

Combating Fraud, Waste, Abuse & Mismanagement · Architect of the Capitol



Audit of Cannon House Office Building Renewal (CHOBBr) Project's Contract Costs

OIG-AUD-2026-04

September 30, 2026



NDAA 5274 NOTICE

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Results in Brief

Audit of Cannon House Office Building Renewal (CHOB) Project's Contract Costs

SEPTEMBER 30, 2026



OBJECTIVE

The objective of this audit was to verify the accuracy and compliance of the invoiced amounts under the CHOB contracts. Specifically, we determined whether the invoiced amounts for the Architect/Engineer (A/E), Construction Manager as Agent (CMA), and Construction Manager as Constructor (CMc) contracts were allowable, allocable, and reasonable, as required by the contracts and applicable laws and regulations. Construction audits and evaluations are included in the Architect of the Capitol (AOC) Office of Inspector General (OIG) Oversight Plan. As such, the AOC OIG contracted Sikich CPA, LLC (Sikich) to conduct a performance audit of the CHOB Project's contract costs.

FINDING

Overall, we determined that amounts invoiced by the A/E, CMA, and CMc for the CHOB Project were accurate, allowable, allocable, reasonable, and in compliance with the CHOB contracts and applicable laws and regulations. However, the AOC can improve its process for closing out phases by ensuring that it obtains sufficient supporting documentation that is readily available for examination.

Specifically, the CHOB Project team could not provide adequate documentation to support \$545,421 invoiced by the CMc. Of that unsupported amount, \$335,023 was tied to Phases 0 and 1 of the project. The documents for those early phases were hard to locate because the final payment applications were

submitted in 2017 and 2020, and the staff who worked on those submissions are no longer with the project.

Additionally, the CMc switched to a new accounting system, which made retrieving older records difficult. As a result, they could not provide the needed supporting documentation for those costs.

RECOMMENDATIONS

We made three recommendations to address the identified areas of improvement.

1. We recommend that the Architect of the Capitol review the \$545,421 in questioned costs to determine whether the costs were adequately supported at the time they were paid and recover any unsupported costs to the extent legally and administratively possible.
2. We recommend that the Architect of the Capitol ensure that it performs a final reconciliation of reimbursable costs to the CMc's accounting records and utilizes the CMA's procedures for reviewing CMc's payment applications to ensure it has obtained adequate documentation for CMc's reimbursable costs prior to the final completion of Phases 3 and 4.
3. We recommend that the Architect of the Capitol enforce applicable construction-contract provisions requiring contractors to maintain complete, accurate, and readily accessible financial and project records throughout the duration of the project to support oversight. AOC procedures should

Results in Brief Continued

also require authorized AOC project personnel to validate that all amounts invoiced are adequately supported prior to releasing the final payment for the project or project phase.

MANAGEMENT COMMENTS

The AOC provided comments on September 23, 2026, see [Appendix D](#). In its management comments, the AOC concurred with the AOC OIG's three recommendations.

Please see the Recommendations Table on the following page.

RECOMMENDATIONS TABLE

Management	Recommendation Required Comment
Office of the Chief Engineer	1, 2, 3

Management	Recommendations Open Unresolved	Recommendations Open Resolved	Recommendations Closed
Office of the Chief Engineer	None	1, 2, 3	None

The following categories are used to describe agency management’s comments to individual recommendations:

- **Open Unresolved:** Management has not agreed to implement the recommendation or has not proposed actions that will address the recommendation.
- **Open Resolved:** Management agreed to implement the recommendation or has proposed actions that will address the underlying finding that generated the recommendation.
- **Closed:** OIG verified that the agreed upon corrective actions were implemented.



Inspector General

DATE: September 30, 2026

TO: Thomas E. Austin, PE, CCM, PMP
Architect of the Capitol

FROM: Luiz A. Santos, CFE, PMP
Inspector General

SUBJECT: Audit of Cannon House Office Building Renewal (CHOB) Project's Contract Costs (OIG-AUD-2026-04)

Please see the attached final report for our audit of the Cannon House Office Building Renewal (CHOB) Project's Contract Costs, which we announced on July 30, 2025. This report presents one finding and three recommendations related to the Architect of the Capitol's (AOC) process for closing out phases of the CHOB project.

Our audit determined that amounts invoiced by the Architect/Engineer, Construction Manager as Agent, and Construction Manager as Constructor for the CHOB Project were accurate, allowable, allocable, reasonable, and in compliance with the CHOB contracts and applicable laws and regulations. However, the AOC can improve its process for closing out phases by ensuring that it obtains sufficient supporting documentation that is readily available for examination.

We appreciate the courtesies extended to our staff during the audit. If you have any questions, please contact me at 202.593.1948 or luiz.santos@aoc.gov. Alternatively, your staff may contact Peter Sima-Eichler, Deputy Inspector General, at 202.355.5948 or peter.sima-eichler@aoc.gov or Erica Boyden, Assistant Inspector General for Audits, at 202.215.3395 or erica.boyden@aoc.gov.

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INTRODUCTION

Objective

This report presents the results of Sikich's performance audit of the Cannon House Office Building Renewal (CHOB) Project's contract costs. The objective of the audit was to verify the accuracy and compliance of the invoiced amounts under the CHOB contracts. Specifically, we determined whether the invoiced amounts were allowable, allocable, and reasonable, as required by the contract and applicable laws and regulations. To accomplish the audit objective, we reviewed the CHOB's Architect/Engineer (A/E), Construction Manager as Agent (CMA), and Construction Manager as Constructor (CMC) contracts; obtained an understanding of the CHOB Project team's oversight and review process for payment applications; and selected a sample of A/E, CMA, and CMC payment applications to determine if the invoiced amounts were incurred, allowable, allocable, and reasonable.¹

We conducted this audit in Washington, D.C., from September 2025 through June 2026, in accordance with *Generally Accepted Government Auditing Standards (GAGAS)* (per the 2018 revision of the Government Accountability Office's [GAO's] *Government Auditing Standards*). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Refer to [Appendix A](#) for a discussion of our Scope and Methodology, Use of Computer-Processed Data, and Prior Coverage.

Background

Completed in 1908, the Cannon House Office Building continues to function in its original and intended purpose as an office building for members of Congress. The Cannon House Office Building was first used by the 60th Congress on January 10, 1908. Known as simply the "House Office Building" when it opened, the building included 397 single-room offices (one per Representative), the Caucus Room, 13 Committee Rooms, the basement rotunda, the ceremonial Rotunda and main stair, a dining room, cafeteria, kitchen, post office, barber shop, gymnasium, 32 public bathrooms, and 5 elevators. In 1913, a fifth floor was added to the building for additional office space. The interior of the building was renovated in 1932 and again in 1965 to provide larger offices and systems upgrades for the Representatives and their staff. The renovations completed in the 1960s resulted in the remodeling of 142 office suites, 5 conference rooms, 4 hearing rooms, and the Caucus Room, to accommodate large meetings. The building was renamed in 1962 to honor Joseph Gurney Cannon of Illinois, who served as

¹ We did not sample CMC's reimbursable costs for Phases 1 and 2 for the purposes of this audit because these costs were reviewed during the prior audit of the CHOB Project (Report No. [OIG-AUD-2021-04](#)).

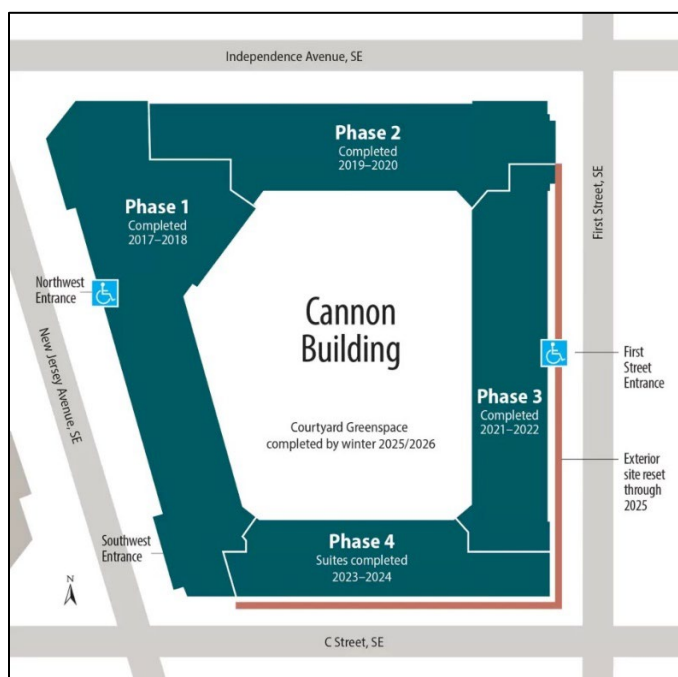
Speaker of the House of Representatives during the period of the building's design and construction.

