

U.S. DEPARTMENT OF LABOR
OFFICE OF THE DEPUTY SECRETARY
WASHINGTON, D.C.
20210

OCT 29 2004

The Honorable Gordon S. Heddell
Inspector General
U.S. Department of Labor
Washington, D.C. 20210

Dear ^{Gordon:} Mr. Heddell:

I appreciate the opportunity to comment on the Office of Inspector General's audit report that invalidates numerous sensational claims that have been made against the Mine Safety and Health Administration and its senior management; points out significant improvement that MSHA's leadership already has made to remedy historic procurement problems; and offers guidance on issues that need to be addressed going forward.

Most significantly, after a lengthy and exhaustive inquiry, involving numerous interviews and extensive record searches, this audit concludes that each of the serious allegations made against MSHA's top non-career leadership were "*not substantiated*." As we continue to responsibly address challenges facing MSHA's procurement procedures which the audit identifies, this report helps to separate the wheat - historic procurement practices that can and should be fixed - from the chaff: baseless accusations that distract from the important task at hand.

As the audit report notes, there "was a long-term MSHA-wide history of career and non-career management that accepted and fostered a lack of commitment to procurement laws and principles." In fact, several of the most glaring instances of inadequate adherence to federal procurement standards occurred during the previous Administration or before MSHA's current leadership was fully in place. As the report also notes, "the environment was impacted in 2001 when a new Supervisory Contract Specialist was appointed who identified this practice [of unauthorized procurement commitments] as abusive and took steps to correct the practice."

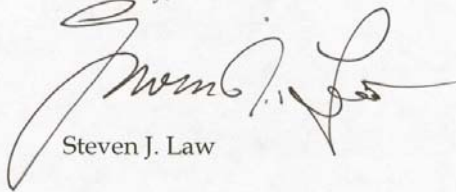
At the same time, because the audit covers only the period between June 1, 2000 and December 31, 2002, it only partially accounts for procurement reforms that have been instituted by the current career and non-career leadership at MSHA *since* that period. The first of these reforms, cited above, was instituted in 2001. The report also observes that, in FY 2003 and 2004, MSHA's procurement files began to have a level of documentation that "would have addressed some of the

Appendix E

findings in this report." Moreover, after its review of MSHA procurement files from FY 2003 and 2004, the Office of Audit report concludes, "we found that the contract files generally contained information needed to support procurement actions *and that such actions were appropriate.*"

It will be important to assess the full breadth and effectiveness of these and other reforms made by MSHA's senior management *after* the audit period, in order to make an informed judgment on the audit report's recommendation.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Law", is written over the typed name. The signature is fluid and cursive, with a large initial "S" and a long horizontal stroke at the end.

Steven J. Law