

Semiannual Report of the Inspector General



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Office of Inspector General

April 1, 1980-September 30, 1980

SEMIANNUAL REPORT

APRIL 1, 1980 - SEPTEMBER 30, 1980

OFFICE OF INSPECTOR GENERAL

U.S. DEPARTMENT OF LABOR

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MESSAGE FROM THE ACTING INSPECTOR GENERAL

Pursuant to the provisions of the Inspector General Act of 1978, I am pleased to transmit this report concerning the activities and accomplishments of this Office during the period April 1, 1980 - September 30, 1980.

I suppose that every good message must have a theme--one which, more than any other, ties together the major events which occurred in the period covered by the report. The clear choice in this period has been the challenge of conducting the operations of the Office of Inspector General in the context of a government-wide hiring freeze.

In the case of our Office, which is virtually entirely dependent upon personnel to undertake its responsibilities, the freeze limited us to 80 percent of authorized strength. For this reason, our anticipated levels of audit and investigative activity could not be met and our new Office of Loss Analysis and Prevention could not become adequately staffed. However, we recently have received some relief from the limitations of the freeze. With the increased staff hired pursuant to this relief, we should be able to significantly upgrade our efforts--particularly those of the Office of Loss Analysis and Prevention.

There is another side to the freeze. For, in a way, it can symbolize the very goals this Office was created to promote. It is a symbol of "belt-tightening", of trying to provide essential services with less, of looking for ways to enhance the efficiency and productivity of current programs. To this extent, the freeze has placed a premium on creative planning, new approaches and enlightened management. We have regarded this time as an investment in our future. I would like to take this opportunity to highlight some of these efforts.

In the investigative area, we have made much progress in developing ways to better target our investigative resources. Within our Office of Organized

Crime and Racketeering, mission and strategy papers have been developed for each field office. These documents analyze the organized crime and racketeering problem in the area, assess how OIG resources could be used to have the greatest impact and outline an investigative strategy for meeting operational objectives. In the program fraud area, the Office of Investigations has established a system for prioritizing case workload.

In both of these investigative programs, we have launched a specialized analytic training program which should result in better targeting of investigative resources and help insure that investigations are conducted with maximum efficiency.

In the audit area, our Office of Audit has moved ahead with a number of initiatives including the selection of audit targets based on risks, vulnerabilities and potential weaknesses, and the prospects for development of significant findings and recommendations that will improve financial and other operations. As part of the process, we have revitalized and increased our commitment to internal and special impact audits. To plan this effort, we are developing a two-year internal audit plan, and have intensified the allocation of resources to the internal audit effort. A comprehensive auditor training and professional development program geared to sharpening and broadening auditor skills has also been developed, and we have implemented a new grantee-procured audit strategy whereby grantees arrange for their audits, thus freeing OIG auditors for other audit activities.

In the loss prevention area, we established the Office of Loss Analysis and Prevention (OLAP) to provide us with the capability to analyze systemic vulnerabilities to fraud, waste and abuse and to design countermeasures to prevent or minimize loss occurrence/recurrence.

I am pleased to announce that during the latter part of this reporting period, we completed our senior staff recruitment with the appointment of Mr. Salvatore J. La Barbera as Director of the Office of Loss Analysis and Prevention.

Mr. La Barbera is uniquely qualified to lead this important new OIG Office and has had extensive experience directing asset protection programs and in related areas of internal security and fraud and criminal investigations.

Prior to coming to the Labor Department, he held numerous positions in New York City government including Director of Loss Analysis and Prevention in the Human Resources Administration, Director of Corruption Analysis and Prevention in the Department of Investigation and Chief of Project Review of the Mayor's Criminal Justice Council.

During this reporting period, a number of OLAP assignments have been substantially completed, including those conducted in the area of the Comprehensive Employment and Training Act, the Federal Employees' Compensation Act, and Black Lung. As I have previously indicated, I believe that OLAP is central to the mission of the OIG, and offers the Department a unique opportunity to reduce fraud and abuse in DOL programs by identifying and blocking loss opportunities. For this reason, I am particularly pleased and encouraged by the progress we have made in this area since our last report.

Two of our projects deserve special note. We have initiated and are leading a multi-Departmental project relating to the Federal Employees' Compensation Act Program. This is a pilot project in which we have developed a profile of a high risk claimant. By comparing the profile data with income-reporting sources, we will determine possible unreported income. The participating agencies will follow up with appropriate investigations. This project shows great promise. We are hopeful that this project will result in significant savings and programmatic recommendations. Participating agencies are enthusiastic. I should also mention the MSHA project, which is continuing. Preliminary findings of this project, which are discussed in the text of this report, are also significant.

In addition, the OIG has developed cooperative working relationships with all parts of the Department. I am pleased by all these efforts. In particular, I note the cooperation we have received in terms of obtaining relief

from the hiring freeze. Also of special note is the working relationship we have developed with the Employment and Training Administration (ETA). We recently signed a Memorandum of Understanding with ETA establishing the working relationship between ETA and OIG on investigative matters. A similar agreement in audit matters is in final draft. This will principally address issues arising from the issuance of audit reports and resolution of audit findings. I should add that while ETA is working hard to more promptly resolve audit findings, a huge backlog of unresolved findings remains.

On an OIG-wide basis, we have implemented a number of management improvements. The OIG task force on training has designed an employee orientation program, has coordinated the development of training profiles for all major OIG occupation categories and has initiated a program of individual development planning for all OIG employees. Also, we have established a system of quarterly management meetings which have been extremely effective in identifying problem areas, in designating planning initiatives and in achieving a collective sense of direction. We are working to streamline management and operating procedures, and to complete development of major policy issuances and establishment of an OIG directives system.

Additionally, our evaluation of OIG audit contracting procedures is nearly complete. Implementation of the recommendations of the evaluation will strengthen and improve the audit contracting procedure. Based on changes already implemented for one of our procurements, the cost savings to the OIG using revised scoring weights could be significant. Since most Federal agencies use the same scoring weights we previously used, I expect that our findings will have government-wide impact.

Thus, despite the hiring limitations, we have maintained a level of audit and investigative activities of which we can be proud, and have undertaken a number of important management initiatives. This Office's ability to make this progress is, I believe, a real tribute to all OIG employees. They have my sincere thanks and appreciation.

RONALD GOLDSTOCK
Acting Inspector General

CHAPTER I. PROGRAM AGENCIES AND DEPARTMENTAL MANAGEMENT

A. THE EMPLOYMENT AND TRAINING ADMINISTRATION

The Employment and Training Administration (ETA) constitutes by far the largest program agency within the Department of Labor in terms of funding. It receives over 90 percent of the Department's annual budget. ETA is responsible for formulating the Nation's employment and training policies, programs and systems. It is also responsible for administering the Nation's apprenticeship, work training, work experience, employment services, and unemployment insurance programs. In formulating and administering its programs, ETA gives special emphasis to the needs of the disadvantaged, unemployed and underemployed.

The largest of the employment and training programs administered by ETA are those authorized by the Comprehensive Employment and Training Act (CETA) and subsequent amendments to this Act. Under the Act, as amended, 473 prime sponsors, which are state and local governments, and combinations of local government units with populations of 100,000 or more, receive direct Federal grants. These prime sponsors use CETA grants to design and operate their own comprehensive work experience and training programs to meet local needs.

The prime sponsors operate the projects themselves, or contract with other groups to provide work experience or training services. Generally, states are responsible for programs in areas that are not served by local prime sponsors. In addition, ETA's Office of National Programs (ONP) provides funds to a wide range of public and private organizations with special capabilities to provide employment and training services. These ONP grants provide special Federal assistance to Native Americans, migrant and seasonal farmworkers, older workers, and others with particular job disadvantages.

Under CETA, economically disadvantaged persons who are unemployed or underemployed can obtain training, upgrading, retraining, education, public service

employment and other services to qualify them for jobs. During FY 1980, over 3.5 million persons were served under the various programs provided by CETA. Almost 400,000 individuals were employed in public service jobs under Title VI--a countercyclical program designed to provide temporary jobs for unemployed workers during periods of high unemployment. Approximately 1.6 million persons were also served last year under CETA Title II--which consists of programs designed to aid the structurally unemployed, many of whom lack necessary job skills, have inadequate education or who face other labor market barriers. These activities provide for on-the-job training and upgrading, classroom and skill training and work experience. Supportive services also are included such as transportation, child care and medical services.

CETA also serves disadvantaged youth--approximately 1.4 million in FY 1980 under five separate training and employment efforts. They are the Youth Incentive Entitlement Pilot Projects, the Youth Community Conservation and Improvement Projects, the Youth Employment and Training Programs, the Summer Youth Employment Program and the Job Corps. In addition, Title VIII of CETA provides for a Young Adult Conservation Corps, administered by the Departments of Agriculture and Interior.

Finally, in an effort to gain greater participation of the private sector in employment and training programs, a Private Sector Initiative Program (PSIP) has been established under Title VII. Private Industry Councils have been set up for most prime sponsors and in FY 1980 approximately 85,000 persons were served under this activity.

In cooperation with the Department of Health and Human Services, ETA also administers the Work Incentive (WIN) program which is designed to help recipients of Aid to Families with Dependent Children (AFDC) move from welfare to work. At the local level, responsibility for WIN operations is shared by the WIN sponsor (usually the public employment agency or Job Service) and the public welfare agency.

In conjunction with the affiliated State Employment Security Agencies (SESAs), ETA administers two kinds of Federal-State programs. Under the direction of the U.S. Employment Service, the State Employment Service Agencies (or Job Service) operate a network of over 3,000 local offices to assist employers in filling job vacancies and to serve persons in need of employment including those eligible for unemployment benefits. Unemployment compensation programs are administered through the U.S. Unemployment Insurance Service. The states have direct responsibility for operating UI programs and pay benefits out of funds collected through a payroll tax on employers. The Federal government establishes guidelines and pays administrative costs from funds collected under provisions of the Federal Unemployment Tax Act (FUTA). The largest single benefit program operated by the SESAs is UI which provides temporary income as partial compensation for involuntary job loss. Under other programs, benefits are also provided to persons who lose their jobs by reason of foreign imports or natural disasters.

Audit Effort Involving ETA Programs- State and Local CETA Program Audits

During this reporting period, the OIG issued 65 audit reports on state and local CETA programs. These audits took exception to \$47.2 million.^{1/} Unresolved subsponsor audit exceptions, insufficient documentation, reimbursement of participant wages in excess of the allowable rate and ineligible participants continue to be major problem areas. Many of the unresolved subsponsor audit exceptions resulted from ineligible participants or a lack of documentation required to support eligibility.

In an effort to help minimize these problems, the audit reports included corrective recommendations for each weakness noted. In addition, OIG has begun development of a two year plan for internal and special impact audits that will include broader review of specific problem areas in CETA operations.

OIG projects such as evaluation of the CETA eligibility determination and verification system are also being carried out by the Office of Loss Analysis and Prevention.

^{1/} Throughout this report, audit exceptions include both questioned costs and costs recommended for disallowance. Questioned costs are expenditures without sufficient documentary evidence to enable the auditor to make a conclusion as to allowability. Costs recommended for disallowance are expenditures which the auditor judges, based on available evidence, to be unauthorized under the terms of the grant.

A summary of the major reasons for audit exceptions is shown below:

<u>Audit Exception</u>	<u>Amount of Exceptions</u>	<u>No. of Reports With Exceptions</u>
Unresolved Subsponsor Audit Exceptions	\$ 8,492,317	41
Improper Allocation of Administrative Charges	870,759	14
Insufficient Documentation	14,543,170	31
Ineligible Participants	3,595,766	32
Reimbursement of Participant Wages in Excess of Allowable Rate	6,150,804	16
Reported Expenses in Excess of Recorded Expenditures	1,119,502	7
Nepotism	381,320	3
Budget Exceeded	2,093,524	8
Unallowable Indirect Costs	1,620,095	6
Unallowable Accrued Expenses	5,777,988	2
Unallowable Subcontractor Activities	522,054	4
Unallowable Charges for Fringe Benefits	487,589	1
Other	<u>1,558,975</u>	21
Total	\$47,213,863	

The illustrative examples presented below highlight significant findings and typical problem areas identified during the reporting period.

- One audit recommended disallowances of approximately \$7 million. In an initial determination sent to the grantee, ETA stated that approximately \$5 million would not be allowed under the regulations based on: excess

reimbursement of salary payments for public service employees, excess cash transfers, excess indirect costs, ineligible participants and subsponsor audit exceptions.

- In another report, the auditors recommended for disallowance approximately \$1.6 million because of differences between amounts reported to ETA as costs on the "Financial Status Reports" and amounts included in the grantee financial records, which could not be explained or documented by the sponsor's staff.

- In the audit of one major grantee, over \$6 million was recommended for disallowance. The major reason was that accruals of over \$5 million for wages and fringe benefits as of September 30, 1976 were not reversed in the subsequent period, beginning October 1, 1976. The grantee thus claimed and was reimbursed twice for the same costs.

- The auditors, in another report, stated that the grantee was six months behind in reconciling its cash balance for CETA to the city accounting system cash balance. Additionally, several subgrantees were not performing bank reconciliations.