The building's systems had not received a comprehensive upgrade since the 1930s, and the Architect of the Capitol (AOC) began developing the scope for the CHOB Project in approximately 2004. An assessment of the Cannon House Office Building concluded that the building suffered from major deficiencies in its exterior marble and mechanical, life safety, and fire protection systems.² The AOC established the final scope of the CHOB Project, which entailed correcting most of the identified deficiencies and addressing current requirements, such as energy conservation, physical security, hazardous materials abatement, and historic preservation. Key components of the project, among other items, included:

- Substantial reconfiguration of member suites and the reconstruction of the building's top floor to convert storage space into new suites,
- Refurbishment of windows and installation of a new roof,
- Preservation of the building's stone exterior,
- Replacement of all plumbing, heating and cooling, fire protection, electrical, and alarm systems, and
- Refurbishment of restrooms to make them more accessible to people with disabilities.

The AOC scheduled the project's construction in five sequential phases with an initial Phase 0 that primarily addressed infrastructure and temporary swing space construction and Phases 1 through 4, which each addressed construction in one of the building's four wings. **Figure 1** provides a timeline of CHOB Project phases.

Figure 1: Timeline of CHOB Project Phases



Source: AOC website for CHOB Project updates

² Capitol Complex Master Plan, U.S. House of Representatives Jurisdiction Plan, December 30, 2011.

The AOC initially estimated that completing the CHOBr Project would cost approximately \$753 million. The initial estimate was prepared by a consultant in March 2009 and reviewed by GAO. GAO's report stated that estimates developed during a project's planning stage typically have an expected accuracy range of plus or minus 40 percent.³ In December 2019, the AOC conducted an Integrated Cost Schedule Risk Analysis (ICSRA) that increased the project estimate to \$890 million. According to a study done by GAO, two unknown risks materialized after the AOC's December 2019 estimate: the effect of Coronavirus Disease 2019 (COVID-19) pandemic and the January 2021 security events.⁴ A subsequent ICSRA completed in January 2022 projected the project's total cost would increase to \$934.9 million. However, the cumulative impacts of COVID-19-related labor and materials shortages and delays, and the cumulative effects of actual subcontractor proposals and the final construction awarded value, resulted in a September 2022 revised total project cost estimate of \$971.3 million.⁵ See **Table 1** for a breakdown of the AOC's current estimate⁶ at completion of \$971.9 million.

Table 1: CHOBr Project Estimate at Completion as of May 31, 2026

Program Components	Estimate at Completion (Millions)
Total Construction Contract Costs	\$728.7
A/E Professional Services	72.1
Construction Manager-as-Agent	59.6
AOC Project Management Costs	27
Swing Space	21.6
Furniture, Fixtures, and Equipment/Superintendent	20.3
United States Support/Staffing (Overtime)	15.5
United States Capitol Police Physical Security	7.6
Partnering Fee Agreement	7.4
CMc Pre-construction	4.8
Other Construction Costs-AOC Construction Execution Branch	3.8
Owner Contingency	2.5
Post-Final Completion Close-out	0.7
COVID-19 Costs	0.2
Miscellaneous Professional Fees	0.1
Total	\$971.9

Source: AOC estimate for CHOBr Project costs through completion.

³ *Architect of the Capitol: Plans for Renovating the Cannon House Office Building and Garages*. [GAO-09-673T](#). Testimony before the Committee on House Administration, House of Representatives. Statement of Terrell G. Dorn, Director, Physical Infrastructure Issues. Washington, DC: GAO, May 6, 2009.

⁴ *Architect of the Capitol: Efforts Have Begun to Update Cannon House Office Building's Renovation Cost and Schedule Estimates*. [GAO-21-105363](#). Testimony before the Committee on House Administration, House of Representatives. Statement of Terrell G. Dorn, Managing Director, Infrastructure Operations. Washington, DC: GAO, August 5, 2021.

⁵ *Semiannual Status Update on CHOBr Project, Reporting Period Ending December 31, 2022*. Report No. [OIG-AUD-2023-03](#). Washington, DC: AOC OIG, March 28, 2023.

⁶ According to the AOC, the Office of the Chief Financial Officer rounded up its appropriation request for fiscal year 2025, which provided an additional \$600,000 in funding for the CHOBr Project.

Although the AOC's estimate increased over time, the current estimate of \$971.9 million is approximately 29 percent higher than the initial estimate, which is within the range noted in GAO's 2009 report. Key components of the estimate were for the A/E, CMa, and CMc.

At the time of our review, Phase 3 was not closed, and work for Phase 4 was ongoing; therefore, the final value of the A/E, CMa, and CMc contracts at completion was not finalized. Contract modifications showed that the combined value of these contracts as of April 9, 2026, was \$859,949,175. **Table 2** provides a summary of the actual contracted value of the CHOBr components.

Table 2: Breakdown of CHOBr Project Contract Value for CMc, A/E, and CMa

Contractor	Contract Values as of April 9, 2026 ⁷	Contract Values Reviewed for Invoiced Amounts ⁸
CMc	\$738,473,143	\$733,242,584
A/E	63,622,282	62,612,094
CMa	57,853,750	55,122,986
Total	\$859,949,175	\$850,977,664

Source: Sikich review of contract modifications for A/E, CMa, and CMc contracts and contract modifications.

Architect/Engineer

The AOC awarded the A/E contract on September 28, 2013. The A/E is responsible for the architectural and engineering design services (e.g., planning, architecture, interior design, historic preservation and restoration, material restoration, mechanical, electrical, structural, fire protection, code/life safety analysis, landscape, security, audio/visual, food service, signage, telecommunication, vertical transportation, cost estimating, value engineering, testing, and monitoring) necessary for the development of program requirements, basis of design,⁹ design and construction documents, and construction administration. The value of A/E's services was negotiated on a task-by-task basis. Most of the work performed by the A/E was invoiced on a

⁷ Contract values shown are based on contract modification 162 for the CMc contract approved on April 9, 2026; contract modification 190 for the A/E contract approved on April 2, 2026; and contract modification 111 for the CMa contract approved on March 13, 2026. **Table 2** does not include other elements included in the AOC's current estimate (**Table 1**) that were outside the scope of this audit, which total approximately \$92 million (\$27 million for the AOC's Project Management, \$23.1 million for the U.S. Capitol Police, \$21.6 million for swing space, and \$20.3 million for furniture, furnishings, and equipment and superintendents).

⁸ Contract values shown are based on contract modifications that align with the latest invoice or payment application reviewed for the purposes of this audit. Specifically, the contract value shown for the CMc represents the amount approved through CMc contract modification 147 on May 20, 2025. The contract value shown for the A/E represents the amount approved through A/E contract modification 185 approved on November 7, 2025. The contract value shown for the CMa represents the amount approved through CMa contract modification 105 approved on July 28, 2025.

⁹ The A/E contract defined the basis of the design as a report to establish design criteria for the initial design development phase. The document was to provide a design basis for the new systems that will be required to maintain the quality of levels identified in the program of requirements.

percentage-of-completion basis; however, certain tasks, such as early starts,¹⁰ commissioning, and construction administration, were awarded based on anticipated hours and invoiced at contracted labor rates.

A/E Invoice Review and Approval Process

The A/E submits monthly invoices to the AOC. The Contracting Officer's Representative (COR) reviews the A/E's monthly invoices and its monthly summary of significant activities. The COR validates whether the contract has sufficient funding for the scopes of work invoiced by the A/E and reviews the percentages of completion for reasonableness by comparing them to the percentages of completion for the prior month. The COR also reviews and calculates the total cost line items for accuracy, reconciles billed hours to supporting documentation, and verifies additional activities for construction administration services aligned with AOC requests for mechanical, electrical, and structural systems. The COR cross-references the backup documentation to the overall line items in the Invoice Processing Platform (IPP).

Construction Manager as Agent

The AOC awarded the CMa contract on October 5, 2012. The CMa was engaged to serve as the AOC's representative on a wide range of construction management activities. The CMa functions as a collaborative member of the project team and an active participant in design and pre-construction by providing leadership and expertise throughout the design phases. The CMa is responsible for representing the interests of the AOC and providing the AOC with sound and proactive management advice regarding the approach to the project and to achieving the best value for the work, schedule control, dispute prevention and resolution, and cost control. CMa construction phase services included items such as coordinating regular construction meetings; providing scheduling support; overseeing the CMc safety program; maintaining construction records; identifying, communicating, and managing project risk; controlling construction costs; conducting quality control inspections; overseeing all management processes, and performing commissioning and acceptance.

