

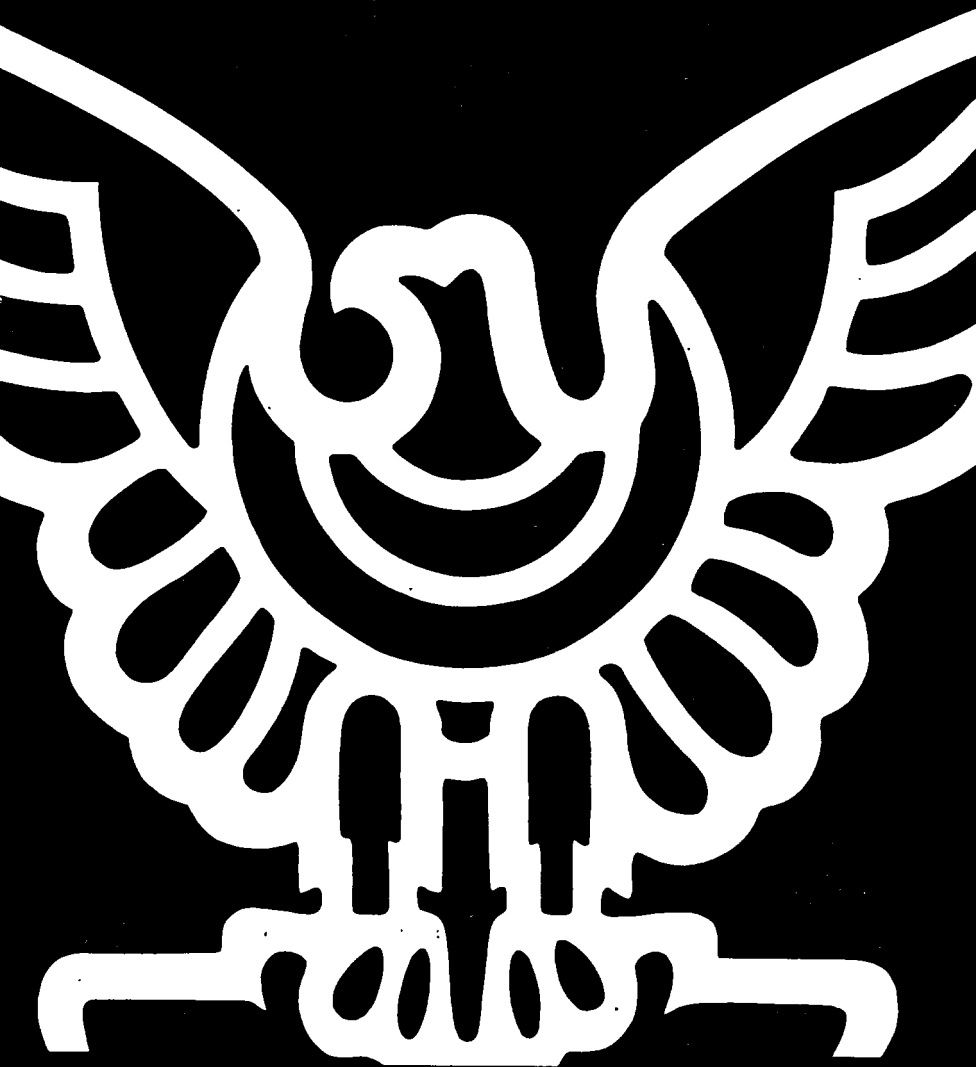
# Semiannual Report of the Inspector General

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U.S. Department of Labor  
Office of Inspector General

October 1, 1981—March 31, 1982



SEMIANNUAL REPORT

OCTOBER 1, 1981 - MARCH 31, 1982

OFFICE OF INSPECTOR GENERAL

U.S. DEPARTMENT OF LABOR

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## PREFACE

This is the seventh semiannual report of the Department of Labor's Office of Inspector General submitted pursuant to the requirements of the Inspector General Act of 1978. The report covers the period October 1, 1981 through March 31, 1982.

Since the passage of the Comprehensive Employment and Training Act (CETA) in 1973, the Department of Labor's audit and investigative staff has spent most of its time detecting fraud and waste by CETA grantees and subgrantees. The work resulted in a huge backlog of unresolved questioned costs. With the help of the Employment and Training Administration (ETA), almost all of those were resolved in 1981, as reported in my last semiannual report. Review of the findings of those thousands of audit and investigative reports showed some fundamental problems in the way the CETA program was set up and administered: the multiplicity (50,000) of subgrantees, the frequent absence of adequate financial management systems, and the ineffectiveness in correcting problems or collecting improper expenditures by grantees and subgrantees. Assistant Secretary Angrisani and I discussed these problems and agreed that, with the CETA legislation expiring this year, we should try to build into any new legislation safeguards to prevent some of the problems encountered in the past. We did that via a joint OIG/ETA working group. Its report, "Fraud, Waste and Mismanagement in CETA: Lessons Learned," made recommendations which have been incorporated in the Administration's new employment and training legislative proposals.

This past audit and investigative preoccupation with CETA, while necessary, given the size,

complexity and problems of the CETA program, had the unfortunate side effect of ignoring potential fraud, waste, economy and efficiency problems in other major Department of Labor programs. In my last semiannual report, I noted a significant shift of Office of Inspector General attention to the programs of the Office of Workers' Compensation (OWCP)--the Federal Employees' Compensation Act, the Black Lung and the Longshore Harbor Workers. The specifics of that work are covered in this report.

I have been severely critical of management deficiencies in OWCP and of OWCP's slowness in carrying out needed improvements. I know many in OWCP feel I have been unfairly critical, and cite the resource constraints and competing workload pressures they confront. The Administration and members of Congress have proposed a number of changes in legislation covering the OWCP programs. Many of these proposals have great merit, but few will directly affect the management issues confronting OWCP. The problems in managing the OWCP programs are very difficult. In my view, the long-term solution requires four things: (1) improvement in the overall quality of OWCP management; (2) modern, integrated computer systems to support the OWCP programs, both to pay the bills and benefits and to provide necessary automated controls; (3) the resources, in terms of skills and dollars, to carry out "1" and "2"; and (4) responsible and continuing attention by the Secretary of Labor and the Congress to these long-term management requirements.

The Department of Labor has shown progress in the effort to prevent and detect fraud and waste and ensure greater economy and efficiency in the programs and operations of the Department. I

want to thank Secretary Donovan and the many other officials of the Department who have given leadership and support to that effort. I also, particularly, want to thank the dedicated OIG auditors, investigators and support staff who are responsible for the work described in this report.

Thomas F. McBride  
Inspector General

## EXECUTIVE SUMMARY

Following are highlights of this report.

### Significant Problems, Abuses or Deficiencies and Recommendations for Corrective Action

#### - Implementation of OIG and GAO Recommendations by the Employment Standards Administration

Studies conducted during this period continue to demonstrate serious program problems resulting from the lack of effective implementation of past audit recommendations. A joint effort is now underway to track and resolve outstanding OIG and GAO recommendations in the workers' compensation area.

#### - Employing Agency Participation in the Federal Employees' Compensation Act Program

A serious problem in the administration of the Federal Employees' Compensation Act program has been the lack of strong efforts to control costs by the federal agencies in which claimants have been employed. We have completed an inter-agency study on the employing agency role and responsibilities and have recommended a number of statutory and administrative changes to enable these agencies to do a better job of investigating claims and getting claimants back to work as quickly as possible.

#### - Claimant Fraud in the Federal Employees' Compensation Act Program

Recent fraud investigative cases show that unreported income by claimants continues to be a major problem. More effective verification efforts by the program are recommended as well as more stringent criminal penalties for making

false statements and concealing outside employment and income.

- Audit Resolution

Indicative of a continuing, strong Departmental commitment to the resolution of monetary audit findings, only 10 audit reports over 6 months old, remain unresolved as of March 31, 1982. During this period, 272 reports, involving over \$90 million in audit exceptions, were resolved. The 10 reports over 6 months old were precluded from resolution, pending the conclusion of investigations, or settlement of other unique problems. A qualitative review of audit resolution procedures is now underway and we are giving increased attention to resolving non-monetary audit recommendations.

- Employment and Training

We recently prepared a history of fraud and management problems in the administration of the Comprehensive Employment and Training Act and an analysis of past OIG audit and investigative findings. Recommendations were made for legislative, regulatory and administrative changes in the design of a new employment and training program.

Summary of OIG Activities

- There were 77 indictments and 70 convictions based on our fraud investigations. Fines, recoveries, savings, and collections resulting from investigations totaled \$3.2 million.
- There were 37 indictments and 36 convictions based on our organized crime and labor racketeering investigations.



- We issued 460 audit reports on the Department's programs, grants and contracts. In these reports, audit exceptions<sup>1</sup> totaled \$103 million.

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<sup>1</sup> Throughout this report, audit exceptions include both questioned costs and costs recommended for disallowance. Questioned costs are expenditures without sufficient documentary evidence for the auditor to make a conclusion on allowability. Costs recommended for disallowance are expenditures that the auditor judges, based on available evidence, to be unauthorized under the terms of the grant or contract.

## PART I

### SIGNIFICANT PROBLEMS, ABUSES, OF DEFICIENCIES, AND RECOMMENDATIONS FOR CORRECTIVE ACTION

#### EMPLOYMENT STANDARDS ADMINISTRATION

The Employment Standards Administration (ESA), through its three component offices--the Office of Workers' Compensation Programs (OWCP), the Office of Federal Contract Compliance Programs and the Wage and Hour Division--administers laws and regulations which provide workers' compensation to those persons injured on their jobs, require federal contractors and subcontractors to provide equal employment opportunity, and set employment standards.

During this reporting period, and in prior periods as well, nearly all of the audit and investigative effort devoted to ESA has been in the Office of Workers' Compensation Programs, which encompasses all three workers' compensation programs--the Division of Federal Employees' Compensation (FECA), the Division of Coal Mine Workers' Compensation (Black Lung), and the Division of Longshore and Harbor Workers' Compensation.

#### IMPLEMENTATION OF PAST OIG AND GAO RECOMMENDATIONS

Our most significant concern within ESA continues to be inadequate controls over bill and benefit payments in both the FECA and Black Lung programs. These controls have been the subject of a large number of previous OIG and GAO recommendations for corrective action. While some progress has been made, ESA's overall responsiveness in implementing recommended corrective actions is inadequate. Two examples help illustrate the problem.

o FECA Benefit and Bill Payment Controls

In the wake of an embezzlement in OWCP's District Office 25 early in 1980, ESA management requested that OIG perform a survey of bill payment operations in that district office. In this review, conducted in May of 1980, we evaluated the weaknesses in that office's bill payment system that allowed losses due to fraud or mismanagement to occur, and proposed a number of corrective action recommendations.

The analysis revealed significant weaknesses in data security, computer security, bill payment processes and bill payment controls.

ESA commented favorably on the recommendations in the draft report and said they planned to implement most of the recommendations.

Nevertheless, 8 months later, during an OIG initiated review of six district offices (one of which was District Office 25), we noted that nearly all the recommendations made in the earlier District Office 25 review were not implemented.

Even more recently, in November 1981, we reviewed in one district office the adequacy of internal controls over financial management within ESA. The district office was one of the six district offices reviewed a few months earlier. During the course of this audit, two embezzlements surfaced. These two fraud cases involved, respectively, the manual payment system and the automated bill payment system, both of which OIG had identified as being vulnerable to fraud and for which corrective recommendations had been made.

Despite the prior recommendations, the review found that: checks were still left unguarded

overnight on top of desks; bill paying, keying and filing duties were still not separated; the 10 percent statistical sampling of bills to ensure bill validity was still not being performed; payment vouchers were not being adequately reviewed (resulting in the fraudulent payments); and no statements were being provided claimants to verify provider services.

o Black Lung Benefit and Bill Payment Controls

In our last semiannual report, we described two Black Lung studies that identified major deficiencies in the program's computer systems and internal controls. One of these studies assessed the amount of dollar loss resulting from these deficiencies. Based on our analysis of data in the program's computerized records, we concluded that unrecovered overpayments involved millions of dollars.

While our loss estimates were statistically valid, we felt that, to better ensure corrective action, we should attempt to verify our computer-based estimates by conducting a review of the actual case files which contain bills and other documentation used to determine eligibility and payment level. Because of resource limitations, we decided to look at medical payments only.

This case file review, which was completed during this reporting period, not only substantiated the findings of the computer based evaluation, but also indicated probable losses in medical payments alone that are substantially larger than estimated in the earlier studies.

Our assessment of 1,322 files revealed 526 with errors in the following major categories: duplicate payments, overpayments, payments without proper documentation, payments not properly

authorized, inappropriate payments and payments based on incorrect service dates. We also found underpayments and payments made by Medicare and other carriers, which were not reimbursed by the Black Lung program.

Based upon a statistically valid random sample of all Black Lung Medical Payment files, this case file review found that 32.6 percent of the files had payment-related errors as described above. Excluding amounts attributable to Medicare payments and files that could not be located, and deducting all returned payments and underpayments, we found that 19.9 percent of all payments in the sample should not have been made and may be recoverable. Projections from the actual payment amounts in the sample indicate that \$9.2 million (+ \$4.7 million at the 95.4 percent confidence level) in payments are estimated to have been made improperly and may be recoverable from the \$41.9 million in medical payments made from Fiscal Year 1974 through Fiscal Year 1981. The minimum projected figure of \$4.5 million is more than twice what we found in the earlier evaluation of the computerized payment records.

Also, we noted several administrative and procedural problems that increase the potential for erroneous payments or adversely affect the timeliness of the payments process.

In our view, the significance of this review is not only in the identification of the multi-million dollar losses in program funds as a result of inadequate administrative controls, but also in the existence of serious, continuing problems resulting from the lack of effective implementation of OIG's prior recommendations.

In December, 1981, we initiated a review of ESA's implementation of prior OIG and GAO audit recommendations. This review has identified 112 recommendations, of which ESA agreed to take action on 68. For the remaining recommendations, ESA stated that the present procedures were adequate, the problems would be eliminated or corrected by improvements in the present system, or they disagreed with the recommendations.

We believe that ESA traditionally has not taken audit follow-up seriously, has not impressed on its staff the importance of taking action, and--after the audit team has departed--has continued to function in a "business-as-usual" mode. While staffing and budget constraints have placed additional burdens on the program, these cannot be used as the only excuse for failure to implement basic internal controls.

Recently, ESA sent a memorandum to all ESA Regional Administrators and National Office Program Heads informing them that the OIG was conducting a follow-up audit and that the ESA Internal Control Unit was assisting in this effort by securing status reports on ESA actions from the National Office and by requesting that the Regional Administrators verify the implementation and impact of these actions in the field. As of the end of March, information related to three OIG reports had been received. ESA is now in the process of assessing the information. We will be closely examining the results of this review and, if necessary, will elevate certain issues for higher-level resolution in the Department or, on a selective basis, conduct further verification on site.

THE ROLE OF EMPLOYING AGENCIES IN ADMINISTERING  
THE FEDERAL EMPLOYEES' COMPENSATION ACT

The Federal Employees' Compensation Act is the exclusive remedy for compensation to federal employees who suffer an on-the-job injury or occupational-related disease. Compensation may be paid for reimbursement of lost wages, medical care and expenses, awards for bodily impairment or disfigurement, and vocational rehabilitation services.

Total expenditures for the program were \$891 million in 1981 and are expected to reach \$972 million for 1982. Of the approximately 2.8 million federal employees covered by the Act, 48,000 beneficiaries were receiving long-term disability compensation, over 90,000 employees were compensated for short-term injuries and there were about 26,000 new compensation claims during 1981. Since the 1974 amendments to the Act, costs and claims have risen dramatically. Costs have more than tripled and traumatic injury claims increased almost sevenfold. These increases occurred during a period when federal employment has been relatively stable and increased emphasis has been given to safety.

While OWCP has the responsibility for administering the Act, actions by all federal employing agencies, the Office of Personnel Management and the Office of Management and Budget greatly influence the successful implementation of the provisions of the Act.

On the basis of prior studies and investigations related to the FECA program, we concluded that most agencies who have employees receiving FECA benefits do not actively contribute to improving FECA program management nor to reducing program costs. While OWCP is charged with paying claims

under the Act, employing agencies have certain program responsibilities, such as forwarding to OWCP timely and complete claims, continuing pay for the first 45 days after a traumatic injury and giving placement priority to claimants who fully recover.

A major underlying reason most employing agencies are not aggressively working to control FECA costs is that the system established by the Act lacks significant financial incentives to motivate agencies to control their costs. Under the current law, compensation benefits are paid by OWCP out of the Employees' Compensation Fund established under the Act. Each agency must then reimburse the Fund for its costs through an appropriated amount contained in its next year's budget request. The practical effect of this is that agencies are reimbursed by Congressional appropriations for whatever their expenses are, thereby eliminating what should normally be a strong incentive to curb costs. Also, since costs are not charged to the organizational component of the claimant, agency managers, who would normally be in the best position to oppose claims or to reemploy claimants in light-duty positions, are not effectively being held accountable for FECA costs or provided an incentive to reduce these costs.

This led to our view that a strengthened role for employing agencies would contribute to better management and cost control in the FECA program. Because of the necessary participation of employing agencies, we proposed to the President's Council on Integrity and Efficiency an inter-agency project to review employing agencies' management of their FECA responsibilities. The Council approved the project, and, in addition to our involvement, included representatives from the Department of Transportation's



OIG, the U.S. Air Force Audit Agency, the United States Postal Service, the Tennessee Valley Authority, and the Office of Workers' Compensation Programs. Participating agencies included several of the largest users of the FECA program. The objective of the project was to determine what the Department of Labor and other federal agencies could do to curb abuse of the FECA program and better control its costs.

