Semiannual Report of the Inspector General

U.S. Department of Labor
Office of Inspector General

October 1, 1982—March 31, 1983

Copies of this report may be obtained from the U.S. Department of Labor, Office of the Inspector General, Room S-5030, 200 Constitution Avenue N.W., Washington, D.C. 20210.

SEMIANNUAL REPORT

OCTOBER 1, 1982 - MARCH 31, 1983

OFFICE OF INSPECTOR GENERAL

U.S. DEPARTMENT OF LABOR

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PREFACE

This is the eighth semiannual report of the Office of Inspector General of the Department of Labor. The report is submitted pursuant to the requirements of the Inspector General Act of 1978 and covers the period October 1, 1982, through March 31, 1983.

This has been a transition period for the Office of Inspector General. It had an Acting Inspector General, Robert E. Magee, from October 16, 1982, through March 31, 1983. I was nominated by President Reagan on March 30, 1983, as Inspector General and have been serving in the capacity of Deputy Inspector General until confirmed by the Senate.

I believe it is essential for the Office of Inspector General to concentrate its efforts on preventing problems related to the programs of the Department and on working as partners with the Secretary, the Assistant Secretaries and program managers in this endeavor.

In that regard, I have been impressed with the relationship between the Inspector General, the Secretary and the Assistant Secretaries in the Department of Labor. Secretary Donovan has been extremely supportive of the work of the Inspector General both in terms of providing resources and in his leadership in bringing about corrective action on identified problems.

The working relationship between Albert Angrisani, Assistant Secretary for Employment

and Training, and the Office of Inspector General appears to me to be worthy of emulation throughout the Federal Government. In the drafting of the new regulations for the

recently enacted Job Training Partnership Act, in the closing down of the CETA program, and in attacking unemployment insurance benefit payment control problems in the State Employment Security Agencies--the Office of Inspector General and the Office of the Assistant Secretary for Employment and Training are engaged in a truly partnership effort.

Our office has also continued to work closely with Deputy Under Secretary Collyer, Employment Standards Administration, in alleviating what appear to be extremely serious, not easily correctable, longstanding problems, particularly in the Federal Employees' Compensation Act (FECA) program. For example, Mr. Collyer chairs and we are a member of the Employing Agencies Task Force which was established last year by Secretary Donovan to help strengthen the role of employing agencies in FECA cost control efforts. Also, during this period, a joint OIG/OWCP Task Force was created to address FECA management improvements. In addition, the OIG and ESA's Wage and Hour Division are working to ensure the proper disbursement of back wages by the U.S. Postal Service in a $400 million settlement under the Fair Labor Standards Act.

We have also had several joint endeavors with the Office of the Assistant Secretary for Administration and Management including a study of motor vehicle utilization designed to evaluate management practices related to the acquisition, utilization, maintenance, disposal and potential misuse of motor

vehicles. It was determined, through that study, that almost $8 million spent on operating a fleet of 3,200 vehicles could be better managed with potential savings of $1 million. Another example of these joint

efforts has been the implementing and monitoring of OMB Circular A-123 (Internal Control Systems). During this period, Office of Inspector General staff served on the Department's administrative internal control work groups. We also participated in the preparation of questionnaires for agency use in performing vulnerability assessments and reviewed the Department's determination of highly vulnerable areas.

The OIG has also continued to play a leadership role in many of the efforts of the President's Council on Integrity and Efficiency. During this period, for example, the Long-Term Computer Matching Project, sponsored by the President's Council on Integrity and Efficiency, and co-chaired by the Inspectors General of the Departments of Labor and Health and Human Services, released two major documents. The first was an inventory of state agency computer matching efforts. The second was a paper describing data elements and extraction formats that various entities can use in order to facilitate interjurisdictional matching. The work of this particular project has been well received, particularly at the state level, and a decision has been made to continue its efforts for at least another year.

While I am pleased with both our relationships within the Department and external entities such as OMB, Congressional Committees and staffs, I am equally impressed with the quality

of personnel and activities that I have found in this office.

On the audit side, there has been a major shift in the past six months to more program audits, which all of us feel will provide

essential and improved information to the Secretary and to the Congress in terms of identifying underlying program deficiencies which permit or encourage fraud, abuse and waste. The overall skills and effectiveness of our auditors have been enhanced by an active training program and the development of a comprehensive set of policy directives, which provide an essential framework for carrying out our audit work.

The Office of Investigations has continued to yield extremely impressive results. During this period, our work has resulted in 94 indictments, 68 convictions, over $1 million in management commitments for recoveries and over $2 million in fines and penalties, settlements and judgments, and restitutions.

The Office of Organized Crime and Racketeering deservedly received a good deal of praise during this period from both the Secretary of Labor and two Congressional oversight committees. I have been encouraged by the complex and important criminal activities that this office is pursuing, and impressed with the results. I intend to take whatever steps necessary to continue to provide that office with support in order to gain the law enforcement tools necessary to do an even more effective job.

Finally, while I believe that the Office of Inspector General at the Department of Labor

is in the forefront of the Inspector General community, it is my intention to strive to improve our productivity and impact. In the next several months, I will be exploring new ways to bring about program improvements within the Department and also new technology, particularly computer technology, to enhance our overall productivity.

J. BRIAN HYLAND
Deputy Inspector General

PART I

SIGNIFICANT PROBLEMS, ABUSES OR DEFICIENCIES, AND RECOMMENDATIONS FOR CORRECTIVE ACTION

EMPLOYMENT AND TRAINING ADMINISTRATION

The Employment and Training Administration (ETA) administers programs to enhance the employment opportunities of Americans. Three major programs dominate ETA's efforts: the Comprehensive Employment and Training Act (CETA) program, which will be replaced by the Job Training Partnership Act (JTPA) program in Fiscal Year 1984; the Employment Service (ES); and the Unemployment Insurance (UI) program. CETA and its successor, JTPA, provide for a number of programs that ETA administers nationally including Job Corps.

These programs comprise the majority of the Department's expenditures. ETA's budget authority for Fiscal Year 1983 was $37.7 billion, including $33.6 billion for the Unemployment Insurance Trust Fund and $3.7 billion for the CETA/JTPA program.

Numerous problems have been identified in these programs by our work as well as the work of GAO and ETA. Because these programs are operated primarily under a partnership between the Federal Government and state governments, corrective actions require a concerted effort at both levels.

The Federal role, that of ETA, is to establish policy in accordance with the programs'

authorizing legislation, monitor performance by the states and provide technical assistance where required. The states implement and operate the programs. The Employment Service and Unemployment Insurance programs are operated by State Employment Security Agencies.

We are pleased to report that, overall, ETA has reacted positively to suggested improvements in its programs. Management improvements have been pursued and necessary legislative and regulatory changes have been sought.

The degree of ETA's commitment to improved program management has been demonstrated often during this reporting period. For example, in response to our draft audit report on benefit payment controls in the Unemployment Insurance program, ETA's Assistant Secretary has taken steps to make the improvement of benefit payment controls a major initiative in his administration.

Another example is the atmosphere under which implementing regulations for the Job Training Partnership Act (JTPA) were developed. ETA asked that we be involved in the early drafts of these regulations in order to ensure that program and financial accountability issues were adequately addressed.

The Unemployment Insurance Program

The Unemployment Insurance program is a unique Federal-state partnership based upon Federal law, but implemented through individual state legislation. We have placed increasing emphasis on the Unemployment Insurance program because of high unemployment and resulting increases in program expenditures. In Fiscal Year 1983, nearly $30 billion will be paid in

state unemployment insurance benefits and Federal-state extended benefits. This compares with a Fiscal Year 1980 figure of about $14 billion.

In addition to rising costs, our attention has been focused on the Unemployment Insurance program because of a growing concern by ourselves and ETA that State Employment Security Agencies' procedures for preventing, detecting and recovering overpayments were not adequately safeguarding benefit funds. Recent studies have shown that overpayments resulting from fraud or error are significant and that overpayment detections reported by the state agencies probably understate the problem's size.

Because of this concern and since benefit costs are the majority of funds spent, we undertook an audit of state agency benefit payment control functions. In preparing for the audit, we determined that ETA had provided state agencies with extensive guidance and actual tools for managing and operating the benefit payment control function.

In 1976, ETA provided states with a model system for detecting overpayments caused by individuals who claimed unemployment benefits for weeks in which they earned wages. ETA's "Model Crossmatching System" provided states with a computer program designed to effectively detect overpayments caused by unreported earnings. ETA's model crossmatching handbook also contained guidance on how to organize benefit payment control functions. In 1978, ETA provided states with another benefit payment control tool. It distributed a complete guide and automated program for recovering overpayments called the "Model

Recovery System." More recently, ETA has provided states with guidance and resources to improve agency internal security programs.

In view of the significant guidance and tools ETA had provided the state agencies, our audit focused on whether the agencies were using these tools or, if not, had in place methods equal in efficiency and in results.

In the ten states we audited--Colorado, District of Columbia, Indiana, Massachusetts, Michigan, Mississippi, Ohio, Oklahoma, Washington, and West Virginia--we found the majority of state agencies had not implemented ETA's model systems or guidance. Moreover, we found weaknesses in the various procedures and methods the states used. Because of our selection procedures, we believe our findings reflect nationwide conditions.

ETA has acknowledged weaknesses we found in state benefit payment control systems. ETA's positive response to our audit and willingness to take corrective action has been immediate. Corrective action began before the completion of audit field work and issuance of the draft report. When we briefed state agency officials of our findings in each state, ETA personnel were present and ready to assist and monitor state implementation of our recommendations. While our audit work continued, ETA began to assess, using a modified version of our audit guide, benefit payment controls in the 43 jurisdictions we did not audit. After our draft report was issued, ETA responded by initiating a Benefit Payment Control Oversight Committee to evaluate and address benefit payment control issues.

A further discussion of our major audit findings, recommendations, and ETA's corrective action in response to our audit follows.

Overpayment Prevention and Detection

There are many different overpayment problems. As a result, various systems are needed to deter and detect their occurrence. Two such systems and their implementation by state agencies are briefly described below.

- Wage/Benefit Crossmatching

Our studies, as well as those by GAO and ETA, show that overpayments frequently occur when claimants, either deliberately or inadvertently, do not report some or all earnings for a week in which they receive unemployment benefits.

In order to detect these overpayments, state agencies must verify that, for each week of benefits paid, a claimant did not earn any wages or did not earn wages in excess of any partial earnings limitation imposed by state law. An effective comparison or match of benefit records with wages earned is dependent on states' access to two resources. First, the states must have available employer quarterly payroll wage reports for each employee for whom the employer paid UI payroll taxes. Second, the states must have sufficient computer capability to ensure that matches can be conducted on a timely basis so that investigations can be promptly opened. In the states we audited, we found one or both of these resources either lacking or not effectively utilized.

In the model crossmatch system ETA provided the states, the computer is programmed to identify highly probable overpayments by using indicators such as number of weeks of benefits versus wages paid. In this way, investigative resources can be targeted to serious potential fraud cases. The system can also be used to trigger the computer to generate letters to employers requesting the additional wage information needed to verify overpayments.

