been allowed to occur before the process has provided some measure of fundamental fairness to Ms. Doan.

Mr. James Burrus, Esq.  
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Presidential Executive Order 12993 requires the Chair of the Integrity Committee to receive, review and refer for investigation allegations of wrongdoing against IGs and OIG staff members, including allegations relating to possible abuses of authority. In this instance, the leak of confidential and protected file information in the midst of an on-going IG investigation constitutes a clear and gross abuse of authority. In addition, it appears that there may be a connected pattern of leaks of confidential information from the GSA IG's office that are deliberately designed to cause reputational harm to Ms. Doan. (See Attachment 2: "GSA Chief Seeks to Cut Budget for Audits" *Washington Post*, December 2, 2006 - citing notes of an agency meeting "written by an unidentified participant from the Office of Inspector General"); (See Attachment 3: "GSA Chief at Odds With Agency Auditors" *Government Executive*, December 4, 2006 - citing non-public "internal notes from the IG's office")

For these reasons, I request that you immediately direct an appropriate and independent inquiry into the circumstances which allowed confidential GSA IG investigative information and documents to be leaked to outside sources in this matter.

Sincerely,



Michael J. Nardotti, Jr.  
Major General, U.S. Army, Retired

*Counsel to Ms. Lurita A. Doan*

Enclosures

cc: The Honorable Clay Johnson, Deputy Director for Management, OMB

The Honorable Henry A. Waxman, Chairman, Committee on Government Oversight and Reform, U.S. House of Representatives

The Honorable Thomas M. Davis, Ranking Member, Committee on Government Oversight and Reform, U.S. House of Representatives

**Attachment 1**

washingtonpost.com

## GSA Chief Scrutinized For Deal With Friend

No-Bid Contract A Mistake, She Says

By Scott Higham and Robert O'Harrow Jr.  
Washington Post Staff Writers  
Friday, January 19, 2007; A01

The chief of the U.S. General Services Administration attempted to give a no-bid contract to a company founded and operated by a longtime friend, sidestepping federal laws and regulations, according to interviews and documents obtained by The Washington Post.

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Administrator Lurita Alexis Doan, a former government contractor appointed by President Bush, personally signed the deal to pay a division of her friend's public relations firm \$20,000 for a 24-page report promoting the GSA's use of minority- and woman-owned businesses, the documents show.

The contract was terminated last summer after GSA lawyers and other agency officials pointed out possible procurement violations, including the failure to adequately justify the no-bid deal or have it reviewed in advance by trained procurement officers, officials said.

The GSA's Office of Inspector General has launched an investigation into the episode and briefed Justice Department lawyers, according to sources who said they were not authorized to speak publicly about the ongoing investigation. Officials at the inspector general's office and the Justice Department declined to comment.

In an interview Wednesday, Doan said she believed she was following proper procedures to hire the best firm available to quickly produce a report on diversity practices.

"I made a mistake," Doan said. "I thought I was moving this along. I was immediately informed that I wasn't necessarily moving it along in the way that was best for it. So at which point they canceled it, life went on, no money exchanged hands, no contract exchanged hands."

"I'm stunned, absolutely stunned by the amount of legs that this has taken, you know, how this has like kind of jumped up and run away with things."

The friend, public relations executive Edie Fraser, declined to comment.

"I can't," Fraser said. "I just admire her immensely."

Since assuming the helm of the GSA in May, Doan has repeatedly clashed with others within the agency over her intervention in matters that previous administrators delegated to subordinates, in part to avoid the appearance of political influence. The GSA is the largest broker of goods and services for the federal government, managing nearly \$56 billion worth of contracts a year.

Last month, a dispute between Doan and her own inspector general's office became public when The Post reported that she had proposed curtailing the office's contract audits and had compared its enforcement efforts to "terrorism." Doan said she was interested in cutting wasteful spending by the agency and denied making the comparison.

