



OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3000

ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

AUG 24 2009

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Interagency Acquisition Update

On July 20, 2009, the Department of Defense Inspector General (DoD IG) issued the attached letter announcing a second phase of audits related to Interagency Acquisitions conducted on the Department's behalf by the General Services Administration (GSA). The audit objective is to determine whether or not the Department and GSA have improved their interagency purchases since FY 2005. Among the specific items that will be reviewed are:

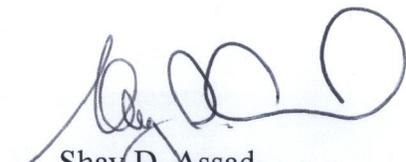
- Did DoD have a legitimate need to use GSA?
- Did DoD clearly define its requirements?
- Did DoD and GSA properly use and track funds?
- Did GSA comply with FAR and DFARS requirements?

Section 801 of the FY 2008 National Defense Authorization Act and succeeding legislation prescribes that additional audits of DoD procurements conducted through other non-DoD agencies will be conducted.

Specific DoD policy related to non-Economy Act transactions has been in place since October 2004. Numerous policy memorandums have been issued and are incorporated into the DFARS or PGI. They are also available on the Defense Procurement and Acquisition Policy website at [http://www.acq.osd.mil/dpap/cpic/cp/interagency\\_acquisition.html](http://www.acq.osd.mil/dpap/cpic/cp/interagency_acquisition.html).

A series of "Frequently Asked Questions" (FAQs) that address issues and concerns identified in audit reports from the Government Accountability Office and the Department of Defense Inspector General were posted to the Defense Procurement and Acquisition Policy website at <http://www.acq.osd.mil/dpap/cpic/cp/faq.html>. The FAQs address the proper procedures that should be followed when using the services and or contracting vehicles of non-DoD contracting organizations to meet DoD needs to ensure that sufficient safeguards and internal controls are in place.

My POC is Mr. Michael Canales and he can be reached at 703-695-8571, or via e-mail at [michael.canales@osd.mil](mailto:michael.canales@osd.mil).



Shay D. Assad  
Director, Defense Procurement  
and Acquisition Policy

Attachments:  
As stated

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**JUL 20 2009**

**MEMORANDUM FOR DISTRIBUTION**

**SUBJECT: Audit of FY 2008 and FY 2009 DoD Purchases Made Through the General Services Administration (Project No. D2009-D000CF-0259.000)**

We plan to begin the subject audit in August 2009. This audit is a coordinated effort with the General Services Administration (GSA) Inspector General's Office. The audit will determine whether the GSA followed Public Law 110-181, "National Defense Authorization Act for Fiscal Year 2008." Section 801, "Internal Controls for Procurements on Behalf of the Department of Defense by Certain Non-Defense Agencies," requires the Inspectors General of DoD and GSA to reexamine the policies, procedures, and internal controls for DoD purchases made through GSA. We will fully consider suggestions from management for additional objectives.

The overall objective of the audit will be to determine whether DoD and GSA improved their interagency purchasing practices since our last audit, "FY 2005 DoD Purchases Made Through the General Services Administration." Specifically, we will examine policies, procedures, and internal controls to determine whether DoD had a legitimate need to use GSA, whether DoD clearly defined requirements, and whether GSA and DoD properly used and tracked funds. We will also determine whether GSA complied with Federal and Defense procurement requirements.

We will perform the audit at the offices of the Under Secretary of Defense for Acquisition, Technology, and Logistics; the Under Secretary of Defense (Comptroller)/Chief Financial Officer; program and contracting officers of the Military Departments and Defense Agencies; and GSA. We may identify additional locations during the audit.

Please provide us a point of contact in writing. The point of contact should be a Government employee, a GS-15 or pay band equivalent or the military equivalent. Send the contact's name, title, grade/pay band, phone number, and e-mail address by mail, by fax to (703) 604-9204, or by e-mail (Adobe Acrobat file only) to [audacm@dodig.mil](mailto:audacm@dodig.mil).

You can obtain information about the Department of Defense Office of Inspector General from DoD Directive 5106.01, "Inspector General of the Department of Defense," April 13, 2006, change 1, September 25, 2006; DoD Instruction 7600.02, "Audit Policies," April 27, 2007; and DoD Instruction 7050.3, "Access to Records and Information by the Inspector General, Department of Defense," April 24, 2000. Our Web site address is [www.dodig.mil](http://www.dodig.mil).

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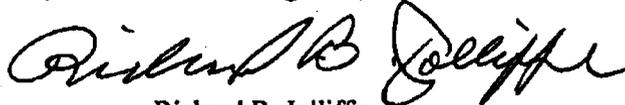
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If you have any questions, please contact Mr. Terry McKinney at (703) 604-9288 (DSN 664-9288), [Terry.McKinney@dodig.mil](mailto:Terry.McKinney@dodig.mil), or Ms. Christine McIsaac at (703) 604-9233 (DSN 664-9233), [Christine.McIsaac@dodig.mil](mailto:Christine.McIsaac@dodig.mil).



Richard B. Jolliffe  
Assistant Inspector General  
Acquisition and Contract Management

cc:  
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