

441 G St. N.W. Washington, DC 20548 Comptroller General of the United States

Accessible Version

May 16, 2025

The Honorable Stephen Ehikian Acting Administrator General Services Administration 1800 F Street, NW Washington, DC 20405

# Priority Open Recommendations: General Services Administration

Dear Acting Administrator Ehikian:

The purpose of this letter is to call your personal attention to two areas based on GAO's past work and eight open priority recommendations, which are enclosed.<sup>1</sup> Additionally, there are 16 other GAO open recommendations that we will continue to work with your staff to address.

We are highlighting the following areas that warrant your timely and focused attention. Specifically:

**Managing federal real property.** The General Services Administration's (GSA) management of federal real property has been on GAO's High-Risk List since 2003.<sup>2</sup> Better management of the federal government's real property portfolio is necessary to effectively dispose of unneeded buildings, collect reliable real property data, and address deferred maintenance and repair.

*Effectively disposing of unneeded property.* As you know, federal agencies face long-standing challenges in disposing of unneeded real property. In our prior work we found that GSA has not developed a process that fully leverages lessons learned from a temporary approach for reducing the federal government's real property inventory. As the agency explores new ways to dispose of federal property, implementing our recommendation to develop a process with relevant stakeholders to collect and share lessons learned would give GSA an opportunity to leverage stakeholders' knowledge and potentially address challenges with disposing of real property. Developing this process would also provide stakeholders, including Congress, with insights into how the federal government could better dispose of its real property.

*Improving federal real property data.* GSA needs to collect accurate, complete, and useful real property data to manage its real property portfolio, including any efforts to dispose of excess

<sup>&</sup>lt;sup>1</sup>GAO considers a recommendation to be a priority if when implemented, it may significantly improve government operations, for example, by realizing large dollar savings; eliminating mismanagement, fraud, and abuse; or making progress toward addressing a high-risk or duplication issue.

<sup>&</sup>lt;sup>2</sup>GAO, *High-Risk Series: Heightened Attention Could Save Billions More and Improve Government Efficiency and Effectiveness*, GAO-25-107743 (Washington, D.C.: Feb. 25, 2025).

property. In February 2020, GAO reported that 67 percent of the street addresses in the public database of federal real property were incomplete or incorrectly formatted. We recommended that GSA continue to work closely with the Office of Management and Budget and federal agencies to complete its efforts to improve real property data. Improving the reliability of these data would better position the public to conduct research on, or learn about potential uses for, federal real property.

Addressing deferred maintenance and repair. GSA reported having a \$6.1 billion deferred maintenance and repair backlog in fiscal year 2024—an amount that had grown from \$1.39 billion in fiscal year 2017. However, GSA did not communicate in budget documents the amount of funding or time needed to address this backlog. We recommended that GSA develop a plan to address the backlog and include it in budget materials. Implementing this recommendation could help decision makers understand how funding levels might affect GSA's backlog and how to evaluate GSA's budget requests.

**Improving federal single audit reporting.** Federal agencies need accurate information from the Federal Audit Clearinghouse (FAC), which GSA administers, to oversee federal programs and monitor whether recipients of federal awards have resolved audit findings. In April 2024, we found that \$1.17 trillion in direct federal award funds spent by recipients from 2017 through 2021 were linked to audit findings that were both severe (involved compliance issues) and persistent (repeated over multiple years). Further, we identified issues with the accuracy, consistency, and completeness of award data reported by recipients.

To ensure appropriate oversight of federal award funds, we recommended that GSA develop a process to respond to data reliability issues and provide additional training to ensure recipients and auditors submit reliable information to the FAC. In addition, we recommended that GSA identify technological features to enhance the usefulness of FAC data and develop funding and timelines to implement these features. GSA taking these steps to improve data and reporting to the FAC would help federal agencies conduct oversight of federal awards and improve the public's ability to use the FAC.

Please see Enclosure 1 for additional details about the status and actions needed to fully implement all eight open priority recommendations out of the 24 total that remain open. This includes a priority recommendation on developing revised cost and schedule estimates for the Department of Homeland Security headquarters consolidation.