Doan, 49, is a rising political star in the Republican Party who hit turbulence soon after she took over the GSA. She grew up in the downtrodden Ninth Ward section of New Orleans and was one of the first African American children to attend the city's private schools. She later went to Vassar College and obtained an advanced degree in Renaissance literature from the University of Tennessee at Knoxville.

Doan often speaks to groups about overcoming the struggles in her past and reminisces about how her great-grandmother fed the family by selling pralines on the docks in New Orleans. The family home was destroyed during Hurricane Katrina.

She was appointed to run the GSA after a 15-year career as owner of New Technology Management Inc. The Reston-based firm, which provides surveillance equipment for border security and other projects, was named in 2004 as one of the nation's fastest-growing small technology businesses.

During her business career, Doan developed close ties to the GOP. Between 1999 and 2006, she and her husband, Douglas, a former military intelligence officer and business liaison official at the Department of Homeland Security, donated nearly \$226,000 to Republican campaigns and causes, documents show.

In 2004, Bush introduced Doan at a Commerce Department event for women who own small businesses. Later that year, Doan was invited to speak at the Republican National Convention in New York. In 2005, Doan sold her firm for an undisclosed sum to a group of investors and retired. At the time, New Technology Management had revenue of nearly \$20 million and government contracts worth more than \$200 million.

Last spring, the Bush administration asked Doan to take over the GSA, which had been shaken by scandal after lobbyist Jack Abramoff tried to obtain properties under GSA control. Abramoff took then-GSA chief of staff David H. Safavian and others on an all-expenses-paid golf trip to Scotland, and Safavian provided Abramoff with inside information about the properties. Both men have been convicted.

On April 6, Bush nominated Doan to be the first female administrator in GSA history. She pledged to make the agency operate more like a private business and to "restore GSA's leadership as the premier contracting and service provider."

On July 25, two months after taking office, Doan signed the no-bid contract with Public Affairs Group Inc. and two of its divisions, the Business Women's Network and Diversity Best Practices. The companies were founded and are operated by Fraser, the president and chief executive of Public Affairs Group and the president of Diversity Best Practices. The contract was signed on the letterhead of the two divisions, and Doan said Diversity Best Practices was to have done the work.

An online newsletter posted by Diversity Best Practices and the Business Women's Network in 2003 called Doan a "partner" and described her as "one of the nation's best and brightest women entrepreneurs."

Deneen Vaughn, a former vice president of Public Affairs Group, told The Post in an interview last week that Doan's company often sponsored programs arranged by the Business Women's Network and

spoke at the group's events.

"She's been a longtime friend and business partner of Edie Fraser," said Vaughn, who left the organization in May. "She supported the growth and development of the company, and she mentors other members of our organization."

The companies run by Fraser routinely sponsor diversity-oriented events that attract such luminaries as Sen. Hillary Rodham Clinton (D-N.Y.), Sen. Ted Stevens (R-Alaska) and Fortune 500 executives.

Early in her career, Fraser worked as an Africa desk officer for the Peace Corps. She later started Edie Fraser Associates, a public relations firm that won a measure of notoriety in 1980 when it secured a \$9,800 no-bid contract to study the Commerce Department's public relations office.

Then-Sen. William Proxmire (D-Wis.) gave the deal one of his famous "Golden Fleece" awards for the misuse of tax dollars, saying Commerce already had 112 public relations employees.

In the mid-1980s, Fraser turned her attention to helping female and minority entrepreneurs, producing a series of reports about their changing status in the U.S. economy.

Fraser and Doan have appeared on the same panels and lavished praise and awards on each other at conferences. They also served together on the national advisory board of *Enterprising Women*, a magazine for female business owners. "Lurita Doan is precisely what this nation needs," the magazine quoted Fraser as saying, admiring Doan's business acumen, in 2003.

Last summer, two weeks before Doan signed the contract with the companies run by Fraser, she attended a star-studded gala sponsored by those companies called "Celebrating Diversity -- the Changing Demographics of America."

"It is so important, as women, to extend that helping hand to one another, that we help mentor each other and give us that extra break that we need to move our way to the top," Doan said, according to a copy of her remarks on an event Web page.