The CMa's services for the base contract and options for Phases 0 through 4 were awarded under a firm fixed price (FFP) contract. The CMa invoiced AOC for FFP services by prorating the awarded amount over the award period. In addition to the CMa's services provided on an FFP basis, the CMa also provided additional services, such as security escorts. The contract amount for such services was based on anticipated hours and contracted rates. For these additional services, the CMa invoiced the actual hours incurred during the month the services were provided.

CMa Invoice Review and Approval Process

The CMa submits monthly invoices to the AOC. The COR reviews the monthly charges, modifications, and labor positions covered in the FFP to ensure office staff worked on the

¹⁰ As the CHOB Project progressed, certain tasks were awarded and commenced before the period of performance for the phase began.

project. The COR reviews the labor hours tracked for additional services to ensure they are reasonable and align with the anticipated hours and contracted rates. The CMA has various deliverables on the CHOBr Project to assist the AOC and provide oversight of the CMc. However, these deliverables are not tied to contractual milestones or a percentage of completion; therefore, the review of the CMA's invoices requires continuous monitoring and knowledge of the CMA's activities for the CHOBr Project.

To conduct these reviews, the COR examined the weekly and monthly CMA agendas, checked the inspector calendars, reviewed any potential change orders prepared by the CMA, attended field inspections, and reviewed submittal packages. Together, these steps help ensure that the CMA continues to provide proper oversight and effectively monitor the project's progress and completion. The COR also confirms that none of the vacant CMA positions are billed.

For any labor hours listed, the COR reviews the labor hours for reasonableness. Labor hours are tracked by the CMA and AOC. The COR discusses any questions with the CMA, then provides the updated invoice with any changes the COR determined necessary. The CMA reviews the COR's notes and provides an updated copy, if needed, for approval in IPP.

Construction Manager as Constructor

The AOC awarded the CMc contract on October 25, 2012. The CMc was engaged to provide a wide range of construction management and construction activities, which are often performed by both a construction manager and a general contractor. The CMc's contract was broken into a base contract for pre-construction services, six optional periods for construction during Phases 0 through 4, and one year for close-out and commissioning. The base contract and the final close-out and commissioning period were FFP, whereas the options for Phases 0 through 4 were to be executed as Guaranteed Maximum Price (GMP) options. A typical GMP is a construction contract that sets a cost ceiling. The contractor's reimbursement for all work is based on actual, allowable project costs up to, but not exceeding, the ceiling. However, for the CMc's GMP only the General Conditions and General Requirements were awarded on a cost-reimbursable basis. The portion of the contract awarded for various construction disciplines, performed by subcontractors, was awarded on a fixed-price basis between the AOC and CMc. The CMc holds all construction subcontracts and is responsible for supervising and coordinating the work, including all means, methods, techniques, sequences, and procedures used to achieve construction milestones.

CMc Payment Application Review and Approval Process

The CMc submits monthly payment applications to the AOC. The review and approval of the CMc's payment applications have evolved throughout the life of the CHOBr Project. During Phases 3 and 4,¹¹ the payment applications sent to AOC are first reviewed by the CMA to

¹¹ The payment application review and approval process for Phases 1 and 2 was reviewed in prior AOC OIG reports: Audit of the CHOBr Project's Contract Invoices. Report No. OIG-AUD-2020-05. Washington, DC: AOC, OIG, August 25, 2020. Audit of the CHOBr Project's Reimbursable Costs. Report No. OIG-AUD-2021-04. Washington, DC: AOC, OIG, June 8, 2021.

ensure that the work included in the payment application reflects actual progress on the project. Work for construction trades is based on a percentage of completion. To validate the CMc's percentages of completion, the CMA takes the payment application to the worksite to review and confirms the percentages of completion noted by the CMc. The CMA also completes steps in its financial audit program for each invoice. These steps include reviewing general conditions for any unallowable costs and items charged to incorrect cost codes, requesting additional supporting documentation, and ensuring all applicable items are billed. The CMA also requires the CMc to provide supporting documentation for any charges greater than \$10,000. The AOC, CMc, and CMA meet to discuss the CMA's recommended percentages of completion. The CMc reviews the recommended changes and provides an updated payment application to the CMA. This process continues until the percentages of completion are approved by the AOC. Once the review is completed, the CMc uploads the payment application to the IPP. The COR reviews the payment application to ensure the appropriate attachments and supporting documentation have been provided and requests the Contracting Officer's (CO) approval of the payment application.

Review of Internal Controls

We reviewed the relevant internal controls established by the CHOBBr Project team to obtain an understanding of the processes used to review and approve the invoices and payment applications, including those for reimbursable costs. Specifically, we reviewed the CHOBBr A/E, CMA, and CMc contracts and contract specifications to identify requirements, laws, and regulations applicable to contract costs. Additionally, we interviewed the CORs and reviewed the invoice and payment application review processes for the CHOBBr A/E, CMA, and CMc contracts to determine whether controls were properly implemented and working as designed. We determined that the controls over the CHOBBr Project team's review and approval processes for the A/E, CMA, and CMc contracts were generally sufficient; however, the CHOBBr Project team needs to ensure that the CMc maintains sufficient supporting documentation that is readily available for examination (see Finding 1).

Criteria

To determine whether the CHOBBr Project's contract costs complied with the contract requirements and/or specifications and applicable federal laws and regulations, we relied on relevant criteria from the following sources:

- Contract Number AOC13C2002, awarded to the CMc for the CHOBBr Project, issued October 25, 2012.
- Contract Number AOC13C1000, awarded to the CMA for the CHOBBr Project, issued October 5, 2012.
- Contract Number AOC10C0090-T003, awarded to the A/E for the CHOBBr Project, issued August 6, 2010.
- CHOBBr Phase 4, Project Manual Phases 1-4 – Volumes 1-5, December 4, 2015.
- Federal Acquisition Regulation (FAR) Part 31 – Contract Cost Principles and Procedures.

AUDIT RESULTS

Overall, we determined that amounts invoiced by the A/E, CMA, and CMc for the CHOB Project were accurate, allowable, allocable, reasonable, and in compliance with the CHOB contracts and applicable laws and regulations. However, the AOC can improve its process for closing out phases by ensuring that it obtains sufficient supporting documentation that is readily available for examination.

Architect/Engineer

The invoice listing provided by the AOC for the A/E contract showed that the A/E submitted 146 monthly invoices totaling \$61,781,361 as of January 13, 2026. We met with AOC representatives to obtain an understanding of the process used by the A/E to invoice the AOC for the CHOB Project. The AOC representatives explained that the invoices submitted by the A/E contain billings from the inception of the A/E's work on the CHOB Project. Unlike the CMA and CMc invoices, the A/E invoices do not break down the invoiced amounts by phase. Instead, the A/E invoices contain line items for specific scopes of work awarded through contract modifications. Invoicing for each scope of work is based on percentage of completion. Once the A/E completes a scope of work, the line item associated with the scope of work remains on the invoice, and the A/E adds new line items for any additional scopes of work.

To determine whether the \$61,781,361 invoiced by the A/E, as of January 13, 2026, was accurate, allowable, allocable, reasonable, and compliant with the A/E's contract and applicable laws and regulations, we reviewed the A/E's invoices and related contract modifications. We found that, as of the invoice dated December 14, 2025, the AOC awarded the A/E \$62,612,094 through 185 contract modifications under 52 contract line item numbers. The awarded amount was allocated to more than 200 different scopes of work in the A/E's invoices. We found that the AOC did not have a mechanism that provided a crosswalk between the contract modifications, contract line item numbers, and the scopes of work in the A/E's invoices. However, this was not considered an exception because we were able to reconcile the invoiced amounts paid to the A/E to the fixed-price contract amounts. We compared the scopes of work and amounts for the work billed in the A/E invoices with the scopes and amounts specified in the contract line items and determined that the work was invoiced consistently with the contractual requirements. Based on our review, we concluded that the A/E invoices were adequately supported and in accordance with contractual requirements.

Construction Manager as Agent

Services provided under the CMA contract for the CHOB Project are invoiced to the AOC monthly. As of September 11, 2025, the CMA had submitted 151 invoices totaling \$52,692,974. We met with AOC representatives to obtain an understanding of the process used by the CMA to invoice the AOC for the CHOB Project. The AOC representatives explained that the invoices submitted by the CMA contain billings from the inception of the CMA's work on the CHOB

Project and provide a breakdown of the amount invoiced by phase. **Table 3** provides a breakdown of the contract values and amounts invoiced for each phase of the CMA contract.

Table 3: CMA Contract Values and Invoiced Amounts

Description	Contract Value ¹²	Invoiced Amount	Remaining Balance
Base Period 1	\$932,451	\$932,451	\$-
Base Period 2	1,799,720	1,799,720	-
Option Year 0	4,853,637	4,853,637	-
Phase 1	6,976,897	6,976,897	-
Phase 2	11,327,956	11,327,956	-
Phase 3	10,743,879	10,743,879	-
Phase 4	18,488,446	16,058,434	2,430,012
Total	\$55,122,986	\$52,692,974	\$2,430,012

Source: Sikich review of CMA contract, contract modifications, and invoices.

