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UNITED STATES GENERAL ACCOUNTING OFFICE
REGIONAL OFFICE
ROOM 7068 FEDERAL BUILDING
300 NORTH LOS ANGELES STREET
LOS ANGELES, CALIFORNIA 90012

JUN 15 1973

Brigadier General Henry Simon, USAF
Auditor General, Headquarters,
Air Force Audit Agency
Norton Air Force Base, California 92409

Dear General Simon

We recently completed a review of the pricing of noncompetitive contracts based on certified cost or pricing data at the Space and Missile Systems Organization (SAMSO), El Segundo and Norton AFB, California. Enclosed for your information is a copy of a letter report to the Commander, SAMSO, which summarizes the results of our review.

Your attention is directed to the comments concerning inadequate technical reports and increases to approved negotiation objectives without proper authority. These observations closely parallel findings reported by your staff on September 23, 1969, and October 31, 1972.

The results of our review were discussed with your representatives at El Segundo at the completion of the assignment. We will be pleased to provide further details if you so desire.

Sincerely yours,

E. J. KOLAKOWSKI
S. KLEINBART
Acting Regional Manager

Enclosure

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