



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

January 14, 2016

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE FOR ACQUISITION,  
TECHNOLOGY, AND LOGISTICS  
ASSISTANT SECRETARY OF THE AIR FORCE (FINANCIAL  
MANAGEMENT AND COMPTROLLER)  
DIRECTOR, DEFENSE CONTRACT AUDIT AGENCY  
DIRECTOR, DEFENSE CONTRACT MANAGEMENT AGENCY

SUBJECT: Termination of the Audit of Air Force Price Reasonableness Determination for Raytheon's Subcontractor Costs From Northrop Grumman Electronic Systems (Project No. D2016-D000AH-0068.000)

We announced the subject audit on December 10, 2015. The objective was to determine whether the Air Force Life Cycle Management Center (AFLCMC) properly evaluated Northrop Grumman Electronic System's (NGES) subcontract pricing proposal after awarding an undefinitized contract action (UCA) to Raytheon.

We are terminating this audit because the AFLCMC contracting officer is currently negotiating with Raytheon for the contract awarded as a UCA. We considered management comments presented during preliminary meetings and decided that it would be more appropriate, effective, and efficient to conduct the audit after negotiations concluded. Therefore, we expect to announce a future audit on the AFLCMC's evaluation of NGES subcontract prices for the UCA awarded to Raytheon.

You can obtain information about the Department of Defense Office of Inspector General from DoD Directive 5106.01, "Inspector General of the Department of Defense (IG DoD)," April 20, 2012; DoD Instruction 7600.02, "Audit Policies," October 16, 2014; and DoD Instruction 7050.03, "Office of the Inspector General of the Department of Defense Access to Records and Information," March 22, 2013. Our website is [www.dodig.mil](http://www.dodig.mil).

We appreciate the courtesies extended to the staff. If you have any questions, please contact [REDACTED]

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