The study concludes that:

- Employing agencies do not know enough about the FECA program, including how to question and oppose claims, to administer their responsibilities properly.
- Employing agencies do not submit timely and complete claims information or take steps necessary to reemploy claimants quickly.
- OWCP and employing agencies do not share information on status of claims, notice of awards, hearings, and appeals.
- OWCP does not always obtain adequate medical advice and evidence, conduct sufficient reviews of claimants to determine if their disabilities continue or whether they earned wages, or screen claimants and provide for enough rehabilitation services.
- OWCP staff is under an extremely heavy claims workload--an average of over 700 cases per examiner.
- For key functions, such as obtaining medical advice, contacting claimants and reemploying claimants, the Act does not specifically assign authority, which tends

to preclude active employing agency participation in the program.

The agency that has been the most successful in operating a workers' compensation program is the Postal Service. To prevent injured workers from staying on compensation long enough to get on the long-term disability roll, the Postal Service often controverts claims (opposes continuation of pay) and is successful in over 37 percent of these opposed claims. The Postal Service estimates that its injury compensation program has saved about \$13.2 million from October 1979 through October 1981 by reemployment of 1,100 claimants. In addition, the Postal Service has avoided another \$15.6 million in costs associated with the continuation of pay provisions. Between 1977 and 1980, its costs have increased a mere .7 percent, while its payroll has increased 30 percent.

As a result of its review, the inter-agency project team recommended a number of legislative and administrative changes.

Legislative recommendations include:

- Authority and responsibility should be given to employing agencies to establish and operate injury compensation programs to provide early light-duty assignments to claimants and for rapid reemployment.
- When submitting budget requests to cover compensation and benefit expenses, employing agencies should be required to report their efforts to rehabilitate and reemploy claimants to the Appropriations Committees.
- Establishment of a system to estimate compensation costs and pay them out of

agencies operating funds should be required.

- OWCP should be required to set guidelines for implementing injury compensation programs in agencies, to monitor agency efforts, and to establish a viable rehabilitation program.

Administrative recommendations directed at employing agencies include:

- Provide an adequate, well-trained staff for the agencies' injury compensation program;
- implement an injury compensation program with certain key elements, such as early light-duty assignments to claimants, reemployment for certain long-term disability claimants, mandatory medical examinations, and utilization of medical data in monitoring claimants; and
- establish reporting systems at the appropriate management level to account for compensation costs and results of efforts to provide reemployment and rehabilitation.

Also, the team recommended that:

- employing agencies be able to obtain ceiling relief from OMB for one year for FECA claimants hired from the long-term roll, and
- OPM monitor the adequacy of agencies' reemployment efforts.

We believe that implementation of the recommendations resulting from this study will significantly improve administration of the FECA program and will result in substantial dollar savings.

## CLAIMANT FRAUD

Claimant fraud has historically been a problem in many government benefit programs and FECA is no exception. While the number of cases of FECA claimant fraud detected is not inordinately high for a program providing compensation to nearly 50 thousand long-term disability claimants, it is high enough for us to be concerned with the program's ability to adequately detect and prevent such fraud. OIG efforts in identifying and investigating claimant fraud have significantly increased during the past year. About 40 percent of our fraud investigative resources are presently being devoted to ESA-related investigations, the majority of which are FECA cases. During this 6-month reporting period, approximately 240 FECA claimant cases have been under active investigation. In 52 cases, investigative results were referred to ESA for administrative action; and 33 FECA-related indictments and 28 FECA-related convictions have been obtained.

We recently undertook a special analysis of cases worked from July 1, 1981, to March 31, 1982, to identify the types of fraudulent schemes employed and the problems within the Act or its administration that may contribute to the occurrence of claimant fraud.

There are two major types of FECA claimant fraud--one where the fact of injury is falsified and the other where the claimant conceals or falsifies non-injury information, particularly unreported income, that would affect benefit eligibility and payment level. Our experience has shown that it is extremely difficult to prove and prosecute cases of the first type. Virtually all of our cases resulting in successful prosecutions are those of unreported income by claimants.

By law, FECA claimants receiving long-term total disability benefits may not receive any outside earned income. Those on long-term partial disability must report any outside income earned while drawing benefits. The principal vehicle used by OWCP to determine a beneficiary's outside employment and income is Form CA-1032, which OWCP is required to issue and receive on a yearly basis for each recipient. This form requires the claimant to report all employment during the past 12 months and any change in dependents' status.

As this process is dependent upon self-certification by claimants, fraud is, unfortunately, more likely. In the area of FECA fraud relating to unreported income, we find that while some forms of fraud are relatively easy to detect and prevent, others are sufficiently difficult that elaborate detection and prevention approaches may not be cost-effective. In the area of unreported income we have found both forms.

We are particularly concerned about those cases of fraud that could have been detected and prevented by OWCP following its own procedures and effectively managing the claims process. For example, one claimant, on FECA disability since 1976, never received a Form CA-1032. Our investigation disclosed that he was gainfully employed and receiving welfare. Another claimant was sent only one CA-1032 between 1972 and 1980. We found that, during this time, she was operating a retail food market. In another case, a claimant did not return the 1032 forms relative to his daughter's status as a student. Overpayments of \$9,000 could have been saved if OWCP had acted on this failure to file.

In other cases, OWCP inaction on information actually received meant that fraud was allowed to continue and overpayments made. This is demon-

strated by the following examples.

- In two cases, OWCP files contained information that was apparently overlooked. Although one claimant reported outside income, and another claimant's medical report showed that the claimant was working, OWCP took no action at the time these reports were received.
- In 1975, an OWCP office became aware of a claimant's employment through a routine check of Social Security Administration records. This was not reported to the OIG until 1980. As a result of this delay, the U.S. Attorney declined prosecution based on OWCP's 5-year lapse of action. An overpayment of over \$11,000 is involved.
- In another case under investigation, we found poor coordination within an OWCP district office. The file maintained on a claimant by the rehabilitation section of the district office indicated that the claimant was working as a real estate salesperson. At the same time, this claimant was drawing benefits, since this employment information was never forwarded to his claim file.

These are certainly cases where better operating management systems could have detected and prevented a great deal of fraud, but there are other examples as well. In our last semiannual report, we described a project conducted in Atlanta that identified unreported income and inadequate ongoing case file reviews as significant problems. We now have final statistics on the results of this work. They show that, of the 1,810 FECA claimant files reviewed, benefits to 95 claimants were terminated or reduced, resulting in yearly savings of \$850,889. Considering

that the average claimant is on the periodic rolls 16 years, the future cost avoidance to the government would be in excess of \$13 million.

In September 1981, the project in Atlanta was expanded to a nationwide review, with the initial file reviews completed in December 1981. The administrative shortcomings in the processing and management of claims that surfaced in the earlier project were again found in the nationwide review. For example, our review of over 10,000 periodic roll cases disclosed that a total of 3,498 case files did not contain a current Form 1032.

We also found 4,370 cases where the medical information in the file, or lack of medical information, was questioned by the reviewer, but benefits continued. In each case there should be medical justification (reports, exams, etc.) issued within the past 12 months for continuing the claimant on the periodic rolls. Frequently, the reviewers discovered that the files contained old medical reports, conflicting medical opinions, and failure by OWCP to follow up on delinquent medical reports.

A total of 773 files were deemed worthy of closer scrutiny and/or investigation by the appropriate employing agencies who are reviewing the files and who will advise us of the number of investigations opened. Although this information is not yet available, we are aware that many cases are being initiated. For example, as a result of the New York review, the Postal Inspection Service has initiated 50 criminal investigations.

To date, OIG has received notification from OWCP that they have terminated or reduced benefits in at least 150 cases that were reviewed during the nationwide project. For example, the Dallas OWCP office has terminated 10 claimants, resulting in

a yearly savings of \$153,322; the Denver office has terminated 5 claimants, resulting in a yearly savings of \$62,855; the Philadelphia office which services the Washington, D.C area, reports 6 actions, resulting in a savings of \$57,746; the New York office took 19 actions, resulting in a savings of \$152,525; and the Chicago OWCP office reports 90 actions, resulting in a savings of \$1,022,225. Data from the other offices are still being compiled. And, many hundreds of necessary corrective actions have been identified and are being acted upon.

While these projects have helped to identify ineligible FECA beneficiaries and to serve as a deterrent, we are concerned about the inadequacy of ESA's actions to implement our administrative recommendations.

Resources have been a continuing problem for FECA. Simply put, it is extremely difficult for a claims examiner to perform all of the tasks necessary to adjudicate claims and to also carefully review files; search for conflicting, out-dated, inaccurate, or incomplete information; or undertake special verification reviews, particularly when the top priority is to process claims on a timely basis.

However, while we recognize that staffing constraints pose a genuine problem, we remain unconvinced that they can satisfactorily excuse the kinds of cases described above, or justify not implementing some simple steps that are likely to result in the prevention of fraud and substantial overpayments. For example, to date OWCP has not initiated any system to routinely identify unreported income. This is a compliance function that could be easily implemented and maintained. One obvious approach is to periodically match FECA claimant information against state wage data.



We do not mean to imply that more effective claims management will eliminate all FECA claimant fraud or improper payments. Our investigative work has identified types of FECA claimant fraud that would probably not be detected by matches against wage data, better claims management practices, or even an extremely alert claims examiner -- for example, FECA claimants who are not entitled to benefits because of unreported self-employment income.

The area of self-employment is far more difficult to detect, investigate and prosecute than unreported income reflected in employer wage records. Since we are unable to obtain IRS income tax data, and social security wage data are often not current, this type of unreported income is not readily detectable; and, when suspected, must be investigated on a case-by-case basis. Several examples of recent cases that illustrate the problem of unreported income from self-employment follow.

- A claimant had an income tax preparation business, with over three hundred clients and was advertising in the yellow pages. On the basis of information received from some of these clients, we were able to establish proof of income.
- Another claimant, a former Post Office clerk, operated a private investigative agency that was awarded a GSA contract to provide security at a record depository for a fee of \$6,000 per month. He was recently sentenced to a 3-year prison term.
- In another case, a FECA claimant, who received over \$14,000 in compensation benefits, owned and operated a health spa and did not report this income to OWCP.

- A pending case concerns a claimant who applied for retroactive benefits amounting to over \$100,000. Based on a tip from an OWPC claims examiner, we determined that the claimant owned a limousine business that grossed \$44,000 in 1980.

A second problem area is the falsification of data on forms submitted to OWCP and to employers. Several examples of these cases follow.

- A former Post Office employee furnished false documents to OWCP using the name of a fictitious doctor. The claimant pled guilty and was sentenced to 9 months' probation.
- Another claimant received over \$40,000 in FECA compensation while attending school to become a practical nurse. She received her license and went to work for a state agency using a different social security number and a slight variation in the spelling of her name.
- A Post Office employee with an alleged back injury attempted to cover up his employment while collecting disability benefits. Conspiring with his supervisor, the individual was issued checks and W-2 forms in his wife's name.

In our view, one of the most cost-effective approaches to preventing these types of fraud is to make the penalty for committing such fraud stringent enough to serve as a deterrent.

Currently, beneficiaries who falsify data on Form CA-1032 are subject only to a misdemeanor prosecution and collection of past overpayments by OWCP. We have recommended that false statements on FECA forms be elevated to a felony

offense. We have also recommended that it be a criminal offense to willfully conceal earnings from employment, or self employment, to obtain FECA benefits. The present statute only pertains to making false statements on affidavits and reports.

In summary, we consider FECA claimant fraud to be a major continuing problem. We believe that action on our administrative and legislative recommendations would significantly help detect existing fraud and help reduce future fraud.

## EMPLOYMENT AND TRAINING ADMINISTRATION

The Employment and Training Administration (ETA) budget authority for Fiscal Year 1982 is \$25.0 billion, including the Unemployment Insurance Trust Fund. The Unemployment Insurance Trust Fund is budgeted for \$21.3 billion and the Comprehensive Employment and Training Act (CETA) program is budgeted for \$3 billion. The remaining funds are for other ETA activities, such as programs for Older Americans, and other income maintenance accounts.

In light of the statutory expiration of CETA in September 1982 and the Administration's interest in designing a substantially different employment and training program, a number of bills have been introduced containing proposals for new programs to replace CETA. The bills vary considerably with respect to delivery systems, participant eligibility criteria and funding levels.

The Office of Inspector General is continuing to audit and investigate current CETA programs, with particular attention being given to phase-out problems, such as returning to the government funds remaining in program accounts, accounting for equipment, end-of-grant spending, and the adequacy and accuracy of final grant close-out information. Also, we have tried to ensure that fraud and waste concerns are raised in connection with designing a new employment and training program. As the nature of the successor program is clarified, we will be planning future audit and investigative activities in the employment and training area.

### AUDIT RESOLUTION

In our previous semiannual report, we described the joint OIG/ETA actions taken to resolve the

backlog of audit reports over 6 months old and to install an effective and permanent system for audit resolution. Since almost \$400 million was resolved during the past year, we have been concerned about problems that may have resulted from the pressure to resolve such a large backlog of audit findings in such a short time. To ensure the quality of the audit resolution process, we have initiated a review of audit resolution and debt collection efforts to date. In this review, we are focusing on whether ETA's determination of disallowed costs adequately protected the government's interests and whether quality was maintained in the resolution process during the period of intense pressures by management to resolve all outstanding audits.

At the same time, we are interested in ensuring that the commitment to timely resolution of audit findings continues. The Department has continued to give this priority, and policies are now in place to ensure prompt resolution of monetary audit findings. As of March 31, 1982, all audit reports over 180 days old had been resolved except for 10 reports questioning \$2.1 million whose resolution is awaiting the conclusion of investigations or settlement of other unique problems. Based on information from ETA, dollars received during this period as a result of audit disallowances totaled \$11.3 million. Of this amount, \$6.4 million represents cash repayments; the rest represents collections through offsets and services provided in lieu of cash repayments.

Our past focus in the area of audit resolution has been almost exclusively directed to monetary findings. Efforts to ensure the implementation of recommendations in past audit reports to improve CETA administrative systems and internal controls have tended to receive a lower priority. We are now designing a system to give resolution

of non-monetary findings equal priority. This Department-wide resolution process will ensure that issues related to the resolution of audit recommendations are elevated, when necessary, to higher level officials, and that the implementation of corrective actions is actively monitored.

#### PROGRAM FRAUD, WASTE AND MISMANAGEMENT

Since the inception of the CETA program, there have been continuing problems related to program fraud, waste and abuse. These problems have continued to receive the bulk of OIG audit and investigative resources. Because of recurring problems in CETA, and because of the pending legislative initiatives related to the funding of a new employment and training program, we felt it appropriate to take a joint OIG/ETA look at the lessons learned from the CETA experience. Our purpose was to make recommendations for future job training bills that would help avoid repetition of past fraud and waste problems.

Following are examples from this reporting period of problems in the CETA program, what the joint OIG/ETA effort determined to be the major causes of these problems, and recommendations for consideration in designing a new job training program.

##### Mismanagement of Funds

While the resolution of subgrantee questioned costs continues to be a problem found in audits completed during this reporting period, other historic problems now appear to be less widely found. For example, due mainly to the eligibility determination and verification systems and independent monitoring units required by the 1978 reauthorization of CETA, ineligible participants have become less of a problem. However, as the CETA delivery system changes and grantee opera-

tions phase out, other problems are changing in character.

Following are typical problem areas identified in recent audits, along with several examples of audit findings.

- a. Resolution of subrecipient questioned costs  
Prime sponsors are responsible for resolving any exceptions resulting from audits of their subrecipients and for collecting questioned costs. In our view, the ability or willingness of prime sponsors to take action in this area is still inadequate.

During this reporting period, 33 percent of questioned costs, or \$23.5 million, resulted from unresolved audits of subrecipients. A portion of this amount resulted from unified audits where both the prime sponsor and subrecipients are audited at the same time. In these instances, resolution of the subgrantee audits are not necessarily considered untimely. The following examples from some of our recent audits illustrate the magnitude of the problem.

- South Florida Employment and Training Consortium
  - Total amount questioned, \$1,678,722
  - Amount pertaining to subgrantee audits, \$1,666,623
- Hennepin County, Minnesota
  - Total amount questioned, \$2,681,919
  - Amount pertaining to subgrantee audits, \$2,669,063
- Arizona Balance-of-State
  - Total amount questioned, \$2,851,596

- Amount pertaining to subgrantee audits, \$1,480,897

-- City of St. Louis

- Total amount questioned, \$5,212,289

- Amount pertaining to subgrantee audits, \$4,452,161

b. Overcharges for fringe benefits

Incorrect cost allocation plans continue to be one of the main causes of questioned costs in audit reports. Our audit of the County of Los Angeles found that the CETA program was overcharged \$7.6 million for fringe benefit costs. The overcharge was a result of the County including fringe benefits, which CETA participants did not receive, in its indirect cost rate. This resulted in a higher rate than was proper. It was recommended that these funds be returned to the Department of Labor, and ETA is in the process of negotiating a return of the fringe benefits charged by Los Angeles County.

c. Purchases of unnecessary equipment

Some grantees have made large, unnecessary purchases of audiovisual, computer, and other equipment. An audit of the Los Angeles County CETA program disclosed the unnecessary purchase of \$1.3 million of audiovisual equipment. ETA has now taken title to this equipment and transferred it to the ETA National Office Training Center. Requests from three other prime sponsors to purchase ADP equipment have been denied. The ETA National Office has issued a nationwide freeze on such purchases by CETA sponsors. The freeze also applies to rentals and leases.



d. Poorly written contracts

Poorly written contracts have permitted contractors to receive more than would have been allowed had sound contracting practices been followed.

For example, an audit of Employment Training Resources, Inc., a subcontractor of the CETA prime sponsor at Lowell, Massachusetts, disclosed that the company realized a profit of over \$500,000 on its fixed-price contract, due to lack of specificity in the contract language that failed to preclude such a large profit. The contract provided \$1,568,000 for training and placement services over a 12-week period.

Much of the equipment provided for in the contractor's budget was not delivered until near the end or after the program was completed. It is estimated that 40 percent of the equipment had not been used. The contract was intended to provide services to more than 300 participants; however, only about 70 were actually involved in the program and only about 20 placements were made. Because of the profit amount, the heavy proportion of equipment costs, and the limited participant services, the entire amount of the subcontract was questioned.

Embezzlement of Program Funds

The most significant investigative cases concerning CETA during this period relate to the embezzlement of federal funds. Following are highlights of some recent cases.