We also provide in Enclosure 2 additional information on GSA's recommendation implementation rate and implemented, closed, and new priority recommendations since our May 2024 letter to prior Administrator Carnahan, and relevant management challenges from our High-Risk List that apply to GSA. In response to legislation enacted in December 2022, this enclosure also includes information on any additional congressional oversight actions that can help agencies implement priority recommendations and address any underlying issues relating to such implementation.

Copies of this letter are being sent to the appropriate congressional committees. The letter will also be available on the GAO website at Priority Recommendations | U.S. GAO. We also plan to send a separate letter to your Chief Information Officer, specifically focused on open recommendations and key issues related to information technology.

If you have any questions or would like to discuss any of the issues outlined in this letter, please do not hesitate to contact me or Heather Krause, Managing Director, Physical Infrastructure, at krauseh@gao.gov. Contact points for our offices of Congressional Relations and Public Affairs

may be found on the last page of this letter. Our teams will continue to coordinate with your staff on addressing these priority recommendations and the remaining 16 open recommendations. I appreciate GSA's continued commitment and thank you for your personal attention to these important issues.

Sincerely,



Gene L. Dodaro Comptroller General of the United States

Enclosures – 2

cc: Michael Peters, Commissioner, Public Buildings Service Larry Allen, Associate Administrator, Office of Government-wide Policy David A. Shive, Chief Information Officer

# Enclosure 1

# Priority Open Recommendations to the General Services Administration

### **Managing Federal Real Property**

Effectively disposing of unneeded property

*Federal Real Property: GSA Should Leverage Lessons Learned from New Sale and Transfer Process.* GAO-23-104815, Washington, D.C.: October 7, 2022.

#### Year Recommendation Made: 2023

**Recommendation:** The Administrator of the General Services Administration (GSA), in consultation with relevant stakeholders, should develop a process to collect, share, and apply lessons learned from the implementation of the Federal Assets Sale and Transfer Act of 2016 (FASTA) to improve the final 2024 round and future disposal efforts, including reporting any lessons learned through this process, to Congress.<sup>3</sup>

**Actions Needed:** GSA agreed with this recommendation. In 2023, GSA officials compiled an initial list of lessons learned, took steps to collaborate with stakeholders, and used those lessons learned to identify strategies for disposing of unneeded government properties. However, these steps do not demonstrate GSA has developed a documented process for working with stakeholders to collect, identify, and share lessons learned. As of March 2025, GSA has not responded to our February 2025 request for updated information on the implementation status of this recommendation.

To fully implement this recommendation, GSA needs to develop a process—in consultation with relevant stakeholders—to identify and implement solutions to address numerous setbacks encountered throughout the FASTA process. This action could leverage stakeholders' knowledge and experiences with FASTA to make and agree upon necessary changes with respect to an additional FASTA round added in January 2025 by the Thomas R. Carper Water Resource Development Act of 2024. Such action could also identify useful concepts to include in future efforts—such as those required under a February Executive Order related to the disposition of real property—to reduce the federal government's real property inventory.<sup>4</sup>

#### Potential Financial Benefit if Implemented: Millions of dollars

High-Risk Area: Managing Federal Real Property

Director: David Marroni, Physical Infrastructure

Contact Information: marronid@gao.gov

Improving federal real property data

<sup>&</sup>lt;sup>3</sup>In January 2025, the Thomas R. Carper Water Resource Development Act of 2024 added an additional round to the FASTA process. As a result, the 2024 round noted in our recommendation is no longer the final round. Pub. L. No. 118-272, div. B, tit. III, § 2301, 138 Stat. 2992, 3214 (2025).

<sup>&</sup>lt;sup>4</sup>Exec. Order No. 14222, 90 Fed. Reg. 11095, 11096-97 (Feb. 26, 2025).

*Federal Real Property: GSA Should Improve Accuracy, Completeness, and Usefulness of Public Data.* GAO-20-135, Washington, D.C.: February 6, 2020.

### Year Recommendation Made: 2020

**Recommendation:** The Administrator of GSA should coordinate with agencies to ensure that street address information in the public database is complete and correctly formatted.

Actions needed: GSA agreed with this recommendation. In August 2024, the Federal Real Property Council published program guidance to help federal agencies continually improve the quality of data they submit to the Federal Real Property Profile database. The guidance instructed agencies to concentrate their initial data quality improvement efforts on certain data elements—such as property location, type, and use of real property—that are most easily verified with external information. GSA also implemented a tool that alerts agencies to potentially incorrect location data in the Federal Real Property Profile database.

