

BRIEFLY...

Highlights of Report Number: 18-11-009-04-420, to the Acting Administrator, Wage and Hour Division

WHY READ THE REPORT

President Obama signed the American Recovery and Reinvestment Act (Recovery Act) into law on February 17, 2009. The Recovery Act appropriated \$787 billion dollars to preserve and create jobs, promote the nation's economic recovery, and assist those most impacted by the recession. The Recovery Act funded construction, renovation of federal buildings, and a range of infrastructure projects, such as roads, bridges, public transit, water systems, and housing. The Act covered projects funded directly, by or in part, through several federal agencies.

The Department of Labor (DOL) received \$80 million for various Recovery Act-related oversight activities. Funds designated for these purposes could be obligated through September 30, 2010. The DOL Wage and Hour Division (WHD) obligated \$11.5 million to carry out Recovery Act work for Davis-Bacon Act (DBA) wage determinations and enforcement. WHD used the funds to conduct activities in three areas: outreach, prevailing wage enforcement, and prevailing wage determinations. This report presents the results of how efficiently and effectively WHD used the Recovery Act funds to conduct its oversight of DBA requirements for Recovery Act-funded construction projects.

WHY OIG CONDUCTED THE AUDIT

This audit was conducted to answer the following questions:

1. Did WHD provide adequate compliance assistance and outreach to ensure Recovery Act contractors and subcontractors complied with DBA?
2. Did WHD conduct timely prevailing wage complaint and directed investigations in accordance with applicable policies and regulations?
3. Did WHD issue timely and reliable prevailing wage determinations in response to the Recovery Act in accordance with applicable policies and regulations?

READ THE FULL REPORT

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

<http://www.oig.dol.gov/public/reports/oa/2011/18-11-009-04-420.pdf>.

March 2011

Recovery Act: Enforcement of Davis-Bacon Act Prevailing Wage Rate Determinations

WHAT OIG FOUND

WHD provided adequate assistance and outreach to contractors and other interested parties to ensure that they were aware of DBA requirements for Recovery Act-funded projects. In addition, WHD enhanced its enforcement program to conduct more investigations of DBA violations. The investigations were more effective in identifying violations and were completed in a more timely manner than non-Recovery Act investigations. WHD also conducted wage determination surveys for Department of Energy's weatherization program, which came under the DBA requirements because of Recovery Act funding. The wage determination surveys were timely and reliable.

WHAT OIG RECOMMENDED

Because WHD provided adequate outreach, implemented an improved prevailing wage investigations process, and issued timely prevailing wage determinations, this report does not include recommendations to DOL.

The auditors met with WHD personnel to discuss the results of the audit and subsequently provided the Agency with a draft report for review and possible comment. After reviewing the draft report, WHD management notified the OIG through an email that they agreed with the report and did not plan to send a formal response to the report.