None of the ten states we audited had completely implemented the ETA system. Weaknesses found in the wage/benefit crossmatching systems used by the state agencies included not conducting timely matches, not directing detection efforts to claimants with the highest overpayment potential, failing to follow up with employers who fail to supply weekly wage information, and not always promptly investigating to determine if actual overpayments exist.

In our draft audit report, we recommended that all states fully implement the ETA model crossmatching system. ETA has taken steps to effect this change in not only the ten states audited but all states.

Two of the audited states were unable to conduct wage/benefit crossmatches because they did not have employer payroll reports on file. These states ask employers for an individual's wage history when a claim is filed. The data are then used to determine the claimant's initial eligibility for benefits. Thus, these "wage request" states only receive claimant wage data for the period prior to the filing of a claim and do not have ongoing payroll records to check if a person claiming benefits

against an established claim has resumed earning wages.

In addition to matching wage and benefit records within a state, such records can be matched among states. Overpayments can occur when claimants collect benefits in one state while either earning wages or collecting benefits in another state. Interstate matching detects such overpayments. The success of interstate matching is, like state matching, dependent on wage reports, automation and the willingness of states to conduct the matches.

We prepared and published in December 1982, under the auspices of the Long-Term Computer Matching Project of the President's Council on Integrity and Efficiency, the "Inventory of Computer Matching Activities in State Labor and Related Agencies." For that document, 23 states reported engaging in interstate matching. We are encouraged that, while this type of matching has been done mainly on a sporadic basis, several states have reached or are working on formal agreements to share records on an ongoing basis.

The value of such matching is shown by our recently completed interstate crossmatch of wage and benefit records in the New England region that identified potential overpayments totaling $223,571 in 848 cases. All but four cases involved claimants who may have been working in one state while collecting benefits in another. The cases have been turned over to the states for appropriate action.

If wage data had been available for all the states in that audit, many more individuals collecting benefits in one state while claiming benefits in another may have been

identified. For example, using Connecticut wage data, 422 Connecticut wage earners were found collecting benefits in Massachusetts, New York or Rhode Island--all "wage request" states. If those states had provided wage data, a substantial number of Connecticut claimants may have been identified as wage earners in either Massachusetts, New York or Rhode Island.

In another wage/benefit crossmatch project, we are matching selected Federal agency payrolls--including Treasury, Agriculture, and Labor--against the benefit records of 14 states. At this time, the Federal Government has not completed its program to provide information on employees to the states as part of their quarterly payroll reporting requirements. The need for a change in this policy will be considered as part of ETA's benefit payment control corrective action plan.

Our current project was initiated after the Internal Revenue Service (IRS) conducted a manual crossmatch of its payroll records with benefit records from Georgia and identified 333 potential fraudulent overpayments to seasonal employees who collected unemployment benefits while earning wages from the IRS. Of the potential cases, 71 were referred to Federal and 217 to state authorities. Thus far, 199 persons who have already pled guilty to fraudulently claiming benefits have been required to pay restitution and are on probation. The combined restitution of all these cases is approximately $100,000.

- Federal Wage Report Legislation -- A Federal requirement that all states keep on file quarterly or periodic employer payroll reports would overcome part of the overpayment

detection problem. In August 1982, DOL proposed a legislative initiative to require all states to amend their laws to require such reports. We worked very closely with ETA and departmental management in the development of this legislative package. At that time the Office of Management and Budget did not support the proposal.

A similar proposal, H.R. 926, has been introduced in the 98th Congress. We strongly support this initiative. Periodic, timely wage information is a key element in the detection of overpayments in many income based assistance programs, as well as in the UI program. Because such large states as New York and Michigan do not currently require periodic wage reports, Federal legislation is even more important.

- Fictitious Employer Detection Systems

A fraud scheme that can result in substantial losses to the Unemployment Insurance program is the establishment of fictitious employers. This scheme involves the establishment of a fictitious business under the state unemployment insurance law. The business is registered and taxes are paid on non-existent wages for a few actual or fictitious employees. Benefits are then drawn in the names of those individuals. The payoff can be substantial. For example, ten employees might cost $1,600 in taxes over a six-month period; but over $20,000 in benefits could be drawn in some states.

Until recently, the detection of these costly schemes has been largely by accident. In 1978, GAO reported that it believed fictitious employers could be a major problem, but that its magnitude was not known because there were

no effective systems for detecting employer fraud. Today, however, a computerized system does exist for the early detection of fictitious employers. Developed by California, this system, called the Fictitious Employer Detection System, uses certain characteristics of prior schemes to identify, for investigation, employers who match a fictitious employer profile. In the first 22 months of the system's use, California detected 14 fictitious businesses. For the five years prior to its use, California found only one case a year.

During our recent audit, we studied California's system and were convinced of its merits. Therefore, in each of the states audited, we described the system to agency payment control and data processing staff and helped them develop and install a system using known indicators. As a result, eight of the ten states audited who formerly depended on manual record reviews to detect fictitious employers now have an automated detection process.

One state, Ohio, using known indicators, uncovered a scheme that the agency then investigated. In this case, an employer contacted the agency and stated it had been in business and employing four workers for six months. Within two months of the contact, all four employees were receiving UI benefits. Ohio discovered that the address given by the company was a vacant building, and neither the business nor any of the four claimants were listed in the local telephone directory. Following the investigation, five individuals were arrested on charges of using a fictitious employer scheme to receive $20,000 in fraudulent unemployment insurance benefits. Ohio found that the same individuals had

defrauded the state Worker's Compensation program of $70,000.

ETA has encouraged the states to adopt California's system. Last fall, ten states began taking necessary steps to adopt it. We recommend that ETA continue these efforts and are hopeful that all states will soon adopt the system.

Recovery of Overpayments

An effective overpayment recovery effort is an important adjunct to overpayment detection efforts. Such an effort helps to ensure the recoupment of funds and deters potential violators from abusing the system. Successful recovery of overpayments is dependent on identifying and monitoring overpayment cases and on persistent, aggressive collection techniques.

In November 1978, ETA sent all states a complete guide for the management of overpayment recovery efforts. The guide includes an automated model recovery system which provides states with the ability to identify and monitor overpaid claimants. The system provides automated monthly billings, maintenance and analysis of accounting records, and automated collection notices.

In our audit, however, we found that only one state, Washington, had completely adopted ETA's system and that the states reviewed were not effectively managing their collection activity. Problems included not identifying uncollectible claims, not targeting large overpayments, not maintaining adequate documentation of overpayment cases, non-aggressive cash recovery procedures, and

ineffective use of civil authorities to prosecute fraudulent cases.

To improve state agency overall recovery efforts, our draft report to ETA contained a number of recommendations. For example, we recommended that states fully implement ETA's model recovery system, use aggressive cash collection procedures, promptly refer appropriate cases for prosecution, and investigate legislative changes needed to charge interest on debts owed and to assess monetary penalties.

Management Systems and Organization

In our recent study, we found that most state agency oganizational and general management systems for benefit payment control operations were weak. ETA has provided states with guidance on how to organize, manage and staff benefit payment control operations. It has recommended that states establish a strong central benefit payment control unit that would oversee activities in the central and local offices and has provided states with a suggested delegation of tasks between central and local offices.

Despite ETA's guidance, in our audit, eight of the ten states did not have a unit with overall benefit payment control responsibility. In some instances, we found that benefit payment control functions were fragmented and that prevention, detection and recovery efforts were adversely affected.

A measure of the effectiveness of organizational and management systems in relation to benefit payment control is how overall operations enhance or diminish benefit payment control functions. In our audit, we

found that some routine operations were not designed to complement overpayment prevention and detection efforts. For example, we found that most agencies did not record alien identification numbers on new and continued UI claims. Without these numbers, claims cannot be crossmatched against Immigration and Naturalization Service's lists of arrested illegal aliens to identify persons who, by Federal law, are ineligible for benefits.

Another management problem we found was weaknesses in internal security. Internal security helps prevent employee fraud schemes. A scheme in internal UI fraud cases involves agency employees changing a claimant's address to illegally send the claimant's check to themselves or to an accomplice. For example, in a case reviewed in our recent audit, an agency employee embezzled $135,000 by changing the addresses of claimants whose benefit eligibility was interrupted to that of an accomplice. In Fiscal Year 1982, ETA emphasized the necessity of good internal security by providing states with funds to hire 200 people nationwide and to train internal security specialists. In our draft report, we recommended that the states improve procedures to prevent and detect internal fraud including developing controls on changes to claimants' addresses.

ETA's Corrective Action

As noted, ETA's response during our audit and after the issuance of the draft audit report has demonstrated ETA's commitment to improving prevention, detection and recovery controls in the Unemployment Insurance system. In addition, ETA has shown a desire to work cooperatively with us toward this goal.

In response to specific findings in the ten states audited, ETA negotiated corrective action plans with each state by November 1982. Since then ETA staff have made on-site visits to verify progress and ETA is sending us quarterly reports on the agencies' progress. Finally, ETA made available up to $106,000 to each of these states to help finance the installation of model automated crossmatching systems and automated overpayment recovery systems, if needed.

With regard to the 43 jurisdictions that our audit did not cover, ETA used our audit guide to develop a benefit payment control review guide and, in each jurisdiction, ETA regional office staff conducted reviews. Reports of findings and corrective action plans resulting from the reviews are scheduled to be completed shortly.

In addition to corrective actions already taken in response to our audit and the new systems described above, ETA's Assistant Secretary has formed a Benefit Payment Control Oversight Committee to review unemployment insurance benefit payment control systems and to formulate ways to reform them.

This Committee will be chaired by ETA's Assistant Secretary and will include other top ETA officials. ETA's Unemployment Insurance Service Director will be the Committee's Executive Secretary. ETA plans to include representatives from the OIG, the Office of the Solicitor, and other interested entities including the GAO, State Employment Security Agencies and the National Governor's Association. An implementing group will be composed of ETA and OIG staff.

ETA has outlined specific issues that it wants the Committee to address. These include: the means to ensure that "wage request" states convert to wage reports so all states can detect overpayments by conducting wage/benefit crossmatches, the identification and implementation of more ways to match UI benefit and wage records within the UI program or with other state programs, ways to export to the states the best benefit payment control techniques available, and appropriate incentives and sanctions to use with states to encourage benefit payment control improvements.

We plan to work closely with ETA on all corrective action efforts and will participate in and support the Benefit Payment Control Oversight Committee.

Future UI Work

We plan to continue to invest considerable OIG resources in researching, auditing and investigating the UI system and developing recommendations for program improvements. For example, we are currently performing a 12-state audit of unemployment insurance tax collection operations. Since the solvency of unemployment benefit trust funds depends on employer taxes, the audit complements our benefit payment control audit. This audit covers five tax operation functions including cash management and field audit programs.

ETA's Management of State Spending

During this reporting period, we completed an audit of ETA's management of appropriations provided State Employment Security Agencies for operating the Unemployment Insurance and Employment Service programs.