The contract Doan signed with the companies directed them to produce a report promoting GSA's "major achievements" in contracting with minority- and women-owned businesses. The contract called for producing a report that would be "approximately 24 pages." It would contain profiles of diversity success stories at the GSA and include "recommendations for how to use the report."

Doan said she did not use the GSA's public affairs division, which has about a dozen employees who develop information about the agency's programs, because she wanted to employ an expert in the diversity field.

"Diversity Best Practices is the industry leader in this area," she said. "They have won countless awards on diversity representation and issues."

The contract should have been competitively bid, according to procurement experts and officials familiar with the arrangement. Under federal regulations, contracts worth more than \$2,500 at the time were to have been open to competition, unless there were extenuating circumstances. Those include disasters and instances in which the bidding process could cause "unacceptable delays in fulfilling the agency's requirements," according to the Federal Acquisition Regulation, which governs all federal contracting.



The general counsel of the GSA at the time, Alan R. Swendiman, advised Doan to terminate the contract. It was then terminated by a GSA contracting officer. Swendiman left the agency a short time later and is now a special assistant to the president and director of the White House Office of Administration. He declined to comment.

Contracting experts said Doan should have steered clear of the contract.

"Only contracting officers can sign federal contracts and obligate federal funds," said D. Kent Goodger, a federal contracting official for 38 years who now teaches federal procurement courses for the Agriculture Department and other agencies. "Anyone who assumes that they have that authority, like the administrator of GSA, is wrong."

Steven L. Schooner, a procurement specialist at George Washington University's law school, called Doan's involvement in the contract "highly irregular."

"One of the things you're trying to avoid is political favoritism," he said. "You don't want the process polluted or corrupted by political influence."

Doan has taken other steps that have raised questions inside the agency, according to internal memos and e-mails obtained by The Post and interviews with GSA officials.

Last September, Doan intervened in an effort to determine whether five major contractors should be suspended from doing business with the federal government after they had been accused of making fraudulent claims. The firms -- KPMG, Ernst & Young, PricewaterhouseCoopers, Booz Allen Hamilton and BearingPoint Inc. -- had paid the Justice Department more than \$66 million to settle allegations that they kept travel rebates from airlines and hotels that should have gone to the GSA, according to agency officials.

The GSA's debarment office initiated "suspension actions" against the companies and issued "show-cause" letters, asking the firms to explain why they should not be suspended or debarred, according to a Sept. 7 e-mail obtained by The Post. Companies found to be engaged in fraud can be suspended or banned from doing business with the federal government.

"I would expect that the companies will respond to me by saying that they have acknowledged their sins, paid restitution and have put in place measures to prevent a recurrence of this activity," GSA debarment official George N. Barclay wrote in the e-mail. "Suspension determinations could be avoided upon such a showing."

Three days later, Doan wrote to several senior GSA officials: "I do not recall this issue EVER coming up in a single management meeting or any meeting for that matter." She asked that the show-cause process be "stopped until cooler heads can prevail."

But the show-cause letters had already been sent, and the companies later avoided suspension or debarment by agreeing to return travel rebates in the future.

Goodger, the former government contracting official, said Doan's involvement was unusual and "creates an appearance of impropriety."

Doan acknowledged that her intervention was unusual but said she did not do anything improper.

"As the head of this agency, I have an obligation to weigh in and say, 'What is this matter, do you know what this matter is?' " she said.

"I don't want to be a rubber-stamp kind of figurehead administrator of this agency. I do not want to participate in the old go-along-to-get-along kind of Washington two-step-type activity. This is not what I'm here for. So, yes, I am going to be involved."

Doan also generated consternation within her agency and on Capitol Hill with her proposals to curb the agency's contract audits and to cut the inspector general's budget by \$5 million. The audits, which aim to ensure that the government is getting the best prices for goods and services, have saved taxpayers more than \$1 billion over the past two years, the inspector general's office reported.