To determine whether the \$52,692,974 invoiced by the CMA as of September 11, 2025, was accurate, allowable, allocable, reasonable, and compliant with the CMA's contract and applicable laws and regulations, we reviewed the CMA's invoices and related contract modifications.

Most of the amount invoiced by the CMA for each phase is based on contracted values for various labor positions. As the CMA contract is FFP, the monthly amount invoiced represents the contracted amount for the labor position divided by the number of months in the phase. If a phase is extended beyond the original contracted amount for the phase, additional funding is awarded to the CMA through contract modifications. The CMA also provides personnel that are required during a specific period of the phase or on an ad hoc basis. These labor positions are only invoiced to the AOC during the period the personnel are required on the CHOBr Project for services such as security escorts, support for Requests for Equitable Adjustments, and quality assurance inspector support. The ad hoc positions are invoiced to the AOC at contracted rates.

The latest invoice submitted to the AOC contained the high-level summary shown in **Table 3** and a detailed breakdown that shows the amount invoiced for each position monthly. To evaluate whether the CMA invoiced in accordance with the contract, we reconciled the contract modifications to the phases shown in the latest invoice. At the time of the CMA's August 19, 2025, invoice, the AOC had awarded a total of \$55,122,986 through 105 contract modifications. We determined that, although the total contracted amount for the CMA contract matched the contract value reflected in the CMA's invoice, the funding for Option Year 0, Phase 1, and Phase 2 was not consistent with the related contract modifications. The CMA explained that the AOC is invoiced when the work is performed, and the work may overlap between phases. For example, work for the next phase may start before the prior phase ends, or commissioning and punch list work for a prior phase may continue into the next phase. Therefore, the contract value shown in the CMA's invoice for a phase can be different than the contract value calculated through a review of contract modifications. We did not note this as an exception because the CMA

¹² The total contract value of \$55,122,986 (**Table 3**) represents the contracted amount as of contract modification number 105, approved on July 28, 2025. The AOC subsequently issued additional contract modifications that added an additional \$2,730,765 as of April 9, 2026, and increased the contract value to \$57,853,750 (**Table 2**).

contract did not contain any specific provisions that required the AOC or CMA to document scheduled values by phase, as the contract is FFP. Additionally, although the transfer of funding was not documented in the contract, the CMA was able to explain the composition of the funds transferred from one phase to the next.

To evaluate whether labor hours billed at contracted rates were adequately supported, we selected labor provided for 2 months prior to the latest month billed in the sampled invoice and found that the amounts invoiced for labor at contracted rates were supported by labor reports. We also found that the CMA's invoices for the CHOBr Project were adequately supported and invoiced in accordance with the CMA contract.

Construction Manager as Constructor

The CMc's invoices to the AOC are broken out by CMc contract phase. Therefore, to verify the accuracy — and determine the compliance — of the total amount invoiced under the CHOBr Project, we selected the most recent payment application in each phase for testing. As of Payment Application Number 150, submitted on August 20, 2025, the CMc had invoiced a total of \$710,732,649 for the CHOBr Project. As shown in **Table 4**, the contracted value of \$733,242,584¹³ for the CHOBr contract consists of trades, general conditions, general requirements, general liability, builder's risk, subcontractor bonds, regional home office, General and Administrative (G&A), contractor and owner allowances, contingencies, and contractor fees during each phase of the CHOBr Project.

¹³ The contract values shown in **Table 4** represent the amounts approved per Contract Modification Number 147, approved on May 20, 2025, which was the modification approved prior to the latest payment application in the listing provided by the AOC. These differ from the contract value shown in **Table 2** for the CMc, as the amounts in that table were amounts approved through Contract Modification Number 162 on April 9, 2026.

Table 4: CMc Contracted Values by Phase through Contract Modification 147

Cost Category	Base	Phase 0	Phase 1	Phase 2	Phase 3	Phase 4	Total
Trades	\$4,927,881	\$47,085,146	\$134,862,738	\$118,319,544	\$117,912,704	\$150,379,950	\$573,487,963
General Conditions & Requirements	-	10,951,509	18,011,410	20,586,008	22,588,480	29,243,620	101,381,027
General Liability	-	468,061	1,250,258	1,408,516	1,469,332	2,437,760	7,033,927
Builder's Risk	-	75,847	178,323	209,664	144,118	300,374	908,326
Bonds	-	401,753	873,343	878,238	932,140	1,297,393	4,382,867
Regional Home Office & G&A	-	1,759,672	2,984,945	3,251,609	3,321,271	4,324,002	15,641,499
Allowances	-	-	-	-	-	6,322,290	6,322,290
Contingencies	-	-	-	-	-	245,455	245,455
Contractor Fees	59,288	2,393,588	5,663,190	4,806,880	5,608,258	5,308,026	23,839,230
Total	\$4,987,169	\$63,135,576	\$163,824,207	\$149,460,459	\$151,976,303	\$199,858,870	\$733,242,584

Source: Sikich review of CMc contract and contract modifications.

The CMc invoiced the AOC a total of \$710,732,649 through the various cost categories. Specifically, the total amount invoiced includes \$561,020,731 invoiced for trades, \$111,266,329 invoiced for general conditions & requirements, general liability, builder's risk, and bonds (reimbursable costs), and \$38,445,589 for regional home office & G&A and contractor fees invoiced from the base contract through Payment Application Number 150 for Phase 4 of the CHOBr Project. **Table 5** provides a breakdown of the total invoiced amount by cost category.

Table 5: Amounts Invoiced by Phase and Cost Category through Payment Application 150

Cost Category	Base	Phase 0	Phase 1	Phase 2	Phase 3	Phase 4	Total
Trades	\$4,927,881	\$47,085,146	\$134,862,738	\$118,319,544	\$117,815,126	\$138,010,296	561,020,731
General Conditions & Requirements	-	10,951,509	18,011,410	20,586,008	22,325,372	27,419,122	99,293,421
General Liability	-	468,061	1,250,258	1,408,516	1,469,332	2,216,141	6,812,308
Builder's Risk	-	75,847	178,323	209,664	144,118	269,205	877,157
Bonds	-	401,753	873,343	878,238	932,140	1,197,969	4,283,443
Regional Home Office & G&A	-	1,759,672	2,984,945	3,251,609	3,292,106	3,902,325	15,190,657
Allowances	-	-	-	-	-	-	-

Contingencies	-	-	-	-	-	-	-
Contractor Fees	59,288	2,393,588	5,663,190	4,806,880	5,574,074	4,757,912	23,254,932
Total	\$4,987,169	\$63,135,576	\$163,824,207	\$149,460,459	\$151,552,268	\$177,772,970	\$710,732,649

Source: Sikich review of CMc payment applications.

Trades

The contract values for trades are FFP and invoiced to the AOC based on the percentage of work completed. **Table 6** provides a breakdown of the amounts invoiced for trades by phase.

Table 6: Amounts Invoiced by Phase for Trades through Payment Application 150

Description	Base	Phase 0	Phase 1	Phase 2	Phase 3	Phase 4	Total
Contract Value	\$4,927,881	\$47,085,146	\$134,862,738	\$118,319,544	\$117,912,704	\$150,379,950	\$573,487,963
Invoiced Amount	4,927,881	47,085,146	134,862,738	118,319,544	117,815,126	138,010,296	561,020,731
Remaining Balance	\$-	\$-	\$-	\$-	\$97,578	\$12,369,654	\$12,467,232

Source: Sikich review of CMc contract, contract modifications, and payment applications.

To validate the \$561,020,731 invoiced for trades, we reviewed the process used by the AOC and CMa to validate the percentage of work completed and ensure that amounts invoiced did not exceed the fixed contract amounts. We found that the majority of the amounts invoiced for trades were adequately supported and invoiced in accordance with the CMc contract. However, we found that \$68,835 invoiced during Phase 1 of the CHOBr Project was not adequately supported and was potentially duplicative of amounts invoiced as reimbursable costs. **See further discussion in Finding 1.**

General Conditions & Requirements, General Liability, Builder's Risk, and Bonds

Costs for general conditions & general requirements, general liability, builder's risk, and subcontractor bonds (reimbursable costs) were invoiced to the AOC on a cost reimbursable basis. The CMc invoiced a total of \$111,266,329 for reimbursable costs. **Table 7** provides a breakdown of the contract and invoiced amount for each phase.