The audit is part of our ongoing efforts to evaluate major aspects of ETA's financial management systems. It identified weaknesses in both ETA's oversight and the states' use of the over $2 billion provided annually for administration of Employment Service and Unemployment Insurance activities. ETA responded to our report by instituting policies and procedures which, if properly implemented, should help to prevent wasteful spending practices, provide better control of state agencies' budgetary processes and improve their ability to accurately report program results.

The primary objectives of our review were to determine if states were being provided only those funds necessary for effective operations, if funds received were being prudently spent and if unused funds were being recovered.

Field work was completed at seven State Employment Security Agencies and at six ETA regional offices. In addition, work was also conducted at the ETA National Office, as well as the U.S. Treasury and the Office of Management and Budget.

We selected a sample of expenditures and funds earmarked for future acquisition of goods and services (encumbrances) which were reported by the states at the end of Fiscal Years 1980 and 1981. We also evaluated ETA's and states' controls over spending (obligational) authority and the effectiveness of ETA's monitoring of state agencies' financial activities.

In both fiscal years, in our judgment, nearly 75 percent of the dollar value of items contained in the reported encumbrance balances was improper. Based upon our sample, we

estimate that nationally $68 million of Fiscal Year 1980 and $58 million of Fiscal Year 1981 encumbrances were invalid.

We attribute the large proportion of improper encumbrances to (1) poor state agency financial management systems and accounting procedures which allowed inaccurate reporting, (2) lack of attention by state agency management to criteria necessary to reserve funds from current appropriations for future expenditures, and (3) a desire on the part of agency management to prevent the return of unused funds to the Department.

We found that weaknesses in current procedures allowed states to avoid budgetary restrictions. In addition, intentional "hurry-up" year-end spending and encumbrance of funds encouraged unnecessary purchasing and led to questionable procurement practices.

We recommended that ETA exercise more thorough and frequent oversight. We also recommended that certain policy changes be instituted. Those policies include:

- Establish deadlines that are consistent with the requirements of Federal procurement laws and the authorizing appropriations language and enforce the return of unused funds;

- Direct states to have available for review by ETA all documentation identifying, supporting, and justifying each encumbrance and item included in open accounts payable balances; and

- Establish and enforce strict requirements on evidence necessary to obligate funds. This

evidence should generally be confined to purchase orders or fully executed contracts.

Based on our recommendations, ETA has instructed its regional offices to perform comprehensive on-site monitoring of Fiscal Year 1982 and 1983 encumbrances. It is also requiring states to justify the need for unused and unspent funds, which were provided from prior years' appropriations. Those funds which cannot be supported will be withdrawn.

In addition, ETA regional offices have been provided criteria which must be met in order to obligate funds properly and have been instructed to enforce these requirements on the state agencies.

The review also identified financial management and data collection weaknesses within ETA's financial management system. Financial data, inflated by unnecessary spending and invalid encumbrances, have been used by ETA to forecast the state agencies' future financial needs. The result has been increased and unnecessary budget demands. In addition, this faulty data prevents ETA from accurately reporting the results of state agency operations to the U.S. Treasury. We recommended that changes be implemented in the procedures and design of automated data management systems to allow accurate compilation of data reported by the states.

ETA agreed with our recommendations and, during Fiscal Year 1983, plans to redesign its financial management systems with the goal of improving controls of year-end obligations and the accuracy of reports provided the U.S. Treasury.

Job Training Programs in Transition

As noted in prior semiannual reports, since its inception, the OIG has concentrated considerable resources on programs authorized under the Comprehensive Employment and Training Act (CETA). A year ago, we worked with ETA to develop recommendations, based on our experience with the CETA program, designed to help prevent waste, fraud and abuse problems in new job training legislation. On October 13, 1982, the President signed CETA's successor, the Job Training Partnership Act (JTPA). JTPA designates Fiscal Year 1983 as a transition year. Consequently, during this reporting period, our efforts have been directed both to the implementation of JTPA and the phasedown of CETA.

JTPA Start-up

For this transition period, we have worked closely with ETA to determine ways to prevent fraud, waste and abuse in this new job training program. Our two initial efforts have dealt with the implementing regulations and pre-award surveys.

- Implementing Regulations

The main focus of our preventive efforts during the last six months has been on JTPA's implementing regulations, especially those for state and local training program operators, called service delivery areas. We worked with ETA at an early stage in their development and continued our involvement through publication of the final regulations on March 15, 1983.

The main issue for us in the development of the regulations was to implement the legis-

lated relationship between the Federal, state and local governments so as to ensure proper program and financial accountability. Like CETA, JTPA allocates funds to states and local service delivery areas by a formula based on population and number of persons unemployed.

However, under JTPA, most funds will be distributed in the form of grants to the governors, who will distribute the funds--largely according to a prescribed formula--to local areas. Although ultimately accountable to the Secretary, the governors will assume many tasks that the Secretary had performed under CETA. For example, the governors will review and approve local level plans and arrange for the audit of local programs.

Because of this increased state role, JTPA is viewed by many as a block grant. Given CETA's history of management problems and program abuses, we were very concerned that standard block grant regulations would not sufficiently safeguard JTPA funds. Therefore, we worked with ETA to help draft regulations that, within a block grant concept, would help prevent abuses and support program accountability.

The final regulations address these critical concerns and provide guidance on accountability issues such as liability for disallowed costs, audit resolution, indirect cost requirements, and limitations on administrative costs. With regard to audits, the regulations specify what information the governors will furnish the Department for use by the Secretary in resolving audits. The regulations also require that all criminal activity be reported directly to the

Secretary, regardless of the level at which it occurs.

- Pre-Award Surveys

In order to determine whether states, service delivery areas and sub-recipients have certain minimum systems in place before JTPA operations begin, we have undertaken pre-award surveys of states.

In our view, these systems, at a minimum, should ensure that:

- States monitor service delivery area activities, and service delivery areas monitor sub-recipient activities.

- Each operating level performs self-evaluations.

- States obtain required audits of themselves, service delivery areas and sub-recipients on a timely basis.

- States make pre-award surveys and promptly resolve audit findings.

- Each operating level has financial management systems in place which ensure that:

  - Accounting records accurately reflect costs on a timely basis;

  - Financial reports are accurate, timely and supported by accounting records;

  - Only minimum cash balances are maintained;

- Only allowable costs are claimed, i.e., costs are reasonable and necessary;

- Limitations imposed by law and regulations on amounts expended for training, support and administration are followed; and

- Internal controls are in effect to ensure that JTPA funds are safeguarded.

We plan to start pre-award surveys of all 57 states and entities which will receive and distribute JTPA grants. We and ETA are encouraging states to perform similar pre-award surveys of service delivery areas and sub-recipients using our pre-award survey guide.

In addition, we plan to issue a national report on the overall adequacy of systems planned by states, service delivery areas and sub-recipients to ensure that JTPA programs are operated properly.

CETA Closedown

As the Job Training Partnership Act is in the process of gearing up, the CETA delivery system is closing down. ETA has taken several actions to help ensure that the CETA closeout effort is successful. Closeout guidance has been developed and provided to prime sponsors. Additionally, an ETA closeout team is providing training to both ETA field personnel and prime sponsor representatives to assist in the orderly phase-out of the CETA program.

We are assisting ETA in the CETA closeout training by providing technical assistance on audit matters and the safeguarding of assets. This effort began in March and will continue through June. We are also coordinating with

ETA to ensure that prime sponsors make appropriate audit arrangements during the final year of CETA operations.

In addition to these efforts, we will be conducting a special purpose review of selected CETA prime sponsors beginning in August 1983. The review will identify and verify assets and liabilities held by prime sponsors. Information developed from the review will be used to ensure that assets and liabilities are properly identified, transferred to JTPA, where applicable, or returned to the Federal Government at program termination.

Job Corps

Job Corps, a nationally administered CETA program, will remain basically the same under JTPA. Job Corps was created in 1964 by the Economic Opportunity Act. The Corps offers a complete range of education, training and support services, usually in residential settings, to disadvantaged youth. Currently, more than 106 Job Corps centers have a combined capacity of approximately 40,900 participants. These centers are operated nationwide under contract to ETA by private for profit and nonprofit corporations, state and local governments, Indian tribes, and community-based organizations. Federal outlays for the Job Corps program totaled $605 million in Fiscal Year 1983.

- Procurement Policies

Our audit surveys, as well as prior GAO reports, have identified significant procurement problems in the administration and management of Job Corps activities. These

problems have included: excessive use of sole-source contracting; weak, or non-existent performance standards in awarded contracts; and the lack of trained staff to manage the contracts. Based upon recommendations received from GAO and us, ETA convened a special task force to completely revamp the procurement process.

The task force developed and issued a detailed manual containing all procedures necessary for awarding Job Corps procurements according to applicable laws and regulations. We were involved in the process from the very beginning and reviewed each document as it was being developed. The new procurement procedures contain sufficient safeguards to reduce the potential for fraud, abuse and mismanagement in the procurement of goods and services for the Job Corps program. ETA has formulated plans to effect a number of other management changes. These include revising procurement planning and control systems, improving budget procedures, establishing meaningful performance standards and improving Job Corps center performance assessments, and, ensuring that audit coverage of Job Corps contracts is adequate.

- Audits

As mentioned in previous semiannual reports, Job Corps has not in the past received adequate audit attention. We are now accelerating audit coverage for three major components of the program:

- Job Corps residential centers,
- Outreach, placement and training activities, and

- Architectural and engineering construction and rehabilitation contracts.

Financial and compliance audits will be conducted and completed at 73 Job Corps centers during this fiscal year. These audits will examine reported costs of the centers for proper charges and determine whether applicable laws and regulations having a material effect upon these costs have been complied with. Additional economy and efficiency audits will be conducted at 16 of the centers to determine if ways can be found to utilize resources in a more economical and efficient manner.

Outreach, placement and training contracts will also be subject to financial and compliance and economy and efficiency audits. Financial and compliance audits will be conducted in Fiscal Year 1984. These economy and efficiency audits will be conducted during this fiscal year and will examine the methods used to recruit and place Corps members to determine whether higher placement rates and greater cost savings can be achieved.

The third component included in the Job Corps audit plan is a review of contracts awarded to architectural and engineering contractors for construction and rehabilitation work performed at Job Corps centers. Our review will focus on the purpose of the contracts, the methods under which they have been awarded and resulting cost/benefits of work performed. Many of these audits are scheduled to be completed by late summer or early fall.

EMPLOYMENT STANDARDS ADMINISTRATION

The Employment Standards Administration (ESA) is composed of three components which operate largely independently of each other. The Office of Federal Contract Compliance Programs administers an Executive Order and portions of two statutes which prohibit Federal contractors from engaging in employment discrimination on the basis of race, color, religion, sex, national origin, handicap, or veteran's status, and which require affirmative action to ensure equal employment opportunity. The Wage and Hour Division enforces minimum wage and overtime standards, establishes wage and other standards for Federal contracts, and enforces aspects of other employment standards laws. The Office of Workers' Compensation Programs (OWCP) administers three laws providing compensation and medical benefits primarily for on-the-job injuries and occupational diseases to civilian employees of the Federal Government, coal miners, and longshore and harbor workers.