- Follow-up Review of the Summer Youth Employment Program

During this reporting period, OIG initiated a follow-up review of the Summer Youth Employment Program (SYEP). This follow-up review was conducted at the Office of Youth Programs in the National Office and at 116 work sites of four prime sponsors located in Washington, D.C., Chicago, Denver and San Diego. Its purpose was to assess the actions taken by the Office of Youth Programs on OIG's recommendations made during the initial comprehensive SYEP review conducted in FY 1979 at 2,230 work sites. Specifically, in its follow-up OIG focused on:

- (1) the adequacy of comprehensive planning,
- (2) the adequacy of training provided to work site supervisors,
- (3) the currency and adequacy of work site agreements,
- (4) the adequacy of work site screening and supervision,
- (5) the utilization of standardized monitoring instruments,
- (6) the promptness and effectiveness of corrective actions, and
- (7) the eligibility of participants at the work sites.

The field work for this follow-up review was performed in August and a report is being prepared. The results of this review will be discussed in the subsequent Semiannual Report.

Cash Management Audit Review

The last Semiannual Report discussed the initial survey being performed to assess effectiveness of cash management practices within the CETA program. During this reporting period, OIG has expanded the scope and depth of its study, and as a result, the effort will not be completed for several months. OIG anticipates significant recommendations for improved CETA cash management.

- Native American Program Audits

During the reporting period, three Native American audit reports were issued which took exception to \$2.6 million. The major reasons for the exceptions are shown below.

<u>Audit Exception</u>	<u>Amount of Exceptions</u>	<u>No. of Reports With Exceptions</u>
Unallowable Contract Costs	\$1,189,161	3
Improper Contracting and Procurement	837,305	2
Ineligible Participants	245,554	3
Improper Allocation of Costs	209,325	1
Insufficient Documentation	110,472	3
Overbilled Costs	2,485	3
Misclassified Costs	<u>484</u>	1
Total	\$2,594,786	

- Migrant and Seasonal Farmworkers Program Audits

During the reporting period, ten audit reports were issued concerning Migrant and Seasonal Farmworker program grantees. These reports took exception to over \$6 million. The major reasons for the exceptions are shown below.

<u>Audit Exception</u>	<u>Amount of Exceptions</u>	<u>No. of Reports With Exceptions</u>
Improper Allocation of Costs	\$3,232,534	6
Unqualified Staff	746,188	2
Ineligible Participants	604,207	9
Insufficient Documentation	581,461	9
Improper Contracting and Procurement	426,607	4
Overbilled Costs	246,043	7
Unallowable Contract Costs	150,215	4
Misclassified Costs	23,470	2
Other	<u>12,643</u>	5
Total	\$6,023,368	

- Job Corps Program Audits

Eighteen Job Corps Center audit reports were issued during the reporting period which took exception to over \$5 million. The major reasons for the exceptions are shown below.

<u>Audit Exception</u>	<u>Amount of Exceptions</u>	<u>No. of Reports With Exceptions</u>
Bidding Procedures Not Followed	\$ 544,539	10
Lack of DOL Approval for Capital Improvements, Training Projects, etc.	808,279	14
Insufficient Documentation	1,724,133	12
Inadequate Staff Qualification	1,995,871	12
Inaccurate Accounting Records	33,850	2
Nepotism	42,328	2
Overpayments	<u>62,268</u>	8
Total	\$5,211,268	

Two problems, noted at most of the centers audited, together represent seventy-two percent of the audit exceptions. These two problems were that:

- instructors and counselors did not meet the minimum qualifications established in the contractor's proposal, or they had not obtained the proper certifications or licenses for their positions, as required by Federal regulations, and
- files maintained by the contract centers did not adequately document the allowability of costs. For example, there frequently were missing employment applications and other critical personnel documents, missing purchase invoices and receiving reports and undocumented bid procurements and purchases.

- Office of National Programs/Office of Policy Evaluation and Research
and Other National Program Audits

During the period, OIG issued 98 audit reports on a variety of National contracts and grants funded largely through either the Older American Act or CETA. This includes 21 reports that the HEW Audit Agency and Defense Contract Audit Agency (DCAA) provided to us.

The reports were issued to:

Office of National Programs	59
Office of Policy Evaluation and Research	20
-Office of Cost Determination (Indirect Cost Audits)	10
Other Federal Agencies ^{1/}	<u>9</u>
	98

Fifty-eight of these reports pertain to DOL-funded programs and contain audit exceptions that are summarized below according to major category of exception.

<u>Audit Exception</u>	<u>Amount of Exceptions</u>	<u>No. of Reports With Exceptions</u>
Ineligible Participants	\$ 265,221	8
Insufficient Documentation	6,725,451	44
Budget Exceeded	929,798	21
Improper Allocation of Administrative Charges	194,637	12
Overpayments	89,169	16
Other	<u>370,983</u>	19
Total	\$ 8,575,259	

^{1/} The reports issued to other Federal agencies were the result of audits of these agencies' funds at grantee locations where the majority of the funding was from the DOL.

One of the more significant reports questioned approximately \$1.4 million in a project that was operated through a series of more than 20 subcontractors. The subcontractors established many "businesses" or, as they were termed "Service Projects," for the purpose of providing supported jobs for groups of individuals with particular difficulty in obtaining jobs because of special employability problems.

The auditors could not issue an opinion on the financial statements and issued an adverse opinion on the internal accounting and administrative control procedures in use. The controls were particularly poor in some of the subcontractors and service projects, and no plan existed for the disposition of supported work businesses and capital assets purchased, at such time as the program is terminated.

- State Employment Security Agency Audits and Reviews

OIG issued six audit reports concerning SESAs during the reporting period. The reports took exception to over \$7 million. The major reasons for the exceptions are presented below.

<u>Audit Exception</u>	<u>Amount of Exceptions</u>	<u>No. of Reports With Exceptions</u>
Insufficient Documentation	\$ 3,996,731	3
Unresolved CETA Subsponsor Audit Exceptions	338,568	1
Unallowable Costs	2,343,258	4
Ledgers Not Properly Closed Out	212,424	1
Non-Federal Share Not Provided	113,713	1
Current Obligations Charged to Prior Year	31,700	1
Ineligible Participants	21,091	1
Inappropriate Training	<u>3,361</u>	1
Total	\$7,060,846	

Highlights of some of the more significant problem areas are presented below:

--In one case, auditors were unable to render an opinion on the reliability of one state agency's financial reports to the Employment and Training Administration. They pertained to Federal unemployment compensation and CETA wage and allowance payments. Accurate lists of outstanding checks could not be prepared by the agency--which was carrying differences totaling \$613,420 in its reconciliation work papers. Also, excess Federal cash held by the state agency resulted in computed interest lost to the Federal government of more than \$60 thousand over a seven-month period. In addition, the state agency lacked procedures to ensure that data entering the cost accounting system are complete, accurate, fully documented, and reconcilable with external sources. Finally, the state agency--as the CETA balance of state prime sponsor--failed to perform audits of about 125 subsponsors which had costs of over \$100,000 a year.

--A second report disclosed that cash balances had not been reconciled between the employment service and the central organization, that numerous errors were made in recording letter of credit and miscellaneous receipts in the general ledger and in many individual fund ledgers, and that monthly reconciliations were not made between the time distribution subsystem--which generated cost data--and the actual payroll.

--In another SESA, the financial system was not centralized for maximum control, required Federal financial statements had not been prepared, and documentation for benefits and allowances costs for a 19-month period had been destroyed prior to the expiration of the required three-year retention period.

--After a limited-scope review in another state agency, we reported on (1) the use of holding ledgers to temporarily transfer and account for CETA subgrant expenditures which were in excess of amounts in budgets, (2) contracts awarded to the agency by various CETA prime sponsors made after the designated contract period, (3) duplicative costs charged indirectly through the cost accounting system to the wrong fund ledger, and (4) charges for items not allowed by regulations or contract specifications.

As reported in the last Semiannual Report, there have been large gaps in audit coverage of programs operated by State Employment Security Agencies (SESAs). This lack of audit coverage was especially evident during this reporting period. In some instances, the six reports which were issued reflected limited scope reviews. Thus, even in some of the six state agencies reviewed, significant gaps in audit coverage remain.

We previously reported that one avenue for alleviating these audit coverage weaknesses would be the increased use of grantee-procured audits by SESAs and the provision of necessary funding to SESAs to undertake such audit activities. The Employment and Training Administration (ETA) has obtained Departmental approval, and is seeking OMB approval, for \$6 million in its FY 1982 budget request to be allocated to some of the 54 SESAs in order to pay for SESA-procured audits. Approval would be consistent with OMB Circular A-102, Attachment P, which requires that grantees be audited at least every two years.

An area of continuing interest to the OIG in the UI programs is benefit payment control, which refers to the systems used by the SESAs to detect overpayments of unemployment benefits. The issue was discussed in this Office's last Semiannual Report. An interim report for the National Commission on Unemployment Compensation (NCUC), "Estimating Overpayments and Improper Payments in the Unemployment Insurance Program," is being prepared. The purpose of this study is to estimate the rates and amounts of overpayments and improper payments in the unemployment insurance program in selected cities. The study was conducted in seven cities in six different states based on a sample of unemployment compensation payments, during the period October 1, 1979 through March 30, 1980.

One major limitation to the NCUC study is that information related to overpayments in any individual city is held in strict confidence which makes the study somewhat less valuable to us in identifying specific problem areas in those respective cities. In addition, the cities selected for analysis were not randomly selected from a nationwide sample of UI jurisdictions. Thus, the findings of the study are valid only for the six project cities. Much more needs to be done to develop a valid nationwide estimate of overpayments. However, the preliminary findings of this study will probably generate concern and serve to emphasize the serious vulnerabilities, especially given the current gaps in external audit coverage of SESAs.

- OIG/ETA Audit Resolution Activities

The need for prompt and careful resolution of audit findings is a major issue which has been raised frequently by GAO, the Congress, OMB and the Department of Labor. The need to seek improvements in this critical area has recently been highlighted in the report of the Department's Audit Review Committee, and in OMB's issuance of revisions to Circular A-73 concerning audit follow-up. Both of these documents stress the importance of resolving audit recommendations expeditiously, of developing systems that will track audit resolution progress, of establishing procedures for settling internal differences on corrective action needed, and of undertaking periodic evaluations of the agency's audit follow-up system.

We, in the OIG, continue to be concerned about the high level of unresolved audit reports. A comparison of audit resolution statistics included in the appendices of this report, with similar data in previous reports, demonstrates progress in some areas. However, the overall dollar total of unresolved audit findings continues to climb. As of September 30, 1980, there were over 987 audit reports with dollar findings of \$283 million awaiting resolution. About \$185 million has been outstanding over one year.

ETA and OIG established a special task group to address audit resolution problems and other other matters of mutual concern. Draft procedures have been developed concerning both issuance and resolution of audit reports. These should be finalized shortly. Once implemented, these procedures should facilitate audit resolution. But in themselves, revised procedures will not be successful in reducing the backlog. Rather, ETA management must establish a timetable for the resolution of open audit reports. Such a timetable would be consistent with the language contained in Section 305 of the Supplemental Appropriations Act of 1980, dated July 8, 1980, requiring all pending unresolved audits of appropriations covered by the Act to be resolved by September 30, 1981. Additionally, any new questioned costs are to be resolved within six months after issuance of the audit report.

Investigative Effort Involving ETA Programs

The mission of the Office of Investigations is to administer an independent and objective investigative program in the Department covering internal, contract and grant activity with the objective of preventing, detecting, and serving as a deterrent to criminal activity, program fraud and abuse. In carrying out this mission, the majority of resources within the Office of Investigations is allocated to investigating allegations of fraud and abuse within ETA programs, particularly programs funded under CETA. A much smaller portion of the investigative resources allocated to ETA programs is devoted to investigating allegations of false placement statistics by state employment security offices.

During the period April 1, 1980 to September 30, 1980, this Office opened 110 investigative cases involving ETA programs, and closed 167 cases. During this period, we referred to the U.S. Attorney for criminal prosecution 47 cases involving CETA and other employment and training related violations. Between April 1 and September 30, 1980, ETA related investigations have resulted in 13 indictments and 11 convictions. The balance of the cases referred to the U.S. Attorney are either pending further action or prosecution has been declined. When cases are declined by the U.S. Attorneys, they are either referred to state or local authorities for their prosecution or to program officials for administrative action. Administrative action is taken when cases are prosecuted, since the purpose of the Inspector General Act is not only to prevent fraud and abuse but also to promote economy and efficiency. Tables showing a breakdown, by region, of the current status of cases referred to U.S. Attorneys during the reporting period are in the appendix.

Monetary results due to investigative activities amounted to \$49,795 in recoveries, \$359,232 in savings, \$12,000 in fines and \$262,925 in claims.^{1/} The following table shows a breakdown of these data by region.

^{1/} Fines are the sums of money imposed as a penalty upon defendants after an administrative hearing, civil suit, or criminal prosecution; recoveries include the restoration, restitution, or recovery of money or property of known value that was lost through a crime, mismanagement, etc; collections are the receipt of payments of an indemnity to end a civil transaction, suit or proceeding; savings are the prevention of dollar value losses to the Government; claims are the dollar value of indemnities which have been administratively determined by a DOL agency. For example, if a state loses \$10,000 in CETA property, and an OIG investigation determines that the loss was attributable to negligence, the DOL program agency administratively estimates a claim against the state for \$10,000.