- o Because of fraudulent activities uncovered in an OIG audit of the City of Hartford CETA

program, in 1979 we began a special review of the Associated Restaurants of Connecticut, which held contracts with various CETA prime sponsors for job training and placement of participants in the food service industry. Through a complex and sophisticated network of ineligible and ghost participants, the participant counselors manufactured the false paperwork necessary to defraud CETA of more than \$300,000. Our report on the organization has been issued to ETA and to various Connecticut CETA prime sponsors. Total costs questioned are \$1.4 million out of \$2.5 million audited.

- o The first CETA fraud prosecution in Arizona involving the cooperative efforts of the Phoenix Police Department, OIG, and the FBI, has resulted in the conviction of the director of Career Development Resources Inc., for using federal funds to set up and run a secret for-profit business. The company received over \$500,000 in ETA funds. The director's administrative assistant was also convicted of defrauding the CETA program and falsifying records by arranging to have his wife hired as a ghost employee and paying her for work she did not perform. The local Assistant U.S. Attorney praised the "perfect example of cooperative law enforcement" and said he looked forward to more cooperative efforts like this one "especially as we attempt to reduce fraud in government programs."
- o An OIG review resulted in a civil suit being filed in the U.S. District Court, Philadelphia, Pennsylvania, charging the operator and part owner of the Bucks County Playhouse with helping to prepare false claims for 15 employees who collected \$55,000 in CETA funds. The suit seeks to recover double damages for a

total of \$110,000 plus \$2,000 in punitive damages for each false statement or claim. The total potential dollar recovery is approximately \$175,000.

- o The owner of the Pettiford Construction Company and his wife were indicted on charges of embezzlement and false claims involving \$40,000 in fraudulent billing of the Newark CETA Program in New Jersey. Their company was a sub-contractor to the North Jersey Community Union, a prime on-the-job training contractor to the City of Newark CETA Program. The Pettiford indictment is the last resulting from a joint OIG, FBI, and United States Attorney's Office 3-year investigation of subcontractors to the Newark CETA Programs. To date, there have been 11 indictments with 8 defendants pleading guilty and 1 convicted after trial.
- o Inadequate screening of applicants for fiduciary positions led to the hiring of a CETA project director with a prior felony record for writing false checks. The former project director of the Pala Band of Mission Indians' Youth Community Conservation and Improvement Project was indicted for allegedly embezzling \$16,000 in CETA funds. The former director was charged with making and cashing checks payable to fictitious consultants and terminated participants.

#### Joint Review of Fraud and Waste Issues

The joint OIG/ETA effort identified three major underlying factors that have led to fraud, waste and abuse in CETA program management and administration: focus of ETA management on the disbursement of funds rather than adequate oversight, the complexity of CETA legislation and regulations, and the proliferation of subgrantees within the CETA system.

Although in CETA more emphasis has recently been placed on sound program and fiscal management, the main focus of ETA in the past has been directed toward funding and implementation of programs. Historically, inadequate attention was given to management systems, financial controls, reporting information, and outcome analysis on either the national or local level. As stated in the joint report: "The pervasive attitude of ETA officials, and, ultimately, local program managers, was to get the money out and worry about program management later." The report acknowledges that continuous changes in authorizing legislation, which altered program emphasis and intent and which caused fluctuations and uncertainties of funding levels, played a significant role in directing management toward "start-up" and implementation activities.

By 1980, the CETA program had operated under 5 different legislative mandates and had received funding under 11 continuing resolutions, 4 supplemental appropriations, and 3 appropriation bills. While ETA cannot be absolved of its management responsibility, it has traditionally been forced to operate in a mode that considered spending funds more important than the financial integrity of programs.

The 1978 reauthorizing legislation mandated fairly specific management controls to diminish such shortcomings in the program. The effect of this is evident in the setting up of eligibility determination and verification systems, the establishment of independent monitoring units, more stringent performance assessments, and development of more refined performance standards. Recent emphasis on audit resolution is another clear indication of the redirection of priorities towards sound fiscal and program management.

Another cause of management-related problems has been the overly complex CETA statute and regulations. Prime sponsor understanding of and compliance with complex regulatory requirements were problems prior to the reauthorization of CETA. The 1978 legislation, while improving internal controls and management systems, contributed to administrative problems through the categorization of programs and stipulation of complex and often burdensome requirements. While the intent of Congress resulted in greater attention to monitoring and management functions, the additional reporting requirements imposed by the reauthorization of CETA made good management more difficult.

Finally, the proliferation of subgrantees over the last several years has significantly contributed to management problems in CETA. The current CETA program has approximately 475 prime sponsors and has operated programs with up to 50,000 subgrantees and contractors. DOL cannot provide adequate management and oversight when the amount of funds subcontracted is unknown, the subcontractors are unknown, and the number of subgrantees is so great that it is beyond the capacity of any organization to provide adequate monitoring.

#### Recommendations for New Program Structure and Legislation

OIG/ETA recommendations made for consideration in designing a new job training program include those summarized below.

- a. Simplified program structure  
Experience shows that management capability in a new employment and training program could be strengthened by avoiding an overly complex program structure. The "lessons

learned" report suggested that a new employment and training program design should do the following:

- Use existing structures of government rather than newly created organizations or private non-profits for program delivery. The audit and audit resolution processes have shown that when new systems of program delivery are implemented, personnel procedures and financial and other management systems are more likely to show abuses, and effective collection of misspent funds is more difficult.
- Limit the number of subgrantees. The large number of subgrantees in the CETA system has led to a variety of problems, including increased administrative costs through duplication of effort and reduced economy of scale, difficulties of program management and oversight, and increased costs of audit coverage and problems in the audit resolution and debt collection processes.
- Centralize at the prime sponsor level certain areas that are vulnerable to error or abuse. Examples of such areas in the CETA program are participant eligibility systems and systems to pay wages and training allowances to participants. Future legislation should require centralization of these functions at the prime sponsor, or local program administration level, for more effective monitoring and audit control and for more efficient implementation of corrective action when deficiencies are identified.

b. More effective management systems

There is a need to simplify eligibility requirements, avoid fragmented financial management systems, and systematically measure program results. Based on the experience of ETA and OIG, a system for eligibility determination and verification should be required either through legislation or regulations; and this function should be independent of the operational unit. Also, eligibility requirements should be defined in manageable terms and limited in number.

Deficiencies in the CETA financial management system disclosed in OIG audits include dual or fragmented accounting systems; poor grantee cash management practices, financial management systems with no provision for reporting cash balances, and poor internal controls. To remedy these deficiencies in a future employment and training program, we recommend the following:

- Future reporting requirements should be simplified and designed to provide adequate fiscal accountability.
- Employment and training legislation and regulations should require the use of the grantee's existing accounting system for fiscally accounting for DOL funded programs. The use of existing systems should depend on the results of a pre-award survey that would disclose if the system properly accounts for cash receipts, cash disbursements, and cash balances, and if it provides for adequate internal controls.

c. Improved audit resolution

Although a number of important improvements were recently made by ETA, the joint OIG/ETA report made legislative and program management recommendations regarding audit resolution, including:

- Eliminate regulatory language requiring audit resolution within 120 days, so that the 180 day time limit in OMB Circular A-73 will apply.
- Assign officials other than those who entered into and administered the grant or contract to resolve audit findings.
- Apply provisions similar to those now found in section 676.88(c) of the CETA regulations to the new legislation. These provisions give the grant officer the authority to waive the repayment of questioned costs under certain specified conditions.
- Provide grantees clear, positive direction and incentive in rooting out subgrantee mispending, in establishing debts based on questioned costs, and in pursuing those debts.
- Legislatively authorize ETA to issue policy standards or regulations governing allow-ability criteria.
- Through legislation, authorize ETA to reject proposed awards to grantees and contractors who have failed to make adequate progress in correcting deficiencies.



- d. Stronger administrative collection authority  
The OIG/ETA task force felt that mechanisms in the current CETA legislation were inadequate to ensure that debts of grantees and subgrantees are collected. The task force recommended, as previously discussed, that the new employment and training legislation should permit ETA to collect debts of any age. Furthermore, provisions were recommended to add incentives so that these funds are returned on a timely basis.

#### CASH CONTROL

In our last semiannual report, we pointed out the need for more effective cash management practices within the CETA program. ETA has responded by initiating Cash Control-82, a project designed to reduce Treasury cash outlays by more than \$100 million in Fiscal Year 1982 without negative impact on program outcomes. Cash Control-82 has three basic objectives:

- (1) Reduce unneeded prime sponsor cash-on-hand to the practical minimum for day-to-day operations.
- (2) Close all inactive contracts and grants to free the cash from these contracts now sitting idle in local banks.
- (3) Accelerate the debt collection process resulting from audit disallowances.

ETA has reported the recovery of \$21 million through February 1982 as a result of this project.

## MINE SAFETY AND HEALTH ADMINISTRATION

The Federal Mine Safety and Health Act of 1977 transferred authority for enforcement of health and safety standards from the U.S. Department of Interior to the U.S. Department of Labor. The objective of the Mine Safety and Health Administration (MSHA) is to achieve a safe and healthful environment in the nation's mines. This involves conducting investigations and inspections of metal, nonmetal, and coal mines; assessing civil monetary penalties for violations of the Act; certifying equipment and materials for use in mines; examining, approving, and monitoring industry plans to ensure compliance under the MSHA Act; promulgating standards for mine safety; and developing programs and materials to train mine inspection and technical support personnel.

The 1977 Act requires a complete inspection of each underground mine at least four times a year and a complete inspection of each surface mine at least twice a year. In addition to these regular inspections, the 1977 Act requires periodic spot inspections in those mines where excessive quantities of methane gas are released; where other gas ignitions or explosions have occurred during the previous five years, resulting in death or other serious injury; or where other hazardous conditions are present.

MSHA has two Divisions, the Coal Division and the Metal/Nonmetal Division, which administer and implement the enforcement effort for the respective industries. These industries are comprised of over 21,000 mines. The number of persons employed in these mines ranges from one person operators to corporate entities employing over 2,000 people. MSHA's Fiscal Year 1982 appropriation is \$148 million and the personnel ceiling is 3,186. Nearly 75 percent of its staff and 62

percent of available funding are directed toward enforcement activities.

### ENFORCEMENT OF HEALTH AND SAFETY STANDARDS

During this period, a review of certain aspects of MSHA's enforcement and enforcement-related activities was conducted. One of the major areas evaluated was the effectiveness of MSHA's conference office procedures. MSHA's Assessment Field Office is responsible for conducting the initial review of all mine safety and health violations, for determining the initial amount of penalty and for forwarding the results to the mine operator, the representative of the miners and to the appropriate Conference Field Office.

Conference Office responsibilities include evaluating information provided by operator and miners' representative, determining the proposed penalty for each violation and processing assessment cases for referral to the Department's Office of the Solicitor and to the Department of Justice. Currently, Assessment and Conference Field Offices report to MSHA's Director of Assessment. In our review, we also evaluated the:

- Adequacy of documentation prepared by inspectors to support citations,
- adequacy of controls to assure that citations are properly accounted for and forwarded for assessment, and
- effectiveness of MSHA's efforts to collect civil penalties.

The major weaknesses identified in the review are summarized below.

1. Elements of enforcement actions and procedures--inspection, assessment, and conference activities--were isolated and

scattered and may have tended to focus on negotiating and collecting penalty amounts rather than eliminating unsafe work practices.

2. The inspection reporting system did not provide a positive assurance of the extent of inspection activities, nor did it provide adequate information for assessment and conference office determinations.
3. Recordkeeping procedures and systems were not adequate to prevent destruction, diversion or loss of valid citations nor to assure that fines for safety and health violations are enforced.
4. Enforcement of health and safety standards relied primarily upon the identification of violations and subsequent assessment of civil penalties in accordance with the Mine Act. However, penalties were substantially reduced during conference process, and debts established were not subject to rigorous debt collection actions.

We recommended that the Assistant Secretary for Mine Safety and Health:

- Monitor the effectiveness of MSHA's planned reorganization to determine its impact on MSHA's ability to enforce health and safety standards and to identify new weaknesses that may develop.
- Improve reporting of the scope of inspection activity to provide assurance of adequate inspection review.
- Utilize existing reconciliation procedures and develop additional procedures to assure that citations are accounted for and that

violations are subject to assessment and collection actions.

- Continue efforts to automate the Coal Division data base and explore the feasibility of developing an integrated inspection/assessment data base.

Further, the Assistant Secretary of MSHA and the Solicitor should establish a Debt Collection Task Force to provide oversight of initiatives to improve the collection of civil penalties that are assessed.

MSHA has planned or implemented certain organizational and program management changes that will address most of these recommendations. The plans are to:

- Abolish the nine separate conference offices and hold health and safety conferences at the district offices;
- include the inspector in the conference and hold conferences prior to assessing the penalty for the citation rather than after, as in the past;
- provide for gravity, negligence, and good faith to be determined by the inspector on the citation form, rather than establishing these factors at the time of assessment; and
- establish new penalty amounts designed to encourage payment and reduce paperwork.

MSHA has been organizationally structured around the various elements of the Mine Act: separate administrations for coal mine safety and health, metal/nonmetal mine safety and health, an education and training directorate, a National

Mine Health and Safety Academy, a directorate of technical support and an assessment office. MSHA will be reorganizing its field structure to place under the supervision of the District Manager all tools contributing to improved safety and health conditions. Under the reorganization, the District Managers will have education and training specialists assigned to their staff. These specialists will be able to identify individual mines with particular training needs and work with management and labor to solve these problems.

The conference functions related to assessment of penalties will be moved to the District Office. Therefore, any questions or problems arising from inspections or circumstances leading to any safety and health violations can be discussed and resolved at the district level with the individuals most directly involved.

Although MSHA's planned activities may, if properly implemented, alleviate many of the identified weaknesses, we believe that concerted action on other OIG findings is needed to make significant improvements in its enforcement and inspection program.

## PART II

### SUMMARY OF OIG ACTIVITIES

#### OFFICE OF INVESTIGATIONS

Between October 1, 1981, and March 31, 1982, we opened 305 cases and closed 331. We referred 95 cases to the Department of Justice or other authorities for prosecution. In addition, 104 cases were referred to DOL agencies for administrative action.

During this period, 77 individuals or entities were indicted and 70 convicted based on our investigations. A breakdown of investigative case activity is shown on the following page.

Fines, recoveries, and collection actions resulting from our investigations during this period totaled about \$3,205,188. Costs avoided as a result of our investigative recommendations or actions totaled \$2,811,754.

Examples of some of our most significant cases follow.

#### Employment Standards Administration

- o A former Department of Labor employee pled guilty to stealing, forging and cashing approximately \$30,000 in returned FECA disability compensation checks, and was sentenced to 10 years' imprisonment. U.S. v. Smith (W.D. Wash.)
  
- o A former Tennessee Valley Authority employee pled guilty to charges of making false statements to OWCP about his employment and earnings. He had worked for about 24 employers since he began receiving disability benefits and had concealed his true employment status.

SUMMARY OF INVESTIGATIVE ACTIVITY

October 1, 1981 - March 31, 1982

<u>Agency</u>	<u>Cases Opened</u>	<u>Cases Closed</u>	<u>Individuals Indicted</u>	<u>Individuals Convicted</u>
Bureau of Labor Statistics	1	4	4	4
Employment Standards Administration	137	146	40	35
Employment and Training Administration	102	148	31	26
Labor-Management Services Administration	4	4	-	-
Mine Safety and Health Administration	19	7	2	5
Office of the Assistant Secretary for Admin- istration and Management	13	10	-	-
Occupational Safety and Health Administration	19	9	-	-
Office of the Secretary	6	3	-	-
Office of the Solicitor	1	-	-	-
Multiple Agencies/ Programs	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTALS	305	331	77	70



OWCP determined that \$96,225 in compensation benefits had been overpaid to this man. He was sentenced to a 6-month imprisonment to be followed by 2 years' probation. U.S. v. Hayes (W.D. Ky.)

- o A former fire fighter at the U.S. Naval Academy, indicted for filing false statements to receive compensation and for mail fraud, subsequently pled guilty and was sentenced to a 5-year suspended jail sentence, 5 years' probation, 300 hours of community service, and ordered to make restitution of \$26,519. Because of an alleged back injury, he received total disability benefits and reported to OWCP that he was unable to return to work. An investigation conducted jointly by OIG and the Naval Investigative Service disclosed that, while receiving FECA benefits, the man was employed as a roofer, a truck driver, an installer for aluminum siding, and in a bowling alley. U.S. v. Medell (D. Md.)
- o A postal service employee, who over a 4-year period fraudulently received more than \$41,000 in FECA benefits, was sentenced to 1 year on each of two counts of false statements and 2 years on each of two additional counts of false statements to be served concurrently. During the time of reported disability, he had owned and operated three businesses, including a private investigation agency, and had a GSA contract to provide building security in Fort Worth. This was a joint OIG-U.S. Postal Service investigation. U.S. v. Mattox (N.D. Tex.)
- o In December, a former Veterans Administration employee was indicted in Spokane for failing to report income while he was receiving FECA benefits. While on total temporary disability, he was a self-employed tax preparer and earned

more than \$10,150 in unreported income. U.S. v. Jones (E.D. Wash.)

- o A man who lived with a widow of a Black Lung beneficiary, until her death in March 1979, pled guilty to fraudulently converting a Black Lung benefit check, received 1 years' probation and was ordered to make restitution of \$5,850 to the government. Benefits had continued to the widow through March 1981, and the man deposited the checks in a joint account they had maintained and used the money for his personal use. U.S. v. Williams (D.Va.)
- o The spouse of a deceased serviceperson was sentenced to 6 months' imprisonment, 5 years' probation, and required to make restitution of \$13,268 for making false statements to OWCP and for receiving FECA funds after remarrying. U.S. v. Derringer (D.S.C.)
- o A physician, who pled guilty to 42 counts of Medicare fraud and 25 counts of FECA fraud, was sentenced to 7 years' imprisonment, 5 years' probation following the prison term, and fined \$300,000. He had agreed to make restitution and to resign from medical practice, and was ordered to make full disclosure of his assets.

