



Audit of the U.S. Department of Justice's
Contract Actions Reported by Contracting
Officers into the Federal Procurement
Data System - Next Generation



AUDIT DIVISION

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Objective

USAspending.gov is the official open data source for unclassified spending information of the U.S. Government. Its purpose is to show the American public how much the federal government spends on federal awards every year and how the money is spent. The U.S. Department of Justice (Department or DOJ) maintains records of its federal contract actions in the Federal Procurement Data System – Next Generation (FPDS-NG), which feeds into USAspending.gov.

The Office of the Inspector General (OIG) conducted a performance audit in accordance with government auditing standards. The objectives of our audit were to evaluate the DOJ Contracting Officers': (1) accuracy and timeliness of reporting contract actions into FPDS-NG, and (2) sufficiency and consistency of applying the Department's policies when reporting contract actions into FPDS-NG, during the fiscal year (FY) ended September 30, 2023.

Introduction

USAspending.gov was created under the Federal Funding Accountability and Transparency Act of 2006 and later enhanced in 2014 under requirements in the Digital Accountability and Transparency Act (DATA Act). A goal of the DATA Act was to improve the quality of procurement data submitted to USAspending.gov. In accordance with DATA Act requirements, the Office of Management and Budget (OMB) and the Department of the Treasury (Treasury) published 59 government-wide data definition standards for spending information (commonly referred

to as data elements) and required federal agencies to report award data in accordance with these standards.

During the OIG's FY 2021 audit of the Department's compliance with the DATA Act, the OIG noted instances where procurement data reported in FPDS-NG by DOJ Contracting Officers were not accurate or timely.¹ Other OIG audits have also identified instances of inaccurate or untimely contract action transactions reported into FPDS-NG.²

Results in Brief

In this audit, the OIG tested a statistical sample of 202 contract action transactions for accuracy and timeliness. Our statistical sampling universe was comprised of the Department's 98,569 contract action transactions reported in USAspending.gov during FY 2023.

Our statistical analysis results and projections to the universe show with a 95 percent confidence level that between 2.04 and 3.19 percent of the Department's reported contract action data elements contain inaccurate information. Additionally, we estimate with the same confidence level that between 12.04 and 21.48 percent of the Department's contract action transactions are not timely reported into FPDS-NG. Appendix 1 discusses our statistical sampling design and estimation in detail.

The OIG provided the Department one recommendation to improve the accuracy and timeliness of the contract actions reported into FPDS-NG by Contracting Officers.

¹ U.S. Department of Justice Office of the Inspector General, Fiscal Year 2021 [Audit of the U.S. Department of Justice's Compliance with the Digital Accountability and Transparency Act of 2014](#), Audit Division 22-003 (November 2021). Evaluating the Contracting Officers' practices for FPDS-NG entries was not an objective of the DATA Act audit.

² For example, see: (1) U.S. Department of Justice Office of the Inspector General, [Audit of the Federal Bureau of Investigation's Biometric Algorithm Purchase Order Awarded to Idemia National Security Solutions, LLC](#), Audit Division 22-045 (February 2022); and (2) U.S. Department of Justice Office of the Inspector General, [Audit of the Federal Bureau of Prisons' Perimeter Security Upgrade Contract for Administrative U.S. Penitentiary Thomson Awarded to DeTekion Security Systems, Incorporated](#), Audit Division 19-19 (March 2019).

Audit Approach

Government auditing standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The OMB and Treasury published 59 government-wide data definition standards—or data elements—in response to the DATA Act requirements. Thirty-five of these data elements are relevant to contract award data in FPDS-NG. Those 35 data elements can be reported into FPDS-NG as either system-extracted from another source, system-derived based on another field or code, direct-keyed by a Contracting Officer, FPDS-NG initialized at login based on user profile, or a combination of these methods. This audit focused only on the 24 contract action data elements that could be direct keyed by a Contracting Officer; the 24 data elements are shown in Appendix 2.

