




Office of Inspector General

May 8, 2020

TO: Gordon Hartogensis
Director

Alice Maroni
Chief Management Officer

FROM: Brooke Holmes 
Assistant Inspector General for Audits, Evaluations, and Inspections

SUBJECT: Limited Scope: PBGC's Procurement Practices (Project PA-20-149)

The Office of the Inspector General is initiating an engagement on PBGC's procurement practices. Please see the enclosure for more specific details on the engagement and for topics we plan to discuss at the entrance conference. We will begin work on this engagement immediately, so we would appreciate your notifying the appropriate staff.

The next step will be to conduct an entrance conference which we will coordinate with the Corporate Controls and Reviews Department. At the entrance conference, we request PBGC provide any feedback on the planned engagement.

Thank you in advance for your time and consideration.

cc: Paul Chalmers, Acting General Counsel
Frank Pace, Director, CCRD
Kristin Chapman, Chief of Staff
Juliet Felent, Acting Procurement Director
Latrece Wade, Risk Management Officer

Overview of Limited Scope: Procurement Practices

Subject: Limited Scope Procurement Practices

Source for the Work: Request from PBGC Director and Board Interest

Issue(s) Under Review/Objective(s)/Key Question(s):

1. How did procurement practices allow award(s) to be steered?
2. Examine a selection of awards for indications of steering.

Entrance Conference Discussion Topics:

1. Provide any immediate actions taken by PBGC in response to the illegal actions of a procurement officer.
2. Provide an overview of the internal controls in the procurement contract award process.
3. Provide an overview of internal controls related to contract modifications.
4. Provide an overview of any complaints received by the Agency Acquisition Ombudsman.
5. Provide any new regulations that PBGC is considering as a result of the identified illegal acts.

Documentation Requested for the Entrance Conference¹:

1. Provide a listing of all contracts awarded for procurement support from 2014 until present. Listing should include PPID, date of award, amount of award, and award recipient.
2. Provide a listing of contracts awarded by JD and contracts awarded by PCOs under JD during the time he was a supervisory contracting officer. Listing should include PPID, date of award, amount of award, and award recipient.
3. Provide a listing of any contracts awarded over the threshold for OGC review, that did not receive a review by OGC from FY 2014 through present.
4. Provide a listing of any bid protests from FY 2014 through present.
5. Provide or identify the PBGC's acquisition regulations and/or SOP in effect from 2014 through present.

¹ Recognizing the amount of data requested if not available by entrance, please provide as soon as possible.

6. Provide details on all complaints received since the inception of the Agency Acquisition Ombudsman.
7. Provide JD's personnel record, including his application package from initial hire and promotion. Provide the rationale for his hire as a supervisory contracting officer.
8. Provide Organization Charts of PD from 2014 to present and attrition dates for departed staff.
9. Access to Sharepoint Electronic Contract Files for FYs 2014 and 2015.
10. Extension to our access from Sharepoint Electronic Contract Files from 2016 to present (John Seger, Kara Burt, and Tiara Grotte).

Points of Contact Requested:

1. Procurement Department
2. Office of General Counsel
3. Agency Acquisition Ombudsman

Estimated Report Issuance: November 2020

OIG Contacts:

John Seger, Audit Manager, seger.john@pbgc.gov
Kara Burt, Auditor-in-Charge, burt.kara@pbgc.gov
Tiara Grotte, Auditor, grotte.tiara@pbgc.gov