During the past several years, the ESA program which has received the greatest OIG audit and investigative attention has been OWCP, especially OWCP's management of the Federal Employees' Compensation Act (FECA). In this report, we will concentrate on the FECA program.

FECA is generally the sole form of workers' compensation available for Federal employees who suffer on-the-job injury or occupational-related disease. The Department of Labor is responsible for administering the Act, but actions by all Federal employing agencies, the Office of Personnel Management (OPM), and the

Office of Management and Budget influence implementation.

ESA has requested, for Fiscal Year 1984, a nationwide staffing level for FECA of 928 and a budget of $45,452,000 for program management. The request for the payment fund totals $1,032 million, of which $821 million represents reimbursement from other Federal agencies' appropriations or revenues. Currently, approximately 45,000 claimants are receiving long-term benefits under FECA, and it is estimated that 1,395,000 payments will be made to FECA claimants in Fiscal Year 1984.

Over the past few years, a substantial part of the OIG's resources has been expended in reviewing OWCP's management of its programs, particularly FECA management. For example, in the OWCP area, during the last two years, we have conducted five program audits, three studies on program financial losses and program vulnerability to future loss, several computer matches of OWCP beneficiary rolls with records of other government programs, and, as part of a nationwide project, reviewed over 10,000 files of long-term recipients of FECA benefits. OWCP cooperated in some of these efforts. FECA has also figured prominently in OIG investigative activity involving ESA; during the past six months, FECA claimants or medical providers have been the subjects of 20 of 31 ESA indictments, 17 of 29 convictions, and 15 of 20 settlements resulting from OIG investigations.

During the last two years, GAO has also completed several reports of the FECA program. In addition, committees of both houses of the Congress have conducted hearings on OWCP's

administration of workers' compensation programs.

Collectively, reviews by the OIG and others have disclosed serious problems relating to FECA program administration, management of cases, financial accounting, and controls over program resources. While we can point to initiatives OWCP has taken to correct problems, we remain extremely concerned about the implementation of actions necessary to achieve many reforms.

Our concerns fall into four broad categories:

- o Strengthening the role of the employing agencies
- o Achieving legislative reform
- o Achieving regulatory reform
- o Improving management systems.

The issues are not strictly separate; rather they are intermingled. Progress in all four areas is necessary to achieve FECA reform. In fact, the need for a comprehensive approach to the resolution of identified problems led to the establishment, on November 1, 1982, of a joint OIG/OWCP task force. OWCP's substantial effort in the various task force projects is a particularly encouraging sign of the seriousness with which the agency is addressing FECA reform. We consider the task force to be one of the more important developments of the past six months. The purpose of the task force is to ensure an integrated, well-planned approach to the resolution of identified problems within OWCP, particularly FECA. The task force facilitates OIG monitoring of OWCP initiatives and

the development of joint activities. Work has begun in four key areas. First, the task force has provided a forum for review of FECA legislative and regulatory proposals.

Second, the task force has coordinated a number of computer crossmatching projects. For example, in this reporting period, work began, in conjunction with the Office of Personnel Management, to verify the results of an OIG match of FECA and OPM records to isolate instances where individuals are concurrently receiving OPM retirement or survivor annuities and FECA disability or death benefits. OIG is also helping FECA initiate regular computer matches of the FECA periodic roll with state wage report files.

Third, the task force has conducted a review of forms used by the FECA program for assessing claims and medical services. The objective of the review was to identify ways in which the forms could be improved to reduce ambiguity and misrepresentation, and to enhance management control. Further, we believe that forms improvements will enhance prosecution of future fraud related to unreported income.

Fourth, we are assisting the FECA program in establishing a program of fraud awareness training for FECA personnel. The result of this training will be an increased awareness by program personnel of the need for and techniques available for improving security and internal controls. The major thrust of this training will be prevention rather than detection.

The crossmatches mentioned above are designed to isolate cases of duplicate payments among different compensation programs and within the

OWCP programs. Although a number of matches have been completed since the crossmatching program began, two projects were completed and verified during the current six-month reporting period. One of the crossmatches matched claimants and medical providers being compensated for the same injury or disease from both the FECA and Black Lung compensation funds. The other searched FECA files to identify claimants who were being paid from two separate FECA case files for the same injury or disease or who were receiving concurrent payments for total disability. The match was also intended to determine the accuracy of the data elements contained in the FECA Automated Compensation System data base.

The results of the crossmatch were encouraging. Out of a total of 55,000 case files compared, the computer crossmatch identified only 337 pairs of cases having potential dual compensation. We verified the case files and compensation history of 226 of the pairs, and referred 111 others to OWCP for verification. Twenty-four of the 226 pairs of cases contained duplicate payments for a total of $118,803 for various periods between March 1, 1981, and November 3, 1982. By the time we had completed field work, the various OWCP district offices had uncovered or taken corrective action on 13 cases, amounting to $37,922 in duplicate payments. Ten cases, with duplicate payments amounting to $80,881, remained unresolved.

As noted earlier, we believe that FECA reform encompasses four areas. These are discussed below.

The Role of the Employing Agencies in FECA Management

While the FECA program within the Department of Labor is responsible for the payment of claims to Federal workers injured on the job, the role of those agencies employing Federal workers is central to the successful management of the FECA program. The OIG has been active in evaluating the roles that employing agencies could play and in making recommendations for improving the working relationship between ESA and the employing agencies, particularly in instituting measures to rehabilitate and reemploy claimants.

- Establishing a Role for the Employing Agencies

Costs for the FECA program rose dramatically after the enactment of amendments to the Act in 1974. Between 1974 and 1981, costs and claims nearly tripled and claims filed for traumatic injuries increased nearly seven-fold, even though Federal employment remained fairly stable. However, the situation has improved in recent years; between 1981 and 1983, claims actually dropped and costs rose only 12 percent.

Historically, the Federal agencies for whom the Department of Labor administers the FECA workers' compensation program--the employing agencies--have had little interest in the program's administration. Concerns over the rising costs of the FECA program, and the role that the employing agencies could play in reducing costs, led to the 1981 formation of a working group, under the auspices of the President's Council on Integrity and Efficiency, consisting of representatives from

several employing agencies and Offices of Inspectors General. The group conducted a study, issued in May 1982, entitled "The Role of the Employing Agencies in Administering the Federal Employees' Compensation Act." The study, which we discussed in our March 1982 semiannual report, contained numerous managerial and some legislative recommendations concerning the existing FECA program and the role of the employing agencies.

As a result of that report, the Secretary of Labor established the Employing Agencies Task Force, comprised of representatives from the various employing agencies [U.S. Postal Service (USPS), Defense, Transportation, Tennessee Valley Authority (TVA), etc.], OPM, and the Department of Labor (OIG, ESA and OWCP). The Task Force was asked to consider the recommendations of the study and to make recommendations for FECA reform, including changes to legislation, regulations, the role of the employing agencies in the FECA program, and administrative and managerial changes. The Employing Agencies Task Force, as a regularly convening group, is a major step towards FECA reform.

We are both encouraged and concerned about the progress being made on the Task Force. We are encouraged because recent meetings of the Task Force have yielded important employing agency input into OWCP's draft of proposed legislation--the Task Force's first priority. We are also encouraged because the agencies are at last beginning to consider the administrative changes, both within OWCP and the employing agencies, necessary to improve FECA cost containment and program integrity. Our concerns stem from the length of time this process has taken. Nearly one year after

issuance of the working group's report, the Task Force is just beginning to consider the actions necessary to implement the study's recommendations. Not until March 1983, with the establishment of two working groups, did the Task Force begin to consider the myriad regulatory and administrative changes required to obtain more employing agency involvement in the FECA program. We will continue to monitor the progress of the Task Force and to participate actively in efforts to bring about the reforms recommended in the study.

- FECA Chargeback System as an Incentive for Cost Control -- Although OWCP administers the FECA program, the Department of Labor does not pay for FECA claims (other than its own) from its budget. Payments are made from a fund established within other Federal agencies who employ or employed those collecting disability benefits. Once a year, the Department of Labor bills the Federal employing agencies for the FECA benefits expended during the year, and the agencies, for the most part, request the Congress to include FECA costs in their annual appropriation. The system is thus known as the "chargeback" system, since DOL "charges back" benefit payments to the appropriate employing agency.

Agencies that receive funding through appropriations (such as Defense and Transportation) reimburse the chargeback system differently from agencies which receive funding through operating revenues (USPS and TVA). While it is true that FECA costs are "charged back" to employing agencies, costs incurred by appropriated fund agencies are not met from operating expenses or base salaries. Rather, they are met, dollar-for-dollar, from a special allocation contained within the

benefits portion of the agency's salary and expense appropriation. In effect, the chargeback portion of the appropriation is treated as mandatory, no matter how high FECA expenses may be.

An exception is the Department of Defense, which has had a ceiling placed, through legislation, upon the amount of money it is required to pay back to the Department of Labor through the chargeback fund. The ceiling results only in savings to the Defense budget, not the Federal Government, since the Department of Labor must pick up any compensation costs which exceed Defense's ceiling amount. Since, in effect, appropriated fund agencies do not have to divert operating funds to pay their chargeback bill, they have little monetary incentive to reduce FECA costs.

USPS and TVA, agencies which receive income from operating revenues (non-appropriated fund agencies), actually have to pay FECA benefits out of funds otherwise available for operations. Higher FECA costs divert funds from other uses. Concerns over the burdens imposed by FECA costs led USPS and TVA to emphasize FECA cost control. USPS and TVA established top management commitment to improve the implementation of FECA within their agencies; assigned full-time staff to the program; and instituted policies to require systematic efforts to provide light-duty or limited-duty assignments at an early stage of the claimant's disability, to gather medical data to regularly monitor the claimant's recovery progress, to make efforts to rehabilitate and reemploy claimants in the agency, and to institute management controls over bill payments and costs.

USPS, in addition, established reporting and budgeting systems to inform unit managers of compensation costs at their level; required managers to pay costs from their operating funds; and judged managers' performance, in part, on their success in controlling FECA costs through light-duty assignments or reemployment. In the employing agencies report, USPS estimated that its program had saved $15.6 million and TVA estimated savings of $800,000. We are concerned that, despite the impressive results achieved in the programs established by USPS and TVA, no other employing agency has yet replicated such cost containment measures.

We believe that the chargeback system could become an incentive for FECA cost containment, and that this subject should receive increased attention from both the Employing Agencies Task Force and the relevant committees of Congress.

Establishing programs such as those operated by USPS and TVA would be a step in this direction, particularly establishing unit manager accountability in ways similar to those adopted by USPS. Consistent with this would be adoption of the recommendation contained in the employing agencies report that Labor should be given authority to require reporting systems which would pinpoint accountability within employing agencies for compensation costs and reflect results of reemployment efforts. Another report recommendation for consideration is the one favoring indefinite retention of injured workers on the employing agencies' employment rolls, so that injured workers would count against the maximum number of employees the agency would be permitted to carry.

