

**Report on Fiscal Year 2004  
Labor Floor Checks**

**March 2005**

**Reference Number: 2005-1C-056**

**This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.**



INSPECTOR GENERAL  
for TAX  
ADMINISTRATION

DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

March 30, 2005

MEMORANDUM FOR DAVID A. GRANT  
DIRECTOR OF PROCUREMENT  
INTERNAL REVENUE SERVICE

*Daniel R. Devlin*

FROM: Daniel R. Devlin  
Assistant Inspector General for Audit (Headquarters Operations  
and Exempt Organizations Programs)

SUBJECT: Report on Fiscal Year 2004 Labor Floor Checks  
(Audit #20051C0213)

The Defense Contract Audit Agency (DCAA) performed physical observations (floor checks) to determine whether employees are actually at work, employees are performing in their assigned job classifications, and employee time is charged to the appropriate jobs. According to the DCAA, the floor checks include determining whether the contractor consistently complies with established timekeeping system policies and procedures for recording labor charges.

The DCAA stated the floor checks disclosed no significant deficiencies in the contractor's timekeeping or labor system. The DCAA also stated this report pertains only to evaluating the contractor's timekeeping procedures and the performance of floor checks. Therefore, the DCAA expresses no opinion on the adequacy of the contractor's labor accounting system as a whole.

The information in this report should not be used for purposes other than those intended without prior consultation with the Treasury Inspector General for Tax Administration regarding their applicability.

If you have any questions, please contact me at (202) 622-8500 or John R. Wright, Director at (202) 927-7077.

Attachment

# NOTICE:

The Office of Inspector General for Tax Administration has no objection to the release of this report, at the discretion of the contracting officer, to duly authorized representatives of the contractor.

The contractor information contained in this report is proprietary information. The restrictions of 18 U.S.C. § 1905 must be followed in releasing any information to the public.

This report may not be released without the approval of this office, except to an agency requesting the report for use in negotiating or administering a contract with the contractor.

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