However, we found in February 2025 that the most current location data in the database continue to contain errors. Also in February, a new Executive Order required agency heads to confirm to GSA that they submitted updates to ensure the system reflects a complete and accurate inventory of real property.<sup>5</sup> These updates were due on March 5. We will continue to monitor GSA's efforts to improve location data, including examining the updates required by the Executive Order.

To fully implement this recommendation, GSA needs to provide additional documentation demonstrating that the public database includes data that are accurate, complete, and correctly formatted. Such data would ensure that users of the database know whether federal real property is available and suited to their needs.

# High-Risk Area: Managing Federal Real Property

Director: David Marroni, Physical Infrastructure

#### Contact Information: marronid@gao.gov

#### Addressing deferred maintenance and repair

*Federal Real Property: Agencies Should Provide More Information About Increases in Deferred Maintenance and Repair.* GAO-24-105485, Washington, D.C.: November 16, 2023.

### Year Recommendation Made: 2024

**Recommendation:** The Administrator of GSA should ensure that the administration develops a plan to address its deferred maintenance and repair backlog and identifies the funding and time frames needed to reduce this backlog in congressional budget requests, related reports to decision-makers, or both.

**Actions Needed:** GSA agreed with this recommendation. As of February 2025, GSA officials stated they are continuing to develop a model to project the condition of GSA's portfolio ten years into the future. This model—which officials anticipate completing by March 2026—will allow GSA to identify the funding and timeframes needed to address the deferred maintenance and repair backlog, according to officials.

To fully implement this recommendation, GSA needs to develop a plan for reducing the backlog and include it in congressional budget requests or related reports to decision-makers. Doing so

<sup>&</sup>lt;sup>5</sup>Exec. Order No. 14222, 90 Fed. Reg. 11095, 11096-97 (Feb. 26, 2025).

could better inform decision-makers about how funding levels affect GSA's deferred maintenance and repair backlog and help them evaluate GSA's budget requests.

# High-Risk Area: Managing Federal Real Property

Director: David Marroni, Physical Infrastructure

## Contact Information: marronid@gao.gov

### Improving Federal Single Audit Reporting

Single Audits: Improving Federal Audit Clearinghouse Information and Usability Could Strengthen Federal Award Oversight, GAO-24-106173, Washington, D.C.: April 22, 2024.

### Year Recommendations Made: 2024

**Recommendation:** The Administrator of GSA should develop a process to regularly identify, analyze, and respond to Federal Audit Clearinghouse (FAC) data reliability issues that may affect federal oversight, such as establishing edit checks to mitigate issues related to data accuracy, consistency, and completeness.

**Actions Needed:** GSA agreed with this recommendation. As of April 2025, GSA established some processes, including edit checks, to mitigate issues with FAC data accuracy, consistency, and completeness. GSA officials stated that they have plans to implement additional updates to the FAC, such as refining edit checks, but these updates would require approval from the Office of Management and Budget and FAC users. GSA officials stated that GSA has paused its communications with these external stakeholders as of February 10, 2025, to align its priorities with the new Presidential Administration, and therefore GSA has not made these updates. In addition, GSA officials stated they are taking steps to reduce the size of the GSA workforce and anticipate that changes in staffing will impact the funding and timelines for enhancing the FAC.

To fully implement this recommendation, GSA needs to develop a documented process to regularly identify, analyze, and respond to FAC data reliability issues. Doing so would improve federal agencies' ability to accurately identify all audits they must monitor using FAC data, as part of their oversight of federal awards.

**Recommendation:** The Administrator of GSA should, in coordination with federal agencies and professional audit organizations, identify and prioritize features to enhance the usefulness of FAC data for federal oversight in accordance with federal data standards.

Actions Needed: GSA agreed with this recommendation. To enhance the usefulness of FAC data, GSA developed a tool to track its development of features in the data. GSA also engaged with external stakeholders, including the FAC Advisory Committee, to discuss GSA's plans to enhance the usefulness of the FAC data. GSA also held FAC office hours for GSA officials to discuss information on the FAC with recipients of federal awards and auditors that submit data to the FAC. However, as of February 2025, GSA cancelled FAC office hours and, according to GSA officials, paused all external communications since the week of February 10, 2025. As a result, coordination efforts with external stakeholders to identify and prioritize enhancements to the FAC are on hold.

