

Agency Response to Draft Report

U.S. Department of Labor

Assistant Secretary for
Employment and Training
Washington, D.C. 20210



SEP 28 2007

MEMORANDUM FOR: ELLIOT P. LEWIS

FROM:

EMILY STOVER DeROCCO

A handwritten signature in black ink, reading "Emily Stover DeRocco".

SUBJECT:

ETA's Contract with TCE Digital Solutions
Violated Provisions of the Small Business Act Section 8(a)
Response to OIG Draft Audit Report No. 05-07-003-03-390

Thank you for the opportunity to review and respond to the subject draft audit report. The Employment and Training Administration (ETA) acknowledges the findings and has addressed the three recommendations below.

1. OIG's Recommendation: Ensure that all contracting personnel fully comply with, and promote the spirit and letter of the Federal procurement and ethics laws and regulations, including, but not limited to, acting impartially and abstaining from the appearance of giving preferential treatment to any organization.

ETA's Response: ETA takes the procurement and ethics laws and regulations very seriously. To ensure that staff contract personnel fully comply, we are mandating ethics training for all contracting office staff, and a refresher class as necessary, for all Contracting Officer Technical Representatives. The Director, Office of Grants and Contracts Management, will maintain the updated list of completers and require all new personnel to attend the training.

2. OIG's Recommendation: Establish procedures for contracting officers to monitor the percentage of work contractors perform with their own employees before issuing new task orders or modifying existing contracts for new work.

ETA's Response: We concur with the recommendation and ETA's Division of Contract Services will include written procedures in our action plan to ensure compliance with the Federal Acquisition Regulations and make them available to the OIG for review. It is our plan to undertake a thorough review of ETA's procurement and contract activities to identify changes and make improvements as required.

3. OIG's Recommendation: Establish procedures for semiannually monitoring actual compliance with the 50% work requirement.

ETA's Response: The procedures discussed in response #2 will include a provision for monitoring compliance and will also be provided to the OIG upon completion.