



HIGHLIGHTS

Office of Inspector General
United States Department of State

ESP-IB-22-03

What OIG Reviewed

In response to whistleblower complaints, Congressional inquiries, and a referral from the Office of Special Counsel, OIG reviewed a contract for investigative and legal services that was signed by McGuireWoods and the former Chief Executive Officer of USAGM.

What OIG Recommends

OIG made two recommendations to USAGM's Office of Contracts to amend its special procurement policies: (1) to include a clause in contracts to require contractors to cooperate with OIG to provide access to relevant documents and personnel, and (2) to assign a contracting officer to all contracts.

August 2022

OFFICE OF EVALUATIONS AND SPECIAL PROJECTS

Review of the U.S. Agency for Global Media's Contract with McGuireWoods

What OIG Found

The Office of Inspector General (OIG) found that in August 2020, the U.S. Agency for Global Media (USAGM) signed a contract with McGuireWoods, a U.S.-based international law firm, for legal and investigative services. USAGM used a special statutory authority to exempt the contract from federal rules governing procurement, such as those requiring competition and cooperation with OIG. However, USAGM did not follow the procedures laid out in its internal policies for use of the procurement exemption.

Concerns were also raised as to whether the contract with McGuireWoods violated the Anti-Deficiency Act because of the requirement to reimburse the firm for all fees and expenses. OIG found that the contract did not violate the Act because it had a ceiling on the agency's liability. However, USAGM did not properly record its obligations related to the contract in its financial accounting system because McGuireWoods did not notify it that it had exceeded the initial ceiling.

USAGM expended more than \$1.6 million under the contract, primarily for misconduct investigations of several employees. USAGM's then Chief Executive Officer (CEO) did not assign a contracting officer to oversee the contract. A senior advisor to the CEO served as the de facto contracting officer but did not exercise the same level of oversight as a contracting officer.

Although OIG found no evidence that McGuireWoods billed for anything other than work it performed at USAGM's request, it did find that some of the items requested by USAGM constituted waste, because they were duplicative of existing resources and involved the payment of billable hours far in excess of the salary of federal employees who can perform the same work.