To fully implement this recommendation, GSA needs to develop a documented process to regularly communicate with federal agencies and professional audit organizations on GSA's development of features in the FAC data. Developing new features or optimizing existing ones and communicating about these features with FAC users, could make single audit information more useful and improve federal award oversight.

**Recommendation:** The Administrator of GSA should, in coordination with federal agencies, develop proposed funding and timelines for implementing the identified and prioritized features to enhance the usefulness of FAC data for federal oversight through interagency agreements or other methods.

**Actions needed:** GSA agreed with this recommendation. To identify funding for implementing new features for FAC data, GSA developed a methodology to determine federal agencies' contributions to funding the FAC for fiscal years 2025 and 2026. Further, in April 2025, GSA provided its planned fiscal year 2026 budget for the FAC and a roadmap for enhancing the usefulness of FAC data. However, GSA officials stated that planned reductions to GSA's workforce will significantly impact the FAC's funding and timelines for enhancements.

To fully implement this recommendation, GSA needs to coordinate with federal agencies to develop and document proposed funding and timelines for implementing features in the FAC. Doing so would help GSA in allocating its resources for improving the FAC.

**Recommendation:** The Administrator of GSA should, upon consulting with professional audit organizations, provide additional training to auditors and recipients to help ensure that they complete FAC data collection forms accurately, completely, and consistent with the audit report.

**Actions needed:** GSA agreed with this recommendation. As of March 2025, GSA developed additional instructions and guidance for recipients of federal awards and auditors to complete the data collection forms. However, GSA has not provided additional training to recipients and auditors. In April 2025, GSA officials stated that GSA had planned to provide training but cancelled the training because it coincided with the organization-wide pause in external communications.

To fully implement this recommendation, GSA needs to develop a documented process for providing additional training to recipients and auditors on any updates to guidance for completing FAC data collection forms. Doing so would ensure that information in the FAC is accurate and complete.

Director: James R. Dalkin, Financial Management and Assurance

# Contact Information: dalkinj@gao.gov

# **Revised Cost and Schedule Estimates for DHS Headquarters Consolidation**

Federal Real Property: DHS and GSA Need to Strengthen the Management of DHS Headquarters Consolidation, GAO-14-648. Washington, D.C.: September 19, 2014.

#### Year Recommendation Made: 2014

**Recommendation:** The Secretary of Homeland Security (DHS) and the Administrator of GSA, after revising the DHS headquarters consolidation plans, should work jointly to develop revised cost and schedule estimates for the remaining portions of the consolidation project that conform to GSA guidance and leading practices for cost and schedule estimation, including an independent evaluation of the estimates.

**Action Needed:** GSA agreed with this recommendation as did DHS. In March 2022, DHS—with input from GSA—submitted a report on the consolidation plan to congressional committees in response to the Department of Homeland Security Headquarters Consolidation Accountability

Act of 2015.<sup>6</sup> Among other things, the act required that DHS, in coordination with GSA, provide updated cost and schedule estimates. In August 2022, we found that this report did not contain sufficient information on the costs and schedules of the consolidation project's components for us to perform a comprehensive assessment based on GAO's leading practices in this area.

GSA and DHS have provided us documentation of cost and schedule estimates. As of February 2025, we have determined that the current estimates meet some, but not all, of GAO's leading practices.

To fully implement this recommendation, DHS and GSA need to provide updated documentation for cost and schedule estimates that fully conform to our leading practices. Such estimates would support sound decision-making related to DHS's ongoing headquarters consolidation.

High-Risk Area: Managing Federal Real Property

Director: Christopher P. Currie, Homeland Security and Justice

Contact information: curriec@gao.gov

Director: David Marroni, Physical Infrastructure

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<sup>&</sup>lt;sup>6</sup>Pub. L. No. 114-150, 130 Stat. 366 (2016).

## Enclosure 2

### Key Information About the Status of GAO Recommendations and Improving Agency Operations

### General Services Administration's Recommendation Implementation Rate

In November 2024, we reported that, on a government-wide basis, 70 percent of our recommendations made 4 years ago were implemented.<sup>7</sup> The General Services Administration's (GSA) recommendation implementation rate was 94 percent. As of April 2025, GSA had 24 open recommendations.