Doan's efforts prompted senators and congressmen from both parties to write to her, requesting that she halt her plans.

"You have not made a coherent case that explains how your proposal would benefit the taxpayer compared to the system now in place," said one letter signed by three members of Congress, including Rep. Henry A. Waxman (D-Calif.), the new chairman of the House Oversight and Government Reform Committee, which oversees the GSA.

Doan has said publicly that the proposed cuts were part of an effort to reduce wasteful spending across the agency. Privately, she complained that Inspector General Brian D. Miller and his staff were intimidating GSA employees and vendors. She accused Miller's staff members of leaking budget information and asked for an investigation.

Doan also demanded that Miller notify her of all ongoing criminal probes of GSA employees and provide her with a monthly report of his office's activities. Miller said disclosing the cases could jeopardize investigations, and he disregarded Doan's requests for a leak investigation and monthly reports, according to a Jan. 10 memo obtained by The Post.

Doan said she has been misunderstood and is trying to do the best job she can.

"I bring the sensibility of someone whose favorite song is the national anthem. I love this country," Doan said. "I was one of the chosen ones who has had a chance to really live all aspects of the American dream. I feel so blessed to have this opportunity to give back."

*Research editor Alice Crites contributed to this report.*

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**Attachment 2**

## GSA Chief Seeks to Cut Budget For Audits

Contract Oversight Would Be Reduced

By Scott Higham and Robert O'Harrow Jr.  
Washington Post Staff Writers  
Saturday, December 2, 2006; A01

The new chief of the U.S. General Services Administration is trying to limit the ability of the agency's inspector general to audit contracts for fraud or waste and has said oversight efforts are intimidating the workforce, according to government documents and interviews.

GSA Administrator Lurita Alexis Doan, a Bush political appointee and former government contractor, has proposed cutting \$5 million in spending on audits and shifting some responsibility for contract reviews to small, private audit contractors.

Doan also has chided Inspector General Brian D. Miller for not going along with her attempts to streamline the agency's contracting efforts. In a private staff meeting Aug. 18, Doan said Miller's effort to examine contracts had "gone too far and is eroding the health of the organization," according to notes of the meeting written by an unidentified participant from the Office of Inspector General (OIG).

The GSA is responsible for managing about \$56 billion worth of contracts each year for the departments of Defense and Homeland Security and other agencies.

Doan compared Miller and his staff to terrorists, according to a copy of the notes obtained by The Washington Post.

"There are two kinds of terrorism in the US: the external kind; and, internally, the IGs have terrorized the Regional Administrators," Doan said, according to the notes.


Through a spokesman, Doan said she respects the inspector general's role and is not doing anything to undercut his independence. She also denied that she had referred to Miller, a former terrorism prosecutor, or his staff as terrorists.

"She's trying to reduce wasteful spending," said GSA spokesman David Bethel. "Just like any other office within GSA, she has asked the OIG to live within his budget, and she's hopeful that the IG is going to embrace that concept. She is not singling him out for this attention. She's not challenging the IG's independence. This is about fiscal discipline and reducing wasteful spending and creating a business environment that can be embraced by everyone.

"By law, she can't reduce the IG's independence, and she's aware of that."

Doan, who was confirmed as administrator May 26, has publicly criticized Miller on other occasions. In her Nov. 10 annual report, Doan stated there was only one GSA manager unwilling to "confront programs and policies that had outlived their usefulness and were wasting taxpayer money." She later told Miller that she was referring to him, according to officials familiar with Doan's statement who

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asked not to be identified for fear of retribution.

Doan also complained in the annual report that Miller was being "unsupportive of recent changes" and said vendors and government contracting officials had reported that his auditors and investigators were exerting "undue pressure."

Bethel said yesterday that Doan's statement in her annual report "speaks for itself," and he declined to elaborate.

Miller declined to discuss his relationship with Doan.