Our statistical sampling universe was comprised of the Department's 98,569 contract action transactions (sample units) reported in USAspending.gov during FY 2023. The universe was stratified into eight strata, one for each DOJ component with contract action transactions in FY 2023. The OIG used the DOJ components' percentage of sample units relative to the universe to allocate proportionally the sample size of 202 and select representative sample units from each of the components. Table 1 of Appendix 1 shows the components and the sample size for each component. This statistical sample design allowed for the projection of our results to the Department's FY 2023 contract action transaction universe but did not allow for the projection of results at the component level.

For each contract action selected in our sample, the OIG performed attribute tests on the selected 24 FPDS-NG data elements to evaluate the Department's accuracy and timeliness of reporting into FPDS-NG. The test results for accuracy were conducted on each of the 24 data elements as a "pass"/"fail" test of a data element in a sample unit and then the percentage of errors for a sample unit was calculated based on the count of data elements in error, divided by the 24 data elements for that sample unit. The error rate for accuracy was then calculated for the sample. For timeliness, the OIG calculated the workday difference between the 'Date

Completed/Approved' in FPDS-NG and the 'Date Award Signed' on the contract. If the difference between the two dates was greater than or equal to 4 workdays, then the sample unit was considered an error based on the 3-day threshold established by the relevant criteria – Federal Acquisition Regulation (FAR) 4.604.

Audit Results

Accuracy

The OIG tested a total of 4,848 data elements (sample of 202 contract action transactions multiplied by 24 data elements per contract action transaction).

We identified 127 instances of erroneous data within 13 of the 24 tested data elements.³ Our statistical analysis results and projections to the universe show with a 95-percent confidence level that between 2.04 and 3.19 percent of the Department's reported data elements contain inaccurate information. Detailed results for each data element can be found in Appendix 2. Ninety percent of the accuracy errors were related to six data elements. These six data elements and examples of the errors are as follows:

Period of Performance Current End Date (35 errors) and Period of Performance Potential End Date (33 errors) –

- Period of performance dates in FPDS-NG did not reconcile to the dates in the contracts.
- Delivery dates recorded in the contract were not reflected in FPDS-NG as the period of performance end date. If the award is solely for the purchase of goods or supplies to be delivered, the current end date should correspond to the latest delivery date in the contract.
- Contract modifications changed period of performance end dates, but FPDS-NG reflected the base award periods of performance.

Primary Place of Performance Zip+4 (18 errors) –

- Vendor's zip+4 postal code was reported into FPDS-NG instead of the DOJ site location zip+4 postal code where the service was to be performed.
- DOJ site zip+4 location was reported into FPDS-NG instead of the vendor's zip+4 where the goods or supplies were located; items being manufactured should reflect the manufacture site and all other goods should be the location the item was taken from inventory.

³ Our testwork identified 69 out of 202 contract action transactions with one or more data element accuracy errors, with a total of 127 errors in the 4,848 data elements tested.

Period of Performance Start Date (15 errors) –

- Action date was reported into FPDS-NG instead of the performance start date or effective date of the award. Action date is the date that a mutually binding agreement was reached, the date signed by the Contracting Officer or the vendor, whichever is later.
- Date of modification of contract was reported into FPDS-NG instead of the period of performance start date.
- Delivery date was reported into FPDS-NG instead of the period of performance start date.

Action Date (seven errors) –

- Date signed by the Contracting Officer was not reported into FPDS-NG. The OIG was unable to determine the origin of the date used.
- Effective date was used instead of the date signed by the Contracting Officer.
- Date of the order was reported into FPDS-NG. The OIG was unable to determine the action date because the contract documentation did not have an electronic signature or date.

Current Total Value of Award (seven errors) –

- Current total value of award reported in FPDS-NG differed from the current total value of award in the contract. These errors reflected a total misstatement in FPDS-NG of over \$1 million.

Timeliness

The OIG tested the sample of 202 contract actions to determine the Contracting Officers' timeliness of reporting the transaction into FPDS-NG. According to FAR 4.604, contract actions, regardless of the solicitation process used, must be reported in FPDS-NG within 3 business days after contract action date.

Our testwork identified 34 out of 202 contract action sample transactions that were untimely reported into FPDS-NG. Our statistical analysis results and projections to the universe show with a 95-percent confidence level that between 12.04 and 21.48 percent of the Department's contract action transactions are not timely reported into FPDS-NG.

