

# BRIEFLY...

Highlights of Report Number: 25-05-001-06-001, to the Deputy Secretary of Labor.

## WHY READ THE REPORT

The Office of Inspector General (OIG) is responsible for assessing allegations against any DOL agency that involve fraud, waste, or abuse. This report provides the OIG's findings with respect to allegations concerning Mine Safety and Health Administration (MSHA) management in the areas of procurement and related personnel matters.

## WHY OIG DID THE AUDIT

Within the DOL, MSHA is one of only two agencies that was granted independent procurement authority.

Beginning in May 2002 and continuing until May 2003, the OIG received a series of allegations regarding MSHA. The allegations involved MSHA's procurement and contracting procedures, Government travel and purchase card usage, computer security, and personnel issues.

The objective of our audit was to determine the merits of the allegations and, for those that had merit, recommend appropriate corrective action. Our audit period was June 1, 2000 through December 31, 2002.

## READ THE FULL REPORT

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

<http://www.oig.dol.gov/public/reports/oa/2005/25-05-001-06-001.pdf>

OCTOBER 2004

## MINE SAFETY AND HEALTH ADMINISTRATION PROCUREMENTS SHOWED A PATTERN OF DISREGARD FOR FEDERAL AND DOL ACQUISITION RULES AND REQUIREMENTS

### WHAT OIG FOUND

The OIG found that seven allegations could not be substantiated. However, we did find a number of allegations that had merit. For the period June 2000 through December 2002, we found that:

1. MSHA did not always ensure the Government received best value or that vendors were treated fairly in the award of contracts.
2. MSHA circumvented requirements to procure office furniture and travel management services from required sources.
3. A potential conflict of interest existed in the award of contracts to a company owned by a Contracting Officer's spouse.
4. Excessive unauthorized commitments and ratifications were made.
5. Deficiencies existed in how MSHA administered some of its contracts.

The overall cause for the problems we identified was a long-term MSHA-wide history of career and non-career management that accepted and fostered a lack of commitment to procurement principles, which was facilitated by a lack of segregation of the procurement function from the program. This lack of segregation allowed program staff to exert undue influence over the procurement process.

That environment resulted in management being unable to assure that contracts were in the best interest of the Government, and that all eligible contractors were afforded a fair opportunity to provide supplies or services to MSHA.

We could not conclude on the allegations of retaliation.

### WHAT OIG RECOMMENDED

We recommended that the Deputy Secretary of Labor direct the DOL Procurement Executive to rescind MSHA's procurement authority, reassign such authority, and ensure that it is completely independent of MSHA.

The Deputy Secretary responded that it will be important to assess the full breadth and effectiveness of recent procurement reforms to make an informed judgment on our recommendation.