"Let's keep our eyes on the larger picture, which is that GSA's \$60 billion operations need to have objective and independent scrutiny," Miller said. "My office provides that public scrutiny. Not everyone is happy with this level of scrutiny. Nevertheless, my task is to keep our office focused on fulfilling our mission of working with GSA to enhance the quality and effectiveness of the services it provides, protect the integrity of GSA operations, and to keep fraud, waste and abuse away from its doorstep."

Before joining the GSA in August 2005, Miller served as a federal prosecutor and worked on the government's case against al-Qaeda terrorist Zacarias Moussaoui.

Sen. Charles E. Grassley (R-Iowa), chairman of the Senate Finance Committee, has written to Doan expressing his concerns.

"The primary mission of the IG in your agency and every other government agency is to be a sentry standing guard against fraud, waste, and abuse wherever it occurs regardless of circumstances," Grassley wrote on Oct. 20. "This cannot be accomplished if the IG's independence is impaired or hindered by the agency in any way, shape, or form."

Doan responded by acknowledging his concerns and saying she was mainly focusing on balancing her agency's budget.

"Please be assured that I do not -- and should not -- decide which audits or investigations the IG pursues," she wrote to Grassley. "That would be inappropriate."

Inspector general's offices were given by Congress a mandate to operate as independent watchdogs in the executive branch, working on behalf of taxpayers to guard against wasteful spending. The Inspector General Act of 1978 stated: "Neither the head of the establishment nor the officer next in rank below such head shall prevent or prohibit the Inspector General from initiating, carrying out, or completing any audit or investigation."

The GSA inspector general's office's audits have helped the agency recover billions of dollars in recent years from flawed or fraudulent contracts. Some vendors and government workers have complained that the audits have made contracting more cumbersome than necessary.

Soon after Doan was nominated to lead the GSA this spring, she promised outside vendors that she would make contracting with the agency much easier for both government bureaucrats and corporations. After she assumed the post, she began trimming the budget proposal of the inspector general's office. She wrote in her annual report that the office's budget and staff had "grown annually and substantially" in the past five years.

Since 2000, the number of employees in the inspector general's office has grown from 297 to 309, according to the office.

In August, a budget official in the inspector general's office described Doan's efforts to cut funding and to limit the number of audits as "unprecedented," according to an e-mail obtained by The Post. The official, John C. Lebo, said that "for the first time in memory, the Budget Office changed or deleted portions of our budget without notifying us prior to their changes."

Lebo, who has since left the agency, said the changes were troubling.

"The Administrator's Office wants to change the IG's overall approach from independently rooting out crime, fraud and abuse, to one in which the OIG is a team player working with GSA," he wrote.

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**Attachment 3**

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**DAILY BRIEFING  
December 4, 2006**

## **GSA chief at odds with agency**

### **auditors**

**By David Perera**  
[dperera@govexec.com](mailto:dperera@govexec.com)

A move by the head of the General Services Administration to slash a proposed budget increase for the agency's inspector general office threatens to undermine the independence of the agency's investigative arm, the IG's office and congressional sources charged Monday.

A recommendation from GSA Administrator Lurita Doan that the agency's inspector general perform only half of proposed fiscal 2007 audits is "just an extraordinary effort to reduce serious scrutiny of the agency," said Robert Samuels, a spokesman for the IG's office.

Doan refused to grant the IG office's full fiscal 2008 budget request, critics said. The GSA chief cut a request for a 30 percent increase down to 7 percent.

In a set of internal notes from the IG's office obtained by *Government Executive*, officials said that the office's fiscal 2008 budget request "has been revised by the administrator for the first time in memory of agency officials, and the revision[s] to both language and dollar amounts are extensive." GSA's fiscal 2008 budget request "includes a backdoor, de facto amendment of the IG Act to give [Doan] the ability to cut the OIG's investigative actions," the notes said.

In a speech Monday morning before an industry audience, Doan defended her actions, saying some people at GSA "are wedded to old inefficiencies [and] protecting turf, and [see] no need to cut costs, much less [reduce] the yearly increases." Previous agency administrators "were unwilling to apply common budget discipline" to the IG's office, she added.

