

CONSIDERATION GIVEN BY THE BOARD TO GOVERNMENT PROPERTY IN THE HANDS OF CONTRACTORS

The Renegotiation Board has informed us that—

(1) Contractors on request submit information to the Board showing the total amount of Government plant, equipment, and materials furnished by Government departments;

(2) Generally, the Government-furnished plant and equipment information, as furnished by the contractors, has been accepted by the Board for purposes of renegotiation;

(3) When the Board has occasion to question the information supplied by a contractor, the matter is referred to the appropriate Government department for confirmation.

Representative CURTIS. Now, let me ask another procedural question.

On these cases that are brought out here, it looks as if—in some instances, as Senator Proxmire was bringing out—the contractors themselves have not been furnished the forms, it would be hard to put the onus on them.

Yet, on the other hand, the fact still remains they have been using Government property without adequate payment.

RECOUPING FROM CONTRACTORS

What procedures do we have for recouping these funds or these amounts from these contractors? Can you comment on that?

What is done with respect to recouping?

Mr. STAATS. I wonder if we could ask Mr. Keller, our General Counsel, to respond to these questions?

Representative CURTIS. Yes, of course.

Mr. KELLER. I think the question, Mr. Curtis, breaks down into two parts. On certifications of cost data as required by Public Law 87-653, if the certificate does not identify the data on which the certification was based you do not have much of a case for a price adjustment because you have lost the identification of basic element you need for the price adjustment. That is, the data on which the Government relied in negotiating the contract.

Representative CURTIS. Let me interrupt for just a minute.

On the basis of at least the cases that the General Accounting Office checked, although they actually used the equipment, although they actually did not fill out the form, once you have that information I would think you could have a recoupment.

Mr. KELLER. That is the other part of your question.

Representative CURTIS. All right.

USE OF GOVERNMENT PROPERTY ON COMMERCIAL WORK

Mr. KELLER. Where a contractor has utilized Government property for commercial work without approval of the Government, I think the Government has a case to recover a reasonable charge for the use of that property. Such a recovery would be pursued by the Government.

Representative CURTIS. Who would pursue them; would the Defense Department pursue them?