Table 7: Amounts Invoiced by Phase for Reimbursable Costs through Payment Application 150

Description	Phase 0	Phase 1	Phase 2	Phase 3	Phase 4	Total
Contract Value						
General Conditions & Requirements	\$10,951,509	\$18,011,410	\$20,586,008	\$22,588,480	\$29,243,620	\$101,381,027
General Liability	468,061	1,250,258	1,408,516	1,469,332	2,437,760	7,033,927

Description	Phase 0	Phase 1	Phase 2	Phase 3	Phase 4	Total
Builder's Risk	75,847	178,323	209,664	144,118	300,374	908,326
Bonds	401,753	873,343	878,238	932,140	1,297,393	4,382,867
Total Contract Value	\$11,897,170	\$20,313,334	\$23,082,426	\$25,134,070	\$33,279,147	\$113,706,147
Invoiced Amount						
General Conditions & Requirements	\$10,951,509	\$18,011,410	\$20,586,008	\$22,325,372	\$27,419,122	\$99,293,421
General Liability	468,061	1,250,258	1,408,516	1,469,332	2,216,141	6,812,308
Builder's Risk	75,847	178,323	209,664	144,118	269,205	877,157
Bonds	401,753	873,343	878,238	932,140	1,197,969	4,283,443
Total Invoiced Amount	\$11,897,170	\$20,313,334	\$23,082,426	\$24,870,962	\$31,102,437	\$111,266,329
Remaining Balance	\$-	\$-	\$-	\$263,108	\$2,176,710	\$2,439,818

Source: Sikich review of CMc contract, contract modifications, and payment applications.

To validate reimbursable costs invoiced to the AOC, we reconciled the invoiced amounts to the CMc's Detail Construction Cost Report (DCCR) for each phase to ensure that the invoiced amounts were actually incurred. We also sampled 66 transactions totaling \$3,181,903¹⁴ to determine whether reimbursable costs invoiced during Phases 0, 3, and 4 were allowable, allocable, supportable, and reasonable.¹⁵ We found that the majority of the amounts invoiced by the CMc were appropriate; however, we found \$476,586¹⁶ in unsupported or potentially duplicative costs. **See further discussion in Finding 1.**

Allowances and Contingencies

The CMc contract value for each phase included allowances and contingencies. Allowances could be allocated to scopes of work for which the design had not been drawn, specified, or fully developed when the contract value was negotiated or to scopes of work for which the CMc was unable to obtain a subcontractor through a competitive bidding process at that time. Each phase also included a negotiated contingency amount to cover unanticipated construction costs. The CMc contract required the CMc to document the allocation of allowances and contingencies in its payment applications.

¹⁴ The total consists of 22 transactions for Phase 0, totaling \$837,354; 22 transactions for Phase 3, totaling \$1,007,629; and 22 transactions for Phase 4, totaling \$1,336,920.

¹⁵ Reimbursable costs for Phases 1 and 2 were not selected for testing for the purposes of this audit because these costs were reviewed during prior audits of the CHOB Project (Report No. [OIG-AUD-2021-04](#)).

¹⁶ This amount consists of \$295,422 ([Table 9](#)) in unsupported sampled transactions from reimbursable costs invoiced for CHOB Project Phases 0 and 3 and \$181,164 ([Table 10](#)) in reimbursable costs invoiced for Phase 0 that were not supported by the CMc's accounting records.

At phase close-out, any unallocated allowance or contingency amounts were to be returned to the AOC or transferred to the subsequent phase. We reviewed the CMc's payment applications and found that the allocation of allowances and contingencies into the other categories we reviewed were adequately documented and complied with contractual requirements. By the time the CMc submitted Payment Application Number 150, Phase 4 was the only phase with remaining amounts available for allocation. Specifically, the CMc contract value included \$6,567,745 for allowance and contingency amounts that could be used for scopes of work requiring further design development, scopes for which a competitively bid subcontractor had not been obtained, or unanticipated construction costs. Any portion of the remaining funding that is not allocated by the time Phase 4 is completed must be returned to the AOC. **Table 8** provides a breakdown of the remaining allowance and contingency amounts.

Table 8: Allowance and Contingencies through Payment Application 150

Cost Category	Phase 4	Total
Contract Value		
Allowances	\$6,322,290	\$6,322,290
Contingencies	245,455	245,455
Total Contract Value	\$6,567,745	\$6,567,745
Invoiced Amount		
Allowances	\$-	\$-
Contingencies	-	-
Total Invoiced Amount	\$-	\$-
Total	\$6,567,745	\$6,567,745

Source: Sikich review of CMc contract, contract modifications, and payment applications.

Regional Home Office & G&A and Contractor Fees

Regional home office, G&A, and contractor fees are based on markup rates and amounts agreed upon between the AOC and CMc. The CMc invoiced a total of \$38,445,589 for regional home office, G&A, and fees. **Table 9** provides a breakdown of the amounts invoiced by phase.

Table 9: Regional Home Office & G&A and Fees Invoiced by Phase through Payment Application 150

Cost Category	Base	Phase 0	Phase 1	Phase 2	Phase 3	Phase 4	Total
Contract Value							
Regional Home Office & G&A	\$-	\$1,759,672	\$2,984,945	\$3,251,609	\$3,321,271	\$4,324,002	\$15,641,499
Contractor Fees	59,288	2,393,588	5,663,190	4,806,880	5,608,258	5,308,026	23,839,230
Total Contract Value	\$59,288	\$4,153,260	\$8,648,135	\$8,058,489	\$8,929,529	\$9,632,028	\$39,480,729
Invoiced Amount							
Regional Home Office & G&A	\$-	\$1,759,672	\$2,984,945	\$3,251,609	\$3,292,106	\$3,902,325	\$15,190,657
Contractor Fees	59,288	2,393,588	5,663,190	4,806,880	5,574,074	4,757,912	23,124,369

Cost Category	Base	Phase 0	Phase 1	Phase 2	Phase 3	Phase 4	Total
Total Invoiced Amount	\$59,288	\$4,153,260	\$8,648,135	\$8,058,489	\$8,866,180	\$8,660,237	\$38,445,589
Total	\$-	\$-	\$-	\$-	\$63,349	\$971,791	\$1,035,140

Source: Sikich review of CMc contract, contract modifications, and payment applications.

These costs are not tracked in the CMc's DCCR for each phase. To ensure that these amounts invoiced were adequately supported, we reviewed the CMc's calculations for these cost categories to ensure that the calculations were based on agreed upon rates and within the amounts awarded for these cost categories.¹⁷ We also reviewed the CMc's invoices for its incentive fee and ensured that they were supported by agreements between the AOC and CMc. We found that the amounts invoiced for regional home office and G&A and contractor fees were adequately supported and invoiced in accordance with the CMc contract.

¹⁷ CMc's Phase 0 payment applications were based on 1.113 percent Regional Home Office fee, 0.351 percent Government Compliance fee, 1.552 percent G&A fee, 1.95 percent GMP fee. Payment applications for Phases 1 through 4 were based on a 0.895 percent Regional Home Office fee, 1.4 percent G&A fee and 2.25 percent GMP fee.

FINDING

Insufficient Support for \$545K Paid to the CHOBr Project's CMc

The CHOBr Project team was unable to provide sufficient documentation to support \$545,421¹⁸ invoiced by the CMc. Of this amount, we determined that \$335,023¹⁹ relates to Phases 0 and 1. Supporting documentation for these phases was not readily available because the final payment applications were submitted in October 2017²⁰ and February 2020,²¹ respectively, and the staff familiar with these submissions are no longer with the CHOBr Project. Additionally, the CMc's transition to a new accounting system limited its ability to retrieve adequate supporting documentation for these costs.

To assess whether the total amount invoiced by the CMc was adequately supported and billed in accordance with the CMc contract, we reconciled the contract modifications and the CMc's accounting records (DCCRs) to the CMc's invoices. In addition, we selected transactions from the reimbursable portion of the contract to determine whether the reimbursable costs were actually incurred and were allowable, allocable, and reasonable for the CHOBr Project. Although our review indicated that the amounts invoiced by the CMc were generally appropriate, we identified issues related to phase close-out and the sufficiency of supporting documentation.

Issue 1 - Unsupported Sampled Costs: The CMc's reimbursable costs for the CHOBr Project totaled \$111.2 million, see [Table 7](#). We assessed whether the CMc's reimbursable costs invoiced to the AOC were allowable, allocable, supportable, and reasonable by reviewing a sample of 66 transactions totaling \$3,181,903 from Phases 0, 3, and 4.²² The AOC was unable to provide adequate documentation to support the allocability, allowability, or reasonableness of seven transactions totaling \$295,422, of which \$85,024 is from Phase 0 and \$210,398 is from Phase 3. [Table 10](#) provides a breakdown of these transactions.

¹⁸ The total unsupported cost is calculated by adding total costs from Tables 10, 11, and 12 (\$295,422 [[Table 10](#)] + \$181,164 [[Table 11](#)] + \$68,835 [[Table 12](#)] = \$545,421).