Congress approved almost \$43 million for the IG's office in fiscal 2006, and both the House and Senate have approved a budget of \$44.3 million for fiscal 2007, though the appropriations bill has yet to be finalized.

Doan also has gone forward with a plan to stop reimbursing the inspector general \$5 million annually for scrutinizing the prices offered by vendors with multiple award schedules contracts, sources said. During the past two-and-a-half years, IG pre-award scrutiny has saved the agency about \$2 billion, according to the auditors' office.

GSA's decision to stop using the IG for pre-award audits will take effect in the second half of fiscal 2007, Samuels said. Doan has said small businesses will take over the work.

"Your office is essentially removing the IG's independence and preventing the initiation of those audits and investigations," said Senate Finance Committee Chairman Charles Grassley, R-Iowa, in an Oct. 20 letter to Doan. "The IG should be viewed as an integral -- but independent -- part of your staff, not an enemy in your camp."

Doan referred to inspectors as terrorists during an Aug. 18 meeting, according to Samuels, who



said he was present at the time. He said she made no reference to anyone in particular, but instead was referring to "the general mission of the office." According to IG internal notes of the meeting, Doan said there were "two kinds of terrorism in the [United States]: the external kind and, internally, the IGs [who] have terrorized the [GSA] regional administrations."

Doan also singled out the inspector general for criticism in the agency's annual performance statement, noting that "there is undue pressure and intimidation from the OIG."

In her speech Monday, Doan sought to distance herself from the remarks about terrorists, first reported Saturday in *The Washington Post*. "A couple of days ago, I learned the important news that an employee of GSA, who had once been assigned to the OIG, had been arrested for assault," Doan said. "My concern was that someone, in an obvious position of power, could have perhaps been using that position to create a hostile work environment and terrorize our employees."

"Maybe I should pick and choose my words a little more carefully," she added.

Speaking to reporters, Doan said recommendations to the inspector general regarding fiscal 2007 audits came out of a task force formed at her request and chaired by GSA Deputy Administrator David Bibb. "We actually increased the number [of audits], but there was a decision on their part to ignore our recommendations," she said.

David Drabkin, GSA's deputy chief acquisition officer and a task force member, said some of the proposed audits were premature. A number of them focused on the recently finalized merger of GSA's two procurement organizations. "What are they going to review, three months of operations? How does that really help us to do business better or save money?" he asked.

Eugene Waszily, GSA's acting deputy inspector general, said the task force's recommendations came as a surprise, especially because its members were consulted as inspectors drew up audit plans. An audit plan review task force at the administrator level is without precedent, he said.

"There was a second review team, but those folks were the same folks we had been talking to for the past five months," Waszily said.

As for reviewing the new acquisition organization, Waszily said the inspector general's office intended to do so from a conceptual, rather than operational, level. But, he argued, the review was needed sooner rather than later. "We don't want a program to go running for three years and then all of a sudden say, well, 'Big mistakes were made along the way,'" he said.

Asked about blocking additional reimbursable work by the IG on pre-contract awards, Doan said, "I really don't want to get into this topic, one way or another." Sources in the IG's office have said the inspectors charge between \$50 and \$60 an hour for their pre-contract services. GSA spokeswoman Katie Uhre said the amount is \$100.44 an hour.

Casting the debate over who performs the pre-award auditing as a budget issue is misleading, according to Samuels. "That is not a question of reducing government expenditure, that is a question of who will be funded to do pre-award audits," he said. Inspector general auditors have said it's likely that their office does a better job than any small business could. "We're more tenacious.... We know what we're looking for, we know the lay of the land, we know basically when we're getting a snow job," Waszily has said.

Some congressional sources are worried that Doan's actions are part of a trend of agency heads attempting to co-opt their inspector generals. "There's a fine line between working together in a constructive way -- and you can certainly do that -- and maintaining independence," a House source said. Doan "is clearly way out there on this," the source added.

*This document is located at <http://www.govexec.com/dailyfed/1206/120406d1.htm>*

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