

Agencies at Risk When Contracting for Inherently Governmental Support, says GAO

By David Perera

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When letting contracts for services that closely support inherently governmental functions, many federal agencies don't address the risk of contractors inappropriately influencing the government control and accountability, says the Government Accountability Office.

In a report dated Dec. 7 that wasn't posted online until Jan. 6, the GAO says addressing such risk is important due to a 44 percent increase from fiscal 2005 through fiscal 2010 in the services category of professional and management support services.

It's well known that the first decade of this century saw an explosion [in the value of federal services contracting, but the GAO points out that federal obligations for professional and management support grew at a rate more than double the 19 percent growth rate experiences by other services contract categories from fiscal 2005 through fiscal 2010.

In fiscal 2010, the federal government spent \$32.1 million to gain private sector professional and management support services. When GAO auditors examined 230 support service contract statement of work at five separate federal agencies, they found that 120 were for functions such as budget preparation support, evaluation of another contractor's performance and acquisition support.

So long as contractors don't perform inherently governmental duties, it's okay for federal agencies to hire contractors to perform such close support, but in doing so, they need to exercise greater scrutiny to ensure that private sector workers don't limit the authority, accountability, and responsibilities of government employees, the GAO says.

Such enhanced oversight was generally lacking at the five agencies--the departments of Homeland Security, Transportation and Housing and Urban Development, and the U.S. Agency for International Development and the National Science Foundation--the GAO says. Only DHS has guidance requiring agencies to consider oversight capacity before awarding a services contract for close support, the report adds.

Comments from agency officials to auditors suggest that the government will continue to rely on services contractors. A HUD official, for example said his department has increasingly turned to contractors to analyze mortgage-backed securities because HUD's hiring authority hasn't increased in several years.