

Summary: IBC Mistakenly Paid More Than \$300,000 to the Wrong Entity

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The OIG investigated an allegation that an information technology services contractor intentionally diverted a payment made by the Interior Business Center (IBC) away from the contractor's assignee—an entity to which the contractor owed money—into its own bank account. As a result, the IBC paid the contractor instead of the assignee, and the U.S. Department of the Interior (DOI) lost more than \$300,000.

We found that the contractor changed its default bank account information in the system of award management to its own bank account, which caused the payment diversion, but we could not show the contractor changed the account information with the intent of diverting the payment. Furthermore, we found the IBC paid the wrong entity because it did not properly enter the assignee as the payment recipient in its contract management system.

We presented this matter to the U.S. Attorney's Office, which declined prosecution. The contractor filed for bankruptcy protection and could not return the money to the DOI or the assignee. As a result, the DOI paid an additional \$324,544 to the assignee to fulfill the money owed under the contract.

This is a summary of an investigative report we issued to the IBC Director.