EMPLOYMENT AND TRAINING ADMINISTRATION-RELATED INVESTIGATIONS

REGION	REGION INV. OFFICE	CASES		RECOVERIES	MONETARY SUMMARY			
		OPENED	CLOSED		SAVINGS	COLLECTIONS	FINES	CLAIMS
I	Boston	5	5	\$ 19,324	-	-	-	\$ 7,000
II	New York	10	1	-	-	-	-	-
III	Philadelphia	5	90	1,377	-	\$2,000	-	7,192
IV	Atlanta	13	7	-	-	-	-	-
V	Chicago	15	11	3,037	-	-	-	3,505
VI	Dallas	12	18	7,528	-	-	-	-
VII	Kansas City	11	13	-	\$ 67,805	-	10,000	124,400
VIII	Denver	2	4	7,329	-	-	-	-
IX	San Francisco	9	3	11,200	-	-	-	-
X	Seattle	<u>28</u>	<u>15</u>	<u> </u>	<u>291,427</u>	<u> </u>	<u> </u>	<u>120,829</u>
	TOTAL	110	167	\$ 49,795	\$ 359,232	-	\$ 12,000	\$262,926

The more significant convictions and indictments during the period April 1, 1980 to September 30, 1980 involving ETA Programs are described below.

-- In Houston, Texas, a Federal Grand Jury indicted the Executive Director, the Comptroller and a supervisor of a well-known organization for the misuse of CETA funds. The Executive Director was indicted on six counts of false statements and misapplication of CETA funds, while the Comptroller was indicted on two counts of misapplication of CETA funds. The third individual was indicted for perjury.

Both the Executive Director and the Comptroller of this organization were previously indicted for falsifying time sheets and threatening CETA-paid workers with losing their jobs or losing other benefits if they did not engage in political activities. After a five day trial, the Comptroller was convicted of submitting false statements. The other two individuals are still awaiting trial.

-- A Kansas City, Missouri business owner, who was a CETA subcontractor, was convicted of one count of misapplication of CETA funds and seven counts of filing false statements. This individual had a CETA subcontract to operate a combined Classroom Training/On-The-Job Training Program in machine operations. Part of this individual's scheme was to bill the prime sponsor for non-existent instructors and false machine rental time. Additionally, CETA participants were being used to make products which were then sold for the benefit of the company.

-- In Dallas, Texas, an illegal alien was arrested and charged with obtaining a visa by fraud. This individual also used false and fraudulent documents to obtain a Department of Labor Certificate for Alien Employment.

The U.S. Attorney's Office moved to dismiss this charge based on an agreement with the Immigration and Naturalization Service to undertake deportation action. This is the first case of this type investigated by OIG.

-- A Boston, Massachusetts CETA Counselor was sentenced to one year imprisonment with the first three months to be served and the remainder of the sentence suspended. This individual was also placed on two years probation and ordered to make restitution in the amount of \$9,063. This individual had been indicted on 47 counts of embezzlement of CETA funds and later had pleaded guilty to ten counts of embezzlement. The investigation disclosed that, during the period July 24, 1978 through August 24, 1979, 126 CETA participant checks had been converted to this individual's personal use. By manipulating time and attendance records and forging signatures on payroll registers, former students and non-working students were carried on the rolls. Since this person also had charge of distributing payroll checks, he was able to forge endorsements and cash the checks. This case again illustrates the vulnerability of CETA funds when proper payroll controls are not established and followed.

-- A former Dallas County CETA Coordinator pleaded guilty to one count of a nine count indictment charging misapplication of CETA funds. This individual had falsified CETA intake forms for ineligible applicants in return for payments. It is estimated that this individual had received at least \$800 per month in kickbacks for the past three years. In a related case, another former CETA Coordinator for Dallas County was sentenced to 90 days in jail and 15 months probation after he had pleaded guilty to one count of filing a false statement. This individual had previously been indicted on nine counts of misapplication of CETA funds.

-- A former Executive Director of a non profit organization, which was a delivery agent for the City and County of Dallas, Texas, pleaded guilty to four counts of misapplication of CETA funds. This individual has admitted to over \$50,000 in fraud on this contract.

-- In Dallas, Texas, the former President and Director of a CETA subgrantee was sentenced to five years in prison and a \$5,000 fine. The sentence was reduced to six months in prison and 54 months probation. This individual has previously waived indictment and pleaded guilty to a one count information which charged the theft of Government funds.

This conviction was the result of an OIG investigation into allegations of political corruption by County and Federal Officials. The case involved hundreds of thousands of dollars of Federal funds and included funds from HUD, HEW, DOL, USDA, CSA, and the State of Texas. This case is a good example of the need for a unified audit approach to safeguard Federal and State funds in CETA prime sponsors and their subgrantees.

-- Three individuals pleaded guilty in Federal court at Hartford, Connecticut, to one count violations of misapplication of CETA funds. They had previously been charged in a multi-count indictment with misapplication of CETA funds, false statements and conspiracy. They had conspired to issue fraudulent checks to CETA participants which were then forged and deposited to a personal business account. At least \$35,875 was converted to their own use.

These convictions are only the initial results of a joint investigation which is expected to produce additional results. The case is significant in that it resulted in the breakup of a government contractor, who had received several million dollars in contracts, and who was defrauding a number of CETA prime sponsors.

-- The former Property and Procurement Officer for the CETA program in Atlanta, Georgia, was sentenced to five years in prison on each of three counts, to be served concurrently. This individual had previously been indicted on 26 criminal counts which included conspiracy, false statements and extortion and had pleaded guilty to three of these counts.

- OIG/ETA Memorandum of Understanding

In order to enhance coordination between OIG and ETA, a work group consisting of representatives from the Office of Investigations and from ETA was established. The work group has had several meetings to establish uniform policies and procedures which would be of mutual benefit to both agencies. Some of the areas covered included reporting and investigating allegations received through ETA Incident Reports; providing feedback to ETA requests for investigations and OI referrals for administrative action; coordinating matters of mutual concern, such as training or handling of GAO Hotline Summaries; and the handling of OIG requests from ETA for information, assistance and program expertise.

A Memorandum of Understanding between OIG and ETA has recently been signed. Implementation of this agreement will improve and consolidate an already well-established working relationship between the agencies.

Loss Analysis and Prevention Effort Involving ETA Programs

- Evaluation of the CETA Eligibility Determination and Verification Programs

The Office of Loss Analysis and Prevention (OLAP) has nearly completed the task of evaluating a number of CETA eligibility determination and verification systems, and developing recommendations for program improvement. This analysis is in response to a general belief that, with respect to abuse, error and inefficiency in the eligibility determination process of some CETA grantees, systemic and administrative weaknesses are often significant causal factors. Thus, OLAP's efforts have been directed towards evaluating and improving eligibility determination systems and problem areas within those systems.

- Review of Migrant Farmworker Housing Conditions

The Office of Loss Analysis and Prevention, at the request of the Under Secretary's Office, conducted a review of migrant farmworker housing conditions in selected areas of Virginia, Maryland, and North Carolina. A total of 72 migrant camps were inspected in order to assess the degree of effectiveness of present DOL regulatory operations.

Although not part of the original scope of the review, OLAP noted a number of supplementary observations relating to interagency coordination, operating procedures, and migrant employer perceptions which may have an impact on the overall inspection effort.

The findings and recommendations contained in the report have been provided to the Under Secretary's Office.

In response to the OLAP report, the Employment and Training Administration, with assistance from the Occupational Safety and Health Administration, is conducting an in-depth review of those sites identified as having significant problems.

B. THE EMPLOYMENT STANDARDS ADMINISTRATION

The Employment Standards Administration (ESA) through its three components--the Office of Workers' Compensation Programs, the Office of Federal Contract Compliance Programs and the Wage and Hour Division--administer laws and regulations that establish employment standards, provide workers' compensation to those injured on their jobs and require Federal contractors and subcontractors to provide equal employment opportunity.

The Office of Workers' Compensation Program (OWCP) administers the Federal Employees' Compensation Act, providing compensation benefits for Federal employees and certain other groups who suffer job-related injuries, diseases and deaths. Amendments have brought still other groups of workers under the Act, such as members of the Peace Corps and Vista Volunteers.

OWCP also administers the Longshoremen's and Harbor Workers' Compensation Act, covering all maritime workers injured or killed upon navigable waters of the U.S., as well as employees working on adjoining piers, docks and terminals. A number of other groups are included through extension of the Act.

Black Lung benefits under the Black Lung Benefits Act are also administered by OWCP. The Act provides monthly payments and medical treatment to coal miners totally disabled from pneumoconiosis (black lung) arising from their employment in the Nation's coal mines. Additionally, the Act also provides for monthly payments to the miners' surviving dependents.

The Office of Federal Contract Compliance Programs (OFCCP) was established in 1965 to administer Executive Order 11246. Under the Executive Order and two laws, minorities, women, members of religious and ethnic groups, handicapped persons and veterans are protected from job discrimination.

Government contractors are also required to take affirmative action to hire and promote members of protected groups. In 1978, the Executive Order was

further amended to consolidate all its operational enforcement activities in the Department of Labor.

The Wage and Hour Division was established in 1938 to administer the landmark Fair Labor Standards Act (FLSA) which includes minimum wage, overtime pay, record-keeping and child labor provisions. Since 1938, the Wage and Hour Division's responsibility has grown to include other laws and regulations protecting workers against unfair employment practices.

These include the wage garnishment provisions of the Consumer Credit Protection Act; the Service Contract, Public Contracts and Davis-Bacon Acts, which require that prevailing wages be paid on government contract work; and the Farm Labor Contractor Registration Act, which requires that farm labor contractors and others observe certain rules in the employment of migrant workers, including registration with the Department of Labor before contracting begins.

Investigative Effort Involving ESA Programs

During the period April 1, 1980 to September 30, 1980 this Office opened 71 cases and closed 82 cases concerning ESA/workers' compensation violations. Monetary results during this period, due to investigative activities amounted to \$94,886 in recoveries, \$1,790,568 in savings, \$77,503 in claims and \$500 in fines.^{1/} The table on the following page shows a breakdown of these data by the region:

^{1/} Recoveries include the restoration, restitution, or recovery of money or property of known value that was lost through a crime, mismanagement, etc.; collections are the receipt of payments of an indemnity to end a civil transaction, suit or proceeding; savings are the prevention of dollar value losses to the Government; claims, are the dollar value of indemnities which have been administratively determined by ESA; fines are the sums of money imposed as a penalty upon defendants after an administrative hearing, civil suit or criminal prosecution.

EMPLOYMENT STANDARDS ADMINISTRATION-RELATED INVESTIGATIONS

REGION	REGION INV. OFFICE	CASES OPENED	CASES CLOSED	MONETARY SUMMARY				
				RECOVERIES	SAVINGS	COLLECTIONS	FINES	CLAIMS
I	Boston	3	-	-	-	-	-	-
II	New York	-	1	-	-	-	-	-
III	Philadelphia	10	39	\$ 22,300	-	-	-	\$ 52,005
IV	Atlanta	12	6	57,801	\$632,736	-	-	-
V	Chicago	9	7	-	-	-	-	-
VI	Dallas	11	5	-	-	-	-	-
VII	Kansas City	1	12	4,450	624,000	-	-	-
VIII	Denver	8	1	-	-	-	-	-
IX	San Francisco	9	2	-	-	-	-	-
X	Seattle	<u>8</u>	<u>9</u>	<u>10,335</u>	<u>533,832</u>	-	<u>\$500</u>	<u>25,498</u>
	TOTAL	71	82	\$94,886	\$1,790,568	-	\$500	\$77,503

During this reporting period, OIG referred to the U.S. Attorney for criminal prosecution 14 cases involving workers' compensation-related violations. These cases and others previously referred resulted in seven indictments and five convictions. The remaining cases either are pending further action or have been declined for prosecution. When prosecution has been declined, the cases are referred to program officials for administrative action. Tables showing a regional breakdown of referrals, indictments, convictions and declinations are in the appendix.

Some of the highlights of the indictments and convictions obtained as a result of ESA-related investigations are shown below.

-- An Unemployment Insurance Claims Fraud Investigator for the State of New Mexico was sentenced to three years in prison and fined \$4,000 after pleading guilty to filing false claims and statements to obtain temporary workers' disability compensation. Civil suit is being brought to recover \$56,755 in disability benefit payments fraudulently obtained by this employee.

-- A former FAA Air Traffic Controller was indicted in Denver, Colorado, on two counts for providing false statements in connection with his claim for workers' disability compensation. Our investigation determined that he failed to report earnings from employment as required. During a 12-month period, the defendant received \$43,500 in compensation for temporary disability.

-- A former contractor/employee pleaded guilty in Seattle, Washington, to filing a false claim under the Longshoreman's and Harbor Workers' Compensation Act. Our investigation determined that he was fully employed while collecting disability payments. The defendant was sentenced to six months and fined \$500. The sentence was reduced to 30 days plus three years probation on the condition that he pay the fine.

-- A former Department of the Army employee pleaded guilty in Atlanta, Georgia, to filing a false statement in connection with his receipt of disability compensation. Our investigation determined that he concealed the fact that he was employed while collecting disability benefits. The defendant was placed on five years of probation and ordered to make restitution in the amount of \$22,768.

-- A former TVA employee pleaded guilty in Atlanta, Georgia, to an indictment charging him with filing a false statement to obtain disability compensation benefits. Our investigation determined that the employee failed to report earnings from employment while collecting benefit payments. The defendant was sentenced to five years of probation and ordered to make restitution in the amount of \$35,033.

