

**U.S. Department of Labor
Office of Inspector General
Office of Audit**

BRIEFLY...

Highlights of Report Number: 04-07-002-01-370, to the National Director of Job Corps. March 30, 2007.

WHY READ THE REPORT

In response to an anonymous hotline complaint, we conducted an audit to determine whether the complaint's allegations of improper activities by the former Regional Director (RD) of the Atlanta Regional Office of Job Corps (AROJC) could be substantiated. Our specific audit objectives were as follows:

- Did the former AROJC RD give preferential treatment to contractors during the assessment scoring process?
- Did the former AROJC RD abuse his contracting authority by violating procurement regulations to acquire contractor services?
- Did the former AROJC RD misuse Federal funds to purchase boxing gloves and George Foreman books?

WHY OIG DID THE AUDIT

OIG performed the audit to determine if the allegations discussed in the complaint against the former AROJC RD could be substantiated.

READ THE FULL REPORT

To view the report, including the scope, methodology, and full agency response, go to:

<http://www.oig.dol.gov/publicreports/oa/2007/04-07-002-01-370.pdf>

March 2007

Job Corps Director's Authority as Contracting Officer Raises Concerns

WHAT OIG FOUND

We did not substantiate the allegation that the former AROJC RD gave preferential treatment to contractors during the quality assessment scoring process. However, by having one person serve as the Contracting Officer, in addition to performing the contract monitoring and assessment responsibilities of the RD, Job Corps did not provide for an adequate segregation of duties.

The former AROJC RD abused his contracting authority by violating procurement regulations to acquire personal services. The former AROJC RD recruited an individual to work under his direct supervision and then arranged for two Job Corps' contractors to employ the individual. Neither contractor supervised the services the individual performed for Job Corps. The former AROJC RD's placement of the individual under two service contracts while under his direct supervision created in substance a personal services contract.

The former AROJC RD did not misuse Federal funds to purchase boxing gloves and books. The boxing gloves and books, acquired to serve as motivational tools for Job Corps participants and as awards for Job Corps program accomplishments, were reasonable and authorized program expenses.

WHAT OIG RECOMMENDED

We recommended the National Director of Job Corps:

- Separate the Contracting Officer and Regional Director responsibilities to two individuals in each region, in order to strengthen controls and provide for greater independence in the selection and award of future Job Corps contracts.
- Update the Program Assessment Guide to incorporate the process for conducting a pre-brief out and substantiating any changes agreed to during the pre-brief out.
- Ensure adherence with the Federal Acquisition Regulation regarding personal service contracts and conflicts of interest.

In response to the draft report, the National Director of Job Corps agreed with our findings and recommendations.