The lack of active employing agency participation in FECA management is illustrated by the results of a recent, limited survey. The survey indicates that some employing agencies do not maintain sufficient master files of their injured employees who have received FECA compensation for over one year (the period of time over which a disabled employee retains reemployment rights within his or her agency). As a result, they are unable to verify, without going to the Federal Records Center, that claimants listed on the chargeback bill received from OWCP are, in fact, former employees of their agency. Thus, employing agencies cannot be certain that they are paying FECA expenses only for those former employees for whom they are responsible.

Plans are underway for an OIG audit of the FECA chargeback system. This review will emphasize those systems and controls necessary to ensure that all costs are captured and properly recorded in the system. This should enable the auditors to certify the billings to the employing agencies for their share of FECA benefits paid. We will assume responsibility for the initial audit, and understand that OWCP intends to assume the financing of audits of the chargeback system thereafter.

Legislative Reform

Over the past few years, we have made a number of legislative recommendations, some of which were introduced, but not enacted, in the Congress. For example, legislation was introduced in the 97th Congress to bar payments under FECA to medical providers who engage in fraud or other abusive practices, and to prevent payments--in specified instances--to incarcerated felons. OWCP has been working on

draft legislative amendments upon which OIG, the employing agencies, and others have commented. Cooperative efforts for FECA legislative reform continue.

We believe that the recommendations we have made for FECA legislative reforms could greatly strengthen the Federal employees' compensation program, and we fully support such legislation. However, we also believe, and other agencies have suggested, that many of the changes OWCP has proposed for enactment in legislation could be easily handled either administratively or through regulations. This is discussed in detail below.

Regulatory Reforms

In past semiannual reports, we have made recommendations for substantive improvements in FECA cost containment systems, fraud detection methods, and legislative and regulatory safeguards. While we are encouraged by the increased cooperation of ESA in achieving some of these goals, we continue to be concerned with the very serious waste, fraud and abuse problems in the FECA program.

We have made a number of regulatory recommendations to ESA and have provided comments on draft proposed regulatory revisions. Two areas open to regulatory reform are of particular interest to us: containing medical treatment costs through the use of medical fee schedules; and the debarment of medical providers who have engaged in fraudulent practices. Both of these problems could be handled through regulations. Section 8149 of the Federal Employees' Compensation Act permits the Secretary of Labor to "prescribe rules and regulations necessary for

the administration and enforcement of" the Act. Coupled with specific regulatory powers granted the Secretary in relation to paying medical expenses, this provision serves as a sufficient basis for developing regulations to contain medical costs. After extensive discussions with the respective Federal employing agencies, Labor's Office of the Solicitor, and OIG, OWCP has now agreed that some of the program management changes it proposes to bring about through legislation can be accomplished through regulations.

Medical fee schedules -- Since we conducted our loss vulnerability studies in 1980 and 1981, we have recommended that OWCP institute medical fee payment schedules as a cost containment measure. We have reiterated our recommendations in semiannual reports since September 30, 1981, and have shared our recommendation with Congress in testimony in 1981 and 1982. Despite assurances to the OIG and the Congress to implement such schedules, OWCP has yet to adopt and use medical fee schedules throughout its programs.

For example, in our 1980 loss vulnerability assessment of FECA bill payment operations and procedures in a key FECA program district office, we recommended that: "Schedules of customary provider fees (with upper and lower ranges) should be provided for bill payer use in determining reasonableness of charges." In its response, sent in October 1980, ESA stated that OWCP headquarters would identify schedules of customary provider fees and assist each district office in acquiring at least one for bill payer use. When the Senate Permanent Subcommittee on Investigations held hearings on FECA in July 1981, the use of medical fee schedules had not been implemented. Neither

had usage been implemented by the time of hearings in March 1982.

When we issued our last report, it appeared that ESA was moving forward with this recommendation. However, progress has been slower than anticipated. In a letter dated August 30, 1982, to Senator William Roth, Chairman of the Senate Committee on Governmental Affairs, and the Permanent Subcommittee on Investigations, Secretary Donovan stated that the automated medical fee schedule would be implemented in November 1982. ESA later informed OIG that the proposed regulations would be published in November, followed by a test of the proposed fee schedule, with implementation of the fee schedule due before the end of March 1983. However, in its report to Senator Roth, sent January 19, 1983, OWCP stated that the timetable for introducing a medical fee schedule had slipped beyond the dates promised.

As of the end of this reporting period, ESA appears to be making progress. The agency has commenced a three-month test of several schedule systems, and has circulated draft regulations within the Department of Labor (including the OIG) for comment. We understand that the delay in publication is due to a determination that testing of the schedule system should take place prior to publication of proposed regulations, and that OWCP encountered difficulties in assessing the geographic differences in medical costs and variations in medical practice. While we can accept OWCP's need to ensure that the system is tested prior to publication of proposed regulations, we are nonetheless concerned about the continued delays encountered.

It is thus apparent that, even if OWCP publishes its proposed regulations soon after its three-month testing period, no operating medical fee system can possibly be in place before Fiscal Year 1984. A particularly high priority to the systematic implementation of a medical fee schedule is needed to ensure that no further slippage occurs.

- Debarment of fraudulent medical and legal providers -- While the number of cases actually brought to prosecution has not been large, we believe that one of the more egregious types of fraudulent activity against the FECA program is abuse of the law by medical doctors, clinics, pharmacies, etc., who provide medical care to FECA claimants. Over the years, cases have come to light in which providers of medical services billed the Government for services they did not render, billed twice or more often for the same services, billed for fraudulent illnesses or injuries, filed back-dated bills, or defrauded other Federal or state compensation programs. Even when doctors were barred from receiving payments from other compensation or government insurance programs, they have been permitted to continue participating in the treatment of FECA claimants.

For example, during this semiannual reporting period, a joint OIG/USPS investigation, mentioned in our last semiannual report, led to the sentencing of a doctor for providing false and fraudulent medical certifications to USPS. He had also advised USPS employees on how to feign injuries to enable them to be placed on total disability status when, in fact, these employees were suffering from no disability or injury. The doctor was the certifying physician for 129 disability

claims, many of them fraudulent, filed by USPS employees.

A deterrent to this type of fraud, barring such medical providers from participating in the FECA program, has always been available to OWCP through the rulemaking process. We have maintained that FECA has regulatory authority to debar medical providers, and have recommended in testimony before Congress in 1981 and 1982 that ESA promulgate debarment procedures. Our view of OWCP's regulatory authority was not initially shared by the Office of the Solicitor and OWCP. Thus, we supported legislation to achieve the necessary authority while continuing to press our position that regulatory debarment was possible. After discussions between OWCP, OIG and the Office of the Solicitor about this, the Solicitor subsequently concluded that administratively established debarment procedures are permissible under the general rulemaking provisions of FECA. OWCP then agreed, as we reported in our previous semiannual report, to publish proposed debarment regulations in December 1982.

While ESA has circulated draft debarment regulations with other draft regulatory changes within the Department, it has yet to publish any proposed rule instituting a debarment procedure. While we recognize that certain administrative and legal complexities surround the debarment process, we note that other Federal agencies already have procedures in place for the debarment of those who provide medical services--procedures on which OWCP can base its own debarment system.

Some of the reasons for the delays are external to ESA, and are attributed to the

Department of Labor's process for policy consultation for clearance of regulations. Designed to ensure that new regulations are consistent with Administration policy and that they impose the least possible burden, the internal process can impede both good and bad regulatory change. We believe that more informal internal consultation could shorten the rulemaking process without affecting the integrity of the final products.

Such Departmental delay in rulemaking is illustrated by OWCP's attempt to publish an administrative change to regulations under the Privacy Act concerning the routine use of Government information. The amendment was necessary to allow computer matching of FECA files with wage data contained in the files of five states with which we had established pilot computer matches. As we discussed earlier, computer matching is an important part of our efforts to curb waste, fraud and abuse in the workers' compensation programs. Even though the regulatory amendment was neither controversial nor complex, the regulation, which was sent to the Office of the Solicitor on October 18, 1982, was not published in the Federal Register until February 8, 1983.

Management Systems

Improving the management of the FECA program is a complex endeavor requiring concurrent progress on several fronts, including: 1) ADP systems; 2) medical review systems; 3) and case management systems. Also important is control of the chargeback system, discussed earlier in this report. We shall review developments in each of these other areas below.

ADP Systems -- A well designed and integrated ADP system is essential to manage the volume of cases for which FECA is responsible. After other high volume benefit programs had been automated, FECA continued to use manual procedures, producing serious difficulties. Over the past several years, however, ESA has undertaken long-range adoption of automated case handling procedures, but the automating process has been plagued with problems and delays.

The first phase, known as the Level I ADP system, was fully implemented in 1981 with the installation of an automated system capable of handling compensation payments, tracking case location, providing the status of claims adjudications, and providing office caseload information. Scheduled for implementation in Fiscal Year 1984, the Level II ADP system is designed to provide FECA with the information storage and retrieval capacity and computer program power necessary to eliminate the management problems associated with the existing ADP system and its predecessor manual system.

The automated systems that FECA has attempted to establish have been inadequate. Since 1976, when GAO reported to the Congress on the costly failure of an ADP contractor to implement the Level I FECA ADP systems, the program has been confronted with ADP systems which were inadequate to effectively manage FECA cases or control medical and compensation payments. As noted in previous reports, FECA's historical ADP efforts have been focused on getting claims processed and payments made, rather than on managing cases or providing adequate controls over disbursements.

In past semiannual reports, we have reported problems of employee fraud arising from inadequacies in ADP payment system controls. OIG audit work performed in FECA district offices during this reporting period indicates that the problems persist. System controls at both the national and district levels are deficient, and have resulted in data integrity as well as payment problems.

There are, however, signs of improvement. Within the past six months, OWCP has taken positive steps towards improving the FECA ADP support systems. Direct control over ADP support has been given to the FECA program and a new ADP contractor has been engaged. In addition, FECA management has moved to establish priorities for ADP system modifications and improvements, focusing primarily on case management and control functions. Specifically, ADP control deficiencies which contributed to the bill payment fraud cases appear to have been corrected with a new bill payment system edit installed at each district office.

The new contractor has been given responsibility for creating full documentation of the computer software for the FECA systems as a first priority. Complete software documentation is necessary to adequately monitor, maintain, and modify the existing system, and is essential both to correct problems and enhance capabilities. Contractor personnel will not be permitted to work on FECA systems until this documentation is completed. Additionally, work is proceeding on cleaning up FECA data bases, and several new management reports designed to assist program officials and claims examiners with case management responsibilities are in various stages of implementation. Many of the scheduled reports

and system modifications will address ADP deficiencies previously identified by the OIG.