He had been indicted on 96 counts in an insurance and mail fraud scheme in which he allegedly received \$2 million in payments for false claims, including one FECA claim for \$123,000 for treating one claimant for two on-the-job injuries between 1975 and 1979 when the injuries resulted in less than 5 weeks' loss from work. In December, the Department of Labor recovered \$205,487. U.S. v. Kones (S.D. N.Y.)

### Employment and Training Administration

- o An on-going joint OIG-FBI investigation of the Columbus Park and Northeast Student Services CETA Projects in Kansas City has resulted to date in two indictments. Carl Vincent Civella, grandson of alleged Kansas City organized crime figure Carl "Corky" Civella, waived indictment, entered a guilty plea, and was sentenced to 2 years' imprisonment for knowingly and willfully submitting false time and attendance records between February and November 1979 when he was director of the Columbus Park Project. Arthur Eugene Shepard was indicted for knowingly and willfully filing false time and attendance records with the Columbus Park and Northeast Student Services CETA Projects in 1978 and 1979. U.S. v. Civella et al. (W.D. Mo.)
  
- o A former intern of the Delaware Chamber of Commerce Career Intern Program was sentenced to 5 years' probation for fraudulently converting approximately \$6,600 worth of phony CETA payroll checks while in the program. She is currently serving a 2-year prison term in Kentucky for embezzling \$5,000 from the Census Bureau in Florida. U.S. v. Smith (D. Del.)
  
- o An OIG investigation has resulted in the indictment of a former supervisor of a CETA program at the Pala Indian Reservation in California on charges of mail fraud, making false claims, and misapplication of CETA funds of \$34,000 from June 1977 to October 1979. The defendant was also chairman of the board of directors of California Indian Manpower Consortium, a prime sponsor for Indian and National American programs in California and the funding source for the Pala CETA program. U.S. v. Blacktooth (S.D. Calif.)
  
- o The president of Reed Oil Company in Tennessee

pled guilty to embezzlement of CETA funds, and was sentenced to 2 years suspended with 60 days in a half-way house followed by 22 months' probation and 200 hours of community service. He was also fined \$5,000 and ordered to make restitution to the Department of Labor of the \$10,532 he embezzled. Twice in 1977 and once in 1978, he signed negotiated fixed price on-the-job training CETA contracts with the Tennessee Department of Employment Security to hire a specified number of individuals and to provide them with the training. An OIG investigation disclosed that 7 of the 11 participants were not eligible since they had been employed by the company prior to and at the time they became CETA participants. On instructions from the president or his managers, the ineligible participants falsified their CETA applications. U.S. v. Reed (M.D. Tenn.)

- o The former director of the Community Institute of Human Development in Seattle was indicted on 17 counts of embezzling about \$14,800 of CETA funds and 9 counts of embezzling about \$2,300 of Community Service Administration funds. He was also charged with tax evasion and filing false federal income tax returns. His present whereabouts are unknown. This joint OIG-FBI-IRS investigation was based on the allegation of a former CETA participant that her name had been kept on the payroll after her resignation. U.S. v. Rashid (W.D. Wash.)

#### Mine Safety and Health Administration

- o A former MSHA coal mine inspector was sentenced to 3 years in prison and fined \$5,000 after being found guilty of extortion and bribery, and a coal mine corporation was fined \$20,000 for paying a bribe. The company paid the inspector for possible advance notice of surprise inspections planned by MSHA.

Initially, the inspector used his power as a public official to extort \$800 from the mine, which he regulated. The company then took the initiative to continue the relationship and paid an additional \$450. U.S. v. Brown and U.S. v. B & B Mining Corporation (W.D. Va.)

- o To eliminate Speedy Trial Act restrictions, an MSHA sub-district manager was reindicted on charges of obstructing justice and inducing a federal mine inspector to commit perjury. The inspector told the grand jury that the manager had sent him to a coal company with orders to repair some of the company's equipment on government time. After that testimony, the indictment charges, the manager had the inspector write a statement denying that he had been instructed by any supervisor to do such work. U.S. v. McManus (D. Va.)
- o Kenneth, Jeffery, Kenneth Ray, and Timothy Crawford were found guilty of violating mandatory safety standards while operating an unregistered mine in which an explosion in 1980 killed three men in Corbin, Kentucky. Lawrence and Dennis Ray Crawford had pled guilty before the trial began. Kenneth Crawford was convicted on 10 counts and the others on five counts each. OIG assisted MSHA in conducting the investigation. U.S. v. Crawford et al. (E.D. Ky.)

#### Bureau of Labor Statistics

- o Guilty pleas have been entered by six BLS employees who were charged with filing claims for overtime payments they were not entitled to. Appropriate set-offs were made for amounts due the government from last salary checks, lump-sum payments, and retirement contributions. As a result of these false claims, a Department-wide follow-up on overtime claims is being conducted. U.S. v. Ward et al. (D.D.C.)

- o A former BLS imprest fund cashier was sentenced to a 1-year probation after pleading guilty previously to embezzling BLS imprest funds.  
U.S. v. Harley (D. D.C.)

## OFFICE OF AUDIT

During this reporting period, 460 reports on the Department's grant, contract, and program activities were issued. Of these, 47 were performed by OIG auditors; 326 by contract auditors under OIG's direct supervision; 72 were grantee-procured single-audits conducted under OMB Circular A-102, Attachment P provisions; and 15 were conducted by other federal audit agencies. The table below summarizes our activity by program and is followed by discussion of the major activities by program.

### SUMMARY OF AUDIT ACTIVITY OF DOL PROGRAMS

October 1, 1981 - March 31, 1982

<u>Agency</u>	<u>Reports Issued</u>	<u>Amount of Exceptions</u>	<u>Grant/Contract Amount Audited</u>
Employment and Training Administration	419	\$102,962,696	\$6,047,581,619
Mine Safety and Health Administration	18	242,921	6,036,381
Office of the Assistant Secretary for Administration and Management	16	4,093	544,344
Occupational Safety and Health Administration	6	38,444	1,751,532
Labor-Management Services Administration	<u>1</u>	<u>-</u>	<u>-</u>
TOTALS	460	\$103,248,154	\$6,055,913,876

## Employment and Training Administration

### CETA Prime Sponsors

We issued 163 audit reports on CETA prime sponsors. Of \$3.4 billion audited, \$71.1 million

in grant funds was questioned due to lack of documentation for expenditures or non-compliance with CETA requirements. Following is a list of audit exceptions, the number of reports containing those exceptions, and the amount of audit exceptions:

<u>Audit Exception</u>	<u>Number of Reports With Exceptions</u>	<u>Amount of Exceptions</u>
Unresolved subgrantee exceptions	72	\$23,546,883
Administrative/training cost limitations	15	12,084,858
Excessive fringe benefits	1	7,579,906
Budget exceeded	35	6,427,093
Insufficient documentation	64	4,851,927
Improper allocation of administrative costs	17	4,565,754
Ineligible participants	63	3,958,688
Unresolved prior prime sponsor audits	2	864,517
Unallowable costs	32	444,499
Unqualified staff	6	180,122
Other	63	<u>6,619,203</u>
TOTAL		\$71,123,450



The five reports described below illustrate the types of audits conducted and the findings identified during the reporting period.

o City of St. Louis

This audit of \$98 million for the 2 1/2 year period ending September 30, 1980, resulted in \$5.2 million in audit exceptions. Of this amount, \$4.5 million pertained to subgrantee activities. The City of St. Louis had not collected from subgrantees \$450,000 that the City had determined to be unallowable as a result of subgrantee audits. The City had not resolved \$4 million of audit exceptions in 137 other subgrantee reports.

Our audit also disclosed that the City had incurred expenditures of \$333,000 in excess of amounts authorized under two youth grants. We also found that the City had awarded contracts totaling \$432,000 under sole-source procurement standards. The use of such standards requires that prior grantor approval be obtained so that free and open competition will exist to the extent possible. No such prior approval was sought nor obtained; we therefore recommended that the costs be disallowed.

o City of Chicago

We reviewed the CFTA monitoring activity conducted by the Independent Monitoring Unit of the City of Chicago. Our objectives were to determine if the unit was adequately staffed, organized, and operating effectively and to determine if self-evaluations and subgrantee/contractor monitoring visits were timely, comprehensive, and effectively performed.

We found the Independent Monitoring Unit to be adequately organized and staffed, but not operating effectively. Only two limited

self-evaluations had been performed, neither of which addressed high risk activities, such as the intake process of the eligibility system. Since no systematic plan for monitoring subgrantees existed, some subgrantees received multiple reviews and others received none. In 30 percent of the cases, prime sponsors did not respond to corrective action recommendations issued by the monitoring unit; as a result, reported deficiencies at the subrecipient level were not improved. Recommendations were made to strengthen the effectiveness of the Independent Monitoring Unit.

o City of Detroit

The City of Detroit has used \$1.6 million of CETA funds to pay salaries and related fringe benefit costs of 125 city employees for work that otherwise would have been provided by the City. These work assignments included auditing payrolls for city departments, investigating city employees to verify residences, inspecting restaurants, bars, and general food stores and other such functions normally required of a city. The result has been a federal subsidy of normal non-CETA city administrative services.

Federal regulations permit the charging of allocable administrative expenses to grants by developing an indirect cost plan or by charging directly to the grant those expenses that can be directly associated. However, the City of Detroit arbitrarily charged the expenses of 125 city employees to CETA grants instead of determining what additional administrative services were being incurred by administering the CETA grants.

A second report on the City of Detroit found that, by a year-end journal entry, the city had transferred \$3.1 million from its General Fund

to five CETA grants. No detailed documentation was provided that would support the reasonableness of such a transaction. The city contends that this amount represents direct city administrative charges to the grant; however, because we were unable to determine the exact character of the charges, it was recommended that the transfer be disallowed.

o County of Erie

A unified audit of Erie County, Pennsylvania, and its subsponsors disclosed that the accounting system employed by the prime sponsor did not furnish data necessary to conform with formal reporting requirements of the Department of Labor. No distinction was made between cash and accrual basis expenditures within a given grant period. As a result, cash balances and expenditures reported to DOL were inaccurate. Because the auditor was unable to reconcile differences between the amounts reported to DOL and the amounts recorded in the prime sponsor's accounting records, an opinion on the financial statements was disclaimed.

In response to our audit, the prime sponsor promised to implement recommended improvements to its accounting system.

Indian and Native American Grantees

During this reporting period, 192 audit reports covering Indian and Native American programs were issued. Certified public accounting firms performing the work, under contract with DOL, collectively audited \$223.7 million of which \$21.2 million was questioned. Audit exceptions primarily resulted from the following:

- Ineligible participants or incomplete infor-

- mation to determine participant eligibility (\$8,049,569),
- insufficient documentation of costs (\$4,213,679),
- improper or unsupported allocations of costs (\$3,051,728), and
- ineligible expenditures (\$1,918,415).

Two examples are discussed below.

o Yankton Sioux Tribe

An audit report on the Yankton Sioux Tribe in Wagner, South Dakota, questioned costs of \$555,440 out of audited costs of \$1.2 million. Questioned costs primarily resulted from ineligible participants (\$199,302) or incomplete information to determine participant eligibility (\$224,543), and insufficient documentation of costs (\$111,354). In addition, the audit report contains seven procedural findings that cite deficiencies in financial management, intake procedures, and property management. The grantee has been ordered to repay the entire \$555,440.

o Business Committee of the Chippewa Cree Tribe

An audit report on the Business Committee of the Chippewa Cree Tribe in Box Elder, Montana, questioned costs of \$314,380 out of \$727,525 audited. Questioned costs primarily resulted from a lack of information to determine participant eligibility (\$245,485) and insufficient documentation of costs (\$65,881). In addition, the audit report contains 10 procedural findings that cite deficiencies in financial management, intake procedures, and property management. A determination by ETA on these audit exceptions is in progress.

We also issued 11 audit reports to the Department of the Interior covering audits of Bureau of

Indian Affairs grants performed in conjunction with DOL audits.

### Migrant and Seasonal Farmworker Grantees

During this reporting period, five financial and compliance audit reports were issued on Migrant and Seasonal Farmworker Grantees. The audits were performed by CPA firms under contract with DOL. The total amount audited was \$18 million of which \$3.7 million was questioned. Costs were questioned primarily because of:

- Ineligible participants or incomplete information to determine participant eligibility (\$1,359,555),
- improper or unsupported allocations of costs (\$861,572),
- insufficient documentation of costs (\$780,673),
- lack of required approvals (\$318,673),
- inappropriate costs charged to the grants (\$126,476), and
- payment of inappropriate allowances (\$57,267).

Two examples are discussed below.

#### o Southern Vocational College

An audit report on the Southern Vocational College in Tuskegee, Alabama, questioned \$522,625 of \$846,734 audited. Questioned costs primarily resulted from ineligible participants (\$127,178) or incomplete information to determine participant eligibility (\$29,429), unsupported allocations of costs (\$110,286), material errors in the indirect cost proposal (\$61,608), payment of inappropriate allowances (\$57,267), and salaries of instructors who did not teach grant-related courses (\$35,424). In addition, the audit report contains 22 procedural findings that cite deficiencies in financial management, allowance payments, and

intake procedures. The grantee has been ordered to repay the entire \$522,625.

o Rural America, Inc.

An audit report on Rural America, Inc., in Washington, D.C., questioned \$2.1 million of \$8.6 million audited. Questioned costs primarily resulted from ineligible participants (\$624,425) or incomplete information to determine participant eligibility (\$573,892), unsupported allocations of costs (\$398,016), lack of required approvals (\$297,267), and insufficient supporting documentation (\$132,927). In addition, the audit report contains 37 procedural findings that cite deficiencies in financial management, intake procedures, and monitoring of subgrantees.

In addition, 13 reports on special reviews of migrant grantees were issued. The special reviews were conducted to obtain current information on the grantees' financial management capability so that ETA could have current information when making Fiscal Year 1982 funding decisions.

Office of National Programs (ONP)

During this period, 37 audit reports were issued on ONP grants and contracts awarded to public and private agencies for administration of a variety of special programs for youth, older workers, research and demonstration projects and other special activities. Twenty of the reports contained audit exceptions totaling \$960,233 out of \$14.8 million audited, as follows:

<u>Audit Exception</u>	<u>Number of Reports With Exceptions</u>	<u>Amount of Exceptions</u>
Ineligible participants	2	\$397,866
Insufficient documentation	9	339,290
Overstated Costs/ Budget exceeded	13	166,398
Indirect cost rate exceeded	2	32,143
Costs charged to wrong period	5	16,883
Costs incurred without approval	2	3,959
Unallowable interest, travel etc.	3	2,508
Duplicative costs	2	<u>1,186</u>
TOTAL		\$960,233

State Employment Security Agencies

Eight audit reports were issued on State Employment Security Agencies during this reporting period. Of the \$2.4 billion audited, \$6 million in exceptions were noted as follows:

<u>Audit Exception</u>	<u>Number of Reports With Exceptions</u>	<u>Amount of Exceptions</u>
Unreconciled excess cash	1	\$2,343,455
Overexpenditures	3	2,075,769
Unallowable personnel/interest costs	4	1,215,770
Insufficient documentation	1	344,866
Costs questioned in prior audits not resolved	1	<u>11,143</u>
TOTAL		\$5,991,003

The audit of the Florida Department of Labor and Employment Security accounts for \$5.6 million of the exceptions reported. Our audit disclosed that, due to a failure of the grantee to routinely reconcile its cash account, over \$2.3 million in excess cash was in the grantee's account. It was also found that obligational authority had been exceeded by \$1.7 million. Other findings, which comprised the remaining \$1.6 million, are included in the table above.

#### Job Corps

During this period we issued one financial and compliance audit report and one internal audit report. Both are discussed below.

#### o Women in Community Service, Inc.

The problem of poorly written contracts was encountered in our audit of Women in Community



Service, Inc., a Job Corps contractor. Several ambiguities in the contract enabled this contractor to receive almost \$600,000 more than would have been allowed had sound contracting practices been followed.

First, after the contract expired, the contractor was allowed to retain a \$198,000 advance payment. Second, the contract provided for a reimbursement rate of \$36 for each unit of supportive service rendered to Job Corps trainees. However, the contract did not specify the point at which service would be considered as having been provided. We project that the contractor received between \$212,000 and \$361,000 for supportive services rendered through telephone calls and unsolicited letters to trainees.

Third, the contractor was reimbursed \$7,088 for each of 17 Job Corps Training Centers where counselors were placed. The contract failed to specify that the contractor would only be reimbursed a prorated share of the full \$7,088 for those centers that did not have counselors for the entire period under the contract. As a result, the contractor received almost \$70,000 for periods during which no counselor services were provided.

o Gary, Indiana, Job Corps Center

We surveyed the Gary, Indiana, Job Corps Center for acquisition and accountability of government property. Our review disclosed several problems, as follows: (1) Inaccurate property records, (2) inadequate tagging of government property, (3) lack of tagging on non-serial numbered items to prevent recounting during physical inventory, (4) below-market rates charged for rental properties, (5) more equipment purchased than required, (6) inadequate use of equipment, and (7) more sophisticated

equipment purchased than necessary. The Center assured us of prompt corrective action on our findings.

### Work Incentive Program

At the request of the Department of Health and Human Services, we reviewed the use of the WIN salaries and expenses funds transferred to the Department of Labor from HHS. Our review showed that over the last several years successively less staff has been used on direct WIN activities than the level appropriated for WIN salaries and expenses. As a result, during the last 4 fiscal years, ETA has improperly charged WIN salaries and expenses approximately \$10 million that should have been charged to other ETA salaries and expenses activities. In Fiscal Year 1981, roughly 40 percent of the WIN funded staff had been working on non-WIN employment and training activities.

The Department has notified the Appropriation and Oversight Committees of the improper use of WIN funds. The President's budget request for Fiscal Year 1983 reflects the correct number of positions and associated costs expected to be applicable to the WIN program.

