



At a Glance

Why We Did This Audit

The Office of Inspector General (OIG) for the U.S. Environmental Protection Agency, which is also the OIG for the U.S. Chemical Safety and Hazard Investigation Board (CSB), received a hotline complaint from the former CSB Chairperson.

The hotline complaint expressed concerns about possible misuse of contractor resources and federal funds in relation to a CSB contract with Vantage Human Resource Services Inc. The 1-year contract with Vantage for \$125,000 was to provide professional organizational development consulting services.

In response to the complaint, the OIG initiated an audit to review the CSB's internal actions with Vantage, and to determine whether CSB managed the Vantage contract in accordance with the Federal Acquisition Regulation (FAR).

This report addresses the following CSB goal:

- *Preserve the public trust by maintaining and improving organizational excellence.*

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CSB Did Not Follow Federal Guidance While Managing the Vantage Contract

What We Found

Our review of the concerns cited in the hotline complaint determined that the original contracting officer's representative (COR) and his advisor did not violate the FAR by misusing contractor resources or federal funds. In addition, Vantage did not misrepresent the delivered work product it provided to the CSB board. However, we did determine that the CSB's Managing Director acted inappropriately by approving the COR's request for an advisor without the contracting officer's (CO's) knowledge; instructing a subcontractor to change a contract deliverable; removing the COR from the contract; and directing the CO to appoint him (as Managing Director) to be the COR.

By not following Federal Acquisition Regulation requirements, the CSB's \$125,000 Vantage contract was at risk for mismanagement.

In addition, the COR did not, in line with FAR requirements, provide critical information to the CO so that the CO could exercise adequate oversight. The CO limited her involvement to the award process, issuance of the task order, and several modification orders. The CO assigned day-to-day responsibilities for managing the Vantage contract to the COR. The CO was unaware that the COR made a verbal request to the Managing Director to add a human resource advisor to the contract.

FAR Section 1.602-2 states that COs are responsible for ensuring performance of all necessary actions for effective contracting and ensuring compliance with the terms of the contract. The CO also designates and authorizes CORs to work on contracts, and requests and considers the advice of specialists on contracts. By not overseeing the actions of the CORs or the CSB's Managing Director, the CO was at risk of mismanaging the Vantage contract that ended September 2015.

Recommendations and Agency Corrective Actions

We recommended that the CSB Chairperson require that COs, CORs and the Managing Director obtain training on the requirements outlined in the FAR. CSB provided a planned corrective action and completion date for our recommendation.

We also recommended that the CSB Chairperson update Board Order 024, *Acquisition of Supplies and Services*, to address the roles and responsibilities of COs, CORs and the Managing Director. On February 29, 2016, CSB updated Board Order 024 to address the roles and responsibilities of COs, CORs and the Managing Director. Therefore, we will close this recommendation at the issuance of this report.