¹⁹ The total Phases 0 and 1 cost is calculated by adding Phase 0 and 1 costs from Tables 10, 11, and 12 (\$85,024 [Phase 0 [Table 10](#)] + \$181,164 [Phase 0 [Table 11](#)] + \$68,835 [Phase 1 [Table 12](#)] = \$335,023).

²⁰ Payment Application Number 57B.

²¹ Payment Application Number 85A.

²² Reimbursable costs for Phases 1 and 2 were not selected for testing for the purposes of this audit because these costs were reviewed during prior audits of the CHOBr Project (Report No. [OIG-AUD-2021-04](#)).

Table 10: Unsupported Sampled Transactions

Phase	Cost Code	Description	Sampled Amount
0	10014	Project Management	\$54,904
0	10301	Jobsite Safety Expense	3,420
0	10401	Periodic Clean-up	11,067
0	10707	Legal ²³	13,400
0	10802	Tower CRNE-Operate	2,233
3	16007B3.00A.106500	Purchasing	117,883
3	16007B3.01B.002500	Phase 2 Closeout	92,515
Total			\$295,422

Source: Sikich review of CMc's DCCR and supporting documentation provided for sampled costs.

Issue 2 - Reimbursable Costs Not Supported by CMc's DCCR: The reimbursable portion of the CMc contract is based on the CMc's actual costs. To determine whether costs invoiced under the reimbursable portion were actually incurred and supported by the CMc's DCCR, we reconciled the invoice amounts to the CMc's DCCR. We found that the total amount invoiced for 13 scopes of Phase 0 reimbursable items was \$181,164 more than the amount supported by the CMc's DCCR. Because the amounts invoiced for these scopes of work exceeded the amounts supported by the CMc's DCCR, we requested that the AOC provide documentation demonstrating that the unsupported amounts were actually incurred by the CMc. The AOC was unable to provide either documentation or an adequate explanation to support the invoiced amounts that exceeded the amounts recorded in the DCCR. See **Table 11** for the breakdown of the discrepancies identified.

Table 11: Reimbursable Costs Not Supported by CMc's DCCR

Phase	Scope Title	Amount Invoiced ²⁴	DCCR	Unsupported Amount
0	Supervision	\$1,652,006	\$1,610,918	\$41,088
0	Quality Control	558,627	530,628	27,999
0	Project Management	2,095,279	2,092,767	2,512
0	General Site Work & Field Engineering	289,893	287,170	2,723
0	Job Office Expense	237,961	196,522	41,439
0	Jobsite Sheds/Storage Facilities	7,780	-	7,780
0	Drawings & Specifications	17,631	8,415	9,216
0	Motor Vehicle Expense	106,919	104,023	2,896
0	Jobsite Safety Expenses	410,070	406,455	3,615
0	Periodic Clean-up	754,710	745,950	8,760
0	Lot 1 Consumption	44,393	30,676	13,717
0	Builder's Risk Insurance	75,847	70,422	5,425
0	TC Operation	553,041	539,047	13,994
Total		\$6,804,157	\$6,622,993	\$181,164

Source: Sikich review of CMc's payment applications and DCCR for Phase 0.

²³ The invoice provided for this transaction supported the amount charged; however, the invoice did not contain sufficient detail to determine if the services provided were allocable to the CHOBr Project.

²⁴ The invoiced amount for Phase 0 was based on Payment Application Number 49.

Issue 3 - Potentially Duplicative Billings: To determine whether costs invoiced under the reimbursable portion of the CMc contract overlapped with those invoiced under the FFP portion, we reviewed the CMc's DCCR and invoices to the AOC. We identified two subcontractors that performed work under both the FFP scope of the CMc contract and the reimbursable scope of the CMc contract. The DCCR identified \$107,796²⁵ in total costs for these two subcontractors. The CMc invoices showed that this entire amount was invoiced to the AOC as reimbursable costs. However, the CMc also invoiced the AOC an additional \$68,835 as FFP for the same subcontractors. We could not identify any additional costs in the DCCR that were associated with the scope of work that was invoiced under the FFP portion of the CMc contract. We requested that the AOC provide documentation to demonstrate that the CMc's invoicing of the reimbursable costs for these two subcontractors did not include costs that were included in the FFP scope of work, as this would result in duplicate billings; however, the AOC was unable to provide any documentation. See **Table 12** for a breakdown of the potentially duplicate billings.

Table 12: Potentially Duplicative Billings

Phase	Scope Title	Amount Invoiced ²⁶
1	CO#800362 - Contract Procurement	\$43,880
1	CO#810038 - Emergency Egress Stairs Northwest Corner	2,250
1	CO#800016 - Exterior Mockup Testing	2,750
1	CO#800042 - Rotunda Area Protection	1,350
1	CO#800073 - Elevator Shaft 6 Lid	1,050
1	CO#800084 - NW Entrance Temporary Protection	1,150
1	CO#800089 - SOE for Moat Excavation	1,050
1	CO#800147 - Basement Corridor & Mech Rm CBMW2A Shoring Design	2,400
1	CO#800129 - Roof Shoring Design	950
1	CO#800161 - Underpinning of Arch Footing in NJA Moat Proposal	2,250
1	CO#810217 - Additional Engineering Services for Various PCOs	5,700
1	CO#800217 - Engineering Current Issues	2,630
1	CO#800020 - Remove Rooftop AH U-19 for Salvage & Return to AOC	1,425
Total		\$68,835

Source: Sikich review of CMc's payment applications and DCCR for Phase 1.

Conclusion

The CHOB Project team was unable to provide sufficient documentation to support \$545,421 invoiced by the CMc. We determined that \$335,023 of this amount was for Phases 0 and 1. According to AOC representatives, documentation for these phases was not readily available for examination because the final payment applications were submitted in October 2017 and February 2020, respectively, and the staff familiar with these submissions are no longer

²⁵ The costs for these subcontractors were recorded under cost codes 010051, 010058, and 010340 in the CMc's DCCR.

²⁶ The invoiced amounts in **Table 11** were obtained from Payment Application Number 79AR2.

assigned to the CHOB Project. Additionally, the CMc has since transitioned to a new accounting system, limiting its ability to retrieve adequate supporting documentation for costs associated with these phases. The AOC can improve its process for closing out phases by ensuring that it obtains sufficient supporting documentation that is readily available for examination. As a result, we are questioning \$545,421 invoiced by the CMc due to insufficient supporting documentation.

Recommendations

Recommendation 1

We recommend that the Architect of the Capitol review the \$545,421 in questioned costs to determine whether the costs were adequately supported at the time they were paid and recover any unsupported costs to the extent legally and administratively possible.

Recommendation 1 – AOC Comment

AOC Concurs. To the extent administratively and legally feasible, the Cannon Project will review to determine if the costs identified by the OIG were adequately supported. Anticipated Completion: February 1, 2027.

Recommendation 1 – OIG Comment

We recognize the AOC's concurrence with recommendation 1. The AOC's actions appear to be responsive to the recommendation. Therefore, the recommendation is considered resolved but open. The recommendation will be closed upon completion and verification of the proposed actions.

Recommendation 2

We recommend that the Architect of the Capitol ensure that it performs a final reconciliation of reimbursable costs to the Construction Manager as Constructor's (CMc) accounting records and utilizes the Construction Manager as Agent's procedures for reviewing CMc's payment applications to ensure it has obtained adequate documentation for CMc's reimbursable costs prior to the final completion of Phases (PH) 3 and 4.

Recommendation 2 – AOC Comment

AOC Concurs. The Cannon Project will follow its procedures to close out PH3 and PH4. Anticipated Completion: February 1, 2027.

Recommendation 2 – OIG Comment

We recognize the AOC's concurrence with recommendation 2. The AOC's actions appear to be responsive to the recommendation. Therefore, the recommendation is considered resolved but

open. The recommendation will be closed upon completion and verification of the proposed actions.

Recommendation 3

We recommend that the Architect of the Capitol (AOC) enforce applicable construction-contract provisions requiring contractors to maintain complete, accurate, and readily accessible financial and project records throughout the duration of the project to support oversight. AOC procedures should also require authorized AOC project personnel to validate that all amounts invoiced are adequately supported prior to releasing the final payment for the project or project phase.

Recommendation 3 – AOC Comment

AOC Concurs. AOC's Office of the Chief Engineer will coordinate with AOC's Acquisition and Material Management Division to ensure that construction-contract provisions requiring contractors' complete, accurate, and readily accessible financial and project records throughout the duration of the project are maintained. Additionally, the Office of the Chief Engineer will review its current policies and procedures for invoice review and will make improvements where practical. Anticipated Completion: June 30, 2027

Recommendation 3 – OIG Comment

We recognize the AOC's concurrence with recommendation 3. The AOC's actions appear to be responsive to the recommendation. Therefore, the recommendation is considered resolved but open. The recommendation will be closed upon completion and verification of the proposed actions.