### Mine Safety and Health Administration

During this reporting period, 18 audit reports were issued on MSHA grants to states totaling \$6 million. Audit exceptions totaling \$242,921 were noted as follows:

<u>Audit Exception</u>	<u>Number of Reports With Exceptions</u>	<u>Amount of Exceptions</u>
Insufficient documentation	5	\$230,109
Billed estimated rather than actual costs	1	11,140
Unauthorized loans/ unreasonable travel	2	<u>1,672</u>
TOTAL		\$242,921

Occupational Safety and Health Administration

Six financial and compliance audit reports of OSHA grants to states and public organizations totaling \$1.8 million were issued during this reporting period. Three of these reports contained exceptions listed below totaling \$38,444.

<u>Audit Exception</u>	<u>Number of Reports With Exceptions</u>	<u>Amount of Exceptions</u>
Insufficient documentation	2	\$21,400
Improper expenditures/ allocations	1	10,244
Costs charged to wrong period	1	<u>6,800</u>
TOTAL		\$38,444

## Departmental Management

A review of the Department's Fiscal Year 1981 year-end spending indicated substantial improvement since fiscal 1980. We found limited procurement activity during the last 2 days of Fiscal Year 1981 and little use of overtime. In contrast to Fiscal Year 1980, money for the transactions reviewed was obligated correctly.

In addition, we reviewed the contract and grant activities completed during the last two days of Fiscal Year 1981. This review disclosed that the Department has acted to correct the deficiencies disclosed by our review last year of Fiscal Year 1980 year-end spending regarding the improper obligation of funds. Overall, the Department's oversight of year-end spending has improved significantly.

We also issued 14 audit reports on contracts issued by the Office of the Assistant Secretary for Administration and Management totaling \$544,344. Audit exceptions totaled \$4,093 from two reports: one listed \$2,114 in excessive charges, and the other \$1,979 that was charged to a wrong account.

## OFFICE OF ORGANIZED CRIME AND RACKETEERING

From October 1, 1981, to March 31, 1982, the Office of Organized Crime and Racketeering opened 22 cases. Sixteen cases are being considered for prosecution by either the Department of Justice or other authorities.

Indictments involved 37 individuals during this reporting period. As a result of trials or pleas, 36 individuals were convicted. Additionally, a superseding indictment against 5 individuals was returned and a civil PICO complaint against 15 defendants was filed during this reporting period.

Some examples of cases follow.

- o Based on the civil provisions of the Racketeer Influenced and Corrupt Organizations (RICO) statute, a complaint was filed against the present and former officers of International Brotherhood of Teamsters (IBT) Local 560, known as the "Provenzano Group" after Anthony "Tony Pro" Provenzano. Provenzano, a former vice-president of IBT and former president of local 560, is now serving a 20-year sentence for racketeering. The complaint, which specifically names former local 560 officers Anthony and Nunzio Provenzano, Steven and Thomas Andretta and Gabriel Briguglio, alleges that the Provenzano group has committed a series of racketeering violations using their positions of authority within the local throughout the last 30 years. Except for Nunzio Provenzano, who is appealing a 1981 labor racketeering conviction, the other former officers are currently in jail on other charges.

The complaint, which resulted from a joint OIG-FBI investigation, seeks injunctive relief

to prevent associates of the Provenzano group from committing further racketeering violations and seeks the appointment of one or more trustees to control and audit the assets of the union and benefit funds and conduct a general election for officers under free and democratic conditions.

The complaint alleges that the Provenzano group maintained control of local 560 through a pattern of racketeering activity involving murder and systematic use of extortion. Among the instances cited are: (1) the 1961 murder, at Anthony Provenzano's direction, of Anthony Castellitto, secretary-treasurer of local 560 and a political opponent of Anthony Provenzano in the union; (2) the 1963 murder of another Provenzano opponent, Walter Glockner, following an argument with Salvatore Provenzano and Thomas Reynolds, Sr., over the appointment of J.W. Dildine as a business agent; and (3) the appointment to official positions of individuals convicted of such crimes as counterfeiting, extortion, felonious assault and battery, aggravated assault, felony robbery, and other crimes of violence. Interviews of present and former local 560 members revealed that due to the fear and repression engendered by such a regime, the Provenzanos and their associates have dominated the union and its affairs without opposition for the past sixteen years.

The complaint further alleges that the Provenzano group used their control of the union to engage in such crimes as: (1) the 1952-1959 extortion of approximately \$17,100 from Dorn Transport, Inc., in return for labor peace, (2) the embezzlement of approximately \$223,700 of union funds by Anthony Provenzano aided by local 560 Executive Board members

between 1962 and 1976, (3) the receipt of illegal labor payoffs from various trucking companies servicing Seatrain Lines between 1969 and 1977, and (4) the receipt of \$60,000 in kickbacks by Anthony Provenzano in connection with a \$7.5 million fund loan to Florida contractors.

The complaint represents the first time that the government has used the civil provisions of RICO to launch a comprehensive attack upon a severe corruption problem within a labor organization in an effort to restore union democracy.

Also joined as defendants are the following present officers of local 560 IBT: the president, Salvatore Provenzano; the vice president, Joseph Sheridan; the secretary-treasurer, Josephine Provenzano Settembre; the recording secretary, J.W. Dildine; trustees, Thomas Reynolds, Sr., Michael Sciarra, and Stanley Jaronko. Salvatore Provenzano and Josephine Provenzano Settembre are trustee-administrators of the Local 560 Severance Pay Plan. U.S. v. Provenzano et al. (D. N.J.)

- o Francis "Frank" Sheeran, president of International Brotherhood of Teamsters Local 326 of Wilmington, was sentenced to 18 years in prison after being convicted on charges including violating the RICO statute, RICO conspiracy, and mail fraud. Sheeran was also ordered to forfeit his union presidency.

Four other individuals indicted with Sheeran were previously found guilty and sentenced to substantial prison terms. A fifth individual pled guilty and provided significant testimony on behalf of the government.

The OIG investigation showed that Sheeran, in his position as president of local 326, conspired with Eugene Boffa and his associates in a nationwide labor leasing operation that circumvented union members' wage and grievance demands. In return for his participation, Sheeran received luxury automobiles and cash payoffs. U.S. v. Sheeran (D. Del.)

- o The most recent developments in the ongoing joint OIG, IRS, and New York Police Department investigation of the Fulton Fish Market include the convictions of Carmine and Peter Romano on racketeering charges and the indictments of four additional past and present Market businesspersons for income tax offenses, conspiracy, and false bank loan applications.

The Romano brothers were sentenced--Carmine to 12 years in prison and fined \$20,000, Peter to 18 months in prison and 7 years' probation--for racketeering charges that they controlled a protection racket through which they collected approximately \$700,000 from businesspersons in the market, "shook down" market wholesalers for thousands of dollars in "Christmas payments," extorted over \$66,000 from wholesalers in return for the "rental" of cardboard union plaques, and misused over \$168,000 in welfare and pension fund money to receive gifts for themselves, their friends, and relatives. They also obstructed justice and committed perjury.

The indicted businessmen are: Domenick Lategano, charged with 5 counts of income tax evasion and 10 counts of filing false tax returns stemming from his failure to declare over \$853,000 of income from his unloading company over a 5-year period; David Levy, charged in 5 counts with aiding his company in failing to declare over \$803,000 in income over



a 5-year period; Thomas Gillio, charged with failing to file for 1978 and with filing a false return for 1979; and Vincent Romano (brother of convicted union officials Carmine and Peter), charged with conspiracy and making false statements to Chemical Bank to induce the extension of more than \$260,000 in loans to Major Fish Company, a wholesale fish company formerly located in the Market. Romano, the president and sole stockholder in the company, inflated its assets to obtain the loans and then defaulted on over \$110,000. To date, this investigation has resulted in 25 indictments and 21 convictions. U.S. v. Romano et al. (S.D. N.Y.)

- o A steelhauling firm, the S & Vee Cartage Company, Inc., and its owners were sentenced in Detroit after convictions in November of falsifying statements required by the Employee Retirement Income Security Act, mail fraud, and conspiracy. Silverio Vitello, president and chief operating officer of the corporation, received 2 years on each of three counts to be served concurrently and a fine of \$10,000. Anna Vitello, vice president and sole shareholder, received 2 years on each of four counts to be served concurrently and a fine of \$11,000. The corporation received fines on 10 counts totaling \$25,000.

The OIG investigation led to the indictment charging the defendants with planning and carrying out a scheme in which the Michigan Conference of Teamsters Welfare Fund and the Teamsters Central States Pension Fund were denied contributions and S & Vee employees were deprived of health and welfare coverage and pension credits. From 1977 through 1979, the Vitellos attempted to increase the profitability of the company by regularly

submitting false employer contribution reports, which understated the company's payments due to the Welfare and Pension Funds. The scheme netted approximately \$63,000 for the company in additional profits over the period covered by the indictment. U.S. v. Vitello et al. (E.D. Mich.)

- o Pascal DiJames, international president and secretary treasurer of the Tile, Marble, Terrazzo Finishers and Shopmen International Union, and Frankie Iarrobino, first vice president, were indicted, along with the International Union, on charges of fabricating the minutes of a general membership meeting that never occurred. The fabricated minutes were to cover up for unauthorized expenditures and for a spurious election of a union officer for local 167 in Atlanta, which was under an International trusteeship. Also, the defendants failed to file required trusteeship reports with the Secretary of Labor, and the International Union illegally transferred to itself receipts of local 167 in the amount of \$92,759. This was a joint OIG-FBI investigation. U.S. v. DiJames et al. (N.D. Ga.)
  
- o Joseph Anthony LaMaina, business manager, and James Conover, secretary-treasurer, of International Brotherhood of Law Enforcement Security Officers Local 40B, were both sentenced to 3 years' imprisonment and 5 years' probation. Following our investigation, the defendants, Atlantic City police officers, were convicted on all eight counts of an indictment charging them with conspiracy to obstruct justice, perjury before the grand jury, embezzlement of approximately \$12,000 in union assets, and failure to file annual financial reports. The perjury and obstruction of justice charges

arose from the defendants' fabrication of Executive Board Meeting minutes that purportedly authorized their use of the embezzled funds.

Evidence presented at trial showed that LaMaina acted as a front for the late John McCullough in the formation of local 40B to organize security guards in Atlantic City casinos. McCullough, president of Roofers Union Local 30, was allegedly the representative of the Bruno organized crime family.

Following sentencing, the government obtained an order freezing local 40B union and benefit fund accounts pending the appointment of a receiver by the court. U.S. v. LaMaina and Conover (D. N.J.)

- o Two indictments arose from the OIG investigation of the Joel Sokol Dental Plan in New Jersey.

Eugene Roehrer, former financial secretary of United Auto Workers Local 906, was indicted on two counts of embezzling union funds during 1979. The embezzled money consisted of checks issued by the dental plan that were to have been deposited into local 906's account. Roehrer pled guilty to one count of the indictment and was sentenced to 3 years' probation and ordered to reimburse the \$2,800 embezzled from the union.

A 2-count indictment was also returned against Stanley Resnick and John Burke, charging them with making a false credit application, conspiring to transport and transportation of stolen property in interstate commerce. Resnick was the president of Metro Dental Services, Inc., which functioned as the administrative and financing arm of the Sokol

clinic. Burke was a salesperson for a company that supplied dental equipment to Metro for the Sokol clinic.

The charges arose out of the defendants' scheme to obtain financing and working capital by inflating the price of a lease for dental equipment from \$110,000 to \$200,000; the lease was then assigned to the Chase Manhattan bank.

John Burke subsequently pled guilty to a 1-count information charging him with making a false credit application. The information involved Burke's inflation of another equipment lease invoice in order to obtain money for rebate to Metro for use as working capital. U.S. v. Roehrer and U.S. v. Burke and Resnick (D. N.J.)

- o Ralph Trainello, an attorney and former owner and officer of Aberdeen Associates, Inc., and RNT Associates, Inc., was found guilty on charges of tax evasion, RICO and conspiracy. He had been indicted in the Blasters, Drillrunners, and Miners Local 29 case involving the local's president, Louis Sanzo. The IRS entered the investigation after OIG developed evidence of tax evasion. This case has been discussed in detail in the two previous semiannual reports. U.S. v. Trainello (E.D. N.Y.)
- o An OIG investigation resulted in the indictment and successful prosecution of John F. Duff, vice president, Distillery, Wine and Allied Workers International Union, Englewood, New Jersey, and Howard J. Hansen, president of the union's local 3 in Chicago. Duff is a salaried official of three Chicago local unions in addition to his position with the International. He was charged with embezzling

and converting to his own use and the use of others \$94,064 from two locals; Hansen was charged with embezzling and converting to his own use and the use of others \$27,192 from two locals. Amounts charged include unauthorized salary increases, unauthorized year-end bonuses, unauthorized expense payments, and the taking and conversion of dues check-off money from one local union to another. After 4 days of trial and one-third of the government's case presented, Duff pled guilty to two counts of the indictment and agreed to immediately resign all fiduciary positions with all labor unions and affiliated pension and health and welfare plans. Co-defendant Hansen pled guilty to a one-count information and agreed to resign all fiduciary positions immediately prior to trial. Duff and Hansen are awaiting sentencing. U.S. v. Duff and Hansen (N.D. Ill.)

- o Laborers Local 210 business agent, Ronald M. Fino, and three others were charged with conspiracy to defraud the government, mail fraud, and making false bank loan applications. Fino, son of alleged former Buffalo organized crime underboss and ranking member Joseph Fino, is one of the most powerful figures in local 210; he also owns two corporations, Sno-Go Plowing and R.F. Terminals, and has interests in several operations in the construction industry. Defendant Thomas D. Giammaresi, secretary-treasurer of Onyx Construction and Equipment Corp. (Onyx), is a retired Buffalo police officer who, for 10 years on the police force, also worked as the personal chauffeur for alleged major organized crime figure Sam Pieri. Carl J. Mastykarz, also indicted, is a former official of the M & T Bank, which held some \$1 million in Laborers union savings accounts. William Sterling, also indicted, is

a member of local 210 who acted as the president and 51 percent owner of Onyx.

The indictment charges that the defendants conspired to hinder the administration of a government agency -- the Urban Mass Transit Administration of the U.S. Department of Transportation -- by fraud. In 1978, the agency approved federal funding for construction of a rapid transit system in Buffalo. Under the funding agreement, 10 percent of the overall construction was to be set aside for Minority Business Enterprises, i.e., businesses controlled and beneficially owned by minority persons. The defendants' scheme involved installing William Sterling, a minority member, as president and major stockholder of Onyx, a "front" minority business, in order to obtain construction sub-contractors as a certified Minority Business Enterprise. In reality, Onyx was controlled by Fino, his Sno-Go corporation, Giammaresi, and other majority members. It is also charged that more than \$300,000 in financing for Onyx and \$200,000 for Sno-Go was arranged, with the help of bank officer Mastykarz, through the submission of false and fraudulent bank loan applications and financial statements.

The investigation was conducted by the Buffalo Strike Force in conjunction with the OIG and Postal Inspection Service. U.S. v. Fino et al. (N.D. N.Y.)

- o A superseding indictment was returned against Stan Thordarson, secretary-treasurer of International Brotherhood of Teamsters Local 389 in Los Angeles; Charles Wise, president; Craig Dunbar, business agent; Martin Fry, secretary-treasurer of IBT Local 186; and Martin Salgado, trustee of local 186 charging

them with embezzlement of union funds,  
racketeering and interstate travel in aid of  
racketeering.

This was a joint investigation by OIG and the  
Bureau of Alcohol, Tobacco, and Firearms. U.S.  
v. Thordarson et al. (C.D. Calif.)

## OIG COMPLAINT CENTER

From October 1, 1981, to March 31, 1982, 112 out of 1,300 complaints received by the complaint center have warranted either audit, investigative, or program agency attention. Of the entire total, 96 percent were general inquiries for information or matters handled without the need for opening an official complaint case file. Sources for the complaints were almost equally divided between mail (58 complaints) and the Hotline (53).

Of the 112 complaints warranting further inquiry, 47 pertained to the Employment and Training Administration, 39 to the Employment Standards Administration, and 12 to the Mine Safety and Health Administration. Of these, 27 were forwarded for preliminary OIG audit or investigative review; the remaining 85 were referred to program agencies for review or administrative action.

ETA complaints consisted mainly of abuses of the CETA program and unemployment compensation fraud. ESA complaints usually involved either benefit program fraud or mishandling and slow processing of claims by OWCP offices. MSHA matters largely related to employee integrity. Complaints involving the other agencies concerned mostly waste, mismanagement or employee integrity issues.

During this period, 61 complaints were resolved. Many of these involved matters received by the OIG in earlier reporting periods, and some resulted in prosecutive action. For example, the Director of a CETA program was indicted for embezzling over \$3,000 of CETA funds, and a 14-count indictment was returned against a husband and wife for FECA fraud, from whom we expect to collect over \$17,000 in fraudulent payments.



We recently arranged to have a message on fraud and the Hotline telephone number printed on employee pay statements. This has resulted in a marked increase in Hotline telephone calls.

### PART III

#### MONEY OWED TO THE DEPARTMENT OF LABOR

In accordance with a request in the Senate Committee on Appropriations' report on the Supplemental Appropriation and Rescission Bill of 1980, the following page shows unaudited estimates provided by the agencies of the Department of the amounts of money owed, overdue, and written-off as uncollectible during this 6-month reporting period.

Related to debt collection, three areas of special concern singled out by the Department's Debt Collection Project Team in June 1980 are Employment and Training Administration contracts and grants, Federal Employees' Compensation Act debts, and Occupational Safety and Health Administration assessments. These are addressed in the Department's Debt Collection Plan required by OMB Bulletin 81-17 and submitted November 1981. In approving the plan, OMB requested additional attention to:

- FECA third party liability and continuation of pay, because of the potential for the recovery of sizeable amounts; and
- DOL Solicitor's Office assistance in expediting cases considered for litigation.

