

2. General Policy

To provide procedures whereby the FDIC may elect to refrain from soliciting a firm for new business if:

(a) the results of an audit reflect potentially recoverable disallowed costs and audit issues remain outstanding or unresolved within the time period set forth in the notice letter sent by FDIC; and

(b) the firm failed or declined to cooperate with resolution efforts undertaken by FDIC management in response to the audit findings, including the failure to adequately support its contract costs or the failure to remit the disallowed portion of the questioned costs identified in such audit report.

3. Definitions

(a) Disallowed cost means a questioned cost that management, in a management decision, has sustained or agreed should not be charged to the government.

(b) Management decision means the evaluation by FDIC management of the findings and recommendations included in an audit report and the issuance of a final decision by management concerning its response to such findings and recommendations, including actions concluded to be necessary.

(c) Questioned cost means a cost that is questioned in an audit by the OIG or similar auditing agency because of:

(i) an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds;

(ii) a finding that, at the time of the audit, such cost is not supported by adequate documentation; or

(iii) a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

4. Procedures

Issued audit reports that identify questioned costs relating to contractual engagements are assigned to the Division of Administration, Acquisition Services Branch (ASB) staff, or the Outside Counsel Unit, Legal Division (OCU), for resolution. In implementing this policy statement, the following steps shall be taken:

(a) Management decision. Once a management decision is made on a respective finding, the matter is then assigned to ASB or OCU for resolution. A copy of the relevant audit report shall be transmitted to the firm under a cover letter which:

(i) identifies the ASB or OCU which is responsible for resolving the audit issues;

(ii) identifies the ASB or OCU employee primarily responsible for resolution and to whom all communications from the firm should be sent;

(iii) requests that the firm respond to the findings contained in the report within ten (10) business days of receipt of the letter, or such other time as specified in the letter. Such responses should include supporting documentation where appropriate.

(b) If the firm fails to respond to this request, or fails to remit the disallowed portion of the questioned costs contained in the audit report, or otherwise fails to adequately respond to the issues raised in the report, the following procedures shall apply:

(i) with respect to audits of firms other than outside counsel, the ASB employee identified in section 4(a)(ii) shall send a letter to the firm advising the firm of its failure to cooperate, and which advises the firm that unless it remits the requested repayment or makes other arrangements satisfactory to the Associate Director who is responsible for resolution of this audit (whose name shall be provided to the firm) within ten business days of receipt of this letter, the Director, Division of Administration may, effective as of that date, make a determination that the FDIC refrain from soliciting any future services from this firm until such time as all issues identified in the subject audit report are resolved to the FDIC's satisfaction, and direct that notice to be sent to the firm of this action.

(ii) With respect to audits of outside counsel, the Legal Division employee identified in section 4(a)(ii) shall send a letter to the outside counsel which advises such outside counsel that its failure to cooperate constitutes a conflict of interest with the FDIC, and which advises outside counsel that unless it remits the requested repayment or makes other arrangements satisfactory to the Assistant General Counsel who is responsible for resolution of this audit (whose name shall be provided to the contractor) within ten business days of receipt of this letter, the matter will be referred to the Outside Counsel Conflicts Committee for appropriate action,

which may include a determination that the FDIC refrain from soliciting any future services from such outside counsel and/or terminate FDIC's existing engagements, until such time as all issues identified in the subject audit report are resolved to the FDIC's satisfaction.

Dated at Washington, D.C. this 14th day of March, 1997.

Federal Deposit Insurance Corporation.

Robert E. Feldman,

Deputy Executive Secretary.

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FEDERAL ELECTION COMMISSION

Sunshine Act Meeting

FEDERAL REGISTER NUMBER: 97-6472.

PREVIOUSLY ANNOUNCED DATE & TIME: Tuesday, March 18, 1997, 10:00 a.m., Meeting closed to the public.

THIS MEETING HAS BEEN CANCELLED.

DATE & TIME: Tuesday, March 25, 1997 at 10:00 a.m.

PLACE: 999 E Street, NW., Washington, DC.

STATUS: This meeting will be closed to the public.

ITEMS TO BE DISCUSSED:

Compliance matters pursuant to 2 U.S.C. § 437g.

Audits conducted pursuant to 2 U.S.C. § 437g, § 438(b), and Title 26, U.S.C.

Matters concerning participation in civil action or proceedings or arbitration.

Internal personnel rules and procedures or matters affecting a particular employee.

Federal Election Commission

Sunshine Act Notice for Meetings of March 25 and 27, 1997

DATE & TIME: Thursday, March 27, 1997 at 10:00 a.m.

PLACE: 999 E Street, NW., Washington, DC (Ninth Floor).

STATUS: This meeting will be open to the public.

ITEMS TO BE DISCUSSED:

Correction and Approval of Minutes.

Independent and Coordinated Expenditures by Party Committees—Notice of Proposed Rulemaking (11 CFR § 100.7, § 100.23, § 104.4, § 109.1, § 110.1, § 110.2, § 110.7, and § 110.11)—(If not concluded at the meeting of March 20, 1997.)

Administrative Matters.

PERSON TO CONTACT FOR INFORMATION:

Mr. Ron Harris, Press Officer,
Telephone: (202) 219-4155.

Marjorie W. Emmons,

Secretary of the Commission.

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