



DEPARTMENT OF DEFENSE  
INSPECTOR GENERAL  
WASHINGTON, D.C. 20301

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13 JUL 1983

Honorable Jim Sasser  
United States Senate  
Washington, DC 20510


Dear Senator:

This responds to your letter of June 20, 1983, which forwarded the concerns of your constituent, Mr. Glenn E. McDuffie. The Department of Defense initiated an inquiry into the alleged fraudulent contracting practices of the Westinghouse Electric Corporation in May 1982. This action, which consisted of a criminal investigation and contract audit, was taken in direct response to previous correspondence provided by Mr. McDuffie, a former employee of Westinghouse Electric Corporation. In his letter of April 3, 1982, to you, Mr. McDuffie accused Westinghouse Electric Corporation of defective pricing practices which resulted in overcharges to the Department of Defense.

The investigation failed to establish any evidence of criminal conduct on the part of the contractor. However, the audit report revealed administrative irregularities which resulted in overpricing practices by Westinghouse Electric Corporation. The audit disclosed overcharges in the amount of \$307,215 and a possible duplicate claim of \$24,024. The audit report has been forwarded to the U.S. Army Missile Command with recommendations for specific price adjustments to the contract. The U.S. Army Missile Command has initiated action to seek recovery of the excessive charges, which were identified by the audit. My Office of Audit Followup will continue to monitor this action to ensure proper resolution.

If I can be of further assistance to you in this or any future matter, please do not hesitate to call.

Sincerely,

  
Joseph H. Sherick  
Inspector General