

## STATISTICAL PROFILE

October 1, 1990 - March 31, 1991

### Audits

Total Reports Issued by OIG ..... 29  
Total DCAA Reports Referred  
to NASA Management ..... 10

OIG Recommendations That  
Funds be Put to  
Better Use, and  
Questioned Costs ..... \$47.8 million

DCAA Recommendations That  
Funds be Put to  
Better Use, and  
Questioned Costs ..... \$ .9 million

### Investigations

Cases Opened ..... 151  
Cases Closed ..... 120  
Persons/Firms Indicted ..... 9  
Persons/Firms Convicted ..... 6  
NASA and Contractor Employees  
Reprimanded, Suspended,  
Demoted or Terminated ..... 65  
Recoveries and  
Restitutions ..... \$6.4 million  
Management Commitments That  
Funds be Put to  
Better Use ..... \$3.1 million  
Hotline Complaints Received ..... 65  
Hotline Complaints Referred to  
Audits or Investigations ..... 61

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Copies of the Inspector General's Semiannual  
Report are available from:

Office of Inspector General, Code W  
National Aeronautics and Space Administration  
Washington, DC 20546

## INSPECTOR GENERAL

# HOTLINE

24 HOUR ANSWERING SERVICE

**800 - 424 - 9183**

(Toll Free)

**755-3402**

(Washington, DC Area)

or write

### NASA INSPECTOR GENERAL

P.O. Box 23089, L'Enfant Plaza Station  
Washington, DC 20026

- Fraud
- Waste
- Abuse
- Mismanagement

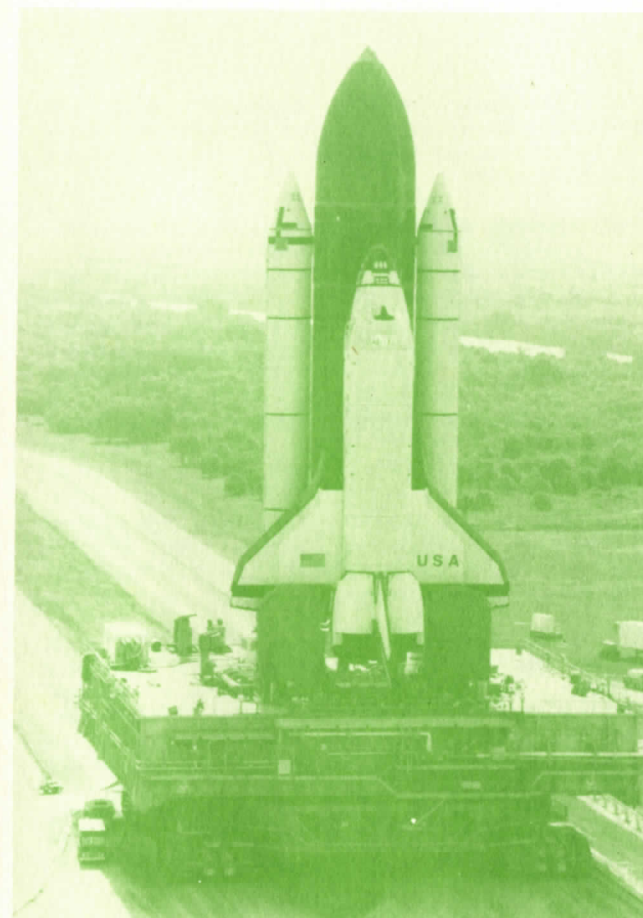
INFORMATION IS CONFIDENTIAL

#### CALLER CAN BE ANONYMOUS

However, each caller is encouraged to assist the NASA Inspector General  
by supplying information as to how they may be contacted for additional information

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**NASA**  
National  
Aeronautics and  
Space  
Administration



## Office of Inspector General

## Overview

OCTOBER 1, 1990 - MARCH 31, 1991



## INVESTIGATIONS

*This brochure contains highlights from the Inspector General's required Semiannual Report for the period October 1, 1990 through March 31, 1991.*

*The National Aeronautics and Space Administration (NASA) Office of Inspector General (OIG) was created by Public Law 95-452, which was enacted in October 1978. The OIG performs investigations and audits to prevent and detect fraud and abuse and to assist NASA management in promoting economy, efficiency, and effectiveness in its programs and operations. OIG investigators and auditors perform work at NASA Headquarters, eight field offices, the Jet Propulsion Laboratory, and contractor locations. When joint jurisdiction exists, OIG investigators and auditors work with the Federal Bureau of Investigation (FBI), the Defense Contract Audit Agency (DCAA), and other audit and investigative entities.*

*All NASA employees have a responsibility to assist the agency in achieving its important mission. One such way is to report to the OIG matters involving fraud, waste and mismanagement in NASA's programs and operations. To assist you, the OIG maintains a hotline which offers a confidential means for reporting vital information. During this reporting period the OIG received 65 hotline complaints (61 were referred for audit or investigative inquiry).*

*The OIG is committed and will continue to work cooperatively and objectively with NASA management, its employees, and contractors, in its pursuit of excellence and in achieving its goals and objectives. The assistance of NASA's employees and management's responsiveness to OIG recommendations is essential. Working together as a team, we will continue to strive for quality and excellence.*

*Bill D. Colvin*

Bill D. Colvin  
Inspector General

NASA's OIG concentrates its investigative resources on matters involving procurement irregularities, waste, and various categories of white collar crime, such as false claims and statements, theft, and fraud.

During this reporting period, OIG investigations led to over \$6.4 million in recoveries for the Government. In addition, investigations also resulted in management commitments that over \$3.1 million be put to better use; 65 administrative actions; 9 indictments; and 6 convictions.

### Activities:

- A subcontractor improperly applied costs for plant construction and certain manufacturing processes which resulted in overbilling NASA nearly \$1.5 million.
- A joint investigation with the DCIS and the Department of Commerce OIG resulted in the indictment of a manager of a state-owned facility for illegally expending Government funds for lobbying, entertainment, and other similar expenses.
- A computer hacker was convicted on charges of illegally gaining access to a NASA computer network by using a common user identification and password.
- Following conviction on two felony counts each in connection with using counterfeit labels to falsely identify circuit breakers, the co-owners and their company were debarred from receiving Government contracts for a period of three years.

## AUDITS

NASA's OIG evaluates the economy, efficiency, and effectiveness with which NASA programs and operations are managed at all installations, and with which NASA contractors and grantees operate.

During this period, the OIG issued, or referred to NASA management, 39 audit reports containing recommended actions which would result in approximately \$48.7 million in potential cost savings or recoveries. This included 10 DCAA reports containing \$.9 million in questioned costs or potential cost avoidances.

### Activities:

- NASA can reasonably expect to save \$7.5 million annually through a revised contractor employee compensation policy.
- Actions to determine NASA's reliance on single, domestic industrial sources were not sufficient to ensure development of a comprehensive listing of single-source suppliers of essential industrial materials.
- The amount of invalid unliquidated obligations in NASA's merged appropriation ("M") accounts could be as high as \$27.6 million. For obligations in "M" accounts, there needs to be improved oversight and validation procedures, and adherence to laws and regulations.
- Agency printing activities were operating inefficiently and did not comply with Federal and NASA printing policies. An audit resulted in a recommended savings of between \$2.1 and \$2.5 million annually by contracting through the Government Printing Office that work which is commercially procurable.