



At a Glance

Why We Did This Review

In July 2011, a U.S. Senator asked the U.S. Environmental Protection Agency (EPA) to look into a complaint that EPA had not paid for services provided in 2007 by Laboratory for Scientific Interrogation, Inc. (LSI), of Phoenix, Arizona.

Background

In March 2007, EPA issued purchase order EP07H001074 to LSI for training seminars for the Office of Inspector General (OIG). The price set in the purchase order was \$4,000. LSI presented a 1-day seminar to OIG staff on May 9, 2007, and a second 1-day seminar on May 10, 2007.

For further information, contact our Office of Congressional and Public Affairs at (202) 566-2391.

The full report is at:
www.epa.gov/oig/reports/2012/20111228-12-P-0160.pdf

Training Contractor Not Promptly Paid Under Purchase Order EP07H001074

What We Found

EPA did not pay LSI for services rendered in 2007 because EPA did not receive an invoice from LSI until after the July 2011 congressional inquiry. Contrary to regulation, the EPA contracting officer in the Office of Administration and Resources Management apparently did not provide LSI with a copy of the purchase order to provide training for the OIG. Because EPA procured the service through a purchase order, LSI did not have to sign and return it to EPA to indicate that it had accepted the contract terms. The Federal Acquisition Regulations state that performance of a purchase order is acceptance. The purchase order provided instructions for submitting an invoice. However, because LSI did not receive a copy of the purchase order, LSI did not properly submit its invoice and did not know who to contact when it was not promptly paid.

In June 2008, OIG staff realized that LSI had not submitted an invoice. However, no one in the OIG contacted LSI or the contracting officer to find out why LSI had not been paid for the services rendered.

After the congressional inquiry, the OIG obtained an invoice from LSI that exceeded the price in the purchase order. The difference of \$1,031.90 was the travel costs of the instructor who provided the training. EPA modified the purchase order in September 2011 so it could pay LSI for the claimed training and travel costs. However, we found no evidence that the travel was authorized by the government. In November 2011, EPA paid LSI \$5,031.90.

What We Recommend

We recommend that the Inspector General assure that invoices are obtained, reviewed, and paid within a reasonable period of time after receiving services. We also recommend that the Director, Headquarters Procurement Operations Division, Office of Administration and Resources Management, require that contracting officers properly document contract actions in contract files. These officials agreed with these recommendations, although corrective actions are not yet completed. We further recommend that the Director, Headquarters Procurement Operations Division, obtain adequate support to pay the travel costs. The Director disagreed that additional action was needed and offered an alternate justification to support paying the travel costs. We have accepted the alternate justification and consider that recommendation closed.