The Office of Inspector General is closely monitoring the Department's debt collection efforts and has incorporated specific debt collection issues in a number of projects underway. As part of an overall review of ETA financial management practices and procedures, we are analyzing ETA's debt collection practices and procedures and the new automated accounts receivable system and its implementation. In the

SUMMARY OF ESTIMATED DEPARTMENT OF LABOR RECEIVABLES  
(Estimated in thousands of dollars)

Program Name	Outstanding Receivables <u>1/</u> 3/31/82	Delin- quencies <u>2/</u> 3/31/82	Adjustments & Write-Offs FY 82 <u>3/</u>
<u>Employment Standards Administration</u>			
Federal Employees Compensation Act			
o overpayments to beneficiaries/providers	\$ 13,276	\$ 9,592	\$ 728
Black Lung Program			
o Responsible Mine Operator reimbursement & overpayments to beneficiaries/providers	137,969	132,957	161,210
<u>Employment &amp; Training Administration</u>			
o disallowed cost from auditing or monitoring outstanding cash balances after contract termination; erroneous overpayments to grantees	100,772	99,247	9,183
<u>Mine Safety &amp; Health Administration</u>			
o civil penalties from mine operators	8,306	8,059	897
<u>Occupational Safety &amp; Health Administration</u>			
o civil penalties from businesses	9,681	9,294	5
<u>Pension Benefit Guaranty Corporation</u>			
o terminated plan assets subject to transfer, employer liability, and accrued premium income	89,414	8,859	-
<b>TOTALS</b>	<b>\$359,418</b>	<b>\$268,008</b>	<b>\$172,023</b>

1/ As defined by OMB Bulletin No. 81-17, this column includes actual receivables and amounts identified as contingent receivables that are subject to an appeals process that can eliminate or reduce the amounts identified. Official DOL records conform to accepted accounting principles and standards and will differ from these amounts.

2/ Includes items under appeal and not in collection mode.

3/ Includes write offs of uncollectible receivables and adjustments of contingent receivables as a result of the appeals process.

FECA program, we have a series of financial management studies underway that are directed at accounts receivable systems and practices and at the system for identifying potential third party liability cases and collecting proceeds when applicable. Our recent review of MSHA inspection and enforcement activities also included the assessment collection system and practices. Our review recommended strengthening the Office of Solicitor's role in MSHA debt collection actions. We will monitor that Office's implementation of our recommendations as well as its response to OMB's request for additional assistance in expediting debt cases from throughout the Department being considered for litigation. To help Departmental managers strengthen debt collection efforts, we are keeping the Department apprised of the results of these projects.

**APPENDIX**

Audit Resolution Activity  
October 1, 1981 to March 31, 1982

<u>Agency/Program</u>	<u>October 1, 1981</u>		<u>Issued</u>	
	<u>Balance</u>	<u>Unresolved</u>	<u>(Increases)</u>	
	<u>Reports</u>	<u>Dollars 1/</u>	<u>Reports</u>	<u>Dollars</u>
<u>Employment and Training Administration</u>				
CETA Sponsors				
Prime Sponsors	88	\$55,126,745	163	\$ 71,109,367
Native Americans	12	247,123	192	21,154,586
Migrants	8	5,667,785	18	3,745,558
Job Corps	14	6,995,876	1	1,949
Older Workers	1	2,700	2	14,318
Policy, Evaluation & Research	2	59,517	17	11,688
Technical Assistance	2	337,430	1	95
Other National Pgms	1	6,803	17	934,132
State Employment Security Agencies	3	5,984,439	8	5,991,003
<u>Labor Management Services Administration</u>				
	-	-	1	-
<u>Occupational Safety &amp; Health Administration</u>				
	5	655,352	6	38,444
<u>Mine Safety &amp; Health Administration</u>				
	2	394,498	18	242,921
<u>Office of the Asst. Secy for Admin and Mgmt</u>				
	-	-	16	4,093
Total	<u>2/ 138</u>	<u>\$75,478,268</u>	<u>460</u>	<u>\$103,248,154</u>

- 1/ "Dollars" signifies both questioned costs (costs that are inadequately documented or that require the grant officer's interpretation regarding allowability) and costs recommended for disallowance (costs that are in violation of law or regulatory requirements).
- 2/ The differences between the beginning balances in this schedule and the ending balances in the schedule in the previous Semiannual Report are a result of refining our management information system.

	Resolved (Decreases) 3/		March 31, 1982 Balance Unresolved	
	Reports	Allowed	Reports	Dollars
152	\$52,086,504	\$15,140,976	99	\$59,008,632
39	511,682	2,667,969	165	18,222,058
8	4,247,744	1,881,972	18	3,283,627
14	6,318,967	676,909	1	1,949
2	-	2,700	1	14,318
14	30,046	32,279	5	8,880
3	-	337,525	-	-
4	6,803	1,315	14	932,817
6	4,032,699	2,054,234	5	5,888,509
1	-	-	-	-
4	553,959	45,145	7	94,692
14	146,782	395,115	6	95,522
11	-	-	5	4,093
<u>272</u>	<u>\$67,935,186</u>	<u>\$23,236,139</u>	<u>326</u>	<u>\$87,555,097</u>

3/ Audit resolution occurs when a final determination for each audit finding has been issued by the grant officer and accepted by the Office of Inspector General. Thus, this table does not include activity subsequent to the final determination such as: the appeals process; the results of the program agency's debt collection efforts; or revisions to prior determinations (which, during the current period, resulted in a \$7.3 million decrease in previously disallowed costs).

Status of Unresolved Audits  
As of March 31, 1982

<u>Agency/Program</u>	<u>Total Unresolved</u>		<u>0 to 6 Months</u>		<u>Over 6 Months 1/</u>	
	<u>Reports</u>	<u>Dollars</u>	<u>Reports</u>	<u>Dollars</u>	<u>Reports</u>	<u>Dollars</u>
<u>Employment and Training Administration</u>						
CETA Sponsors						
State and Local Prime Sponsors	99	\$59,008,632	92	\$57,008,430	7	\$2,000,202
Native American Grantees	165	18,222,058	165	18,222,058	-	-
Migrant Grantees	18	3,283,627	17	3,222,933	1	60,694
Job Corps Contractors	1	1,949	1	1,949	-	-
National Programs for Older Workers	1	14,318	1	14,318	-	-
Policy, Evaluation & Research Grantees	5	8,880	5	8,880	-	-
Other National Programs Grantees	14	932,817	14	932,817	-	-
State Employment Security Agencies	5	5,888,509	5	5,888,509	-	-
<u>Occupational Safety &amp; Health Administration</u>						
Mine Safety and Health Administration	7	94,692	5	38,444	2	56,248
Office of the Assistant Secretary for Administration and Management	6	95,522	6	95,522	-	-
	<u>5</u>	<u>4,093</u>	<u>5</u>	<u>4,093</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b>326</b>	<b>\$87,555,097</b>	<b>316</b>	<b>\$85,437,953</b>	<b>10</b>	<b>\$2,117,144</b>

- 1/ Unresolved audit reports over 6 months were precluded from resolution for the following reasons:
- Seven determinations are pending the conclusion of Investigations (\$1,788,379).
  - One determination is pending the submission of the indirect cost proposal (\$43,789).
  - Two determinations were elevated and are under review by the National Office (\$284,976).



SUMMARY OF AUDIT REPORTS ISSUED  
DURING THE CURRENT REPORTING PERIOD

During the current semiannual reporting period October 1, 1981 to March 31, 1982, we issued 472 audit reports as follows:

DEPARTMENT OF LABOR

Employment and Training Administration

CETA Sponsors:

State and Local Prime Sponsors	162	
Native American Grantees	192	
Migrant and Seasonal Farmworkers Grantees	18	
Job Corps Contractors	1	
National Programs for Older Workers Grantees	2	
Policy, Evaluation and Research Grantees	17	
Technical Assistance and Training Contractors	1	
Other National Programs Grantees	<u>17</u>	410

State Employment Security Agencies 8

Internal Audit 1

Mine Safety and Health Administration

MSHA Sponsors 17

Internal Audit 1

Assistant Secretary for Administration and Management

OASAM Contractors 14

Internal Audits 2

Occupational Safety and Health Administration

OSHA Sponsors 6

Labor Management Services Administration

Internal Audit 1

OTHER FEDERAL AGENCIES

Department of the Interior 12

Total 472

LIST OF AUDIT REPORTS ISSUED  
OCTOBER 1, 1981 TO MARCH 31, 1982

EXTERNAL AUDITS

<u>Region</u>	<u>Program</u>	<u>Date Sent To Program Agency</u>	<u>Audit Report Number</u>	<u>Name of Contractor or Grantee</u>
I	CETA	03/04/82	01-2-005-C-001-009	MAINE - BOS (PSE)
I	CETA	03/04/82	01-2-006-C-002-016	NEW BEDFORD (PSE)
I	PRIME	10/15/81	01-2-001-L-001-011	PENOBSCOT CSRT
I	PRIME	10/16/81	01-2-002-C-001-002	ROCKINGHAM/STRAFFORD CSRT
I	PRIME	11/24/81	01-2-003-L-002-002	CITY OF BRIDGEPORT
I	PRIME	03/03/82	01-2-008-L-003-027	PITTSFIELD CETA
I	PRIME	03/05/82	01-2-007-C-003-001	CONNECTICUT - GOV SPECIAL GRANT
II	CETA	02/02/82	02-2-601-C-520	NIAGARA CO (PSE)
II	CETA	02/02/82	02-2-602-C-521	ERIE CO CSRT (PSE)
II	CETA	03/23/82	02-2-603-C-522	NEW YORK CITY COMPTROLLER (PSE)
II	PRIME	10/21/81	02-2-039-C-001	ST LAWRENCE CO
II	PRIME	10/23/81	02-2-040-G-001	NY CITY (HIRE)
II	PRIME	12/15/81	02-2-253-C-059	MORRIS CO
II	PRIME	01/06/82	02-2-293-C-187	DUTCHESS CO
II	PRIME	01/18/82	02-2-061-L-039	NEW YORK - BOS
II	PRIME	01/18/82	02-1-1370-L-017	NEW YORK - GOV SPECIAL GRANT
II	PRIME	01/20/82	02-2-429-C-318	ALBANY CO
II	PRIME	01/20/82	02-2-428-G-069	NEW YORK CITY (CITY AGENCIES)
II	PRIME	03/22/82	02-2-631-C	ULSTER CO

LIST OF AUDIT REPORTS ISSUED  
OCTOBER 1, 1981 TO MARCH 31, 1982

<u>Region</u>	<u>Program</u>	<u>Date Sent To Program Agency</u>	<u>Audit Report Number</u>	<u>Name of Contractor or Grantee</u>
II	SESA	02/05/82	02-2-246-L-041	NEW YORK STATE SESA
III	CETA	03/02/82	03-2-216-L-005-002	CITY OF PHILADELPHIA (PSE)
III	CETA	03/02/82	03-2-209-L-004-048	BALTIMORE CSRT (PSE)
III	NPOW	02/26/82	03-2-083-G-070-023A	PENNSYLVANIA DEPT OF AGING
III	OSHA	03/12/82	03-2-111-C-017	INT'L BROTHERHOOD OF BOILERMAKERS
III	OSHA	03/12/82	03-2-110-C-016	PHILAPOSH
III	OSHA	03/17/82	03-2-109-C-105	LABORER'S UNION LOCAL 158
III	OSHA	03/17/82	03-2-179-C-085	W VA UNIV - CTR FOR EXTN & CONT ED
III	PRIME	11/02/81	03-1-636-C	CITY OF PHILADELPHIA
III	PRIME	11/12/81	03-1-743-G	NORTHUMBERLAND CO
III	PRIME	12/03/81	03-1-740-G	FAYETTE CO
III	PRIME	12/07/81	03-2-067-C	CHESTER CO
III	PRIME	01/14/82	03-2-070-C	MONTGOMERY CO
III	PRIME	01/21/82	03-2-072-C	FIFTH DISTRICT CSRT
III	PRIME	01/26/82	03-2-181-C-087	ARLINGTON CO
III	PRIME	02/04/82	03-1-924-G-387-048	CITY OF BALTIMORE
III	PRIME	02/04/82	03-1-708-G-273-048	CITY OF BALTIMORE
III	PRIME	02/16/82	03-2-071-G-061-005	CENTRE CO
III	PRIME	02/17/82	03-2-183-C-089-053	DISTRICT OF COLUMBIA
III	PRIME	03/03/82	03-2-073-C-011-009	ERIE CO

LIST OF AUDIT REPORTS ISSUED  
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<u>Region</u>	<u>Program</u>	<u>Date Sent To Program Agency</u>	<u>Audit Report Number</u>	<u>Name of Contractor or Grantee</u>
IV	CETA	03/04/82	04-2-0242-C	TENNESSEE - BOS (PSE)
IV	CETA	03/04/82	04-2-0240-C	GEORGIA - BOS (PSE)
IV	CETA	03/04/82	04-2-0239-C	KENTUCKY - BOS (PSE)
IV	CETA	03/04/82	04-2-0241-C	SOUTH CAROLINA - BOS (PSE)
IV	PRIME	10/23/81	04-2-0001-C	RALEIGH CETA CSRT
IV	PRIME	10/23/81	04-2-0002-C	CLAYTON CO
IV	PRIME	10/23/81	04-2-0003-C	FULTON CO
IV	PRIME	10/23/81	04-1-0792-L	CITY OF WINSTON-SALEM
IV	PRIME	10/26/81	04-2-0005-C	EASTERN KENTUCKY CEP
IV	PRIME	11/06/81	04-2-0004-C	HUNTSVILLE/MADISON CO CSRT
IV	PRIME	11/11/81	04-2-0006-C	LEON/GADSDEN CO CSRT
IV	PRIME	11/12/81	04-2-0012-C	ESCAMBIA CO
IV	PRIME	11/18/81	04-1-0967-C	MARION CO
IV	PRIME	11/18/81	04-2-0007-C	ORANGE CO
IV	PRIME	11/19/81	04-1-0772-L	MOBILE CSRT
IV	PRIME	11/27/81	04-2-0011-C	PALM BEACH CO
IV	PRIME	11/27/81	04-2-0010-C	HILLSBOROUGH CO
IV	PRIME	12/04/81	04-2-0019-C	NORTH EAST FLORIDA CSRT
IV	PRIME	12/04/81	04-2-0015-C	HEARTLAND ETA
IV	PRIME	12/04/81	04-2-0008-C	SEMINOLE CO
IV	PRIME	12/04/81	04-2-0009-C	MARION CO
IV	PRIME	12/22/81	04-1-0966-L	ALAMANCE CO

LIST OF AUDIT REPORTS ISSUED  
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<u>Region</u>	<u>Program</u>	<u>Date Sent To Program Agency</u>	<u>Audit Report Number</u>	<u>Name of Contractor or Grantee</u>
IV	PRIME	01/05/82	04-1-0969-C	TAMPA/HILLSBOROUGH CSRT
IV	PRIME	01/06/82	04-1-0135-C	GREENSBORO/HIGHPOINT/GULFORD CSRT
IV	PRIME	01/06/82	04-1-0136-C	GREENSBORO/HIGHPOINT/GULFORD CSRT
IV	PRIME	01/06/82	04-2-0099-C	DEKALB CO
IV	PRIME	01/08/82	04-1-0970-C	MANATEE CO
IV	PRIME	02/16/82	04-1-0968-C	SEMINOLE CO
IV	PRIME	02/17/82	04-2-0184-C	EASTERN KENTUCKY CEP
IV	PRIME	02/17/82	04-2-0183-C	MIDDLE GEORGIA CSRT
IV	PRIME	02/17/82	04-2-0100-C	CITY OF TAMPA
IV	PRIME	03/03/82	04-2-0136-C	BREVARD CO
IV	PRIME	03/05/82	04-2-0243-C	GASTON CO
IV	PRIME	03/12/82	04-1-0684-L	SOUTH FLORIDA CSRT
IV	PRIME	03/12/82	04-0-1768-C	CITY OF ATLANTA
IV	PRIME	03/12/82	04-0-1777-C	CITY OF ATLANTA
IV	PRIME	03/12/82	04-0-1778-C	CITY OF ATLANTA
IV	PRIME	03/19/82	04-1-0774-L	PINELLAS/ST PETERSBURG CSRT
IV	SESA	10/21/81	04-1-0891-L	ALABAMA DEPT INDUST RELATIONS
IV	SESA	11/19/81	04-1-0769-L	FLORIDA SESA
IV	SESA	03/04/82	04-2-0013-L	SOUTH CAROLINA SESA
V	CETA	03/01/82	82-000513	HAMILTON CO (PSE)
V	CETA	03/01/82	82-000502	OHIO - BOS (PSE)

LIST OF AUDIT REPORTS ISSUED  
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<u>Region</u>	<u>Program</u>	<u>Date Sent To Program Agency</u>	<u>Audit Report Number</u>	<u>Name of Contractor or Grantee</u>
V	CETA	03/01/82	82-000524	FORT WAYNE CSRT (PSE)
V	CETA	03/01/82	82-000480	ST CLAIR CO CSRT (PSE)
V	PRIME	10/01/81	79-010173	HENNEPIN CO
V	PRIME	10/01/81	80-000307	GRAND RAPIDS EMP TRNG CNCL
V	PRIME	10/01/81	80-000050	DUPAGE CO
V	PRIME	11/04/81	81-000220	LASALLE CO
V	PRIME	11/06/81	81-000196	WAUKESHA/DZAUKEE/WASHINGTON CSRT
V	PRIME	11/12/81	80-000184	CITY OF WARREN
V	PRIME	11/25/81	80-00048	MILWAUKEE CO
V	PRIME	12/01/81	79-010138	ROCK ISLAND CO
V	PRIME	12/01/81	79-010140	DELAWARE/BLACKFORD CSRT
V	PRIME	12/02/81	80-000364	MINNESOTA - BOS
V	PRIME	12/03/81	79-004558	MADISON CO
V	PRIME	12/03/81	81-000275	MILWAUKEE CO
V	PRIME	12/11/81	81-000231	KALAMAZOO CO
V	PRIME	12/18/81	82-000017	CLEVELAND AREA CSRT
V	PRIME	12/29/81	80-000375	CITY OF INDIANAPOLIS
V	PRIME	12/30/81	80-000397	ROCK CO
V	PRIME	12/31/81	80-000061	MONROE CO
V	PRIME	01/21/82	81-000487	CITY OF DETROIT
V	PRIME	02/10/82	81-000286	CITY OF CHICAGO
V	PRIME	02/12/82	81-000444	CITY OF DETROIT
V	PRIME	02/12/82	82-000498	LA PORTE CO

