Audit of Suspension and Debarment Within the Department of Justice

U.S. Department of Justice
Office of the Inspector General

Suspension and Debarment Workshop
October 14, 2011

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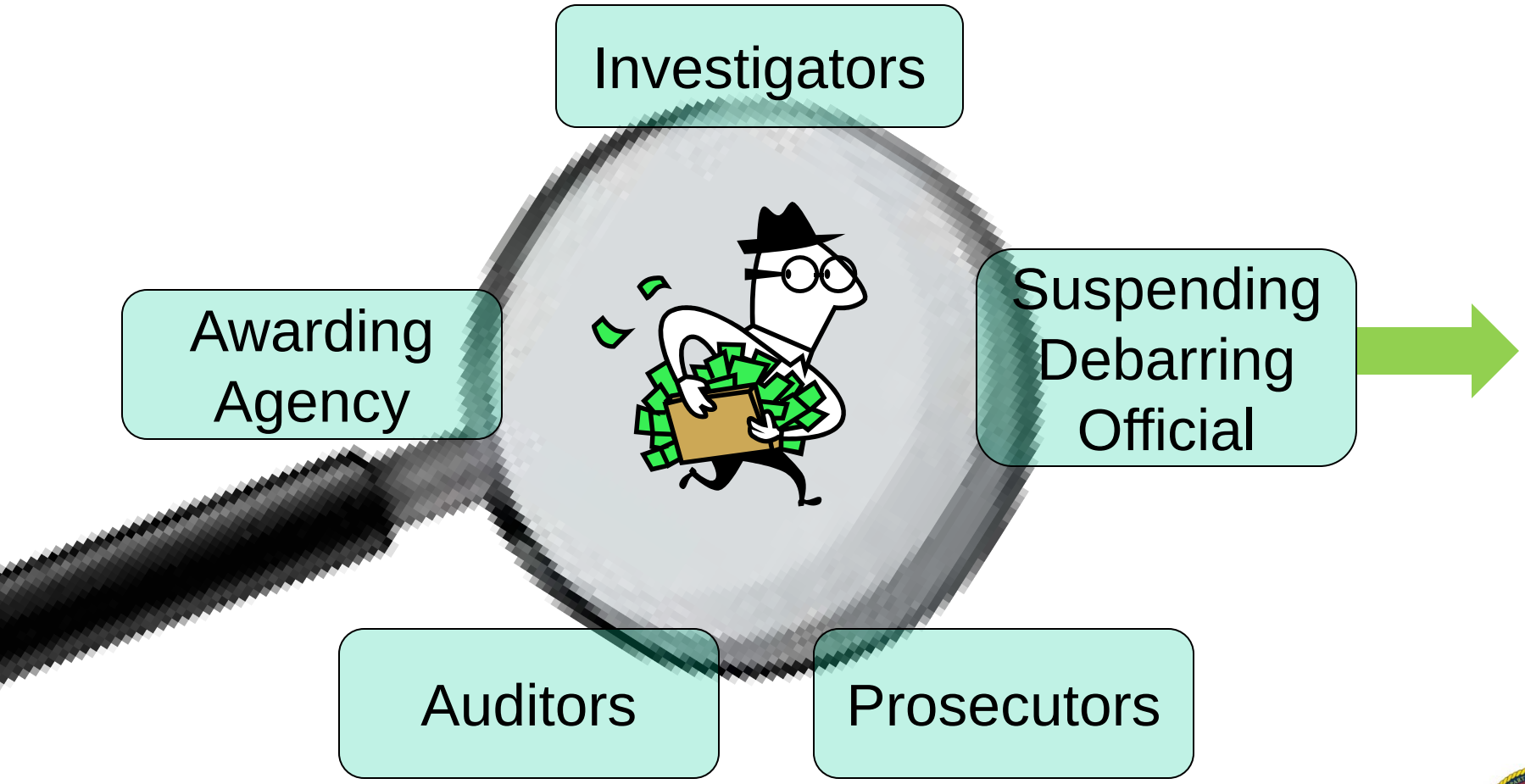
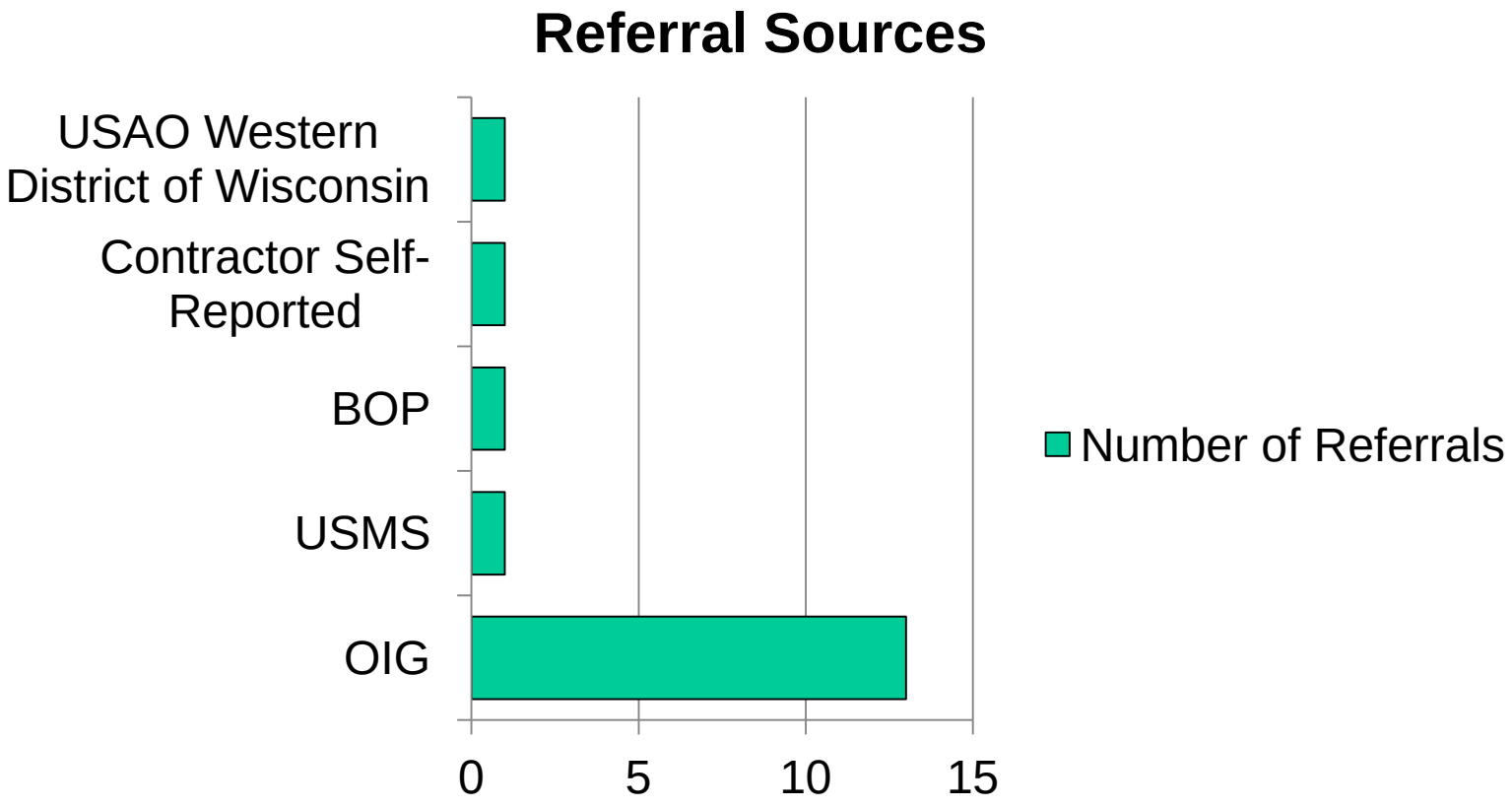
Suspension and Debarment Requires Coordination



