



OFFICE OF THE INSPECTOR GENERAL

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DOJ OIG Releases Report on FBI's Aircraft Lease Contract Awarded to Midwest Jet Center, LLC, dba Reynolds Jet Management

The Department of Justice (DOJ) Office of the Inspector General (OIG) announced today the release of a report examining the Federal Bureau of Investigation's (FBI) sole-source contract with Midwest Jet Center, LLC, doing business as Reynolds Jet Management (RJM). RJM leased a Gulfstream G-V (G5) aircraft to the FBI for 6 months, from January 31, 2016, to July 30, 2016, for a total of \$2.4 million. The FBI had previously leased this aircraft from RJM under a separate contract.

The DOJ OIG found that RJM complied with the stated terms and conditions of the 6-month contract, but identified several deficiencies with the FBI's awarding and oversight of the contract.

The specific findings in today's report include:

- **The FBI did not award or administer the contract in accordance with the Federal Acquisition Regulation (FAR).** Specifically, the FBI did not comply with the FAR that requires government contracting personnel to approve a sole source justification prior to awarding the contract. Instead, the sole source justification documents were dated nearly 5 months into the 6-month lease. Further, the FBI did not formally award the contract until approximately 1 month after the period of performance began. We also found that the FBI did not adequately review invoices, pay invoices in a timely manner, maintain sufficient documentation in the contract file to show a complete history of the contract action, or enter accurate information into the Federal Procurement Data System – all of which were in non-compliance of the FAR.
- **The FBI did not include specific performance metrics in the contract.** During the contract period of performance, the leased G5 aircraft was unavailable for a total of 44 days for unscheduled maintenance, which equated to approximately \$580,000 of the total contract value and, based upon documentation provided by the FBI, negatively affected FBI missions. However, because the contract did not include specific performance metrics, the FBI did not have any meaningful recourse for the significant unexpected downtime of the leased G5 aircraft.

- **FBI officials did not complete a comprehensive bilaterally agreed-upon pre-inspection of the G5 aircraft.** At the conclusion of the lease, RJM identified needed repairs to the aircraft that RJM deemed to be in excess of normal wear and tear, and submitted requests for equitable adjustment to the FBI for \$2.4 million. Without a documented pre-inspection agreed to by both parties, we could not determine the accuracy of RJM's request for an equitable adjustment.

The deficiencies discussed in today's report are similar to those identified in the OIG's September 2016 report entitled, "Audit of the Federal Bureau of Investigation's Fuel Procurement Contracts Awarded to the Petroleum Traders Corporation," which examined certain FBI contracts for bulk fuel procurements. We believe the FBI needs to assess the findings from both reports to determine how to improve its compliance with the FAR and internal FBI policies.

Today's report makes seven recommendations to the FBI that address the deficiencies we identified. The FBI agreed with all of the recommendations.

Report: Today's report is available on the OIG's website under "Recent Reports" and at the following link: <https://oig.justice.gov/reports/2017/a1730.pdf>.