Sikich CPA LLC

September 30, 2026

APPENDIX A

Scope and Methodology

The scope of this performance audit was to verify the accuracy and compliance of the invoiced amounts under the CHOBr contracts. Specifically, we determined whether the invoiced amounts for the A/E, CMA, and CMc contracts were allowable, allocable, and reasonable, as required by the contract and applicable laws and regulations. We conducted this performance audit in Washington, D.C. from September 2025 through June 2026, in accordance with GAGAS, as issued by the Comptroller General of the United States (2018 Revision, Technical Update April 2021). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

To review the internal controls for the review and approval of invoices and payments applications we met with the CHOBr Project team to obtain a better understanding of the review and approval process for the A/E, CMA, and CMc contract costs. We also reviewed contractual documentation to identify the laws and regulations applicable to contract costs.

To identify the audit population, we requested that the AOC provide the most recent payment applications submitted by the A/E, CMA, and CMc payment application populations as of September 26, 2025. We determined that as of January 13, 2026, the A/E submitted 146 payment applications totaling \$61,781,361²⁷ and as of September 11, 2025, the CMA submitted 151 payment applications totaling \$52,692,974 and the CMc had invoiced a total of \$710,732,649 for the CHOBr Project. We selected the most recent invoice submitted by the A/E, CMA, and CMc to perform our audit procedures, as described below:

- **A/E Invoice Testing:** To determine whether the amount invoiced by the A/E was accurate, allowable, allocable, reasonable, and compliant with the A/E's contract and applicable laws and regulations, we reviewed the A/E's invoices and related contract modifications. We compared the scopes of work billed in the A/E invoices with the scopes of work specified in the contract line items to determine whether the work was invoiced consistently with the contractual requirements.
- **CMA Invoice Testing:** To determine whether the amount invoiced by the CMA was accurate, allowable, allocable, reasonable, and compliant with the CMA's contract and applicable laws and regulations, we reviewed the CMA's invoices and related contract modifications. To determine whether the labor hours billed by the CMA were adequately supported, we reviewed the labor hours billed in the sampled invoices to determine

²⁷ The invoice listings used to select a sample for the CMA and CMc were dated September 11, 2025, whereas the invoice listing used to select a sample for the A/E contract was dated January 13, 2026, because the invoice listing originally provided for the A/E contract on September 11, 2025, was incomplete and did not represent the complete universe of invoices submitted by the A/E.

whether the amounts invoiced for labor at contracted rates were supported by labor reports.

- **CMc Invoice Testing:** To determine whether the amount invoiced by the CMc was accurate, allowable, allocable, reasonable, and compliant with the CMc's contract and applicable laws and regulations, we reviewed the process used by the AOC and CMA to validate the percentage of work completed and ensured that amounts invoiced did not exceed the fixed contract amounts. We also reconciled the CMc's reimbursable costs invoiced for Phases 0 through 4 to the CMc's DCCR and sampled reimbursable costs for Phases 0, 3, and 4 to ensure the costs reported were allocable, reasonable, and allowable to the project.
 - We did not sample CMc's reimbursable costs for Phases 1 and 2 for this audit because these costs were reviewed during prior audits of the CHOBr Project.

To determine whether the CMc adequately documented the allocation of allowances and contingencies we reviewed the CMc's supporting documentation included in its payment applications. Finally, to determine the amounts invoiced by the CMc for regional home office, G&A, and contractor fees, we reviewed the calculations of these invoiced amounts.

Use of Computer-Processed Data

We found the computer-processed data sufficiently reliable for the purposes of our audit, except as noted in Finding 1.

Prior Coverage

GAO issued reports on the AOC's estimate for the CHOBr Project. Specifically, GAO reviewed the AOC's initial estimate of \$753 million during a review of the AOC's policies and guidance for developing cost estimates and subsequently reviewed the AOC's 2019 revised cost estimate of \$890 million. The AOC OIG also issued multiple reports on the costs invoiced for the CHOBr Project. Specifically, we reviewed and considered the information contained in the following reports:

GAO

Report Number GAO-09-673T, "Architect of the Capitol Plans for Renovating the Cannon House Office Building and Garages," dated May 6, 2009:

GAO assessed the AOC's plans to renovate the Cannon Building and East and West Garages and issued Report Number GAO-09-673T in May 2009, noting that renovations of the Cannon Building and East and West Garages were needed to maintain the integrity and safety of these facilities and reduce the likelihood of unplanned outages and associated costs.

Report Number GAO-14-333, “Architect of the Capitol: Incorporating All Leading Practices Could Improve Accuracy and Credibility of Projects’ Cost Estimates,” dated March 25, 2014:

In March 2014, GAO issued Report Number GAO-14-333, recommending that the AOC incorporate additional leading practices from GAO’s *Cost Estimating and Assessment Guide* into its cost-estimating guidance and submit the confidence levels of project estimates (including the CHOB Project) to Congress.

Report Number GAO-21-105363, “Architect of the Capitol Efforts Have Begun to Update Cannon House Office Building’s Renovation Cost and Schedule Estimates,” dated August 5, 2021:

As part of its monitoring of the CHOB Project, GAO issued Report Number GAO-21-105363,²⁸ noting that the AOC had implemented the recommendations from the March 2014 report. GAO also noted that, in 2019, the AOC conducted a risk mitigation analysis to revise its estimate to \$890 million. Finally, GAO reported that unknown risks associated with COVID-19 and the January 2021 security events materialized after the AOC developed its December 2019 estimate.

AOC OIG

Report Number OIG-AUD-2020-04, “Audit of the Cannon House Office Building Renewal (CHOB) Project’s Contract Modifications,” dated May 29, 2020:

The AOC OIG contracted Sikich²⁹ to examine contract modifications and Potential Change Orders (PCOs) that the AOC’s CMc submitted on the CHOB Project. Sikich determined that, overall, the contract modification process for the CHOB Project was effective. However, Sikich identified \$102,189 in unallowable costs included in approved PCOs, as well as 19 PCO proposals that did not contain the required level of cost detail. In addition, Sikich found that the CHOB Project team did not always retain cost analysis documentation as part of the PCO review and approval process.

Report Number OIG-AUD-2020-05, “Audit of the Cannon House Office Building Renewal (CHOB) Project’s Contract Invoices,” dated August 25, 2020:

The AOC OIG contracted Sikich to examine invoices that the AOC’s CMc submitted on the CHOB Project. Sikich determined that the CHOB Project team’s review and approval process for the CHOB Project invoices during Option Periods 1 and 2 was adequate, that the costs reviewed were allowable and supported, and that the costs reviewed appeared to be reasonable. However, Sikich also determined that the CHOB Project team’s review and approval process did not adhere to the CMc contract requirements. The CMc contract terms and conditions for the construction phases reflected a fully cost-reimbursable GMP contract with an

²⁸ The results of the AOC’s implementation of GAO’s recommendations for cost estimating were first published in a report dated September 10, 2019 ([GAO-19-712T](#)).

²⁹ Cotton & Company was acquired by Sikich on April 1, 2022.

option to convert to an FFP contract, but the CHOBr Project team administered the CMc contract as a hybrid cost-reimbursable/FFP GMP contract.

Report Number OIG-AUD-2021-04, “Audit of the Cannon House Office Building Renewal Project’s Reimbursable Costs,” dated June 8, 2021:

The AOC OIG contracted Sikich to review the reimbursable costs that the CMc invoiced for its work on the CHOBr Project. Sikich determined that, overall, the CMc billed — and the AOC paid — reimbursable costs for Phase 1 and Phase 2 of the CHOBr Project in accordance with the CMc contract terms and conditions and that the costs were generally allowable, allocable, supported, and reasonable. Sikich also determined that the CHOBr Project team’s review and approval process for reimbursable costs was adequate overall. However, the CHOBr Project team needed to strengthen its review and approval process for these costs and ensure supporting documentation for all reimbursed costs is sufficient, maintained, and readily available for examination.

APPENDIX B

Notification Letter



Office of Inspector General
Fairchild Bldg.
499 S. Capitol St., SW, Suite 518
Washington, D.C. 20515
202.593.1948
www.aoc.gov

United States Government
MEMORANDUM

DATE: July 30, 2025

TO: Thomas E. Austin, PE, CCM, PMP
Architect of the Capitol

FROM: Luiz A. Santos, CFE, PMP,
Inspector General 

SUBJECT: Announcement Memorandum for the Performance Audit of the Architect of the Capitol's Cannon House Office Building Renewal (CHOB) Project's Contract Cost (2025-AUD-004-A)

This memorandum serves as notification that the Office of Inspector General is working with the independent audit and accounting firm, Sikich CPA LLC, to initiate the audit of the CHOB Project's contract cost. The objective of the audit is to verify the accuracy and compliance of the invoiced amounts with the CHOB contracts. Specifically, we will determine if the invoiced amounts for the CHOB Project's contract phases were allowable, allocable, and reasonable, as required by the contract and applicable laws and regulations.