- FECA Forms Revision Project

A joint Office of the Inspector General/Office of Workers' Compensation Programs (OIG/OWCP) task force was established to review all forms used by claimants to apply for and receive benefits under the Federal Employees' Compensation Act (FECA), because complaints from the field had indicated that many forms were inadequate. Specifically, the forms were criticized because they requested such general information that claims filed for work-related injuries could not be properly processed, were so ambiguously worded that they permitted ineligible claimants to receive benefits, permitted claimants who had sufficiently recovered from their injuries to remain on the compensation rolls rather than return to work, and permitted claimants to falsify or conceal employment information in order to fraudulently continue to receive benefits.

As a result of the efforts of the joint OIG/OWCP task force, the following task force recommendations were implemented during this reporting period:

1. Two forms were revised and are being sent to all FECA beneficiaries by OWCP District Offices.
 - a. Form CA-1049 is issued in duplicate to claimants when they are first placed on the benefit rolls. The form advises individuals of the amount of money they are to receive and of their responsibility to seek employment when sufficiently recovered to do so. The form also specifically instructs claimants to report any employment or earnings from any source to the servicing OWCP Office immediately, in order to prevent overpayment. The CA-1049 was revised to include basic payment computation information and to have the claimant sign and return a copy of the form, thereby documenting the claimant's understanding and acceptance of the conditions under which compensation may be received.
 - b. Form CA-1032 is routinely issued once a year by OWCP to all FECA benefit recipients who are on the automatic payment rolls. The form requests that the claimant notify OWCP of any employment and pay/earnings and any change in address or of the status of any dependent claimed that might affect the amount of the benefits received. Revisions to the CA-1032 include a clarification regarding self employment, a correction to the penalty notice and expansion of the certification statement.
2. A new form CA-838 (Notice to Recipients of Disability Compensation), was devised to remind claimants, on a more frequent basis than that provided by forms CA-1049 and CA-1032, to seek employment upon recovery and to report any employment or earnings. This form will be released semi-annually with the third and ninth periodic disability compensation roll check that is issued each payroll year.

The OIG will continue to meet at regular intervals with OWCP to discuss any problems with OWCP forms being used to establish claims or receive benefits.

- FECA Investigative Project

The Office of Investigations has been involved in an ongoing investigative project aimed at disclosing federal employees receiving benefits from the Office of Workers' Compensation Programs (OWCP) under the Federal Employees' Compensation Act (FECA), while simultaneously receiving other undisclosed earnings.

This investigative project is a joint effort involving the Postal Inspection Service, U.S. Air Force Office of Special Investigations, Naval Investigative Service, OIG/Health and Human Services, OIG/Department of Transportation, OIG/Veterans Administration and OIG/Department of Agriculture. As the lead agency for the project, we have developed a profile of a high-risk claimant which meets investigative requirements and which is based on the length of time the claimant is on the periodic rolls, age limits, pay location, type of injury and minimum amount of yearly benefits received. A comparison of this profile with records available to the OIG/DOL has thus far disclosed a significant number of FECA claimants who have reported earnings for unemployment insurance purposes.

An analysis of selected OWCP/FECA claimant case records will be conducted by the participating agencies who will then be responsible for the field investigations pertaining to their employees. This review will also assist OIG/DOL and the participating agencies in identifying any procedural deficiencies, either at DOL or within the agencies' injury compensation units.

Loss Analysis and Prevention Effort Involving ESA Programs- District Office 25 Review

At the request of ESA management, the Office of Loss Analysis and Prevention (OLAP) initiated a survey of the Division of Federal Employees' Compensation (DFEC) bill payment operations at District Office 25 in Washington, D.C.

The review involved evaluating the systemic weaknesses which recently resulted in a substantial loss of funds through embezzlement at the District Office; proposing measures to preclude recurrence; and performing a preliminary security survey to identify other potential areas of vulnerability in the bill payment operations of the Office, including suggesting possible counteractions. The scope of the study covered various aspects of the bill payment system including bill processing, bill examination, data entry preparation, data entry and transmission, automated system jobs and processes, and payment reconciliation and audit control.

Results of the analysis revealed a number of significant weaknesses in data security, computer security, bill payment processes and bill payment controls. A number of the weaknesses identified involved:

1. Computer and terminal security relating to risk analysis, access control, physical surveillance, logging procedures, supervisory oversight, rotation of terminal operators, physical and organizational location of terminals, and key issuance and control.
2. Bill-payment processing and control relating to logging of bills; document control; document integrity; payment-clerk conformance with accepted condition, medical report, markup, pay authorization and by-pass utilization review requirements; monitoring of conformance with requirements; password security; provider/claimant profiles; and availability of data-entry functions to payment clerks.

During the conduct of the analysis, DFEC management proposed revisions to bill payment procedures. In addition, District Office 25 management initiated a number of control enhancements. OLAP believes that the controls which have been implemented, as well as those which are pending approval, should adequately address a number of identified vulnerabilities.

However, based on a threat-risk analysis conducted by OLAP, a number of penetration profiles were developed, relating to methods by which system controls could still be defeated. The profiles were then analyzed, opportunity-blocking or event detection countermeasures designed, and recommendations proposed for DFEC evaluation. These recommendations related to the need to:

1. conduct a validity determination against the Employer Identification Number/Social Security Number Master Index file;
2. verify claimants' Federal status;
3. have the capability to effect computerized claimant and provider utilization surveillance;
4. maintain a file of claimant and provider signatures; and
5. supply a service utilization statement to claimants and providers.

The report also observed that:

1. at the time of the review there was no reason to believe that the recent loss event was indicative of more pervasive fraud and abuse activity in District Office 25 operations;
2. there appeared to be a significant lack of loss prevention awareness among District Office operating personnel;

3. there was substantial need for security orientation and training;
4. the management of the District Office appears to be resolved to deal with asset protection issues and take appropriate corrective action;
and
5. the overall loss prevention posture of District Office operations should continue to improve significantly.

- Black Lung Program Review

The Office of Loss Analysis and Prevention has recently undertaken a review of the Black Lung medical and benefit payment activities to determine the potential for loss through fraud and abuse in the following major program areas:

1. payment of diagnostic bills,
2. payment of treatment bills,
3. computation of benefit payments, and
4. payment of lump sum and regular monthly benefits.

A number of problem areas and system vulnerabilities have been identified and corrective measures have been designed. The report containing the findings and recommendations is currently in draft form, and will be forwarded to management upon completion. The results of this study will be discussed in detail in the next Semiannual Report.

C. THE MINE SAFETY AND HEALTH ADMINISTRATION

The Federal Mine Safety and Health Amendments Act, which was signed into law in 1977, brought all mines in the U.S.--more than 20,000 underground and surface, coal and non-coal facilities--under a single safety and health program. It is the first single safety and health measure to cover all of the nation's 500,000 miners. On March 9, 1978, responsibility for administering and enforcing mine safety and health was transferred from the U.S. Department of Interior to the U.S. Department of Labor. The Act created a new Mine Safety and Health Administration (MSHA) headed by an Assistant Secretary of Labor.

Approximately 2,000 MSHA inspectors are required to make four inspections of each underground mine and two inspections of each surface mine annually to determine mine operator compliance with Federal health and safety regulations. Should an inspector find a condition or practice that poses an immediate threat to miners, the affected area of the mine is to be ordered closed until the condition is corrected. There are various civil and criminal penalties for violations.

OIG's Special MSHA Task Force

In November, 1979, a comprehensive review of select program areas within MSHA was undertaken. The project incorporates both investigative and audit expertise. The overall purposes of the project are to develop guidelines for (1) reviewing the established procedures for administering and enforcing the Mine Safety and Health Act and (2) conducting proactive investigations into the Coal Mine Safety and Health and Metal/Nonmetal Mine Safety and Health Divisions of MSHA.

Of primary concern to the OIG are problems which impact adversely upon the health and safety of miners. The significance of the health and safety problem is underscored in a report of the President's Commission on Coal, entitled "Recommendations and Summary Findings," released March 3, 1980. The report comments that, in 1979, there were 144 fatalities and more than 18,000 disabling injuries resulting from the mining of more than 750 million tons of coal. Continuation of current accident rates in surface and underground mining would result in an expected 200 fatalities and more than 25,000 disabling injuries in 1985, when production is estimated to be above one billion tons per year.^{1/}

To improve safety and reduce the number of fatalities and disabling injuries, the Commission recommended that the Mine Safety and Health Administration (MSHA) increase its inspections and enforcement activities in those mines identified by the Commission as having accident and fatality rates consistently and substantially above the National averages.

The OIG Task Force is giving major emphasis to MSHA's inspection function including the identification of patterns of criminal activity or mismanagement. The health and safety of miners are impacted by the quality of MSHA accident investigations and the activities performed by the Office of Technical Support (OTS). Programs administered by OTS include ground control, roof control, dust control and other surveys, and laboratory analysis of air mixtures, including CH₄ or methane gas, (which is the leading cause of mine explosions). OTS is also responsible for the testing, approval, and post audit of mine safety products. The procedures employed by MSHA in the approval and certification

^{1/} President's Commission on Coal: Report on Recommendations and Summary Findings, March 3, 1980, page 12.

of mine safety products and the effectiveness of MSHA's Quality Assurance Programs are currently being examined by the Task Force. A review of inspections and special investigations in selected offices within the Coal, Metal and Nonmetal MSHA districts will also be accomplished.

In all of these areas, the Task Force will vigorously investigate, and where warranted, refer cases to the Department of Justice for prosecution. To support the OIG/MSHA Task Force Project, assistance has been requested from the Department of Justice, through various U.S. Attorneys' Offices. Referrals for administrative action and program reforms will also be made to the Assistant Secretary for MSHA.

Additional areas of concern to the OIG are potential abuses and mismanagement by MSHA within the assessment and procurement areas. In-depth audits and investigations of the assessment process and procedures for awarding and monitoring contracts will be initiated by the MSHA Task Force within the first two quarters of FY 1981.

In December 1979, the Task Force began a review of MSHA procurement practices for FY 1978 to determine whether selected items purchased from a single MSHA supplier, in this case a manufacturer of mine safety products, could have been purchased at a lower cost from alternate suppliers. As a result of this analysis, the task force believes that substantial savings may have been possible. This matter will be discussed in the immediate future with MSHA management.

- Investigative Effort Involving MSHA

Among the highlights of OIG's investigative activity relating to MSHA was the indictment on June 13, 1980, on bribery charges, of a Federal Coal Mine Inspector assigned to the Monroeville MSHA Sub-district Office. The Inspector was responsible for inspecting surface mines within the Westmoreland County, Pennsylvania, area.

This indictment resulted from a joint investigative effort by the Federal Bureau of Investigation, OIG Special Agents from the Philadelphia Region, and a Grand Jury Investigation directed by the U.S. Attorney's Office in Pittsburgh, Pennsylvania. The Inspector resigned his position with MSHA, and was subsequently convicted of bribery in a Federal District Court.

D. THE OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

The Occupational Safety and Health Administration (OSHA) is responsible for administering and enforcing the Occupational Safety and Health Act of 1970. This Act requires employers to provide their employees with safe and healthful working conditions, and directs the Secretary of Labor to set and enforce occupational safety and health standards for five million business establishments employing more than 63 million workers. The Act also authorizes the individual states to set and enforce their own occupational safety and health standards under state plans approved by the Secretary. Fifty percent matching grants are provided to assist states in administering approved state job safety and health programs. The law gives the Department of Labor the right to make inspections without notice at any reasonable time, either acting on its own or at the request of employees or authorized representatives. If an inspector finds an alleged violation, DOL will issue a citation and a date for correcting the violation, which will become final unless contested. There are various civil and criminal penalties for violations.

OIG Audit Effort Involving OSHA

During the reporting period, five audit reports were issued on OSHA grants, which took exception to over \$39,000. The major reasons for the exceptions are shown below.

<u>Audit Exception</u>	<u>Amount of Exceptions</u>	<u>No. of Reports with Exceptions</u>
Excessive Program Expenditures Reported	\$ 7,561	1
Unallowable Costs	824	2
Travel Advance Incorrectly Charged	978	1
Salary Improperly Charged	<u>30,052</u>	1
TOTAL	\$ 39,415	

In addition to the dollar exceptions above, two reports indicated that--for periods up to two years--the state agency responsible for the OSHA program held over \$63,000 in Federal cash in excess of the needs of the state programs. These excess cash balances resulted in computed interest loss on potential investments of about \$11,300.

Investigative Effort Involving OSHA

Within the OIG Office of Investigations, the Director of MSHA/OSHA investigations assumed official duties on July 28, 1980. Since that time, procedures have been established to review preliminary investigative reports and other data concerning OSHA to determine if there are patterns of fraud, abuse or integrity related offenses which would warrant initiation of a National project similar to that underway in MSHA. Potential projects currently under consideration by the OIG include a review of the assessment, compliance and inspection procedures. Consultation with OSHA staff involved in compliance and enforcement will be an ongoing process.

E. DEPARTMENTAL MANAGEMENT

Departmental Management includes those agencies or areas of the Department that provide policy direction or technical and administrative assistance to the programs administered by the Department. It includes a number of major organizations such as Office of the Secretary, Office of the Solicitor, the International Labor Affairs Bureau, the Office of the Assistant Secretary for Administration and Management, the Women's Bureau and a number of adjudication and other organizations. This section also includes activities that affect or involve several DOL agencies and are, therefore, most appropriately discussed here.