The figure below shows the 34 untimely contract action transactions broken out by the number of days beyond the 3-day requirement. Eleven out of the 34 untimely contract action transactions were reported into FPDS-NG 21 or more days after the contract action.

34 Untimely Contract Action Transactions



Source: DOJ OIG Analysis

The delayed reporting into FPDS-NG generally appears to result from user oversight. However, some delays resulted when data transferring between the contract writing system and FPDS-NG produced errors that required troubleshooting.

Conclusion

Accurate and timely reporting to USAspending.gov is important to show the American public how much the federal government spends every year and how the money is spent. For the Department to achieve accurate and timely reporting in USAspending.gov, it needs to ensure its Contracting Officers across the agency have sufficient and consistently applied policies, practices, and training.

The FPDS-NG data dictionary details how each data element should be reported into FPDS-NG. A robust training program can help the Department achieve these needed improvements.

Recommendation

The OIG recommends the Department's Justice Management Division (JMD) develop and implement a process designed to enhance the accuracy and timeliness of Contracting Officers reporting contract actions into FPDS-NG. Such a process could utilize JMD to review components' FPDS-NG related training materials for sufficiency, assist with updating training materials as appropriate, share refresher training tips, and highlight best practices for contract actions to Contracting Officers throughout the Department. JMD concurred with our recommendation and provided a response to our draft report; the response can be found in Appendix 3. Appendix 4 contains our analysis of JMD's response.

APPENDIX 1: Statistical Sampling Design and Estimation

The statistical sampling universe for our model was defined as the 98,569 sample units (records) of DOJ's FY 2023 contract action transactions from USAspending.gov. Using a 95-percent confidence level, a 5-percent sampling precision, and an expected error rate of 15.53 percent from the OIG's 2021 DATA Act testing results, the minimum sample size was determined to be 202.

The universe was stratified into eight strata, one for each DOJ component with contract action transactions in FY 2023. We used DOJ components' percentage of sample units relative to the universe to allocate proportionally the sample size of 202 and calculate representative sample units from each of the components. The allocated sizes of these strata are denoted by N_h with $h = 1, 2 \dots L$, where N_h is the total number of sample units in stratum, and $L = 8$ is the number of strata. A random sample was selected independently from each of the eight strata. Table 1 below provides the details of the eight strata:

Table 1
Strata Information

Stratum	Component	Sample Unit	Percentage of Sample Units	Sampling Rate	Sample Size
N_1	ATF	2,580	2.62%	0.19%	5
N_2	BOP	47,124	47.81%	0.21%	97
N_3	DEA	12,363	12.54%	0.20%	25
N_4	FBI	5,853	5.94%	0.21%	12
N_5	FPI	3,713	3.77%	0.22%	8
N_6	OBDs ⁴	15,238	15.46%	0.20%	31
N_7	OJP	423	0.43%	0.24%	1
N_8	USMS	11,275	11.44%	0.20%	23
Total		98,569	100%		202

Department Components: Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF); Federal Bureau of Prisons (BOP); Drug Enforcement Administration (DEA); Federal Bureau of Investigation (FBI); Federal Prison Industries (FPI); Offices, Boards and Divisions (OBDs); Office of Justice Programs (OJP); United States Marshals Service (USMS)

Source: DOJ OIG Statistical Analysis

The audit tests for accuracy and timeliness were conducted on each of the sample units. Accuracy tests were conducted on each of the 24 data elements of a sample unit, while timeliness tests were applied to the sample unit by computing the workdays elapsed between the award signed date and the date completed/approved in FPDS-NG.

To arrive at the 'accuracy' result, the mathematical model notations and formulae used to compute unbiased estimates of error rates, variance, standard error, and the confidence interval with stratified sampling are as follows:

N = the total number of sample units (records) in the universe

L = the number of strata

h = strata subscript, $h = 1, 2, \dots, L$

⁴ OBDs is comprised of contract action transactions from 35 separate component organizations.

N_h = the total number of sample units (records) in stratum h
 n = the number of selected sample units (records) from the universe
 n_h = the number of sample units (records) in stratum h
 i = subscript for selected sample units (records), $i = 1, 2, \dots, n_h$
 m_i = the number of applicable data elements in a selected sample unit
 a_i = the number of data elements with a failed test in a selected sample unit
 p_i = the percentage of data elements in error for a sample unit.

