

Reporting a DCAA Auditor for Misconduct

Written by Nick Sanders

Monday, 26 January 2015 00:00



Kids, back in my day you did not report a DCAA auditor to his/her Supervisory Auditor, even when it was obvious the auditor lacked independence or objectivity. This one time a new auditor opened our first meeting by announcing, "I have ADD." How do you respond to that line? Nothing. You do nothing. You do not respond.

Back in my day, you did not call up a Branch Manager and complain about a Supervisory Auditor, even though that SA was letting his or her auditors run roughshod over the audit program and your people. There was no point to complaining. It was just the way it was. So deal with it. Ditto the Regional Audit Manager.

DCAA audit support seminars teach that you can appeal all the way up the chain of command, right to the Director, DCAA, located at Fort Belvoir, Virginia. And you *can*, if you have the right connections. One time Bill Reed looked us in the eyes and said, "If you have a problem with any of my people, you call me directly. I'll look into the situation and, if warranted, I'll fix it." But we knew nobody was going to call him. Not us, anyway.

First of all, the kind of service Mr. Reed was offering was reserved for the Top 5 or Top 10 defense contractors: Boeing, Lockheed Martin, Northrop Grumman, General Dynamics, Raytheon. The bigs. Not only could their Corporate people call Mr. Reed and get their calls returned that same day, but they also got quarterly meetings with the top DCAA echelon and annual joint councils and that's the way that went. First among equals, you know. No piddily SBIR contractor was going to get that level of service.

Second, to some extent having a contractor complain about an auditor was seen as a badge of

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honor. If the contractor was complaining, the auditor must be doing something right. So a contractor complaint didn't lead to a change in auditor; it led to the auditor doing the same thing the contractor was complaining about, only with more energy and encouragement.

Somehow that all changed in the past few years and we're not sure how or why or when. Did it start to change when DCAA audit guidance encouraged frustrated auditors to call the DoD Inspector General and report DCMA personnel for not sustaining the audit findings? Did it start to change when a DCAA auditor, frustrated with direction to obtain more current evidence in order to issue an audit report, [called](#) DoD IG to complain about the lack of audit guidance in that area?

We don't know, but change it did.

Recently we reported the results of a DoD IG Hotline investigation, in which the quality of a DCAA audit was called into question. The IG [sustained](#) the allegations and found some pretty serious flaws in the auditor's methodology and conclusions. (Note: this was basically a repeat from 2008, though in 2014 it was a targeted investigation and not a Region-wide quality review.) And we are not even counting KBR's recent lawsuit against DCAA for professional malpractice, since that's outside the purview of the DoD IG.

It seems fairly evident that auditors, if not also contractors, are making use of the DoD Inspector General Hotline to report issues and problems within DCAA. Those auditors are not using internal agency processes. They are not escalating and elevating to SAs and to FAO Managers, or to Tech Specialists or to RAMS. Instead, they are dropping dime and calling the DoD IG Hotline and thus initiating an IG investigation which will possibly result in the issuance of a report that makes public the audit agency's dirty laundry. Not good for the SES leadership team.

What should be done about this situation? Well, to address concerns DCAA has taken some interesting, and perhaps innovative steps.

First, did you know there is now a DCAA Office of Inspector General? Yep. Apparently that's a thing now, though we could not find that position listed on the CIGIE [Inspector General Directory](#). The DCAA

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OIG was established on January 5, 2015 because allegedly the DoD Inspector General encouraged DCAA to do so. Formerly, internal complaints were handled by the DCAA Internal Review Directorate (IRD). Why change? According to the website's FAQ: "Converting the IRD to an OIG will provide DCAA employees with processes, governed by law vs. internal regulatory requirements, to confidentially disclose incidents of fraud, waste, abuse or gross mismanagement without fear of reprisal or retaliation. The new organization is comprised of auditors and investigating officers, previously assigned to the IRD, who reside at locations throughout the continental United States and have worldwide responsibilities."

So the new DCAA OIG is basically the old DCAA IRD, but it might now be subject to different standards? We're not so sure but that's what the executive summary seems to indicate.

The DCAA OIG has an [email address](#) and [a complaint form](#) (DCAA Form 7648, Dec. 2014). There is even a phone number to call, if filling out the complaint form is too much effort. (That phone number is (703) 767-2012.) There are a multitude of avenues to use for reporting "allegations of Fraud, Waste, and Abuse or Gross Mismanagement as well as other wrongdoings pertaining to programs, personnel, and operations that fall under the purview of the DCAA."

Did we mention there is now a DCAA OIG [website](#)? Yep. That's a thing now, too.

A visit to the website revealed that "*anyone* may file a complaint." Anybody—even the poor contractor who is feeling pain during an audit. However, the website cautions that "Certain matters may be better resolved through other channels, instead of the DCAA Hotline."

Indeed, there's a link to a [FAQ](#) that you will probably want to check out. Among other things, the FAQ clarifies the scope of allegations that will be investigated by the new OIG function. Whining about employment-related grievances and your fellow auditor's inaccurate timesheets are not among those issues that will be accepted for investigation by the OIG.

The funny thing is, we remember when the DoD OIG [complained](#) that establishment of contractor hotlines negatively impacted the effectiveness of its own Hotline program. As a result, the DFARS was revised to make posting the DoD OIG Hotline mandatory at most defense contractors' sites. We didn't think very much of that initiative at the time, and said so.

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So now, nearly four years later, the DoD OIG has apparently given its blessings to have DCAA stand-up its own OIG function and create its own Hotline and other complaint avenues. And we're guessing this new function will not negatively impact the DoD OIG effectiveness in a manner similar to how the defense contractors' hotlines were alleged to have done. That's ... *interesting*

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To sum this all up, if you have a complaint to make regarding DCAA's audits, you don't have to reach out to the DoD Inspector General. Now you have a new avenue of recourse: You can reach out to the DCAA Inspector General. Which is essentially the old IRD function staffed by the same old IRD personnel, but perhaps (maybe?) subject to different or even higher standards.

Or you can call the DoD IG Hotline. Or if you are a contractor you can file suit alleging professional malpractice. You have a lot of options now, which is more than we had back in the day, when you simply did not complain about your DCAA auditor.