- Medical Review Systems -- An essential element of the FECA program is a system of medical review to determine whether claimants are entitled to benefits. Good management of the medical review system requires that medical evidence be presented in a timely manner, and that medical advice be readily available and acquired in a manner that is both cost-
efficient and objective.

It is the responsibility of FECA to monitor each claimant's case to determine the claimant's continued entitlement to compensation. Monitoring requires that FECA receive current medical information on a continuing basis, since the claimant's current disability status governs future case management of the claim. Failure to maintain current medical information in the files is conducive to fraud and leads to an inability to terminate or reduce benefits promptly when necessary.

One aspect of the National FECA Project (discussed more fully later in this section) was a review of FECA files for medical evidence to support the claim. The review of 10,019 case files showed that 44 percent of those reviewed lacked current medical evidence. Of particular concern was the fact that this rate was an increase over those found in earlier studies, conducted in 1979 and 1980, when 22 percent of 380 total cases were found to lack medical evidence.

Proper adjudication of FECA claims requires ready access to expert medical advice. A medical director on the staff of each district

office should be available to provide that advice or, if unable to do so, to recommend the use of an outside physician in the appropriate medical specialty. But the FECA program has failed to retain medical directors in all of its district offices. We sent a draft report to ESA on August 5, 1982, on the results of a survey of OWCP's acquisition of FECA medical and OWCP rehabilitation services. A weakness we identified involved OWCP's failure to retain medical officers. In those offices without medical officers, this resulted in complete dependence upon the advice of outside physicians. As of June 18, 1982, there were no OWCP medical officers in nine of the sixteen OWCP district offices or in the headquarters office. As a result, in those situations in which advice from a staff medical officer would suffice, OWCP failed to obtain medical advice for its claims examiners in a manner which minimizes costs and maximizes timeliness. The situation has improved since June. OWCP has recognized the seriousness of having an insufficient number of medical officers, has filled 11 of 16 district office medical officer positions, is actively recruiting to fill the remaining vacant positions, and has filled the position of medical director in the program's headquarters.

Our draft audit report also disclosed that OWCP has not complied with applicable Federal and Department of Labor procurement regulations in its acquisition of medical advice and rehabilitation services. OWCP's position has been that purchases funded through the Employees' Compensation Fund are exempt from the procurement regulations. To resolve the question, both OIG and OWCP requested an opinion from the Office of the Solicitor. The Solicitor's delay in issuing an opinion was

considerable; our request was dated October 28, 1981, but the reply was not sent until April 4, 1983--18 months later. The Solicitor sustained our position that OWCP, in contracting for medical and rehabilitation services, must comply with the Federal Procurement Regulations and the Department of Labor's procurement regulations. While we were pleased to receive the Solicitor's support in this matter, a timely response would have permitted corrective action to have begun over a year ago.

In our draft report, we recommended that:

- Acquisition of such services be carried out under the procurement system as prescribed by the Department's procurement regulations and administrative procedures manual;

- Instructions to OWCP field managers be strengthened to delineate to district office personnel which medical and rehabilitative services they are authorized to procure and how they should be procured;

- Managers be required to use written agreements to document the terms on which services are provided;

- Procedures be implemented to separate duties in services acquisition so that potential errors of omission or commission are minimized;

- Fees for rehabilitation services be included in fee schedules implemented for FECA medical services.

Of particular concern to us is the lack of adequate safeguards in the acquisition of medical services to ensure that services are delivered as promised, and that payments are made with appropriate cost and integrity controls. We believe that implementation of the above recommendations is necessary, and are still waiting for OWCP's formal response regarding implementation. All except the first of the recommendations listed above are managerial, and could be carried out administratively.

We are encouraged to note, however, that since our survey, OWCP has requested, and recently received, policy guidance from the Comptroller of the Department on the procurement of medical services. The Comptroller's guidance requires OWCP to procure medical services by following procedures consistent with the Federal Procurement Regulations. As a result, we have been meeting with OWCP about ways to best implement our recommendations in light of the Comptroller's policy guidance.

Case Management Systems -- Our interests in this area are two-fold: 1) to ensure that claimants' continuing eligibility for compensation is properly established and documented; and 2) to ensure that opportunities for internal employee fraud are minimized.

In the past, we have placed considerable audit emphasis on periodic roll case management. We issued audit reports in this area in 1979 and 1980. Our more recent effort, the National FECA Project, a comprehensive review of FECA case files and supplemental information sources (state wage records), was designed to determine whether long-term FECA beneficiaries were receiving unreported earnings in addition to

their FECA benefits. Those identified as receiving unreported earnings would have their FECA benefits reduced or terminated. The project, begun in 1980 in Atlanta and later expanded nationwide, has been a joint effort of the OIG, OWCP, and employing agencies. OWCP identified potential FECA abusers according to an established profile and, after file review by OIG and the employing agencies, has been taking followup action and referring appropriate cases for possible fraud investigation.

To date, through the National FECA Project, reviews have been conducted of 10,019 long-term FECA case files (plus those files reviewed earlier in the pilot project in Atlanta), with 7,458 being sent to OWCP for followup action. File reviews in the project have resulted in the reduction or termination of FECA benefits for 983 claimants, yielding annual savings of $12.1 million. The project has disclosed deficiencies in three areas: medical review (discussed earlier), claimant earnings and dependents' status reports, and the processes for determining the claimant's loss of wage-earning capacity.

Claimants' earnings statements have been a matter of considerable concern to the OIG. The primary regular report of earnings which a FECA recipient files is form CA-1032, an affidavit of earnings and the status of dependents, filed annually. The information requested on the CA-1032 is useful in determining the claimant's actual earnings for loss of wage-earning determinations and whether the claimant has a work capacity. The information regarding dependent status is useful in verifying the level of compensation to which the claimant may be entitled.

Failure to verify earnings and dependent status periodically can result in overpayments. From an investigative viewpoint, the CA-1032 is a key evidential document for prosecutions in FECA claimant fraud cases.

However, current problems with the form limit its usefulness. The National FECA Project disclosed that 35 percent of 10,019 files reviewed did not even contain current CA-1032's. Two earlier studies, released in 1979 and 1980, reported similar ratios of files not containing annual CA-1032's. OWCP's followup actions should lead to proper acquisition of needed claimant affidavits of earnings.

Another problem in case management is the ambiguity of wording on form CA-1032--a subject of considerable concern to the OIG in recent years. An example which points out problems with the wording on form CA-1032 is a case brought against a former Air Force employee who suffered an injury on the job. Although on the FECA rolls from 1972, the claimant failed to report income from self-employment over a seven-year period. Criminal prosecution was denied because of the wording on CA-1032 as it pertains to self-employment. Rather than pursue criminal action, the Department of Justice has filed a civil action against the claimant, seeking double the amount paid in compensation during his self-employment, plus interest, and the costs of the suit.

One of the cooperative efforts between OWCP and OIG, mentioned earlier, is work to revise form CA-1032 and other forms connected with compensation to eliminate ambiguities and strengthen the certification language, thus facilitating case management and prosecution

in future fraud cases. During this reporting period, OIG completed a review of new language for the CA-1032 and several other forms, and forwarded proposed revisions to OWCP for consideration and implementation. The changes under consideration now are further developments in OIG/OWCP cooperation in this area; OWCP has implemented earlier OIG recommendations for the CA-1032.

Claimant fraud would be further discouraged, however, if legislative changes were made to increase the severity for making false statements from a misdemeanor to a felony. This is a legislative change we have strongly advocated in the past--having discussed it in our semiannual report of September 30, 1981, and in subsequent reports--and continue to support. A part of this recommendation is that the willful concealment of earnings from employment or self-employment for the purpose of obtaining FECA benefits be declared a criminal offense. Currently, beneficiaries who falsify data on form CA-1032 are mainly subject to misdemeanor prosecution and collection of overpayments, although felony prosecution under statutes other than FECA may sometimes be pursued against fraudulent claimants. In addition, the present law only speaks of making false statements in affidavits and reports. These recommended amendments are contained within ESA's draft legislative proposal, which is now under consideration in the Department.

When an injury results in permanent impairment to an employee and prevents the employee from performing the job he or she held at the time of injury or another job paying comparable wages, entitlement to compensation and the amount to be paid are based on a determination

of the loss of wage-earning capacity resulting from the impairment. Should a claimant's condition improve so that he or she is able to return to work, that improvement should become evident either through medical examination or the disclosure of earnings on form CA-1032. Such a disclosure triggers the capacity determination process.

Our past reviews of case files of long-term FECA compensation recipients indicate that determinations of earning capacity are often not completed. In the National FECA Project, we identified 766 case files (8 percent) out of 10,019 reviewed that indicated a need to initiate a loss of wage-earning capacity determination. Earlier reports, released in 1979 and 1980, showed similar problems.

Our final concern in the area of management is with OWCP employee fraud. Past semiannual reports have discussed in detail the serious weaknesses in the FECA bill payment system--weaknesses in data integrity, computer security, bill payment processes, bill payment controls, and employee training--all of which allow employee fraud to continue. We are encouraged by OWCP's willingness to correct these major weaknesses and to cooperate with the OIG in instituting reforms. Nevertheless, the recent indictment of a former OWCP employee and four FECA claimant codefendants on charges relating to over $51,000 in fraudulent reimbursement checks, and the closing of other cases of FECA employee fraud serve as reminders that employee fraud continues and that improved management controls are needed.

In conclusion, we are hopeful that the cooperative efforts discussed above will result in meaningful legislative, regulatory,

and managerial reform in the FECA program. For OIG's part, we will maintain an audit presence in the FECA program as long as is necessary to ensure that FECA is administered with adequate controls to minimize waste, fraud and abuse. Nevertheless, even with continued OIG attention, we believe that it is vital that the Secretary give FECA reform a top personal priority.

PART II

SUMMARY OF OIG ACTIVITIES

OFFICE OF INVESTIGATIONS

Between October 1, 1982, and March 30, 1983, we opened 349 cases and closed 316 cases. We referred 111 cases to the Department of Justice or other authorities for prosecution. In addition, 63 cases were referred to DOL agencies for administrative action. Twelve individuals were terminated from their positions as a result of our investigations.

During this same period, 94 individuals or entities were indicted and 68 convicted as a result of our investigations. A breakdown of investigative case activity is shown on the next page.

Fines and penalties, settlements and judgments, and restitution actions resulting from our investigations during this period totaled $2,299,157. As a result of our investigative recommendations, FECA claimant benefits that were terminated or reduced during this period resulted in per annum cost efficiencies of $2,372,181.

During this reporting period, the majority of our investigative time was spent on cases related to programs administered by the Employment and Training Administration (ETA) and the Employment Standards Administration (ESA). As a percentage of total investigative hours, 55 percent were devoted to ETA cases, 36 percent to ESA cases, and nine percent to other programs and operations.