#### Implemented, Closed, and New Priority Recommendations

Our May 2024 letter to prior Administrator Carnahan identified five priority recommendations.<sup>8</sup> Since then, one recommendation was implemented, and we added four new priority recommendations.

**Implemented recommendation:** In 2025, GSA implemented our 2022 recommendation to develop a plan to broadly share information that could help federal agencies better understand their future space needs.<sup>9</sup> GSA published on its website a list of technologies for collecting space utilization data, the contractors that can provide them, and pricing and purchasing information. By doing so, GSA has enabled agencies to make informed investments in data collection technologies to identify excess office space that is no longer needed.

**New priority recommendations:** The new priority recommendations fall into the area of improving federal single audit reporting. (See Enclosure 1.)

#### High-Risk List

In February 2025, we issued our biennial update to our High-Risk List.<sup>10</sup> This list identifies government operations with greater vulnerabilities to fraud, waste, abuse, and mismanagement. It also identifies the need for transformation to address economy, efficiency, or effectiveness challenges. One of our high-risk areas—managing federal real property—centers directly on GSA.

Several other government-wide, high-risk areas also have direct implications for GSA and its operations. These include management of IT acquisitions and operations,

<sup>&</sup>lt;sup>7</sup>GAO, *Performance and Accountability Report: Fiscal Year 2024*, GAO-25-900570 (Washington, D.C.: Nov. 15, 2024).

<sup>&</sup>lt;sup>8</sup>GAO, *Priority Open Recommendations: General Services Administration*, GAO-24-107316 (Washington, D.C.: May 30, 2024).

<sup>&</sup>lt;sup>9</sup>GAO, *Federal Real Property: GSA Could Further Support Agencies' Post-Pandemic Planning for Office Space Use.* GAO-22-105105 (Washington, D.C.: September 7, 2022).

<sup>&</sup>lt;sup>10</sup>GAO, *High-Risk Series: Heightened Attention Could Save Billions More and Improve Government Efficiency and Effectiveness,* GAO-25-107743 (Washington, D.C.: Feb. 25, 2025).

improving strategic human capital management and personnel security clearance process, and ensuring the cybersecurity of the nation.

In addition to GSA's high-risk area, we urge your continued attention to the other governmentwide, high-risk issues as they relate to GSA. Progress on high-risk issues has been possible through the concerted actions and efforts of Congress, the Office of Management and Budget, and the leadership and staff in agencies, including within GSA. In March 2022, we issued a report on key practices to successfully address high-risk areas, which can be a helpful resource as your agency continues to make progress to address high-risk issues.<sup>11</sup>

### **Congress's Role on GAO Recommendations**

We also recognize the key role Congress plays in providing oversight and maintaining focus on our recommendations to ensure they are implemented and produce their desired results. Legislation enacted in December 2022 includes a provision for GAO to identify any additional congressional oversight actions that can help agencies implement priority recommendations and address any underlying issues relating to such implementation.<sup>12</sup>

Congress can use various strategies to address our recommendations, such as incorporating them into legislation. Congress can also use its budget, appropriations, and oversight processes to incentivize executive branch agencies to act on our recommendations and monitor their progress. For example, Congress can hold hearings focused on GSA's progress in implementing GAO's priority recommendations, withhold funds when appropriate, or take other actions to provide incentives for agencies to act. Moreover, Congress can follow up during the appropriations process and request periodic updates.

Congress also plays a key role in addressing any underlying issues related to the implementation of these recommendations. For example, Congress can pass legislation providing an agency explicit authority to implement a recommendation or requiring an agency to take certain actions to implement a recommendation.

<sup>&</sup>lt;sup>11</sup>GAO, *High-Risk Series: Key Practices to Successfully Address High-Risk Areas and Remove Them from the List*, GAO-22-105184 (Washington, D.C.: Mar. 3, 2022).

<sup>&</sup>lt;sup>12</sup>James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Pub. L. No. 117-263, § 7211(a)(2), 136 Stat. 2395, 3668 (2022); H.R. Rep. No. 117-389 (2022) (accompanying Legislative Branch Appropriations Act, H.R. 8237, 117th Cong. (2022)).