LIST OF AUDIT REPORTS ISSUED  
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<u>Region</u>	<u>Program</u>	<u>Date Sent To Program Agency</u>	<u>Audit Report Number</u>	<u>Name of Contractor or Grantee</u>
V	PRIME	02/16/82	81-000310	CITY OF DETROIT
V	PRIME	02/16/82	80-000500	ELKHART CO
V	PRIME	03/05/82	80-000285	OTTAWA CO
V	PRIME	03/19/82	81-000218	BERRIEN CO
V	PRIME	03/26/82	82-000041	REGION III CSRT
V	PRIME	03/26/82	81-000084	MACOMB CO
V	PRIME	03/26/82	81-000130	SCIOTO CO
VI	PRIME	10/06/81	81-246	EAST TEXAS CETA CSRT
VI	PRIME	10/06/81	80-220	CENTRAL ARKANSAS CSRT
VI	PRIME	10/06/81	81-323	CENTRAL ARKANSAS CSRT
VI	PRIME	10/08/81	81-418	CENTRAL ARKANSAS CSRT
VI	PRIME	12/04/81	81-467	EAST TEXAS CETA CSRT
VI	PRIME	01/07/82	81-438	EL PASO CITY/CO
VI	PRIME	01/08/82	82-036	CENTRAL TEXAS MPWR CSRT
VI	PRIME	01/18/82	82-143	EL PASO CITY/CO
VI	PRIME	02/02/82	82-069	COMANCHE CO
VI	PRIME	02/09/82	82-183	WEBB CO
VI	PRIME	03/04/82	82-001	CLACASIEW CSRT
VI	PRIME	03/05/82	82-159	OKLAHOMA CO
VI	PRIME	03/08/82	82-265	CITY OF TULSA
VI	PRIME	03/08/82	82-160	TEXAS DEPT OF COMM AFFAIRS
VI	PRIME	03/11/82	81-430	CITY OF DALLAS

LIST OF AUDIT REPORTS ISSUED  
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Region	Program	Date Sent To Program Agency	Audit		Name of Contractor or Grantee
			Report Number		
VII	OSHA	11/09/81	7-1-G-017		IOWA BUREAU OF LABOR
VII	OSHA	11/09/81	7-1-G-018		IOWA BUREAU OF LABOR
VII	PRIME	11/10/81	7-1-L-019		CITY OF ST LOUIS
VII	PRIME	01/29/82	7-2-C-006		ST CHARLES CO
VII	PRIME	02/05/82	7-2-S-008		NEBRASKA - GOV SPECIAL GRANT
VII	PRIME	02/05/82	7-2-S-007		OMAHA COMBINATION OF GOVT'S
VII	PRIME	03/11/82	7-2-C-011		TOPEKA/SHAWNEE CSRT
VII	SESA	11/12/81	7-1-L-020		NEBRASKA DOL
VII	TAT	02/05/82	7-2-S-009		YWCA OF OMAHA
VIII	CETA	02/12/82	08-2-010-C		DENVER ETA (PSE)
VIII	PRIME	11/06/81	08-2-004-C-003-035		BOULDER CO
VIII	PRIME	11/25/81	08-2-001-C-001-065		WELD CO
VIII	PRIME	12/01/81	08-2-006-C-002-301		UTAH OFFICE OF LABOR & TRNG
VIII	PRIME	12/22/81	08-2-007-G-002-305		SOUTH DAKOTA - BOS
VIII	PRIME	02/05/82	08-2-005-C		ADAMS CO
VIII	PRIME	02/17/82	08-2-011-C		ARAPAHOE CO
VIII	SESA	10/27/81	08-2-002-G-001-401		UTAH SESA
VIII	SESA	12/21/81	08-2-008-G-003-301		SOUTH DAKOTA - SESA



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<u>Region</u>	<u>Program</u>	<u>Date Sent To Program</u>		<u>Audit Report Number</u>	<u>Name of Contractor or Grantee</u>
		<u>Agency</u>			
VIII	SESA	12/22/81		08-2-007-G-002-305	SOUTH DAKOTA SESA
IX	CETA	03/11/82		09-82-C-501	CITY OF LOS ANGELES (PSE)
IX	PRIME	10/14/81		09-81-G-064-P1	INLAND MANPOWER ASSN
IX	PRIME	11/06/81		09-81-C-080-P1	PASADENA CO
IX	PRIME	11/06/81		09-81-C-110-P1	PLACER CO
IX	PRIME	11/06/81		09-81-L-107-P2	YOLO CO
IX	PRIME	11/06/81		09-81-C-002-P1	ARIZONA - BOS
IX	PRIME	11/06/81		09-81-C-103-P2	VENTURA CO
IX	PRIME	12/03/81		09-81-L-088-P2	SAN DIEGO RETC
IX	PRIME	12/29/81		09-81-G-070-P1	MARIN CO
IX	PRIME	12/31/81		09-81-L-069-P1	LOS ANGELES CO
IX	PRIME	01/06/82		09-81-C-022-P1	PIMA CO
IX	PRIME	01/07/82		09-81-C-023-P1	CITY OF TUCSON
IX	PRIME	01/12/82		09-81-C-041-P1	ALAMEDA CO
IX	PRIME	01/12/82		09-81-L-078-P1	ORANGE CO
IX	PRIME	01/21/82		09-82-L-089-P1	CITY/CO SAN FRANCISCO
IX	PRIME	01/28/82		09-81-C-061-P1	IMPERIAL CO
IX	PRIME	02/11/82		09-82-G-092-P1	SAN LUIS OBISPO CO
IX	PRIME	02/26/82		09-82-C-067-P1	CITY OF LONG BEACH
IX	PRIME	03/29/82		09-82-G-093-P1	SAN MATEO CO

LIST OF AUDIT REPORTS ISSUED  
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<u>Region</u>	<u>Program</u>	<u>Date Sent To Program Agency</u>	<u>Audit Report Number</u>	<u>Name of Contractor or Grantee</u>
X	CETA	02/10/82	10-82-L-200-001	IDAHO MANPOWER CSRT (PSE)
X	CETA	02/12/82	10-82-L-200-002	STATE OF WASHINGTON (PSE)
X	PRIME	10/23/81	10-82-L-017-001	CITY OF EUGENE
X	PRIME	10/29/81	10-81-L-009-030	CITY OF PORTLAND
X	PRIME	12/31/81	10-82-S-024-014	KITSAP CO
X	PRIME	01/22/82	10-82-S-021-010	PIERCE CO
X	PRIME	01/22/82	10-82-S-028-002	THURSTON CO
X	PRIME	03/03/82	10-82-S-019-006	KING/SNOHOMISH CSRT
NO	CETA	02/04/82	11-2-143-C	CITY OF DETROIT (PSE)
NO	CETA	02/04/82	11-2-142-C	MICHIGAN - BOS (PSE)
NO	CETA	02/05/82	11-2-130-C	CITY OF NEW ORLEANS (PSE)
NO	CETA	02/05/82	11-2-131-C	STATE OF LOUISIANA (PSE)
NO	CETA	02/05/82	11-2-129-C	ALAMO CSRT (PSE)
NO	DINAP	10/16/81	11-1-191-C	CITY OF BALTIMORE
NO	DINAP	10/16/81	11-1-071-C	CENTRAL TRIBES OF THE SHAWNEE AREA
NO	DINAP	10/16/81	11-1-100-C	TRIBAL GOVERNORS INC
NO	DINAP	10/16/81	11-1-101-C	AMERICAN INDIAN COMM HOUSE INC
NO	DINAP	10/26/81	11-1-141-C	AMERICAN INDIAN COMM CENTER
NO	DINAP	10/26/81	11-1-157-C	REG IX AMERICAN INDIAN CNCL
NO	DINAP	10/26/81	11-1-069-C	TURTLE MOUNTAIN CHIPPEWA TRIBE

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<u>Region</u>	<u>Program</u>	<u>Date Sent To Program Agency</u>	<u>Report Number</u>	<u>Audit</u>	<u>Name of Contractor or Grantee</u>
NO	DINAP	10/26/81	11-1-103-C		URBAN INDIAN CNCL INC
NO	DINAP	10/26/81	11-1-112-C		HOPPA VALLEY BUSINESS CNCL
NO	DINAP	10/27/81	11-1-086-C		WISCONSIN WINNEBAGO BUS COMM
NO	DINAP	10/27/81	11-1-076-C		STOCKBRIDGE-MUNSEE COMM
NO	DINAP	10/27/81	11-1-050-C		ST CROIX TRIBAL CNCL
NO	DINAP	10/27/81	11-1-080-C		UNITED INDIANS OF NEBRASKA
NO	DINAP	10/27/81	11-1-090-C		ONEIDA TRIBE OF INDIANS
NO	DINAP	10/27/81	11-1-056-C		MILWAUKEE AMERICAN INDIAN MPWR
NO	DINAP	10/27/81	11-1-083-C		OHIO - OFFICE OF MANPOWER
NO	DINAP	10/27/81	11-1-054-C		OMAHA TRIBE OF NEBRASKA
NO	DINAP	10/27/81	11-1-077-C		GREAT LAKES INTER-TRIBAL CNCL
NO	DINAP	10/27/81	11-1-098-C		LAC DU FLAMBEAU CSRT
NO	DINAP	10/27/81	11-1-116-C		MEMOINNEE INDIAN TRIBE
NO	DINAP	10/27/81	11-1-146-C		POCA TRIBE OF INDIANS
NO	DINAP	11/05/81	11-1-053-C		ORANGE CO INDIAN CENTER
NO	DINAP	11/05/81	11-1-055-C		WESTERN WASH INDIAN EMPL & TRNG
NO	DINAP	11/05/81	11-1-134-C		ROSEBUD SIOUX TRIBE
NO	DINAP	11/05/81	11-1-183-C		CONFEDERATED SALISH & KOOTENAI
NO	DINAP	11/05/81	11-1-136-C		COLVILLE CONFEDERATED TRIBES
NO	DINAP	11/05/81	11-1-181-C		THE HOPI TRIBAL CNCL
NO	DINAP	11/05/81	11-1-035-C		PAPAGO TRIBE OF ARIZONA
NO	DINAP	11/05/81	11-1-068-C		STANDING ROCK SIOUX TRIBE
NO	DINAP	11/05/81	11-1-107-C		TRI-COUNTY INDIAN DEV CNCL INC
NO	DINAP	11/05/81	11-1-127-C		LOWER BRULE SIOUX TRIBE

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NO	DINAP	11/05/81	11-1-130-C	NATIVE AMERICAN INDIAN CTR INC
NO	DINAP	11/05/81	11-1-126-C	SALT RIVER PIMA/MARICOPA
NO	DINAP	11/05/81	11-1-108-C	INDIAN DEVEL DIST OF ARIZONA
NO	DINAP	11/05/81	11-1-140-C	CENTRAL CNCL TLINGIT/HAIDA
NO	DINAP	11/05/81	11-1-132-C	ALEUTIAN/PRIIBLOF ISLANDS
NO	DINAP	11/05/81	11-1-185-C	THE HOPI TRIBAL CNCL
NO	DINAP	11/05/81	11-1-142-C	DENVER NATIVE AMER UNITED
NO	DINAP	11/05/81	11-1-205-C	AMERICAN INDIANS FOR DEVEL INC
NO	DINAP	11/06/81	11-1-128-C	SITKA COMM ASSOC
NO	DINAP	11/06/81	11-1-133-C	ALEUTIAN/PRIIBLOF ISLANDS
NO	DINAP	11/06/81	11-1-097-C	HAWAII CNCL AMERICAN INDIANS
NO	DINAP	11/06/81	11-1-125-C	UNITED TRIBES EDUC TECH CTR
NO	DINAP	11/06/81	11-1-129-C	SEATTLE INDIAN CENTER INC
NO	DINAP	11/06/81	11-1-106-C	NORTH DAKOTA AFL-CIO
NO	DINAP	11/16/81	11-0-177-C	RED LAKE TRIBAL CNCL
NO	DINAP	11/23/81	11-1-243-C	ALASKA FEDERATION OF NATIVES
NO	DINAP	11/23/81	11-1-131-C	AFFILIATED ARIZ IND CTR INC
NO	DINAP	11/23/81	11-1-334-C	INDIAN CENTER INC
NO	DINAP	11/23/81	11-1-343-C	BLACKFEET TRB BUSINESS CNCL
NO	DINAP	11/23/81	11-1-337-C	MONTANA UNITED INDIAN ASSN
NO	DINAP	11/23/81	11-1-239-C	YANKTON SIOUX TRIBE
NO	DINAP	11/24/81	11-1-114-C	GILA RIVER INDIAN COMM
NO	DINAP	11/24/81	11-1-212-C	ALASKA FEDERATION OF NATIVES
NO	DINAP	11/24/81	11-1-111-C	INDIAN CENTER OF SAN JOSE
NO	DINAP	11/24/81	11-1-042-C	CALIFORNIA INDIAN MNPR CSRT

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NO	DINAP	11/24/81	11-1-184-C	INTER-TRIBAL CNCL OF NEVADA
NO	DINAP	11/24/81	11-1-241-C	AMERICAN INDIAN ASSN OF TUCSON
NO	DINAP	11/24/81	11-1-158-C	WASHPEE WAMPANOAG INDIANS
NO	DINAP	11/24/81	11-1-182-C	ROSEBUD SIOUX TRIBE
NO	DINAP	11/24/81	11-1-187-C	PHOENIX INDIAN CENTER
NO	DINAP	11/24/81	11-1-137-C	CONFED TRIBES OF WARM SPRING
NO	DINAP	11/24/81	11-1-248-C	PAPAGO TRIBE OF ARIZ
NO	DINAP	11/24/81	11-1-253-C	GEORGIA STATE COMM INDIAN AFF
NO	DINAP	12/04/81	11-1-190-C	ST REGIS MOHAWK TRIBE
NO	DINAP	12/04/81	11-1-186-C	THREE AFFILIATED TRIBES
NO	DINAP	12/04/81	11-1-238-C	OGLALA SIOUX TRIBE
NO	DINAP	12/04/81	11-1-117-C	RHODE ISLAND INDIAN CNCL
NO	DINAP	12/04/81	11-1-139-C	ALU LIKE INC
NO	DINAP	12/04/81	11-1-249-C	DELAWARE INTER-GOVERNMENTAL MNPR
NO	DINAP	12/08/81	11-1-135-C	LAC COURTE OREILLAS TRIBE
NO	DINAP	12/08/81	11-1-246-C	YUPIKTAK BISTA INC
NO	DINAP	12/08/81	11-1-208-C	LUMBEE REGIONAL DEV ASSOC
NO	DINAP	12/08/81	11-1-242-C	NORTHERN CHEYENNE TRIBE
NO	DINAP	12/08/81	11-1-247-C	METLAKATLA INDIAN COMM
NO	DINAP	12/08/81	11-1-206-C	INTER-TRIBAL CNCL INC
NO	DINAP	12/08/81	11-1-104-C	TONKAWA TRIBE OF OKLAHOMA
NO	DINAP	12/08/81	11-1-099-C	TONKAWA TRIBE OF OKLAHOMA
NO	DINAP	12/08/81	11-1-105-C	TONKAWA TRIBE OF OKLAHOMA
NO	DINAP	12/08/81	11-1-118-C	GRAND RAPIDS INTER-TRIBAL CNCL
NO	DINAP	12/08/81	11-1-095-C	NORTH AMER IND ASSN OF DETROIT

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			Report Number		
NO	DINAP	12/08/81	11-1-093-C		MICHIGAN INDIAN MANPOWER CSRT
NO	DINAP	01/12/82	11-2-018-C		INDIAN DEVEL DIST OF ARIZONA
NO	DINAP	01/12/82	11-2-019-C		NEZ PERCE TRIBAL EXEC COMM
NO	DINAP	01/12/82	11-1-257-C		NEBRASKA INTER-TRIBAL DEV CO
NO	DINAP	01/12/82	11-1-260-C		NEBRASKA INTER-TRIBAL DEV CO
NO	DINAP	01/12/82	11-1-254-C		NEBRASKA INTER-TRIBAL DEV CO
NO	DINAP	01/12/82	11-1-326-C		PUEBLO OF LAGUNA
NO	DINAP	01/15/82	11-1-273-C		BOIS FORTE RESERVATION BUS COMM
NO	DINAP	01/15/82	11-1-342-C		DEVILS LAKE SIOUX TRIBE
NO	DINAP	01/15/82	11-1-341-C		COOK INLET NATIVE ASSN
NO	DINAP	01/15/82	11-1-333-C		DENA AKA CORP
NO	DINAP	01/15/82	11-1-331-C		SANTO DOMINGO TRIBE
NO	DINAP	01/15/82	11-1-294-C		NATIONAL INDIAN YOUTH CNCL
NO	DINAP	01/15/82	11-1-220-C		CADDO TRIBE OF OKLAHOMA
NO	DINAP	01/15/82	11-1-244-C		CHE-HO-QUI-SHO INDIAN CSRT
NO	DINAP	01/15/82	11-1-221-C		KIOWA TRIBE OF OKLAHOMA
NO	DINAP	01/15/82	11-1-222-C		KIOWA TRIBE OF OKLAHOMA
NO	DINAP	01/15/82	11-1-207-C		NATIVE AMERICAN MNPWR PROGRAM
NO	DINAP	01/15/82	11-1-109-C		FORT BELKNAP INDIAN COMMUN
NO	DINAP	01/15/82	11-1-113-C		FORT PECK TRIBE EMPL & TRNG
NO	DINAP	01/15/82	11-1-171-C		MINNEAPOLIS REG NATIVE AMERICANS
NO	DINAP	01/15/82	11-1-237-C		CHEYENNE-ARAPAHO TRIBE OF OK
NO	DINAP	01/15/82	11-1-211-C		CHEYENNE-ARAPAHO TRIBE OF OK
NO	DINAP	01/15/82	11-1-110-C		NORTHWEST INTER-TRIBAL CNCL