Summary of Investigative Activity

October 1, 1982 - March 31, 1983

Agency	Cases Opened	Cases Closed	Individuals Indicted	Individuals Convicted
Bureau of International Labor Affairs	1	0	-	-
Bureau of Labor Statistics	-	1	1	1
Employment Standards Administration	139	141	31	29
Employment and Training Administration	159	119	57	35
Labor-Management Services Administration	3	1	-	-
Mine Safety and Health Administration	16	16	-	-
Office of the Assistant Secretary for Administration and Management	5	3	3	1
Occupational Safety and Health Administration	17	16	2	2
Office of the Secretary	5	10	-	-
Office of the Solicitor	3	5	-	-
Multi Agencies/Programs	1	4	-	-
TOTALS	349	316	94	68

In ESA cases, claimant fraud, particularly in the FECA program, continued to require a heavy commitment of OIG resources. During the period, we opened 82 FECA claimant fraud cases and closed 86 cases, and there were 19 indictments, 16 convictions and 3 civil actions. Many of these cases involved claimants concealing earnings that, if reported, would result in reduction or termination of benefits. Other cases involved medical provider fraud, embezzlement, and illegal representation. In the case of FECA, illegal representation involves a person who receives a fee or other gratuity, or solicits employment for himself or a lawyer, for services rendered with respect to a claim or award for compensation without the approval of the Deputy Commissioner, Office of Workers' Compensation Programs (OWCP). ETA cases addressed such problems as participant ineligibility, embezzlement and forgery.

Some of our more significant cases in the various program areas are as follows.

Employment Standards Administration

- A beneficiary receiving FECA payments since 1968 pled guilty on March 1, 1983, to one count of making false statements for failing to report self-employment income from several businesses, including one which was awarded a three-year service contract for $171,000 with the U.S. Army Corps of Engineers. He was sentenced on April 4, 1983, to three years' probation and he was removed from OWCP rolls. U.S. v. Yancey (E.D. Okla.)

- Among the more noteworthy convictions during this reporting period was that of a doctor

who provided false and fraudulent medical certificates to the the U.S. Postal Service (USPS) and advised USPS employees on how to feign injuries to enable them to be placed on total disability status when, in fact, these employees were suffering from no disability or injury. The doctor was sentenced on January 10, 1983, in Philadelphia to four years' probation, fined $7,500, ordered to pay $900 restitution, and to undergo psychiatric treatment during probation. He was the certifying physician for 129 disability claims, many of them fraudulent, filed by USPS employees. U.S. v. Gorham, (E.D. Pa.)

- During a routine Wage-Hour compliance review under the Davis-Bacon Act, a situation was detected and referred to the U.S. Attorney, who requested that OIG investigate. This case involved a company which was receiving a Federally funded contract but failed to pay electricians wages comparable to the prevailing local rate, as required by Federal law. The electricians hired by the company were paid between $5.00 and $10.00 per hour, but records were submitted to DOL showing the prevailing rate, which was $15.24 per hour. Our investigation showed that the employees were underpaid by about $60,000.

  On March 16, 1983, indictments were handed down by a Federal grand jury in Philadelphia, Pennsylvania, for one count each of conspiracy, obstruction of proceedings, filing a false report under the Fair Labor Standards Act, as well as seventeen counts for false statements to the Department of Labor. U.S. v. Jerry Smith, Inc. (E.D. Pa.)

- As a follow-up to an investigation of OWCP's Fiscal Division in Philadelphia which was reported in the last semiannual report, four persons pled guilty to charges of embezzling over $230,000 in FECA funds. On January 14, 1983, they were sentenced. One of the defendants, who pled guilty to one count of conspiracy and 19 counts of theft of government money, was sentenced to three years' imprisonment followed by five years' probation, and was ordered to make restitution of $37,645. Another individual was sentenced to five years' probation, ordered to perform 100 hours of community service during the first three years, and was ordered to make restitution of $12,885. The third defendant received four years' probation and was ordered to make restitution of $2,535. The fourth individual was sentenced to five years' probation and ordered to make restitution of $12,858. All of the sentences specified that failure to make restitution would constitute a violation of probation. U.S. v. Thompson et al. (E.D. Pa.)

- On March 18, 1983, an OWCP employee and four accomplices were indicted for forgery, mail fraud, and theft of Government funds for their part in a scheme to embezzle $51,225 from OWCP. The investigation, jointly conducted with the U.S. Postal Service, resulted from an OIG audit of the Jacksonville, Florida OWCP office. The auditor determined that several false medical reimbursement payments were entered into the bill payment system by the OWCP employee and paid to one of her accomplices, a local postal employee. U.S. v. Baker et al. (M.D. Florida)

- As reported in the last semiannual report, a man who did paralegal work for the Virginia Black Lung Association was sentenced to two years' probation and fined $500 for illegally charging a 10 percent fee for representing Black Lung claimants and then lying about it to the grand jury. On March 7, 1983, he appeared before a Federal judge in the Western District of Virginia, for violation of his probation resulting from a July 16, 1982, conviction. The conviction was on eight counts of illegal representation for Black Lung claims. On January 3, 1983, he violated the same statutes and the conditions of his probation by soliciting and accepting an illegal payment of $700. The judge revoked his probation and sentenced him to nine months' incarceration, beginning on March 28, 1983. Upon his release from prison, he will serve two years' probation. U.S. v. Bowman (W.D. Va.)

- On February 15, 1983, an attorney in Chariton, Iowa, was indicted by a Federal grand jury in the Southern District of Iowa, Des Moines, for soliciting and collecting advance fees for representation of Black Lung claimants from 1978 to 1982. He was charged with four counts of collecting advance fees, and three counts of making false statements. He was arraigned the week of February 21, 1983, in U.S. District Court, and he is expected to go to trial in early May. To date, our investigation has disclosed that he collected more than $20,000 in advance attorney fees from disabled miners in Southern Iowa. U.S. v. Christoffers (S.D. Iowa)

Employment and Training Administration

- On October 13, 1982, in the U.S. District Court in the Western District of Washington, a CETA participant pled guilty to one count of making false statements. He had used various aliases and social security numbers to enroll in Government programs operated by the Departments of Health and Human Services, Agriculture, and Education. He had also received benefits under social security disability, supplemental security income, food stamps and student financial aid. In addition, he enrolled in CETA under an alias. The case was brought to our attention as a result of a Social Security Administration investigation of the individual. He was sentenced on December 3, 1982, to five years in prison. U.S. v. Hayworth (W.D. Wash.)

- On October 4, 1982, the Executive Director of the East Los Angeles Community Union (TELACU) and his wife each pled guilty to two counts of making false statements. The Executive Director was the owner of two art studios to which TELACU paid more than $130,000 while he headed the organization. He and his wife were also enrolled as CETA participants through TELACU and received in excess of $36,000 over an 18 month period, during which they worked at their studios rather than as CETA participants. They were sentenced on November 8, 1982, to five years' probation and are required to perform volunteer community work as part of their probation. U.S. v. Gonzales (C.D. Calif.)

- As a result of information provided by the Louisiana Office of Employment Security, an investigation was conducted that revealed

that an Unemployment Insurance program recipient fraudulently received $3,034 in U.I. benefits while earning $8,966 through employment with two different law firms.

On January 13, 1983, in the Western District of Louisiana, the individual was sentenced to five years' suspended sentence, and fined $3,112 as a result of her guilty plea to an information charging her with mail fraud, and providing false information to obtain Unemployment Insurance benefits. U.S. v. Baggett (W.D. La.)

- On November 3, 1982, the President of Pan American Telecommunications and American Telephone Company in Atlanta, Georgia, was indicted on one count of interstate transportation of stolen property, one count of theft of CETA funds and three counts of perjury. These charges involved a CETA check payable to RTP, Inc. in the amount of $10,246, which the individual took to a bank and converted for his own use. He was tried and on February 2, 1983, he was sentenced to five years' confinement and five years' probation. This case was worked jointly with the FBI. U.S. v. Hamlett (N.D. Ga.)

- On November 17, 1982, a Federal grand jury in the Western District of Washington indicted the Assistant CETA Director of the Seattle Indian Center on charges of embezzling approximately $16,000 in CETA funds by authorizing supportive service payments to 68 "ghost" participants. He created fictitious participant files, and endorsed and cashed checks made out in the names of the purported participants.

The ruse was initially detected by the Comptroller of the Seattle Indian Center when an excessive number of supportive services checks were requested during August and September 1982.

On February 4, 1983, the Assistant CETA director was sentenced to four years in prison on two counts of CETA fraud. In addition, he was fined $5,000 and placed on two years' probation which will begin after the prison term. U.S. v. Schaeffer (W.D. Wash.)

- On December 15, 1982, a Georgia Department of Labor (GDOL) Area Supervisor, his wife, and stepdaughter, the manager of the Jessup, Georgia, GDOL Office, were indicted by a Bibb County Grand Jury for operating a family-owned business out of the Jessup Office. The Georgia Department of Labor, a State Employment Security Agency, receives Federal funds to pay for all administrative costs relating to the operation of the Employment Service and Unemployment Insurance programs. In addition, the GDOL Area Supervisor is accused of ordering GDOL employees to perform work such as painting and landscaping on his home, then falsifying expense vouchers and time and attendance records so that such work was paid from Federal funds provided to GDOL. The family-owned business, dealing with heavy construction equipment, is also alleged to have been involved in numerous kickback schemes with state and local officials. Most of the individuals have not yet been sentenced. However, on February 18, 1983, one of the GDOL employees was found guilty of two counts of perjury and was given a suspended sentence and three years'

probation. U.S. v. Shanks et al. (Bibb County, Ga. Grand Jury)

- The Director of Industry Corrections Interfact (ICI), which has a $550,000 CETA grant from the County of Los Angeles to run a work-furlough program for convicts, was indicted on February 9, 1983, on 19 felony counts including conspiracy, robbery, burglary, and forgery. Interviews with confidential informants alleged that he was using CETA participants to cash stolen, forged CETA checks and checks from other businesses and to drive stolen cars to Mexico.

  Five CETA participants were arrested by local law enforcement authorities for trying to pass stolen checks and interviews with these people disclosed that they got the stolen checks from the Director of ICI. On March 30, 1983, the Director pled guilty to one count of conspiracy to rob and three counts of forgery. One of the CETA participants pled guilty to one count of perjury. Sentencing is pending. This case was a joint effort between the OIG and local law enforcement authorities. U.S. v. Pedersen (S.D. Calif.)