Let $p_i = \frac{a_i}{m_i}$ The error rate for a selected sample unit.

$\hat{p}_h = \frac{\sum p_{ih}}{n_h}$ The average error rate for stratum h .

$W_h = \frac{N_h}{N}$ The stratum weight.

$\hat{p}_{st} = \sum_{h=1}^L (w_h)(\hat{p}_h)$ The stratified sampling point estimate.

$f_h = \frac{n_h}{N_h}$ The sampling fraction for stratum h .

$V(\hat{p}_h) = \frac{1-f_h}{n_h} \frac{\sum (p_{ih}-\hat{p}_h)^2}{(n_h-1)}$ The variance for stratum h .

$\hat{V}\hat{a}r(\hat{p}_{st}) = \sum_{h=1}^L (W_h^2 V(\hat{p}_h))$ The stratified sampling variance.

$SE(\hat{p}_{st}) = \sqrt{\hat{V}\hat{a}r(\hat{p}_{st})}$ The standard error.

$\hat{p}_{st} \pm z_{\frac{\alpha}{2}} SE(\hat{p}_{st})$ The confidence interval estimate.

The 95-percent confidence interval of the average error rate estimate is given by:

$$\hat{p}_{st} \pm 1.96 * SE(\hat{p}_{st})$$

To arrive at the 'timeliness' result, the mathematical model notations and formulae used to compute unbiased estimates of proportions and the confidence intervals are as follows:

a_h = the number of sample units with timeliness error in stratum h

$$\hat{p}_h = \frac{a_h}{n_h} \text{ The sample proportion of error in stratum } h.$$

The unbiased estimation of proportions, variance, and standard error for sampling proportions with sampling for 'timeliness':

$$\hat{p}_{st} = \sum_{h=1}^L \left(\frac{N_h}{N} \right) (\hat{p}_h) \quad \text{The stratified sampling point estimate.}$$

$$Var(\hat{p}_{st}) = \sum_{h=1}^L \left(\left[\frac{N_h}{N} \right]^2 Var(\hat{p}_h) \right) \text{ The stratified sampling variance}$$

$$= \sum_{h=1}^L \left(\left[\frac{N_h}{N} \right]^2 \left[\frac{N_h - n_h}{N_h} \right] \left[\frac{\hat{p}_h(1 - \hat{p}_h)}{n_h - 1} \right] \right)$$

$$SE(\hat{p}_{st}) = \sqrt{\hat{V}\hat{a}r(\hat{p}_{st})} \quad \text{The standard error.}$$

$$\hat{p}_{st} \pm z_{\frac{\alpha}{2}} SE(\hat{p}_{st}) \text{ The confidence interval estimate.}$$

The 95-percent confidence interval of the error rate estimate is given by:

$$\hat{p}_{st} \pm 1.96 * SE(\hat{p}_{st})$$

Using the above-mentioned stratified sampling estimation methodology, we used statistical software to compute the estimations based on the test results conducted by the auditors. The report-generated estimation results are as shown in Table 2.

Table 2
Statistics Information

Variable	Mean	Standard Error of Mean	95-Percent Confidence Level for Mean	
Inaccurate	0.026120	0.002925	0.02035227	0.03188846
Untimely	0.167644	0.023933	0.12044118	0.21484651

Source: DOJ OIG Statistical Analysis

APPENDIX 2: Accuracy Test Results by Data Element

Data Elements	Total
Period of Performance Current End Date	35
Period of Performance Potential End Date	33
Primary Place of Performance Zip+4 (Zip Code)	18
Period of Performance Start Date	15
Current Total Value of Award	7
Action Date	7
Contract Award Type	5
Awardee or Recipient Unique Identifier	2
Award (Transaction) Description	1
Funding Office Code	1
Ordering Period End Date	1
Action Type	1
Indefinite Delivery Vehicle Type	1
Award Identification Procurement Instrument Identifier	-
Modification Number	-
Parent Award ID Procurement Instrument Identifier	-
Federal Action Obligation	-
Awarding Sub Tier Agency Code	-
Awarding Office Code	-
Funding Sub Tier Agency Code	-
National Interest Action Code	-
North American Industry Classification System Code	-
Primary Place of Performance Country Code	-
Type of Contract Pricing	-
Total data element errors	127
Total data elements tested	4,848
Accuracy Error Rate	2.62%