During this reporting period, OIG was involved in one such review dealing with potential vulnerabilities in the administration of the employee flexitime system.

Loss Prevention Effort Involving Departmental Management

- Flexitime Recordkeeping Procedures Study

The Department has recently initiated experiments in the use of flexitime (flexible work schedules) for a portion of its employees. Additionally, a recently negotiated contract between DOL management and the employee union representing National Office staff has committed the Department to greatly expanding employee participation in a flexitime program. Therefore, in view of its potentially widespread implementation, and in response to a request from top management in the Department, OLAP conducted a review of flexitime to suggest appropriate methods of timekeeping that would satisfy management information needs.

In its report, OLAP recommended establishment of a daily log in each unit where employees would sign in, and record in chronological order, the time of their arrival and departure. Additionally, OLAP recommended that employees maintain a personal weekly or bi-weekly time sheet which would serve as the

basis for timekeeper action upon certification by the supervisor. Implementation of these two recommendations would maintain supervisory accountability as well as provide a basis for adequate payroll auditing and related monitoring activities.

CHAPTER II ORGANIZED CRIME AND RACKETEERING

The primary emphasis of the Office of Organized Crime and Racketeering (OOCR) is to concentrate its resources on the areas where the greatest potential exists to have an impact on syndicate-infiltrated labor unions. Each of the 14 OOCR Field Offices has finalized an updated mission statement and implemented strategies designed to affect the existence of organized crime control or influence of labor unions. Through this planned method of investigation, limited resources are being allocated through the rational selection of investigative projects. Also, the investigative team concept is being initiated and is enabling OOCR to engage in major, complex investigations.

SUMMARY OF INVESTIGATIVE AND PROSECUTIVE MATTERS
April 1, 1980 - September 30, 1980

Cases Open	59
Referred to DOJ	32
Accepted for Prosecution	24
Declined	11
Pending	12
Number of Indictments	9
Individuals Indicted	12
Number of Convictions	21

Some of the more significant cases are briefly described below.^{1/}

-- U.S.A. vs. John Gibson, Herbert Schiffman and James Stamos

A U.S. District Judge in Cincinnati, Ohio, sentenced the General Secretary-Treasurer of the Hotel and Restaurant Employees' and Bartenders' International

^{1/} When OIG was established in October 1978, a number of cases were forwarded to OIG from LMSA. Following additional investigation from OIG, some of these cases resulted in indictments and convictions.

Union to four months imprisonment following conviction on two counts of embezzlement of union funds and one count of conspiracy to embezzle. Other defendants are awaiting trial. The investigation was conducted by OIG and the FBI.

-- U.S.A. vs. George Wuagneux

The defendant was sentenced to 10 years incarceration, fined \$20,000 and ordered to make restitution of \$191,654 to a Laborers' International Union Pension Fund by a U.S. District Judge in Miami, Florida. The jury found the defendant, a major building developer, guilty of embezzling from the Laborers' Pension Fund, bank fraud, mail fraud, income tax violations and of violating the Racketeer Influenced and Corrupt Organizations (RICO) Statute. The investigation was conducted by OIG, FBI and IRS.

-- U.S.A. vs. Eugene Boffa, Francis Sheeran, et al.

An investigation conducted by OIG resulted in an indictment of the principal figure in a nationwide labor leasing corporation, the President of Teamster Local 326, Wilmington, Delaware, and three other individuals. The indictment, in part, charges that the defendants participated in an enterprise consisting of a group of individuals associated in the vehicle leasing business for the purpose of making money and obtaining other financial benefits. The indictment also charges that those individuals committed mail fraud and violated the Taft-Hartley Act (prohibited employer payment to or receipt by a union official) to assure the continuing operation of the enterprise to the detriment of the leasing corporation's employees who were represented by various Teamster Local Unions. The defendants are also charged with violating the Racketeer Influenced and Corrupt Organizations (RICO) Statute.

-- U.S.A. vs. Raymond J. Silva

A U.S. District Judge in Providence, Rhode Island, sentenced the President of an International Longshoremen's Association Local Union to one year imprisonment and six months probation after finding him guilty of violating the Taft-Hartley Act and embezzling union funds. The investigation was conducted by OIG.

-- U.S.A. vs. William Feeney and Hugo Germer

The defendants were sentenced to seven years and six years of imprisonment respectively, by a U.S. District Judge in Newark, New Jersey, following a return of guilty verdicts by the jury. Feeney, the New Jersey Laborers Union official, was convicted of receiving a ten percent kickback in return for using his influence in securing a mortgage loan of \$425,000 from the union-affiliated pension and welfare funds. The other defendant, Germer, a New Jersey realtor, aided and abetted in committing the illegal act. The investigation was conducted by OIG. The Department of Labor had previously brought a civil suit to protect the pension fund's assets.

-- U.S.A. vs. David Friedland and Jacob Friedland

A U.S. District Judge in Newark, New Jersey, sentenced David Friedland to seven years and Jacob Friedland to two years imprisonment and fined each \$35,000 following a guilty verdict returned by a jury against the two New Jersey attorneys. One of the defendants was a current public official and the other was a former public official. The defendants were convicted of obstruction of justice and income tax violations. Both have been attorneys for a number of Teamster union locals in New Jersey. The conviction was a result of a joint OIG/FBI investigation. The Department of Labor had previously brought a civil suit to recover plan losses and for other relief.

-- U.S.A. vs. John Crowley

Following a joint OIG/IRS investigation, the former business manager of a New Jersey Boilermakers Local Union was sentenced to six months of imprisonment and fined \$5,000 after pleading guilty to a one count felony information charging him with falsely subscribing to his 1977 Federal income tax return. Additionally, a judgment was entered against him under the civil provisions of the RICO Statute which permanently enjoins the defendant from holding any union office, influencing in any manner the activities of a labor organization or employee benefit plan and also from representing any employee in any dealings with the New Jersey Boilermaker's local union.

In the civil RICO complaint, the defendant admitted receiving in excess of \$250,000 from three employers in violation of the Taft-Hartley Act (acceptance of prohibited payment).

-- U.S.A. vs. Charles Stanfield

An OIG investigation of an officer of a New Orleans local of the United Food and Commercial Workers Union resulted in a guilty plea to one count of violating the RICO Statute. Additionally he had been charged with violating the Taft-Hartley Act for soliciting \$128,000 from employees. A 30 month prison sentence was suspended. Stanfield was fined \$7,500, placed on probation for five years, and for a period of one year is required to devote one day per week to meaningful public service.

CHAPTER III. OIG INTERNAL AFFAIRS, EMPLOYEE INTEGRITY INVESTIGATIONS AND
THE HOTLINE PROGRAM

OIG Internal Affairs

As noted in the last Semiannual Report, the establishment of a permanent OIG internal affairs capability will help to insure that this Office is itself a model of integrity. The planned activities of such a capability include the conduct of investigations of alleged or suspected misconduct by OIG employees and a program of regular inspections of OIG offices.

Unfortunately, largely because of the hiring freeze, no permanent staff was assigned to this activity during the reporting period. By utilizing other employees on detail to this function, we have been able to undertake several internal affairs investigations which have resulted in a number of administrative actions, including removal. Additionally, our review of this office's audit contracting procedures is nearly completed. An interim report has been developed which identifies administrative deficiencies and makes various recommendations. Preliminary changes instituted by the DOL Office of Procurement based on these recommendations indicate that they will result in significant savings in the OIG audit contracting program. Implementation of the recommendations should also improve the technical criteria used in selecting audit contractors. Until additional resources become available, the OIG will be unable to undertake an active inspections program and priority internal affairs investigations will continue to be handled on a detail-assignment basis.

Employee Integrity Investigations

During the period April 1, 1980 to September 30, 1980, 22 investigations involving employee integrity-related violations were opened. Five of these investigations were referred to the appropriate DOL agency for administrative action after the investigations were completed. Fifteen investigations

were closed during the period. The investigations resulted in recovery of \$22,897. Eight cases remain under active investigation.

A particularly significant employee integrity case was a prosecution related to the theft of \$53,005 of DOL program funds which has resulted in a three count felony conviction. To date, \$22,300 of the funds have been recovered and the subject was given an 18 month suspended sentence, three years probation and ordered to pay \$1,000 in restitution. As discussed earlier in this report, OIG's Office of Loss Analysis and Prevention conducted an analysis of the loss and proposed measures to preclude recurrence. Other potentially vulnerable areas were also identified and countermeasures were suggested.

Hotline Program

During the period April 1 - September 30, 1980, the Department of Labor OIG Hotline complaint system received a total of 72 complaints. Six of these complaints were from DOL sources, 34 were from outside the Department and 32 were anonymous. Of the total complaints received, 40 were by telephone and 32 were through the mail. OIG forwarded 45 of the complaints to DOL program agencies for administrative action, referred one complaint to an agency outside the DOL, retained 23 for OIG action and determined that the remaining three complaints should be closed without investigation.

During the same reporting period, the General Accounting Office (GAO) referred 56 hotline summaries to OIG. These summaries were screened to determine whether they involved criminal matters requiring OIG attention, or whether they should be referred to the respective DOL program agencies for appropriate administrative action. Of the total number of summaries referred by the GAO, 37 pertained to ETA, 17 pertained to ESA and two involved employee integrity matters. Of the 56 hotline summaries received, 34 were referred to program agencies and 22 were retained for OIG action.

Outreach Program

The previous Semiannual Report discussed OIG's plans to implement an Outreach Program that would encourage DOL employees to provide information to OIG about program weaknesses that could allow fraud, waste or abuse to occur. This program recognizes that employees have extensive knowledge of DOL programs and often are in an excellent position to identify operations, systems or procedures which facilitate fraud, waste and abuse activity. Once OIG is alerted, the Office of Loss Analysis and Prevention can take steps to devise alternative procedures or measures that can minimize the vulnerabilities and prevent such losses from occurring. DOL employees identifying systemic weaknesses will also be encouraged to assist OLAP in devising appropriate safeguards.

The current hiring freeze has limited implementation of the Outreach Program during this reporting period, but implementation plans are now being developed and a status report will be included in the next Semiannual Report.

APPENDICES

Audit Resolution Activity 1/
April 1, 1980 to September 30, 1980

Agency/Program	April 1, 1980		Issued (Increases)		Resolved (Decreases)		September 30, 1980	
	Balance Unresolved Reports	Dollars/2/	Reports	Dollars	Reports	Dollars	Balance Unresolved Reports	Dollars
<u>Employment & Training Administration</u>								
CEITA Sponsors								
State and Local Prime Sponsors	228	\$123,009,190	62	\$47,213,863	95	\$25,517,745	195	\$144,705,308
Native American Grantees	360	24,546,037	3	2,594,786	77	2,975,887	286	24,164,936
Migrant & Seasonal Grantees	107	9,623,502	9	6,023,368	30	1,592,222	86	14,054,648
Other National Program Sponsors	154	9,526,249	58	8,575,259	55	2,768,785	157	15,332,723
Pre-CEITA								
Categorical Sponsors	221	47,677,951	-	-	57	16,556,847	164	31,121,104
Job Corps	15	3,349,976	18	5,211,268	10	2,504,720	23	6,056,524
SESA Sponsors	54	42,874,095	5	7,060,846	8	2,877,017	51	47,057,924
<u>Occupational Safety & Health Administration</u>								
OSHA Sponsors	16	472,428	3	39,415	8	359,396	11	152,447
<u>Bureau of Labor Statistics</u>								
BLS Contractors	2	72,906	-	-	1	7,431	1	65,475
<u>Office of Assistant Secretary for Administration & Management</u>								
OASAM Contractors	36	2,379,779	-	-	23	1,483,905	13	895,874
Grand Total	1193	3/4263,532,113	158	\$76,718,805	364	\$56,643,955	987	\$283,606,963

- 1/ This table does not include internal, ADP, or any other reports issued which did not question or recommend for disallowance any costs. Audit resolution occurs when the contracting official has issued a determination as to the appropriate disposition of questioned items of cost, and the auditor has no disagreement.
- 2/ "Dollars" signifies both questioned costs and costs recommended for disallowance, thus, these audit exceptions may be attributable to different kinds of problems, ranging from poor management to statutory violations. The program agency grant officer will determine the extent to which the unresolved costs are actually disallowed.
- 3/ The differences between the beginning balances in this schedule and the ending balances in the previous Semi-Annual Report are a result of refining our management information system. The largest adjustment was the removal of \$20 million from the balance representing draft audit reports for Native American Grantees which were shown as final reports.