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NO	DINAP	01/15/82	11-1-339-C	SACRAMENTO INDIAN CENTER
NO	DINAP	01/18/82	11-1-340-C	IDAHO INTER-TRIBAL POLICY BD
NO	DINAP	01/18/82	11-1-291-C	ALL INDIAN PUEBLO CNCL
NO	DINAP	01/18/82	11-1-259-C	SAULT ST MARIE CHIPPEWA TRIBE
NO	DINAP	01/18/82	11-1-289-C	ALL INDIAN PUEBLO CNCL
NO	DINAP	01/18/82	11-1-288-C	ALL INDIAN PUEBLO CNCL
NO	DINAP	01/18/82	11-1-219-C	CUMBERLAND CO INDIAN ASSN
NO	DINAP	01/22/82	11-1-330-C	ALABAMA-COUSHATTA INDIANS
NO	DINAP	01/22/82	11-1-327-C	RAMAH NAVAJO SCHOOL BOARD
NO	DINAP	01/22/82	11-1-258-C	MILLE LACS RESV BUS COM
NO	DINAP	01/22/82	11-1-274-C	WHITE EARTH RESV COMM
NO	DINAP	01/22/82	11-1-265-C	WHITE EARTH RESV COMM
NO	DINAP	01/22/82	11-1-223-C	SANTEE SIOUX TRIBE OF NEBRASKA
NO	DINAP	01/28/82	11-1-251-C	SENECA NATION OF INDIANS
NO	DINAP	01/28/82	11-1-213-C	BOSTON INDIAN CNCL INC
NO	DINAP	01/28/82	11-1-178-C	SAN BERNARDINO INDIAN CENTER
NO	DINAP	01/28/82	11-1-144-C	CROW TRIBE OF INDIANS
NO	DINAP	01/28/82	11-2-027-C	COLORADO DOL & EMP - BOS
NO	DINAP	01/28/82	11-2-005-C	PUEBLO OF ZUNI
NO	DINAP	02/03/82	11-1-321-C	LEECH LAKE RESV BUS COM
NO	DINAP	02/03/82	11-1-266-C	INTER-TRIBAL CNCL MICHIGAN
NO	DINAP	02/03/82	11-2-029-C	MAUNELUK MANPOWER
NO	DINAP	02/03/82	11-1-355-C	KODIAK AREA NATIVE ASSN
NO	DINAP	02/03/82	11-2-003-C	EMP & TRNG OFFICE - UTE TRIBE

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NO	DINAP	02/03/82	11-2-002-C	UTE INDIAN TRIBE
NO	DINAP	02/10/82	11-1-263-C	UNITED SOUTHEASTERN TRIBES
NO	DINAP	02/10/82	11-1-276-C	GREAT LAKES INTER-TRIBAL CNCL
NO	DINAP	02/10/82	11-1-255-C	MILLE LOIS RES BUS COMM
NO	DINAP	02/10/82	11-1-328-C	EASTERN BAND OF CHEROKEE
NO	DINAP	02/10/82	11-1-236-C	SOUTH CAROLINA CETA CSRT
NO	DINAP	02/10/82	11-2-048-C	ALL INDIAN PUEBLO CNCL
NO	DINAP	02/16/82	11-2-037-C	INTER-TRIBAL CNCL OF LOUISIANA
NO	DINAP	02/16/82	11-2-004-C	CREEK NATION EAST OF THE MISS
NO	DINAP	02/16/82	11-2-024-C	UNITED TRIBES OF KS & S E NEB
NO	DINAP	02/16/82	11-1-329-C	EASTERN BAND OF CHEROKEE INDIANS
NO	DINAP	02/16/82	11-1-189-C	NEW JERSEY DOL
NO	DINAP	02/24/82	11-1-210-C	AMERICAN INDIAN FELLOWSHIP ASSN
NO	DINAP	02/24/82	11-1-245-C	KLAMATH TRIBE/FORGOTTEN AMERICANS
NO	DINAP	02/24/82	11-1-235-C	MISSISSIPPI BAND OF CHOCTAW IND
NO	DINAP	02/24/82	11-2-040-C	SISSETON WAHPETON SIOUX TRIBE
NO	DINAP	02/24/82	11-2-026-C	UNITED TRIBES OF KS & S E NEB
NO	DINAP	02/24/82	11-2-047-C	UNITED SIOUX TRIBES OF S DAKOTA
NO	DINAP	02/24/82	11-2-012-C	FOND DU LAC RESERVATION BUS COMM
NO	DINAP	02/24/82	11-2-025-C	UNITED TRIBES OF KS & S E NEB
NO	DINAP	02/24/82	11-2-046-C	THE SAN CARLOS APACHE TRIBE
NO	DINAP	02/24/82	11-2-041-C	COLORADO RIVER INDIAN TRIBES
NO	DINAP	02/24/82	11-1-264-C	TENNESSEE INDIAN COUNCIL INC
NO	DINAP	02/24/82	11-1-336-C	NATIVE AMERICANS FOR COMM ACTION



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N0	DINAP	02/24/82	11-1-209-C	MILLE LACS RESERVATION BUS COMM
N0	DINAP	02/24/82	11-1-250-C	UNITED AMERICAN INDIANS OF DEL VAL
N0	DINAP	02/24/82	11-1-198-C	MICCOSUKEE TRIBE OF INDIANS
N0	DINAP	02/24/82	11-1-049-C	AMERICAN INDIAN BUSINESS ASSN INC
N0	DINAP	02/24/82	11-2-051-C	KAWERAK INC
N0	DINAP	02/24/82	11-2-086-C	YAKA AMA INDIAN EDUC & DEV CTR
N0	DINAP	03/01/82	11-1-338-C	BRISTOL BAY NATIVE ASSOC
N0	DINAP	03/01/82	11-1-233-C	SEMINOLE TRIBE OF FLORIDA
N0	DINAP	03/01/82	11-1-262-C	NORTH CAROLINA COMM OF INDIAN AFF
N0	DINAP	03/01/82	11-1-296-C	TRIBAL GOVERNORS INC
N0	DINAP	03/01/82	11-1-275-C	WHITE EARTH RESERVATION BUS COMM
N0	DINAP	03/01/82	11-1-176-C	NAVAJO TRIBE OF INDIANS
N0	DINAP	03/08/82	11-2-011-C	FOND DU LAC RESERVATION BUS COMM
N0	DINAP	03/08/82	11-2-010-C	FOND DU LAC RESERVATION BUS COMM
N0	DINAP	03/08/82	11-1-232-C	SEMINOLE TRIBE OF FLORIDA
N0	DINAP	03/08/82	11-2-020-C	EASTERN WASHINGTON INDIAN CSRT
N0	DINAP	03/08/82	11-1-256-C	INDIANA INDIANS CSRT ORGANIZATIONS
N0	DINAP	03/08/82	11-2-054-C	CALIFORNIA INDIAN MANPOWER CSRT
N0	DINAP	03/10/82	11-1-325-C	LEECH LAKE RESERVATION BUS COMM
N0	DINAP	03/10/82	11-1-323-C	LEECH LAKE RESERVATION BUS COMM
N0	DINAP	03/10/82	11-1-322-C	LEECH LAKE RESERVATION BUS COMM
N0	DINAP	03/10/82	11-1-324-C	LEECH LAKE RESERVATION BUS COMM
N0	DINAP	03/10/82	11-2-063-C	NAVAJO TRIBE OF INDIANS
N0	DINAP	03/10/82	11-2-052-C	CROW CREEK SIOUX TRIBE

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	DINAP	03/26/82	11-0-029-C-230	NAVAJO TRIBE OF INDIANS
	DINAP	03/26/82	11-8-245-C-224	NAVAJO TRIBE OF INDIANS
	DINAP	03/26/82	11-8-250-C-229	NAVAJO TRIBE OF INDIANS
	DINAP	03/26/82	11-8-249-C-228	NAVAJO TRIBE OF INDIANS
	DINAP	03/26/82	11-8-248-C-227	NAVAJO TRIBE OF INDIANS
	DINAP	03/29/82	11-2-102-C	BUS COM OF THE CHIPPEWA CREE TRIBE
	DINAP	03/29/82	11-2-104-C	BUS COM OF THE CHIPPEWA CREE TRIBE
	DINAP	03/29/82	11-1-212-C	ALASKA FEDERATION OF NATIVES
	DINAP	03/29/82	11-2-053-C	SHOSHONE-BANNOCK TRIBES INC
	DINAP	03/29/82	11-2-056-C	CHEYENNE RIVER SIOUX TRIBE
	DINAP	03/31/82	11-2-057-C	UTAH NATIVE AMERICAN CSRT
	DINAP	03/31/82	11-2-062-C	SHOSHONE & ARAPAHOE JOINT BUS CNCL
	DINAP	03/31/82	11-2-055-C	COPPER RIVER NATIVE ASSN
	DINAP	03/31/82	11-2-126-C	CANDELARIA AMERICAN IND CNCL
	DINAP	03/31/82	11-2-103-C	FORT BELKNAP INDIAN COMMUNITY
	JOBCP	03/09/82	11-2-013-C	WOMEN IN COMMUNITY SERVICE
	MIGRANT	10/09/81	11-1-033-C	SOUTHERN VOCATIONAL COLLEGE
	MIGRANT	02/05/82	11-2-095-C	MIGRANT & SEASONAL FMMKRS ASSN
	MIGRANT	02/05/82	11-2-074-C	NEBRASKA ASSN OF FMMKRS
	MIGRANT	02/05/82	11-2-069-C	CAMPESINOS UNIDOS
	MIGRANT	02/05/82	11-2-066-C	IDAHO MIGRANT CNCL
	MIGRANT	02/05/82	11-2-071-C	FARMWORKERS CORP OF NEW JERSEY

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NO	MIGRANT	02/05/82	11-2-070-C	PUERTO RICO DEPT OF LABOR
NO	MIGRANT	02/05/82	11-2-073-C	ARKANSAS CNCL OF FARMWORKERS
NO	MIGRANT	02/05/82	11-2-067-C	COLORADO MIGRANT CNCL
NO	MIGRANT	02/05/82	11-2-083-C	UTAH MIGRANT CNCL
NO	MIGRANT	02/05/82	11-2-072-C	CENTER FOR EMPL & TRNG
NO	MIGRANT	02/05/82	11-2-080-C	NORTHWEST RURAL OPPORTUNITIES
NO	MIGRANT	02/05/82	11-2-123-C	PROTEUS ADULT TRAINING
NO	MIGRANT	02/05/82	11-2-122-C	CALIFORNIA HUMAN DEVELOPMENT CORP
NO	MIGRANT	03/17/82	11-0-148-C	UTAH MIGRANT CNCL
NO	MIGRANT	03/22/82	11-1-006-C	RURAL AMERICA INC
NO	MIGRANT	03/24/82	11-2-014-C	CALIFORNIA HUMAN DEVELOPMENT CORP
NO	MIGRANT	03/24/82	11-0-153-C	CALIFORNIA HUMAN DEVELOPMENT CORP
NO	MSHA	10/07/81	11-1-064-C	ALABAMA INDUSTRIAL RELATIONS
NO	MSHA	12/04/81	11-1-199-C	WEST VIRGINIA
NO	MSHA	12/18/81	11-2-049-F	ROWAN DRILLING CO
NO	MSHA	12/19/81	11-1-283-F	WESTINGHOUSE ELEC CORP
NO	MSHA	01/25/82	11-1-273-C	IOWA
NO	MSHA	01/26/82	11-2-064-F	W VA DEPT OF REHABILITATION
NO	MSHA	01/27/82	11-2-068-F	W VA DEPT OF REHABILITATION
NO	MSHA	01/28/82	11-2-008-C	SOUTH DAKOTA
NO	MSHA	02/05/82	11-2-007-C	NEVADA
NO	MSHA	02/10/82	11-2-022-C	SOUTH CAROLINA
NO	MSHA	02/24/82	11-1-347-C	NEW YORK

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NO	MSHA	03/02/82	11-2-348-C	MASSACHUSETTS
NO	MSHA	03/02/82	11-1-252-C	RHODE ISLAND
NO	MSHA	03/04/82	11-2-038-C	NEW JERSEY
NO	MSHA	03/04/82	11-2-016-C	LOUISIANA
NO	MSHA	03/15/82	11-2-009-C	ARIZONA
NO	MSHA	03/17/82	11-2-015-C	CONSOLIDATED MSHA REPORT
NO	NPOW	02/08/82	11-2-106-F	W VA COMMISSION ON AGING
NO	OASAM	10/26/81	11-1-179-C	MICRO TECH INDUSTRIES INC
NO	OASAM	11/18/81	11-1-353-F	CREATIVE MAILING CONSULTANTS
NO	OASAM	12/18/81	11-1-354-F	GENERAL RESEARCH CORP
NO	OASAM	01/25/82	11-2-090-F	CENTAUR ASSOCIATES INC
NO	OASAM	01/26/82	11-2-092-F	CENTAUR ASSOCIATES INC
NO	OASAM	01/27/82	11-2-092-F	CENTAUR ASSOCIATES INC
NO	OASAM	01/28/82	11-2-060-F	BOOZ, ALLEN & HAMILTON
NO	OASAM	01/28/82	11-2-099-F	APPLIED URBANETICS INC
NO	OASAM	02/25/82	11-2-097-L	WILLIAMS, YOUNG AND HEBERT
NO	OASAM	02/25/82	11-2-120-L	DOEREN MAYHEW AND COMPANY
NO	OASAM	02/25/82	11-2-121-L	BATLLES, DENSON, ERICKSON & SMITH
NO	OASAM	03/15/82	11-2-138-F	SYSTEMS CONSULTANTS INC
NO	OASAM	03/29/82	11-2-154-C	COMPUTER SCIENCE CORP
NO	OASAM-I	11/20/81	11-1-352-F	ARTHUR YOUNG & COMPANY

LIST OF AUDIT REPORTS ISSUED  
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<u>Region</u>	<u>Program</u>	<u>Date Sent To Program Agency</u>	<u>Audit Report Number</u>	<u>Name of Contractor or Grantee</u>
NO	ONP	11/06/81	11-1-175-C	NATIONAL CULINARY APPR PGM
NO	ONP	11/06/81	11-1-174-C	BAY AREA CONSTRUCTION PGM
NO	ONP	11/25/81	11-1-293-C	RECRUITMENT & TRNG PGM (RTP)
NO	ONP	11/30/81	11-1-261-C	A PHILIP RANDOLPH EDUC FUND
NO	ONP	12/04/81	11-1-197-C	AUTO SERVICE CNCL
NO	ONP	01/12/82	11-2-076-C	A L NELLUM ASSOC
NO	ONP	01/19/82	11-1-194-C	LATIN AMERICAN TASK FORCE
NO	ONP	01/25/82	11-1-301-C	CONSORTIUM VENTURE CORP
NO	ONP	01/28/82	11-1-196-C	INT'L UNION OF UAW
NO	ONP	02/04/82	11-1-195-C	INT'L UNION OF UAW
NO	ONP	02/05/82	11-2-039-F	COMMONWEALTH OF PUERTO RICO
NO	ONP	02/06/82	11-2-100-F	U S CONFERENCE OF MAYORS
NO	ONP	02/24/82	11-2-112-F	UNIVERSITY OF NEW MEXICO
NO	ONP	02/24/82	11-0-097-C-075	SET CORPORATION
NO	ONP	03/26/82	11-2-081-C	AMERICAN GI FORUM
NO	ONP	03/31/82	11-8-382-C-333	NATIONAL ALLIANCE OF BUSINESS
NO	ONP-I	01/28/82	11-2-059-F	INT'L BUSINESS SERVICE
NO	OPER	10/28/81	11-1-303-F	UNIVERSITY OF KENTUCKY
NO	OPER	11/05/81	11-1-285-F	CALIFORNIA DOE
NO	OPER	11/17/81	11-1-173-C	E H WHITE & COMPANY
NO	OPER	11/20/81	11-2-031-C	MANPOWER DEMO RESEARCH CORP
NO	OPER	11/20/81	11-1-351-C	MANPOWER DEMO RESEARCH CORP

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NO	OPER	12/16/81	11-1-305-F	UNIVERSITY OF MARYLAND
NO	OPER	01/21/82	11-1-286-C	STATE OF WISCONSIN
NO	OPER	01/28/82	11-2-079-F	RICHARDSON, BELLOWS, HENRY & CO
NO	OPER	02/04/82	11-2-065-F	UNIVERSITY OF NORTH CAROLINA
NO	OPER	02/04/82	11-2-034-C	UTAH STATE UNIVERSITY
NO	OPER	02/06/82	11-2-087-F	UTAH STATE UNIVERSITY
NO	OPER	02/06/82	11-1-166-C	JEWISH EMPL VOC SERV
NO	OPER	03/24/82	11-2-148-F	RESEARCH TRIANGLE INSTITUTE
NO	OPER	03/31/82	11-2-156-F	EDUCATIONAL TESTING SERVICE
NO	OPER	03/31/82	11-2-160-F	UNIVERSITY OF WASHINGTON
NO	OPER	03/31/82	11-2-155-F	UNIVERSITY OF ARIZONA
NO	OPER-I	10/27/81	11-1-332-F	AMERICAN INSTITUTE FOR RESEARCH
<u>INTERNAL AUDITS</u>				
NO	ETA	10/20/81	DPIA 81-2	<u>Subject of Audit Report</u> CETA CASH MANAGEMENT FY-79
NO	LMSA	12/04/81	DPIA MEMO	OCIS PERFORMANCE REVIEW
NO	MSHA	10/20/81	DPIA 81-3	PRODUCT APPROVAL CERTIFICATION
NO	OASAM	11/03/81	DPIA 81-4	YEAR-END SPENDING FY-80
NO	OASAM	01/04/82	DPIA MEMO	YEAR-END SPENDING FY-81



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