



## GAO Finds Poor Inventories, Unallowable Contractor Work at DoD

By Matthew Weigelt    Apr 09, 2012

The challenge of separating inherently governmental work from contractor-appropriate work continues to bedevil the Defense department.

Defense officials have allowed contractors to perform work that only a federal employee should do because, in part, military departments have not done well in itemizing their services contracts, according to a new report.

Army inventory reviews of fiscal 2009 services contracts found 1,935 instances of contractors conducting inherently government functions, or work only a federal employee can do. The Air Force found 91 instances, the Government Accountability Office reported. In its review of 12 cases related to inherently governmental functions, GAO found officials had not rectified the situation in eight cases.

One case involved a \$6.1 million IT support contract at Army Training and Doctrine Command's Defense Language Institute. A contractor held a "project manager" function, which officials said was an inherently governmental function. The contractor continues to perform the work.

In two cases, contracting and program officials didn't know that the inventory review process deemed as inherently governmental a contractor's work on an engineering support contract at an acquisition support center. The contractor provided technical expertise and coordination with the program office, other military departments, Congress and private companies. The other case involved a \$409,000 Air National Guard contract for financial analytical support.

Both contracts had expired, but the work continued under subsequent contracts, GAO reported. Officials also said a \$120,000 task order for advice and advocacy on Air National Guard positions and programs to staff and commands included inherently governmental work.

In four instances, contractors served as systems coordinators at the Army.

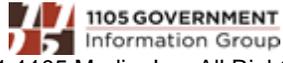
Military officials have several ways to address the problem. They include:

- Modifying the statement of work.
- Assigning the work to a government employee.
- Stopping the work altogether.

Getting better at itemizing annual services contracts would also help, according to the report. The inventories are intended to make it plain which jobs should be off limits to contractors. Officials could stay abreast of what's happening by keeping detailed records about each services contract.

Nevertheless, GAO said military departments' fiscal year 2009 inventories of contracted services were incomplete. Besides the Army and Air Force, Navy headquarters officials had no assurance that their commands conducted the reviews, and GAO found no evidence at the commands it contacted that officials had conducted the required reviews.

GAO recommended that officials describe in policy who's in charge in doing the reviews and the authority they have to get them done correctly. DOD agreed with the recommendation.



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