



OFFICE OF INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500

September 25, 2023

MEMORANDUM FOR DIRECTOR, DEFENSE CONTRACT AUDIT AGENCY
DIRECTOR, DEFENSE CONTRACT MANAGEMENT AGENCY

SUBJECT: Evaluation of DoD Compliance with the Prohibition of Unallowable Advertising
Costs on Covered DoD Contracts
(Project No. D2023-DEV0SO-0161.000)

The purpose of this memorandum is to notify you that we plan to begin the subject evaluation in September 2023. The Joint Explanatory Statement to the Consolidated Appropriations Act of 2023, available on the Senate Appropriations Committee’s website, directs the DoD Office of Inspector General to submit a report on contractor compliance with the prohibition of advertising costs required by Title 10 U.S.C. § 3744(a)(8). The objective of this evaluation is to determine whether the DoD is reimbursing contractors for unallowable advertising costs on covered DoD contracts. We may revise the objective as the evaluation proceeds, and we will also consider suggestions from management for additional or revised objectives. We plan to perform this evaluation in accordance with the Council of the Inspectors General on Integrity and Efficiency “Quality Standards for Inspections and Evaluations.”

We will perform the evaluation at various Defense Contract Audit Agency and Defense Contract Management Agency office locations. We may identify additional locations during the evaluation.

We request that you designate a staff member to serve as our point of contact for this evaluation within **5 days** of this memorandum. The point of contact should be a Government employee—a GS-15, pay band equivalent, or military equivalent—and knowledgeable of the process of auditing incurred cost proposals and establishing final indirect cost rates related to the objective. Send the contact’s name, title, grade/pay band, phone number, and email address to

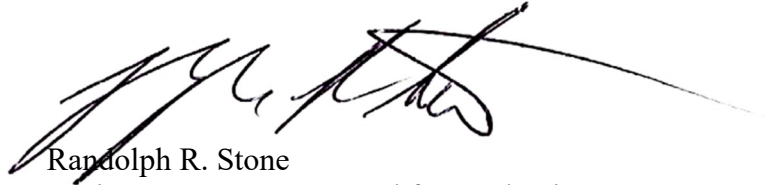


The Inspector General Act of 1978, as amended, authorizes us to have access to personnel and materials as we determine necessary to perform our oversight in a timely manner. You can obtain information about the DoD Office of Inspector General from DoD Directive 5106.01, “Inspector General of the Department of Defense (IG DoD),” April 20, 2012, as amended, and DoD Instruction 7050.03, “Office of the Inspector General of the Department of Defense Access to Records and Information,” March 22, 2013, as amended. Our website is www.dodig.mil.

If you have any questions, please contact [REDACTED]

or [REDACTED]

FOR THE INSPECTOR GENERAL:

A handwritten signature in black ink, appearing to read 'R. Stone', with a long horizontal flourish extending to the right.

Randolph R. Stone
Assistant Inspector General for Evaluations
Space, Intelligence, Engineering & Oversight