We will be in contact with your office to set up an audit entrance conference. If you have any questions, please contact me at 202.593.1948 or Luiz.Santos@aoc.gov. Alternatively, your staff may contact Nikki Robinson, Senior Auditor, at 202.437.5324 or Nikki.Robinson@aoc.gov.

Distribution List:

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Kirk Nelson, Chief Engineer
Tom Costello, Deputy Chief Engineer
Angela Freeman, General Counsel
Stephen Titus, Project Executive

APPENDIX C

Detailed Criteria for Report

Source:	Section and/or Article	Description
Contract Number AOC13C2002: CMc Contract for the CHOBr Project.	Section B.1.	This is a unique contract type for a CMc in that it is a Firm Fixed Price during the Base Contract Period and the final Commissioning and Closeout Period. During Option Periods Zero through Four, the contract will be a Guaranteed Maximum Price. Throughout the contract, a Bonus Pool will be available to further recompense the CMc as explained below. This is an "open book" contract whereby the totality of the CMc's financial and accounting records for this project shall be open and auditable at all times by the Government. "Open book" however, does not include the firm's general ledger but does include the pool for home office and field indirect costs.
	Section C.6.N	Modification 97 to the Base Contract updated Section C.6.N – Definitions, item N to define Costs as: Costs. Allowable costs in accordance with Part 31 of the Federal Acquisition Regulation (FAR) in effect on the date of this Contract. Costs shall be defined as the cost actually incurred and paid by the Prime Contractor in carrying out its self-performed work. CMc costs for subcontracted work shall be the direct cost of amounts actually paid by AOC to the CMc for fixed-price work performed by subcontractors and contractor purchase orders. CMc costs for subcontracted work shall be determined based on AOC's determination of the percentage of completion as compared to the executed fixed-price agreements between the CMc and its subcontractors and vendors.
	52.215-2 Audit and Records-- Negotiation (Oct 2010)	(a) As used in this clause, "records" includes books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form.
		(b) Examination of costs. If this is a cost-reimbursement, incentive, time-and-materials, labor-hour, or price redeterminable contract, or any combination of these, the Contractor shall maintain and the Contracting Officer, or an authorized representative of the Contracting Officer, shall have the right to examine and audit all records and other evidence sufficient to reflect properly all costs claimed to have been incurred or anticipated to be incurred directly or indirectly in performance of this contract. This right of examination shall include inspection at all reasonable times of the Contractor's plants, or parts of them, engaged in performing the contract.
		(c) Certified cost or pricing data. If the Contractor has been required to submit certified cost or pricing data in connection with any pricing action relating to this contract, the Contracting Officer, or an authorized representative of the Contracting Officer, in order to evaluate the accuracy, completeness, and currency of the certified cost or pricing data, shall have the right to examine and audit all of the Contractor's records, including computations and projections, related to-- (1) The proposal for the contract, subcontract, or modification;

Source:	Section and/or Article	Description
		(2) The discussions conducted on the proposal(s), including those related to negotiating; (3) Pricing of the contract, subcontract, or modification; or (4) Performance of the contract, subcontract or modification.
		(d) Comptroller General.— (1) The Comptroller General of the United States, or an authorized representative, shall have access to and the right to examine any of the Contractor's directly pertinent records involving transactions related to this contract or a subcontract hereunder and to interview any current employee regarding such transactions. (2) This paragraph may not be construed to require the Contractor or subcontractor to create or maintain any record that the Contractor or subcontractor does not maintain in the ordinary course of business or pursuant to a provision of law.
		(e) Reports. If the Contractor is required to furnish cost, funding, or performance reports, the Contracting Officer or an authorized representative of the Contracting Officer shall have the right to examine and audit the supporting records and materials, for the purpose of evaluating— (1) The effectiveness of the Contractor's policies and procedures to produce data compatible with the objectives of these reports; and (2) The data reported.
		(f) Availability. The Contractor shall make available at its office at all reasonable times the records, materials, and other evidence described in paragraphs (a), (b), (c), (d), and (e) of this clause, for examination, audit, or reproduction, until 3 years after final payment under this contract or for any shorter period specified in Subpart 4.7, Contractor Records Retention, of the Federal Acquisition Regulation (FAR), or for any longer period required by statute or by other clauses of this contract.
FAR Part 31	31.202 Direct costs.	(a) No final cost objective shall have allocated to it as a direct cost any cost, if other costs incurred for the same purpose in like circumstances have been included in any indirect cost pool to be allocated to that or any other final cost objective. Direct costs of the contract shall be charged directly to the contract. All costs specifically identified with other final cost objectives of the contractor are direct costs of those cost objectives and are not to be charged to the contract directly or indirectly.
	31.203 Indirect costs.	(b) After direct costs have been determined and charged directly to the contract or other work, indirect costs are those remaining to be allocated to intermediate or two or more final cost objectives. No final cost objective shall have allocated to it as an indirect cost any cost, if other costs incurred for the same purpose, in like circumstances, have been included as a direct cost of that or any other final cost objective.

APPENDIX D

Management Comments



Architect of the Capitol
U.S. Capitol, Room SB-16
Washington, DC 20515
202.228.1793
www.aoc.gov

United States Government

MEMORANDUM

DATE: September 23, 2026

TO: Luiz A. Santos, CFE, PMP
Inspector General

FROM: Joseph A. Campbell, PE *Joseph A. Campbell P.E.*
Deputy Architect of the Capitol

SUBJECT: OIG's Audit of the Cannon House Office Building Renewal (CHOB) Contract Costs (2025-AUD-005-A).

Thank you for the opportunity to review and comment on the Office of Inspector General's (OIG) Audit of Contract Costs on CHOB. The Architect of the Capitol (AOC) is pleased the OIG determined that amounts invoiced for the CHOB Project were accurate, allowable, allocable, reasonable, and in compliance with the CHOB contracts and applicable laws and regulations. AOC's responses to OIG's three recommendations can be found below:

Recommendation 1

OIG recommends that the Architect of the Capitol review the \$545,421 in questioned costs to determine whether the costs were adequately supported at the time they were paid and recover any unsupported costs to the extent legally and administratively possible.

AOC Response

We concur. To the extent administratively and legally feasible, the Cannon Project will review to determine if the costs identified by OIG were adequately supported.

Anticipated Completion: February 1, 2027

Recommendation 2

OIG recommends that the Architect of the Capitol ensure that it performs a final reconciliation of reimbursable costs to the CMC's accounting records and utilizes the CMA's procedures for reviewing CMC's payment applications to ensure it has obtained adequate documentation for CMC's reimbursable costs prior to the final completion of Phases 3 and 4.

AOC Response

We concur. The Cannon Project will follow its procedures to close out PH3 and PH4.

Anticipated Completion: February 1, 2027

Recommendation 3

OIG recommends that the Architect of the Capitol enforce applicable construction-contract provisions requiring contractors to maintain complete, accurate, and readily accessible financial and project records throughout the duration of the project to support oversight. AOC procedures should also require authorized AOC project personnel to validate that all amounts invoiced are adequately supported prior to releasing the final payment for the project or project phase.

AOC Response

We Concur. AOC's Office of the Chief Engineer will coordinate with AOC's Acquisition and Material Management Division to ensure that construction-contract provisions requiring contractors' complete, accurate, and readily accessible financial and project records throughout the duration of the project are maintained. Additionally, the Office of the Chief Engineer will review its current policies and procedures for invoice review and will make improvements where practical.

Anticipated Completion: June 30, 2027

Doc. No. 260904-18-01

ACRONYMS AND ABBREVIATIONS

A/E	Architect/Engineer
AOC	Architect of the Capitol
BEs	Business Entities
CHOB	Cannon House Office Building Renewal
CMA	Construction Manager as Agent
CMc	Construction Manager as Constructor
CO	Contracting Officer
COR	Contracting Officer's Representative
COVID-19	Coronavirus Disease 2019
DCCR	Detailed Construction Cost Report
FAR	Federal Acquisition Regulation
FFP	Firm Fixed Price
GAGAS	Generally Accepted Government Auditing Standards
GAO	Government Accountability Office
G&A	General and Administrative
GMP	Guaranteed Maximum Price
ICSRA	Integrated Cost Schedule Risk Analysis
IPP	Invoice Processing Platform
NDAA	National Defense Authorization Act
NGO	Non-Governmental Organizations
OIG	Office of Inspector General
PCOs	Potential Change Orders
PH	Phases