



## Office of Inspector General

Board of Governors of the Federal Reserve System  
Bureau of Consumer Financial Protection

Executive Summary, 2018-FMIC-C-011, June 20, 2018

# The Bureau Could Have Better Managed Its GMMB Contract and Should Strengthen Controls for Contract Financing and Contract Management

## Findings

The Bureau of Consumer Financial Protection (Bureau) competitively awarded the GMMB blanket purchase agreement (BPA) and performed technical and price reasonableness evaluations in compliance with the *Federal Acquisition Regulation* (FAR). However, the Bureau can improve controls to help ensure compliance with the FAR and internal policies and procedures. Specifically, the Office of the Chief Procurement Officer did not comply with the FAR requirements for contract financing and annual BPA reviews. Complying with contract financing requirements and fully conducting and documenting annual BPA reviews could help ensure and provide evidence that contracts awarded or option periods exercised are in the best interest of the government and that the Bureau administers its contracts in compliance with the FAR.

In addition, the program office involved with the BPA did not timely communicate with the Office of the Chief Procurement Officer about the use of contract financing, did not properly monitor the liquidation of prepaid media purchases, and did not verify actual expenses using source documents. Properly managing contracts is essential for overseeing the financial and general performance of the contract and can help reduce both the likelihood of improper payments and the Bureau's vulnerability to fraud, waste, and abuse.

## Recommendations

Our report contains recommendations designed to strengthen the Bureau's controls over its contracting processes. Specifically, our recommendations include enhancing existing policy and associated training to ensure compliance with contract financing and annual BPA review requirements as well as contract management practices. In its response to our draft report, the Bureau concurs with our recommendations and describes actions that have been or will be taken to address our recommendations. We will follow up to ensure that the recommendations are fully addressed.

## Purpose

The objective of this audit was to assess the Bureau's compliance with applicable laws, regulations, and internal policies and procedures related to the award and management of its contract with GMMB for advertising and marketing services.

## Background

In August 2013, the Bureau awarded a BPA to GMMB from the U.S. General Services Administration's Federal Supply Schedule for Advertising and Integrated Marketing Services. The Bureau originally estimated spending \$11.5 million over 5 years. From August 2013 to February 2018, however, the Bureau obligated \$43.8 million through 22 task orders under the BPA. We sampled and assessed 6 of these task orders and the related invoices, which totaled \$36 million in obligations and \$31.1 million in payments.