Status of Unresolved Audits
As of September 30, 1980

Agency/Program	September 30, 1980		0 to 6 Months		6 to 12 Months		12 to 24 Months		24 to 36 Months		Over 36 Months	
	Reports	Dollars	Reports	Dollars	Reports	Dollars	Reports	Dollars	Reports	Dollars	Reports	Dollars
<u>Employment & Training Administration</u>												
CETA Sponsors:												
State & Local Prime Sponsors	195	\$144,705,308	60	\$47,022,522	28	\$16,101,976	51	\$56,622,716	34	\$12,092,519	22	\$12,865,575
Native American Grantees	286	24,164,936	1	138,759	14	3,570,916	141	14,653,094	55	2,351,067	75	3,451,100
Migrant & Seasonal Grantees	86	14,054,648	9	6,023,368	25	4,704,545	2	427,633	23	1,515,613	27	1,383,489
Other National Program Sponsors	157	15,332,723	56	8,541,411	17	526,368	12	671,255	22	934,077	50	4,659,612
Pre-CETA: Categorical Sponsors	164	31,121,104	-	-	-	-	3	27,280	-	-	161	31,093,824
Job Corps	23	6,056,524	16	4,576,033	5	1,348,176	2	132,315	-	-	-	-
SESA Sponsors	51	47,057,924	5	7,060,846	4	1,126,278	8	21,285,012	3	5,861,008	31	11,724,780
<u>Occupational Safety & Health Administration</u>												
OSHA Sponsors	11	152,447	3	39,415	4	74,186	-	-	2	17,463	2	21,383
<u>Bureau of Labor Statistics</u>												
BLS Contractors	1	65,475	-	-	-	-	-	-	-	-	1	65,475
<u>Office of Assistant Secretary for Administration & Management</u>												
OASAM Contractors	13	895,874	-	-	1	932	2	31,661	3	358,722	7	504,559
Grand Total	987	\$283,606,963	150	\$73,402,354	98	\$27,453,377	221	\$93,850,966	142	\$23,130,469	376	\$65,769,797

SUMMARY OF AUDIT REPORTS ISSUED
DURING THE CURRENT REPORTING PERIOD

During the current semiannual reporting period April 1, 1980 to September 30, 1980, we issued 211 audit reports as follows:

Department of labor

Employment and Training Administration

CETA Sponsors:

State and Local Prime Sponsors	65
Native American Grantees	3
Migrant and Seasonal Grantees	10

Other National Programs	59
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Office of Policy Evaluation and Research Grantees	20
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Job Corps Centers	18
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State Employment Security Agencies	6
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Occupational Safety and Health Administration

OSHA Sponsors	5
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Bureau of Labor Statistics

BLS Contracts	3
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Office of Cost Determination

Indirect Cost Reviews	10
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Employment Standards Administration

Internal Audit	1
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Assistant Secretary for Administration and Management

Internal Audit	2
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Other Federal Agencies

Health and Human Services	7
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Housing and Urban Development	1
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Transportation	1
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Total Reports Issued	<u>211</u>
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LIST OF AUDIT REPORTS ISSUED
DURING THE CURRENT REPORTING PERIOD

EXTERNAL AUDITS

<u>Region 1/</u>	<u>Program 2/</u>	<u>State</u>	<u>Date Sent To Program Agency</u>	<u>Audit Report Number</u>	<u>Name of Contractor or Grantee</u>
I	PRIME	ME	5/ 1/80	01-0-265-L-001-024	KENNEBECK COUNTY (MGT LETTER)
I	PRIME	CT	5/ 5/80	01-0-099-C-099-026	FALL RIVER CONSORTIUM
I	PRIME	CT	6/22/80	01-0-330-002-003	HARTFORD, CT CETA CONSORTIUM
II	JOBCP	NY	7/31/80	02-0-1005-C-861	GLENMONT JOB CORPS CENTER
II	PRIME	NY	4/10/80	02-0-418-L-005	CITY OF NY
II	PRIME	NY	4/21/80	02-0-772-G-095	CITY OF NY - CITY AGENCIES
II	PRIME	NJ	6/26/80	02-0-774-L-008	CITY OF TRENTON
II	PRIME	NJ	6/27/80	02-0-588-L-006	GLOUCHESTER COUNTY
II	PRIME	NJ	8/19/80	02-0-357-L-004	CITY OF PATERSON, NJ
II	PRIME	NY	8/27/80	02-0-1083-G-149	CITY OF NY - CITY AGENCIES
II	SESA	VI	6/26/80	02-0-780-L-009	GOVT. OF THE VIRGIN ISLANDS
III	JOBCP	PA	5/ 9/80	03-0-763-C-500	KEYSTONE JOB CORPS CENTER
III	JOBCP	WV	6/ 6/80	03-0-219-C-161	CHARLESTON JOB CORPS CENTER

1/ The Regions are I-Boston; II-New York; III-Philadelphia; IV-Atlanta; V-Chicago; VI-Dallas; VII-Kansas City; VIII-Denver; IX-San Francisco; X-Seattle; and XI-Washington, D.C. National Office.

2/ Indicates name of program to which the Report was sent; PRIME - State and Local CETA Prime Sponsor; SESA - State Employment Security Agency; JOBCP - Jobs Corps Center; OSHA - OSHA Grantee; ONP-I - National CETA Native American Programs Grantee; ONP-M - National CETA Migrant and Seasonal Farmworkers Grantee; ONP - Other National CETA Programs Grantee; OPER - ETA Office of Policy, Evaluation and Research; OCD - Office of Cost Determination.

LIST OF AUDIT REPORTS ISSUED
DURING THE CURRENT REPORTING PERIOD

<u>Region</u>	<u>Program</u>	<u>State</u>	<u>Date Sent To Program Agency</u>	<u>Audit Report Number</u>	<u>Name of Contractor or Grantee</u>
III	PRIME	PA	4/28/80	03-0-487-G-145-009	COUNTY OF ERIE
III	PRIME	PA	5/ 8/80	03-0-343-G-106-005	CENTRE COUNTY
III	PRIME	VA	6/ 9/80	03-0-344-L-001-034	ARLINGTON COUNTY
III	PRIME	VA	6/ 9/80	03-0-486-L-002-034	ARLINGTON COUNTY
III	PRIME	VA	6/19/80	03-0-552-G-156-042	VIRGINIA EML. COMM.- BOS
III	PRIME	VA	6/19/80	03-0-553-G-157-042	VIRGINIA EMP. COMM.- BOS
III	PRIME	PA	7/ 1/80	03-0-679-G-212-026	CITY OF SCRANTON
III	PRIME	PA	7/22/80	03-0-642-G-200-014	LACKAWANNA
III	PRIME	VA	8/25/80	03-0-779-C-511-037	PENINSULA OFFICE OF MANPOWER
III	PRIME	PA	9/ 4/80	03-0-728-G-229-027	SUSQUEHANNA EMP. & TRAINING
III	PRIME	PA	9/ 8/80	03-0-669-G-206-016	LYCOMING-CLINTON CONSORTIUM
III	PRIME	PA	9/10/80	03-0-204-G-056-017	LEHIGH VALLEY MANPOWER
III	SESA	DC	6/16/80	03-0-668-L-003	DC DEPT. OF LABOR
IV	JOBCEP	KY	8/27/80	04-9-1251-C-0302	BRECKINRIDGE JOB CORPS CENTER
IV	JOBCEP	KY	9/ 2/80	04-0-0795-C-0303	WHITNEY YOUNG, JR. JOB CORPS CENTER
IV	PRIME	NC	4/10/80	04-0-0726-L-0045	BUNCOMBE COUNTY BOARD OF COMM.
IV	PRIME	MS	4/18/80	04-9-1291-L-0041	MISSISSIPPI BALANCE OF STATE
IV	PRIME	FL	6/ 5/80	04-0-0338-L-0022	SAROSATA COUNTY
IV	PRIME	TN	6/ 6/80	04-9-1627-L-0056	TENNESSEE DEPT. OF EMP. SEC.
IV	PRIME	MS	6/18/80	04-0-0727-L-0084	HARRISON CO. EMP. & TRAINING
IV	PRIME	NC	6/24/80	04-0-0798-C-0050	DURHAM-ORANGE EMP. & TRAINING
IV	PRIME	NC	9/ 8/80	04-0-0796-L-0049	CUMBERLAND COUNTY BOARD OF COMM.
IV	PRIME	AL	9/30/80	04-0-0633-L-0003	BIRMINGHAM AREA MANPOWER CONSORTIUM

LIST OF AUDIT REPORTS ISSUED
DURING THE CURRENT REPORTING PERIOD

<u>Region</u>	<u>Program</u>	<u>State</u>	<u>Date Sent To Program Agency</u>	<u>Audit Report Number</u>	<u>Name of Contractor or Grantee</u>
IV	PRIME	FL	9/30/80	04-0-0794-L-0012	ESCAMZIA COUNTY
IV	PRIME	FL	9/30/80	04-0-0797-L-0016	MANATEE COUNTY BOARD OF COMM.
IV	PRIME	FL	9/30/80	04-0-0848-L-0019	PALM BEACH COUNTY BOARD OF COMM.
IV	PRIME	NC	9/30/80	04-0-1317-L-0046	CITY OF CHARLOTTE
V	BLS	OH	7/14/80	79-01390-6	DEPT. OF INDUSTRIAL RELATIONS
V	OSHA	OH	7/14/80	79-01049-8	DEPT. OF INDUSTRIAL RELATIONS
V	OSHA	OH	7/14/80	79-01290-6	DEPT. OF INDUSTRIAL RELATIONS
V	PRIME	IL	3/28/80	79-01196-6	MC HENRY COUNTY
V	PRIME	OH	4/ 3/80	79-00029-3	CLEVELAND AREA
V	PRIME	MI	5/20/80	78-00415-4	CITY OF DEARBORN
V	PRIME	IL	7/ 3/80	80-00014-0	LAKE COUNTY, ILL
V	PRIME	MI	7/ 9/80	79-00782-2	SAGINAW COUNTY
V	PRIME	MI	7/25/80	79-00454-7	GRAND RAPIDS AREA MCP
V	PRIME	MI	7/25/80	79-00981-3	LANSING TRICOUNTY
V	PRIME	MI	7/28/80	79-00502-1	CALHOUN COUNTY
V	PRIME	OH	9/12/80	80-00008-3	CENTRAL OHIO CONSORTIUM
V	PRIME	OH	9/12/80	79-01030-7	RICHLAND MORROW CONSORTIUM
V	PRIME	IL	9/17/80	79-01029-6	TAZEWELL COUNTY
V	SESA	IL	7/14/80	79-00000-0	ILLINOIS EMPL. SEC. COMM.
VI	JOBCEP	NM	6/18/80	80-058	ALBUQUERQUE JOB CORPS CENTER
VI	JOBCEP	NM	6/18/80	80-059	ALBUQUERQUE JOB CORPS CENTER

LIST OF AUDIT REPORTS ISSUED
DURING THE CURRENT REPORTING PERIOD

<u>Region</u>	<u>Program</u>	<u>State</u>	<u>Date Sent To Program Agency</u>	<u>Audit Report Number</u>	<u>Name of Contractor or Grantee</u>
VI	PRIME	LA	4/11/80	80-148	CITY OF SHREVEPORT
VI	PRIME	TX	8/12/80	80-280	FORT WORTH CONSORTIUM
VI	PRIME	TX	8/13/80	80-317	CITY OF HOUSTON
VI	PRIME	TX	9/10/80	80-166	CITY OF DALLAS
VI	PRIME	OK	9/12/80	80-279	OKLAHOMA BALANCE OF STATE
VI	SESA	LA	4/18/80	80-057	LOUISIANA DOL, OFFICE OF EMPL. SEC.
VII	BLS	IA	6/10/80	7-0-G-011	IOWA BUREAU OF LABOR
VII	BLS	IA	7/23/80	7-0-G-017	IOWA BUREAU OF LABOR
VII	JOBBCP	MO	3/31/80	7-0-C-006	SINGER CORP-EXCELSIOR SPRINGS
VII	JOBBCP	MO	3/31/80	7-0-C-007	SINGER CORP-EXCELSIOR SPRINGS
VII	OSHA	IA	7/21/80	7-0-G-016	IOWA DEPT. OF LABOR
VII	OSHA	IA	7/21/80	7-0-G-018	IOWA DEPT. OF LABOR
VII	OSHA	IA	7/23/80	7-0-G-019	IOWA DEPT. OF LABOR
VII	PRIME	KS	3/21/80	7-0-L-004	KANSAS DEPT. OF HUMAN RESOURCES
VII	PRIME	IA	5/21/80	7-0-G-012	LINN COUNTY CONSORTIUM
VII	PRIME	IA	5/23/80	7-0-G-013	DAVENPORT SCOTT COUNTY CONSORTIUM
VII	PRIME	MO	7/15/80	7-0-L-009	CITY OF SPRINGFIELD, MO
VII	PRIME	KS	7/23/80	7-0-L-010	CITY OF WICHITA, KS
VII	PRIME	MO	8/ 6/80	7-0-G-020	MISSOURI DEPT. OF SOCIAL SERVICES
VII	PRIME	IA	9/19/80	7-0-G-014	CENTRAL IOWA REG. ASSOC. OF GOVN.