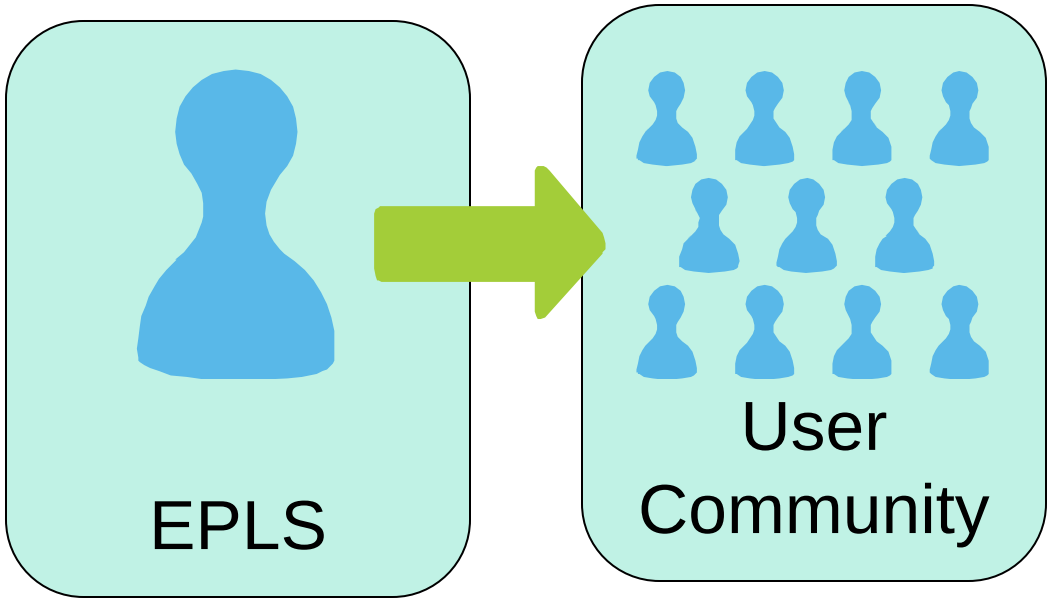
Audit Results

- FY 2005 – 2010, DOJ made17 referrals covering 35 individuals and firms to SDO
  - 13 of 35 resulted in debarment
  - 1 was never processed due to lack of tracking system
- Only one “fact-based” referral

Audit Results



Communication



Audit Results

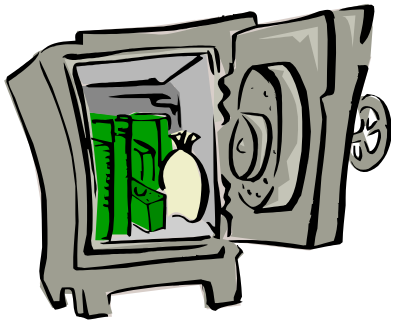
Timeliness of reporting to EPLS

- Only 11 of 13 debarments reported to EPLS
  - One was entered, but did not show up due to an error within EPLS system
- Untimely entry for 6 of 11
  - 4 took more than 124 days to upload

Completeness and Accuracy

- 8 of 11 not accurately reported
  - Incorrect name, address, start or end dates, etc.

Enforcement



From FY 2005 – 2010, DOJ awarded 77 contracts and modifications totaling approx. $15.6 million to six suspended or debarred parties*

* 61 of the 77 awards were made by the Federal Bureau of Prisons (BOP) to two utility companies totaling $15.4 million. These utility companies were not debarred at the time of the awards. However, both companies operated individually debarred facilities. The possibility exists that those facilities could be used to provide the contracted services to the BOP due to the unique circumstances associated with electrical generation and wastewater treatment.

Key Audit Recommendations

- Ensure awarding officials check the EPLS prior to making awards as required by FAR, and terminate awards or seek a waiver from the SDO should a component become aware of an award to a suspended or debarred party after the award has been made;
- Implement a case tracking system to ensure referrals are followed up on and exclusion decisions are made and reported to the EPLS in a timely manner; and
- Implement quality control procedures to ensure that suspension and debarment actions are completely and accurately reported in the EPLS, and immediately correct any errors and omissions in the EPLS data.

On-Going Audit Work

Statutory Debarment Reported and Maintained by DOJ

Audit Objectives:

1. determine the extent that cases qualifying for statutory debarment are reported for inclusion in the Excluded Parties List System (EPLS) by the litigating components of the Department;
2. determine the completeness and accuracy of records uploaded to the EPLS for statutory debarment actions maintained by the Department; and
3. determine the timeliness of reporting statutory debarment actions to the EPLS.

Take Away

The success of suspension and debarment in reducing fraud, waste, and abuse depends on coordination, communication, and enforcement of suspension and debarment actions by agency officials. Failure to ensure that funding is denied to suspended or debarred parties increases the potential of financial loss in federal programs, and prevents more responsible parties from obtaining scarce federal funding.