Source: DOJ OIG Analysis

APPENDIX 3: Justice Management Division's Response to the Draft Audit Report



U.S. Department of Justice
Justice Management Division
Office of Acquisition Management

Washington, D.C. 20530

August 23, 2024

MEMORANDUM TO: Jason R. Malmstrom
Assistant Inspector General for Audit
Office of the Inspector General

FROM: Tara M. Jamison
Director
Office of Acquisition Management

SUBJECT: Response to the Office of the Inspector General's Draft Audit Report, *Audit of the U.S. Department of Justice's Contract Actions Reported by Contracting Officers into the Federal Procurement Data System – Next Generation*

TARA JAMISON Digitally signed by TARA JAMISON Date: 2024.08.23 17:20:20 -04'00'

This memorandum provides a response to the Office of the Inspector General's (OIG) August 16, 2024, draft Audit Report, entitled, *Audit of the U.S. Department of Justice's Contract Actions Reported by Contracting Officers into the Federal Procurement Data System – Next Generation*. The Justice Management Division (JMD) appreciates the opportunity to review and comment on the draft Audit Report.

The OIG's draft Audit Report identified findings related to the Department's compliance with accuracy and timeliness of the contract actions reported into the Federal Procurement Data System – Next Generation (FPDS-NG) by Contracting Officers. The specific recommendation and our response follows.

(1) Develop and implement a process designed to enhance the accuracy and timeliness of Contracting Officers reporting contract actions into FPDS-NG.

The JMD, Office of Acquisition Management (OAM) agrees with the above recommendation. Within the first quarter of Fiscal Year (FY) 2025, OAM plans to deploy an informational message Department-wide within the United Financial Management System viewable to all Contracting Officers upon login, reiterating the requirements for timely completion of contract action reports in FPDS-NG.

By the third quarter of FY 2025, OAM plans to issue a Department-wide Acquisition Policy Notice (APN) to all Department bureaus and components, reinforcing the accuracy and timeliness of Contracting Officers reporting contract actions to FPDS-NG. Included in the APN will be a departmental guide that aggregates standards and

best practices as a mechanism for use by Contracting Officers to facilitate improvement of FPDS-NG contract action reports.

Thank you for the opportunity to respond to this draft OIG Audit Report, and for your continued collaboration to improve the administration of Departmental programs. If you have any questions regarding this response, please contact me at (202) 616-3754 or Cameron Newcome, Acquisition Compliance Lead, Office of Acquisition Management at (202) 826-9814 or Cameron.Newcome@usdoj.gov.

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APPENDIX 4: Office of the Inspector General Analysis and Summary of Actions Necessary to Close the Audit Report

The OIG provided a draft of this audit report to the Department's Justice Management Division (JMD). JMD's response is incorporated in Appendix 3 of this final report. In response to our draft audit report, JMD agreed with our recommendation and discussed the actions it will implement in response to our finding. As a result, the status of the audit report is resolved. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendation for JMD:

- 1. Develop and implement a process designed to enhance the accuracy and timeliness of Contracting Officers reporting contract actions into FPDS-NG.**

Resolved. JMD agreed with our recommendation. JMD stated in its response that the Office of Acquisition Management (OAM) plans to deploy an informational message Department-wide within the United Financial Management System viewable to all Contracting Officers upon login. This informational message will reiterate the requirements for timely completion of contract action reports in FPDS-NG. In addition, OAM plans to issue a Department-wide Acquisition Policy Notice (APN) to all Department bureaus and components, reinforcing accuracy and timeliness of Contracting Officers reporting contract actions to FPDS-NG. Included in the APN will be a departmental guide that aggregates standards and best practices as a mechanism for use by Contracting Officers to facilitate improvement of FPDS-NG contract action reports. As a result, this recommendation is resolved.

This recommendation can be closed when we receive evidence that JMD has developed and implemented a process capable of enhancing the accuracy and timeliness of Contracting Officers reporting contract actions into FPDS-NG.