LIST OF AUDIT REPORTS ISSUED
DURING THE CURRENT REPORTING PERIOD

<u>Region</u>	<u>Program</u>	<u>State</u>	<u>Date Sent To Program Agency</u>	<u>Audit Report Number</u>	<u>Name of Contractor or Grantee</u>
VIII	JOBCP	MT	5/14/80	80-8-1-16-004	KICKING HORSE JOB CORPS CENTER
VIII	JOBCP	MT	5/14/80	80-8-1-16-003	KICKING HORSE JOB CORPS CENTER
VIII	SESA	ND	5/14/80	80-8-1-18-002	NORTH DAKOTA EMPL. SEC. BUREAU
IX	JOBCP	AZ	6/ 6/80	09-80-C-178-J1	PHOENIX JOB CORPS CENTER
IX	JOBCP	AZ	6/ 7/80	09-80-C-178-J2	PHOENIX JOB CORPS CENTER
IX	JOBCP	CA	6/10/80	09-80-C-177-J1	YMCA OF LOS ANGELES JOB CORPS CENTER
IX	PRIME	CA	4/ 3/80	09-80-L-069-P1	COUNTY OF LOS ANGELES
IX	PRIME	CA	5/23/80	09-80-G-109-P1	COUNTY OF TULARE
IX	PRIME	CA	5/23/80	09-80-G-044-P1	COUNTY OF BUTTE
IX	PRIME	CA	7/14/80	09-80-G-067-P2	CITY OF LONG BEACH
IX	PRIME	CA	8/05/80	09-80-G-092-P1	COUNTY OF SAN LUIS OBISPO
IX	PRIME	CA	8/27/80	09-80-C-041-P1	ACTEB
IX	PRIME	CA	9/10/80	09-80-C-087-P1	SACRAMENTO - YOLO
X	PRIME	OR	6/ 2/80	10-80-C-013-004	MID-WILLIAMETTE VALLEY CONSORTIUM
X	PRIME	WA	4/14/80	10-80-S-024-002	KITSAP COUNTY, WA
X	SESA	WA	7/10/80	10-80-S-230-001	WASHINGTON EMPL. SEC. ADMIN.

LIST OF AUDIT REPORTS ISSUED
DURING THE CURRENT REPORTING PERIOD

<u>Region</u>	<u>Program</u>	<u>State</u>	<u>Date Sent To Program Agency</u>	<u>Audit Report Number</u>	<u>Name of Contractor or Grantee</u>
XI	OPER	DC	3/28/80	11-9-223-C-172	NATIVE AMERICAN CONSULTANTS, INC.
XI	OPER	IL	3/28/80	11-9-242-C-187	OHIO STATE UNIVERSITY RESEARCH FOUNDATION
XI	OPER	NY	7/28/80	11-0-113-C-089	MNPR DEMONSTRATION RESEARCH CORP.
XI	OPER	NY	7/28/80	11-0-114-C-090	MNPR DEMONSTRATION RESEARCH CORP.
XI	OPER	MN	9/ 3/80	11-0-085-F-012	UNIVERSITY OF MINNESOTA
XI	OPER	VA	9/ 3/80	11-0-098-F-017	UNIVERSITY OF VIRGINIA
XI	OPER	CO	9/ 4/80	11-0-096-F-106	COLORADO OFFICE STATE PLANNING & BUDGETTING
XI	OPER	WI	9/16/80	11-0-043-F-03	UNIVERSITY OF WISCONSIN, MADISON
XI	OPER	MD	9/16/80	11-0-067-C-054	WESTAT, INC.
XI	OPER	NY	9/16/80	11-0-062-C-049	P/RA RESEARCH, INC.
XI	OPER	WA	9/16/80	11-0-047-F-07	UNIVERSITY OF WASHINGTON
XI	OPER	CA	9/17/80	11-0-072-F-09	OAKLAND UNIVERSITY
XI	OPER	PA	9/22/80	11-9-255-F-056	UNIVERSITY OF PITTSBURGH
XI	OPER	MD	9/22/80	11-0-070-C-057	WESTAT, INC.
XI	OPER	UT	9/22/80	11-0-155-F-030	UNIVERSITY OF UTAH
XI	OPER	DC	9/22/80	11-0-135-F-022	GEORGE WASHINGTON UNIVERSITY
XI	OPER	CT	9/22/80	11-0-125-F-020	YALE UNIVERSITY
XI	OPER	IN	9/24/80	11-9-254-F-055	INDIANA UNIVERSITY
XI	OPER	NY	9/24/80	11-0-163-F-034	RESEARCH FOUNDATION OF STATE UNIV OF NY
XI	OPER	VA	9/25/80	11-0-142-F-025	KETRON, INC.

LIST OF AUDIT REPORTS ISSUED
DURING THE CURRENT REPORTING PERIOD

<u>Region</u>	<u>Program</u>	<u>State</u>	<u>Date Sent To Program Agency</u>	<u>Audit Report Number</u>	<u>Name of Contractor or Grantee</u>
XI	ONP	NY	9/19/80	11-0-151-C-112	NATIONAL URBAN LEAGUE, INC.
XI	ONP	MD	9/19/80	11-0-087-C-070	CITY OF BALTIMORE, MARYLAND
XI	ONP	MD	9/19/80	11-0-069-C-056	WESTAT, INC.
XI	ONP	NY	9/19/80	11-0-119-C-095	RECRUITMENT & TRAINING PROGRAM
XI	ONP	AL	9/19/80	11-0-091-C-073	BANKS, FINLEY, WHITE & CO.
XI	ONP	DC	9/19/80	11-0-086-C-069	NATL LEAGUE OF CITIES/US CONF. OF MAYORS
XI	ONP	NY	9/19/80	11-0-152-C-113	NATIONAL URBAN LEAGUE, INC.
XI	ONP	IA	9/22/80	11-0-160-F-116	SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOC.
XI	ONP	NM	9/22/80	11-0-157-F-032	UNIVERSITY OF NEW MEXICO
XI	ONP	MA	9/24/80	11-0-102-C-078	MASSACHUSETTS DEPT. OF ELDERLY AFFAIRS
XI	ONP	MD	9/30/80	11-9-251-C-191	INFORMATION PLANNING ASSOCIATES
XI	ONP-I	ND	3/19/80	11-8-411-C-358	STANDING ROCK SIOUX TRIBE
XI	ONP-I	SD	3/19/80	11-9-207-C-166	ROSEBUD SIOUX TRIBE
XI	ONP-I	CA	5/27/80	11-0-056-C-043	AMERICANS FOR INDIAN FUTURE & TRAINING
XI	ONP-M	NY	8/ 6/80	11-0-007-C-006	RURAL NY FARMWORKERS OPPORTUNITIES, INC.
XI	ONP-M	AL	8/ 6/80	11-0-006-C-005	ALABAMA MIGRANT & SEASONAL FARMWKRS. CNCL, INC.
XI	ONP-M	NJ	8/ 6/80	11-9-167-C-138	FARMWORKERS CORP. INC.
XI	ONP-M	KS	8/ 6/80	7-0-L-005	KANSAS DEPT. OF HUMAN RES/OFF EMPL. & TRNG
XI	ONP-M	PR	8/ 6/80	11-9-231-C-180	COMMONWEALTH OF PUERTO RICO
XI	ONP-M	AR	8/ 7/80	11-0-128-C-102	ARKANSAS COUNCIL OF FARMWORKERS, INC.
XI	ONP-M	OK	8/ 7/80	11-0-018-C-016	ORO DEVELOPMENT CORP.
XI	ONP-M	MO	8/ 7/80	11-0-077-C-062	RURAL MISSOURI, INC.
XI	ONP-M	AZ	8/ 8/80	11-0-126-C-100	MOPOPORTUNITIES
XI	ONP-M	CA	8/20/80	11-0-100-C-077	CITY OF STOCKTON

LIST OF AUDIT REPORTS ISSUED
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<u>Region</u>	<u>Program</u>	<u>State</u>	<u>Date Sent To Program Agency</u>	<u>Audit Report Number</u>	<u>Name of Contractor or Grantee</u>
XI	ONP	DC	9/ 3/80	11-0-099-C-076	NATIONAL ALLIANCE OF BUSINESS, INC.
XI	ONP	DC	9/ 3/80	11-0-074-C-059	GREEN THUMB, INC.
XI	ONP	DC	9/ 3/80	11-0-120-C-096	NATIONAL COUNCIL OF SENIOR CITIZENS, INC.
XI	ONP	DC	9/ 3/80	11-0-129-C-103	NATIONAL COUNCIL ON THE AGING, INC.
XI	ONP	DC	9/ 3/80	11-0-075-C-060	GREEN THUMB, INC.
XI	ONP	DC	9/ 3/80	11-0-115-C-091	CITY OF NEW YORK, DEPT. FOR THE AGING
XI	ONP	DC	9/ 3/80	11-0-079-C-064	GREEN THUMB, INC.
XI	ONP	PA	9/ 3/80	11-0-104-C-080	OPPORTUNITIES INDUSTRIALIZATION CTR OF AM
XI	ONP	DC	9/10/80	11-9-243-C-188	NATIONAL COUNCIL ON THE AGING, INC.
XI	ONP	VI	9/10/80	11-0-061-C-048	GOVT. OF THE VIRGIN ISLANDS
XI	ONP	DC	9/10/80	11-0-058-C-045	THE NATIONAL CENTER ON BLACK AGED, INC.
XI	ONP	DC	9/10/80	11-0-059-C-046	THE NATIONAL CENTER ON BLACK AGED, INC.
XI	ONP	CA	9/11/80	11-9-228-C-177	SER JOBS FOR PROGRESS
XI	ONP	DC	9/11/80	11-0-076-C-061	GREEN THUMB, INC.
XI	ONP	DC	9/11/80	11-0-057-C-044	THE NATIONAL CENTER ON BLACK AGED, INC.
XI	ONP	VI	9/11/80	11-0-063-C-050	VIRGIN ISLANDS COMMISSION OF AGING
XI	ONP	NY	9/11/80	11-0-039-C-033	NATIONAL URBAN LEAGUE, INC.
XI	ONP	DC	9/11/80	11-0-052-C-040	INTERNATIONAL ASSOC. OF FIREFIGHTERS
XI	ONP	NY	9/16/80	11-0-050-C-038	INTERNATIONAL ASSOC. OF FIREFIGHTERS
XI	ONP	NY	9/16/80	11-0-065-C-052	NATIONAL URBAN LEAGUE, INC.
XI	ONP	MD	9/16/80	11-0-066-C-053	WESTAT, INC.
XI	ONP	NY	9/16/80	11-0-064-C-051	NATIONAL URBAN LEAGUE, INC.
XI	ONP	DC	9/16/80	11-0-084-C-068	NATL LEAGUE OF CITIES/US CONF. OF MAYORS
XI	ONP	MA	9/17/80	11-0-106-C-082	INTERNATL BROTHERHOOD OF POLICE OFFICERS
XI	ONP	NY	9/18/80	11-0-116-C-092	RECRUITMENT & TRAINING PROGRAM, INC.
XI	ONP	DC	9/18/80	11-0-078-C-063	INTERNATL UNION OF ELEC. RADIO & MACH
XI	CNP	NY	9/18/80	11-0-127-C-101	NATIONAL URBAN LEAGUE, INC.

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<u>Region</u>	<u>Program</u>	<u>State</u>	<u>Date Sent To Program Agency</u>	<u>Audit Report Number</u>	<u>Name of Contractor or Grantee</u>
XI	JOBCP	NC	9/22/80	A200-80-000078	USDA/SCHENCK JCCC
XI	JOBCP	NC	9/22/80	A200-80-000067	USDA/L.B. JOHNSON JCCC
XI	JOBCP	AR	9/22/80	A200-80-000056	USDA/CASS JCCC
XI	JOBCP	AR	9/22/80	11-027-F-002	USDA/OUACHITA JCCC
XI	ONP	PA	4/ 4/80	11-9-198-C-159	OPPORTUNITIES INDUSTRIALIZATION CTR OF AM.
XI	ONP	PA	4/15/80	11-9-199-C-160	OPPORTUNITIES INDUSTRIALIZATION CTR OF AM.
XI	ONP	PA	4/15/80	11-9-197-C-158	OPPORTUNITIES INDUSTRIALIZATION CTR OF AM.
XI	ONP	DC	4/15/80	11-0-019-C-017	NATL. GOVERNORS CONF./CENTER FOR POLICY
XI	ONP	DC	4/15/80	11-9-210-C-169	GREEN THUMB, INC.
XI	ONP	OH	4/21/80	11-8-346-C-299	PREPARATION RECRUITMENT EMPL. PRO., INC.
XI	ONP	CA	4/22/80	11-9-227-C-176	SER JOBS FOR PROGRESS
XI	ONP	DC	4/22/80	11-0-033-C-028	NATIONAL COUNCIL ON THE AGING, INC.
XI	ONP	CO	4/22/80	11-9-055-C-049	JOSEPH OSORO CONSULTANTS ASSOC. INC.
XI	ONP	IL	4/25/80	11-8-328-C-284	LATIN AMERICAN TASK FORCE
XI	ONP	DC	6/10/80	11-0-055-C-042	YOUTH WORK, INC.
XI	ONP	FL	8/ 4/80	11-0-080-C-065	SYSTEMS IN EDUCATION & TRAINING, INC.
XI	ONP	ID	8/21/80	11-9-179-C-145	TREASURE VALLEY MULTI-TRADE
XI	ONP	CT	9/ 3/80	11-0-103-C-079	CONNECTICUT DEPT. OF AGING
XI	ONP	DC	9/ 3/80	11-0-117-C-093	NATIONAL RETIRED TEACHERS ASSOC/AARP
XI	ONP	DC	9/ 3/80	11-0-118-C-094	NATIONAL RETIRED TEACHERS ASSOC/AARP
XI	ONP	DC	9/ 3/80	11-0-107-C-083	UNITED BROTHERHOOD OF CARPENTERS & JOINERS
XI	ONP	DC	9/ 3/80	11-0-108-C-084	UNITED BROTHERHOOD OF CARPENTERS & JOINERS
XI	ONP	DC	9/ 3/80	11-0-109-C-085	UNITED BROTHERHOOD OF CARPENTERS & JOINERS
XI	ONP	MA	9/ 3/80	11-0-110-C-086	COUNCIL FOR OPPORTUNITIES IN GRAD. MGT. EDUC.
XI	ONP	MA	9/ 3/80	11-0-111-C-087	COUNCIL FOR OPPORTUNITIES IN GRAD. MGT. EDUC.

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<u>Region</u>	<u>Program</u>	<u>State</u>	<u>Date Sent To Program Agency</u>	<u>Audit Report Number</u>	<u>Name of Contractor or Grantee</u>
XI	OCD	FL	8/ 4/80	11-0-081-C-066	SYSTEMS IN EDUCATION & TRAINING, INC.
XI	OCD	FL	8/ 4/80	11-0-082-C-067	SYSTEMS IN EDUCATION & TRAINING, INC.
XI	OCD	IL	8/18/80	11-9-152-C-123	LATIN AMERICAN TASK FORCE
XI	OCD	NJ	9/ 3/80	11-0-094-F-015	RCA SERVICE CO.
XI	OCD	CA	9/16/80	11-0-045-F-05	UNIVERSITY OF CALIFORNIA, BERKELEY
XI	OCD	PA	9/16/80	11-0-044-F-014	CONSAD RESEARCH CORP.
XI	OCD	DC	9/16/80	11-0-046-F-06	GEORGETOWN UNIVERSITY
XI	OCD	WA	9/17/80	11-0-048-F-08	WASHINGTON STATE UNIVERSITY
XI	OCD	NY	9/19/80	11-0-073-F-010	SINGER CORP.
XI	OCD	CO	9/25/80	11-0-159-F-033	COLORADO SCHOOL OF MINES
XI	HHS	PA	9/16/80	11-0-105-C-081	OPPORTUNITIES INDUSTRIALIZATION CTR OF AM.
XI	HHS	PA	9/16/80	11-0-112-C-888	OPPORTUNITIES INDUSTRIALIZATION CTR OF AM.
XI	HHS	NY	9/16/80	11-0-060-C-047	NATIONAL URBAN LEAGUE
XI	HHS	NY	9/16/80	11-0-037-C-031	NATIONAL URBAN LEAGUE
XI	HHS	NY	9/16/80	11-0-123-C-099	NATIONAL URBAN LEAGUE
XI	HHS	NY	9/16/80	11-0-036-C-030	NATIONAL URBAN LEAGUE
XI	HHS	NY	9/16/80	11-0-133-C-106	NATIONAL URBAN LEAGUE
XI	DOT	NY	9/16/80	11-0-132-C-105	NATIONAL URBAN LEAGUE
XI	HUD	NY	5/7/80	11-0-038-C-32	NATIONAL URBAN LEAGUE

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<u>Region</u>	<u>Program</u>	<u>Date Sent To Program Agency</u>	<u>Audit Report Number</u>	<u>Subject of Audit</u>
XI	ESA	4/18/80	11-0-35-L-006	REVIEW OF SELECTED OPERATIONS OF THE ESA WAGE & HOUR DIVISION
XI	OASAM	4/26/80	11-0-30-L-028	PROPERTY MANAGEMENT
XI	OASAM	6/ 7/80	11-9-245-L-006	TRAVEL ADVANCE IMPREST FUND

Summary of Investigative Activities - April 1, 1980 through September 30, 1980

Cases Opened <u>1/</u>	232
Closed	304
Pending	441
Referred to U. S. Attorney	61
Case Declined by U. S. Attorney	32
Referred to DOL agency for administrative action	48
Referred to another investigative agency	4
Referred for local prosecution (other than Federal)	5
Indictments	21
Convictions	17
Fines <u>2/</u>	\$ 12,500
Recoveries <u>3/</u>	\$ 144,681
Collections <u>4/</u>	\$ 500
Claims <u>5/</u>	\$ 343,303
Savings <u>6/</u>	\$ 2,149,800

1/ Includes program investigations, employee integrity, and other matters, but excludes cases handled by the Office of Organized Crime and Racketeering.

2/ Fines are the sums of money imposed as a penalty upon defendants after an administrative hearing, civil suit, or criminal prosecution.

3/ Recoveries include the restoration, restitution or recovery of money or property of known value that was lost through a crime, mismanagement, etc.

4/ Collections are the receipt of payments of an indemnity to end a civil transaction, suit or proceeding.

5/ Claims are the dollar value of indemnities which have been administratively determined by a DOL agency.

6/ Savings are the prevention of dollar value losses to the Government. This amount includes actual savings for the reporting period in contracts and grants, and projected savings in benefit payments based on program agency data.

ETA-RELATED CASES REFERRED TO THE U.S. ATTORNEYS

<u>REGION</u>	<u>PROGRAM</u>	<u>NATURE OF OFFENSE</u>	<u>DATE REFERRED TO U.S. ATTORNEY</u>	<u>DATE OF INDICTMENT</u>	<u>DATE OF CONVICTION</u>	<u>DATE OF DECLINATION</u>	<u>STATUS</u>
I	CETA	Embezzlement	4/80				Pending
I	CETA	Embezzlement	4/80				Pending
I	CETA	Embezzlement	4/80				Pending
I	CETA	Embezzlement	4/80				Pending
I	CETA	Embezzlement	4/80				Pending
I	CETA	Embezzlement	4/80				Closed
I	CETA	Embezzlement	8/80	4/80	6/80		Pending
I	CETA	Embezzlement	9/80				Pending
II	CETA	Embezzlement	10/79				Pending
II	CETA	Embezzlement	11/79				Pending
II	CETA	Embezzlement	12/79				Pending
II	CETA	False Statement	5/80			5/80	Closed
II	CETA	Embezzlement	5/80			5/80	Closed
III	CETA	Embezzlement	6/80				Pending
		Mail Fraud					
III	CETA	Embezzlement	5/80	7/80			Pending
III	CETA	Embezzlement	7/80				Pending
III	CETA	Embezzlement	6/80				Pending

ETA-RELATED CASES REFERRED TO THE U.S. ATTORNEYS

<u>REGION</u>	<u>PROGRAM</u>	<u>NATURE OF OFFENSE</u>	<u>DATE REFERRED TO U.S. ATTORNEY</u>	<u>DATE OF INDICTMENT</u>	<u>DATE OF CONVICTION</u>	<u>DATE OF DECLINATION</u>	<u>STATUS</u>
III	CETA	Embezzlement	2/80				Pending
		False Statement					
		Conspiracy					
		False Claims					
III	CETA	False Claims	5/80				Pending
		False Statement					
		Mail Fraud					
IV	CETA	False Statement	8/80				Pending
IV	CETA	False Statement	8/80				Pending
IV	CETA	Political Activity	2/80			4/80	Closed
IV	CETA	Extortion	7/80				Pending
IV	CETA	False Statement	12/79		8/80		Pending
IV	CETA	False Statement	2/80			5/80	Closed
IV	CETA	Embezzlement	8/80				Pending
		False Statement					
IV	CETA	Political Activities	6/80			6/80	Closed
IV	CETA	Embezzlement	3/79			7/80	Closed
IV	CETA	False Statement	4/80				Pending

ETA-RELATED CASES REFERRED TO THE U.S. ATTORNEYS

<u>REGION</u>	<u>PROGRAM</u>	<u>NATURE OF OFFENSE</u>	<u>DATE REFERRED TO U.S. ATTORNEY</u>	<u>DATE OF INDICTMENT</u>	<u>DATE OF CONVICTION</u>	<u>DATE OF DECLINATION</u>	<u>STATUS</u>
V	CETA	Theft of Funds False Claims	2/80	7/80			Pending
V	CETA	Theft of Funds False Statement Theft of Public Property Hiring Ineligibles Bribery	8/80				Pending
V	CETA	Theft of Funds	4/80				Pending
V	CETA	Misapplication of Funds False Claims	4/80			8/80	Closed
V	CETA	False Statement Theft of Funds	7/80				Pending
V	CETA	Deprivation of Employment Improper Inducement	5/80				Pending
V	CETA	Theft of Funds	6/80				Pending
VI	CETA	Theft of Funds Embezzlement	3/80	8/80	8/80		Pending

ETA-RELATED CASES REFERRED TO THE U.S. ATTORNEYS

<u>REGION</u>	<u>PROGRAM</u>	<u>NATURE OF OFFENSE</u>	<u>DATE REFERRED TO U.S. ATTORNEY</u>	<u>DATE OF INDICTMENT</u>	<u>DATE OF CONVICTION</u>	<u>DATE OF DECLINATION</u>	<u>STATUS</u>
VI	CETA	Theft of Funds Embezzlement	3/80	4/80	6/80		Pending
VI	CETA	Theft of Funds Embezzlement	3/80	4/80	6/80		Pending
VI	CETA	Theft of Funds Embezzlement	8/80			8/80	Closed
VI	CETA	Misapplication of Funds	7/79			7/80	Pending
VI	CETA	False Statement	2/80	5/80	7/80		Pending
VI	CETA	Theft of Funds Embezzlement	2/80	6/80	8/80		Pending
VI	CETA	False Statements	2/80	5/80	9/80		Closed
VI	CETA	Theft of Funds Embezzlement	2/80	6/80			Pending
VI	CETA	Theft of Government Funds	4/79	4/80	5/80		Closed
VI	USES	False Labor Certification	6/80				Pending
VII	CETA	Misapplication of Funds False Statement	7/80				Pending

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<u>REGION</u>	<u>PROGRAM</u>	<u>NATURE OF OFFENSE</u>	<u>DATE REFERRED TO U.S. ATTORNEY</u>	<u>DATE OF INDICTMENT</u>	<u>DATE OF CONVICTION</u>	<u>DATE OF DECLINATION</u>	<u>STATUS</u>
VII	CETA	False Statements	4/80			8/80	Pending
VII	CETA	Embezzlement	2/80	3/80	6/80		Pending
VII	CETA	False Statement					
		Misapplication of Funds	3/80			6/80	Pending
		False Statement					
		Conspiracy					
VII	CETA	Misapplication of Funds	2/80				Pending
		False Statement					
VIII	CETA	False Statement	1/80			6/80	Closed
		False Claims					
VIII	CETA	Embezzlement	10/79				Pending
VIII	CETA	Misapplication of Funds	2/80		9/80		Closed
VIII	UIS	Fraudulent Claims	2/80			6/80	Closed
VIII	UIS	Fraudulent Claims	2/80			6/80	Closed
IX	CETA	Misapplication of Funds	6/80				Pending
		Conspiracy					
		False Statement					

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IX	CETA	Misapplication of Funds	8/79				Pending
X	CETA	Conspiracy					
	CETA	Embezzlement	3/80				Pending
		False Statement					
X	CETA	False Statement	3/80	6/80			Pending
X	CETA	False Statement	4/80			4/80	Closed
X	CETA	Misapplication	4/80			4/80	Closed
X	CETA	False Statements	5/80				Pending
X	CETA	False Statement	5/80				Pending
X	CETA	False Representation	5/80			5/80	Closed
X	CETA	Misapplication	5/80			5/80	Closed
X	CETA	False Statements	5/80			5/80	Closed
X	CETA	Fraud	6/80			6/80	Closed
X	CETA	Kickbacks	6/80			6/80	Closed
X	CETA	False Statements	7/80			7/80	Closed
X	CETA	False Statement	7/80			7/80	Closed
X	CETA	False Claim	7/80			7/80	Closed
X	CETA	False Statement	7/80			7/80	Closed
X	CETA	Embezzlement	7/80			7/80	Closed
X	CETA	False Statements	9/80			9/80	Closed

ESA-RELATED CASES REFERRED TO THE U.S. ATTORNEYS

<u>REGION</u>	<u>PROGRAM</u>	<u>NATURE OF OFFENSE</u>	<u>DATE REFERRED TO U.S. ATTORNEY</u>	<u>DATE OF INDICTMENT</u>	<u>DATE OF CONVICTION</u>	<u>DATE OF DECLINATION</u>	<u>STATUS</u>
III	FECA	False Claims	6/80	6/80	7/80		Pending
III	FECA	Mail Fraud					
III	FECA	False Claims	7/80				Pending
IV	FECA	False Statement	7/80				Pending
IV	FECA	False Statement	9/80				Pending
IV	FECA	False Statement	5/80	8/80			Pending
IV	FECA	False Claim	6/80				Pending
IV	FECA	False Statement	3/80			8/80	Pending
IV	FECA	False Statement	7/80				Pending
IV	FECA	False Statement	11/79	3/80	5/80		Closed
IV	FECA	False Statement	11/79	3/80	7/80		Closed
V	FECA	False Statement	4/80				Pending
V	LHWCA	False Statement	7/80				Pending
VI	FECA	False Claim	4/80				Pending
VI	FECA	False Claim	2/80	4/80		4/80	Pending
VII	FECA	False Statements	8/80				Pending
VII	FECA	False Statements	4/80				Open

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VIII	FECA	False Statement	5/80	6/80	*		Pending
VIII	FECA	False Statement	6/79	**			Pending
IX	FECA	False Statement	7/79				Pending
X	LHWCA	False Statement	1/80	2/80	4/80		Closed

*Acquitted

**Not Indicted