- On March 16, 1983, a Federal grand jury for the District of Montana, sitting in Billings, Montana, returned two separate indictments against former officials of the Blackfeet Employment and Training Administration (BETA), Black Feet Indian Reservation, Browing, Montana charging them with the theft and embezzlement of approximately $110,000 in CETA funds. The first indictment charged the former BETA Director and another official with conspiracy and

embezzlement of CETA funds. The second indictment charged the former Director with nine counts of embezzlement. These individuals are alleged to have submitted duplicate travel claims, paid kickbacks and paid improper legal expenses with CETA funds. This case has been worked jointly with the FBI. U.S. v. Baker (D. Montana)

- On March 9, 1983, the Executive Director and Administrative Assistant/Fiscal Officer of Immigration and Minority Affairs, Inc. (I.M.A.), which received CETA funds from the Balance of State Prime Sponsor in Florida, were indicted for conspiracy and embezzlement of CETA funds. I.M.A. had a contract to provide services to refugees and minorities. The two officials allegedly obtained, by fraud, approximately $25,597 by issuing checks to themselves which they identified as employee advances. They also allegedly forged endorsements of I.M.A. employees on checks and falsified receipts for operating expenses. U.S. v. McIntrye and U.S. v. Hampton (M.D. Florida)

Mine Safety and Health Administration

- On October 5, 1982, an employee of the Mine Safety and Health Administration and his wife were indicted by a Federal grand jury on seven counts of forgery, one count of conspiracy and two counts of making false statements to obtain Federal Employees' Compensation Act benefits. On February 16, 1983, they both entered guilty pleas to one count of making false statements to obtain Federal employees compensation. The husband was sentenced to one year with six months to be served in a jail-type institution, the balance suspended, and two years' probation.

His wife was sentenced to one year, with six months to be served in a jail-type institution beginning after her husband is released, the balance of the sentence suspended, and two years' probation. U.S. v. Strickland (E.D. Ky.)

Complaint Analysis

The Complaint Analysis Branch, established within the Office of Investigations, serves as the contact point for handling "whistleblower" complaints from employees and others concerning allegations of fraud, waste, and abuse of Department of Labor programs.

During this reporting period, the unit opened 92 "whistleblower" complaint cases which warranted audit, investigative, or program agency attention. These complaint cases came from "hotline" telephone calls (36), mail (31), General Accounting Office Fraud Task Force referrals (21), and others (4).

Of the complaint files opened, 78 pertained to three Departmental agencies. The Employment and Training Administration accounted for 47 complaints dealing mainly with alleged abuses in the CETA program and Unemployment Insurance fraud. The Employment Standards Administration accounted for 23 complaints primarily concerning FECA and Black Lung benefit recipient fraud. The Occupational Safety and Health Administration accounted for 8 complaints relating to employee integrity issues such as misuse of government vehicles and telephones, conflicts of interest, and abuse of leave. The remaining 14 complaints were dispersed throughout six other DOL agencies and alleged violations concerning waste, mismanagement, and employee integrity.

During this reporting period, 149 complaint files were closed based on responses received or actions taken after initial referral. Some of the closed files related to complaints referred for action in earlier reporting periods. Of the 149 complaints closed, 125, or about 84 percent, were determined to be unfounded or could not be substantiated while the remaining 24 complaints, or about 16 percent, were found to have some substantiation to the allegations. After preliminary review of the 92 "whistleblower" complaint cases reviewed during this reporting period, 32 were referred for further OIG audit and/or investigative attention and 60 were referred to the respective DOL agencies for action.

Examples of actions taken on some substantiated complaints follow.

- A 14 count indictment was returned against a former Postal Service employee and his wife after a joint OIG-Postal Service investigation determined that they had failed to report $13,000 in income during a period when the employee received approximately $18,000 in OWCP disability compensation. The employee's sentence was deferred for one year pending the payment of $8,000 in restitution to DOL. In addition, his authorized benefits were reduced from $1,315 to $397 per month for an annual savings to the Government of more than $11,000.

- Based on a GAO referral, an audit was conducted of a CETA prime sponsor that found questioned costs totaling approximately $32,000 for the period of January 1977 through September 1980. These costs were associated with the administration of the

center and are now being resolved between the center and DOL.

- An OSHA employee was suspended for 30 days after it was determined that he claimed travel expenses for a female companion during his change of station move. The woman traveling companion was not his wife.

- A hotline complaint was received alleging that an inmate had fraudulently applied for and received Unemployment Insurance benefits while in prison. When the individual failed to appear for a hearing regarding the complaint, the City of Oakland, California issued a warrant for his arrest. At present, the individual remains a fugitive.

- An ESA employee who falsified her timecards entered a guilty plea to a one count information charging false claims. She was sentenced to three years' probation, terminated from her Government employment, and ordered to make restitution of $2,783 from her retirement benefits.

- The District of Columbia has initiated action against an individual to recover $3,296 in overpaid unemployment benefits the individual collected after knowingly making a false statement to obtain the benefits while employed and collecting wages.

- The Department of Interior OIG conducted an investigation into allegations of mismanagement at a Job Corps Conservation Center, operated by the Department of Interior under an interagency agreement with DOL. In addition to the resolution of several procedural deficiencies, the center director was terminated.

OFFICE OF AUDIT

During this reporting period, 272 audit reports on DOL grants, contracts and program activities were issued. Of these, 17 were performed by OIG auditors; 223 by contract auditors under OIG's direct supervision; 14 by state and local government auditors; 13 under OMB Circular A-102, Attachment P provisions, where DOL is the cognizant agency; and five were conducted by other Federal audit agencies. Of the 272 audit reports, 263 were financial and compliance audits, and nine were economy and efficiency audits.

The table below summarizes our activity by program and identifies the amount of questioned costs, costs recommended for disallowance, and grant/contract amount audited, where applicable.[1] It is followed by a discussion of financial and compliance audit activities by program; program audits are covered in Part I of this report.

Employment and Training Administration

The Employment and Training Administration administers $7.2 billion in grants and

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[1]Questioned costs are expenditures without sufficient documentary evidence for the auditor to make a conclusion on allowability. Costs recommended for disallowance are expenditures that the auditor judges, based on available evidence, to be unauthorized under the terms of the grant or contract. The term audit exceptions encompasses both questioned costs and costs recommended for disallowance.

SUMMARY OF AUDIT ACTIVITY OF DOL PROGRAMS

October 1, 1982 - March 31, 1983

Agency	Reports Issued	Amount of Questioned Costs	Amount Recommended for Disallowance	Grant/Contract Amount Audited
Employment and Training Administration	232	$52,313,022	$22,722,834	$6,102,507,206
Employment Standards Administration	4	-	292,707	612,045
Mine Safety and Health Administration	3	-	-	915,110
Occupational Safety and Health Administration	27	1,139,084	78,418	43,335,585
Office of the Assistant Secretary for Administration and Management	6	40,538	8,275	1,846,387
Totals	272	$53,492,644	$23,102,234	$6,149,216,333

contracts to state and local governments, as well as private non-profit and for profit entities. Over 93 percent of the Department's net budget authority is committed to the administration of ETA programs. A substantial portion of our contract audit plan is directed towards auditing these funds and identifying major problems. The following chart provides a breakout of ETA programs, dollars audited, and the amount of questioned costs or costs recommended for disallowance.

Program	Number of Reports	Amount Audited	Amount Questioned	Amount Recommended for Disallowance
CETA Prime Sponsors	164	$4,820,855,611	$37,057,319	$19,857,173
Migrants	19	84,523,416	989,390	975,807
Job Corps	10	29,012,995	7,111,731	66,272
Native Americans	2	32,798,416		983,727
Other National Programs	28	306,184,962	2,749,568	326,671
State Employment Security Agencies	9	829,131,806	4,405,014	513,184
Total	232	$6,102,507,206	$52,313,022	$22,722,834

CETA Prime Sponsors

We issued 164 audit reports on CETA prime sponsors. Of $4.8 billion audited, $56,914,492 in grant funds was questioned or recommended for disallowance due to lack of documentation for expenditures or non-compliance with CETA requirements. Of these audit reports, seven were performed by OIG staff; 129 by independent audit firms; 15 by state, local or other government agencies; and eight under A-102, Attachment P provisions, with the DOL OIG cognizant; and five as Attachment P, with another agency cognizant. One prime sponsor audit was an economy and efficiency audit, and the remainder were conducted as financial and compliance audits. With the phaseout of the CETA program, future audits of prime sponsors will be primarily directed to audits of their closeout of the CETA program or as potential

deliverers of training under the new Job Training Partnership Act. Analysis of the CETA audits is, therefore, not included. However, three reports described below illustrate the types of audits conducted and the types of findings identified during the reporting period.

- Broward Employment and Training Administration Fort Lauderdale, Florida

  Our audit of $51.4 million awarded to the Broward Employment and Training Administration for the period October 1979 to September 1981 resulted in audit exceptions amounting to $1,252,410. Of the exceptions, $198,299 were associated with interest earned when Broward dropped out of the Social Security program and retained money for a year that was owed to the State of Florida. The audit also questioned $300,366 in inflated expenditures associated with unsupported audit expenses; $52,440 in costs were recommended for disallowance because of duplicate charges for audit expenses; and $373,597 was recommended for disallowance based on salaries for staff who failed to meet the experience and educational requirements established by the prime sponsor.

- Memphis/Shelby County Consortium, Tennessee

  Our audit of $15.5 million administered by the Memphis/Shelby County Consortium prime sponsor from October 1980 to September 1981 resulted in $1,489,715 in audit exceptions. The bulk of these exceptions pertained to unresolved subgrantee costs disallowed in prior audit periods. Our review of the prime sponsor's resolution of disallowed costs disclosed that $1,272,108 remained

unresolved for audit periods dating as far back as Fiscal Year 1975. We recommended for disallowance costs of $78,175 based on in-kind contributions that the grantee had provided in response to prior audit report exceptions and that the auditors found unacceptable. The audit also questioned $59,411 in indirect charges, primarily associated with allocation of salary expenses which were unsupported by an approved indirect cost plan.

- The East Los Angeles Community Union, Los Angeles, California

Our audit of $24.1 million administered by The East Los Angeles Community Union (TELACU), a subgrantee of the City of Los Angeles and Los Angeles County prime sponsors, resulted in audit exceptions amounting to $4,564,157. This audit covered Federal, state, county, city and private non-profit funds administered by TELACU. The total amount of U.S. Department of Labor funds audited was $8.3 million, of which $348,853 was questioned. However, an additional $15.8 million in Federal, state, local, and non-profit funds audited resulted in total questioned costs of $4,215,304. The audit was complicated by a crossing of several sources of public funds into the for-profit companies of TELACU without documentation.

In addition, the audit report contains 27 administrative findings that cite deficiencies in financial management and program administration. Major deficiencies included investment of Community Development Corporation funds outside the special impact area of East Los Angeles; investment and

loans to TELACU's for-profit companies without the approval of the Community Services Administration; lack of financial controls over accountability of funds; personal loans to the executive director; involvement in political activities; outstanding loans and overpayments to a former employee; transactions involving possible conflict of interest; and, hiring of ineligible CETA participants, which also violated nepotism provisions.

Migrant and Seasonal Farmworker Grantees

During this reporting period, 19 financial and compliance audit reports were issued on Migrant and Seasonal Farmworker grantees. All the audits were performed by Certified Public Accounting (CPA) firms under contract with the Department of Labor. The total amount audited was $84.5 million and $1,965,197 in audit exceptions was identified. Two examples of migrant audit reports are discussed below.

- Farmworkers Corporation of New Jersey, Inc., Vineland, New Jersey

  An audit of the Farmworkers Corporation of New Jersey, Inc. for October 1978 through December 1981 resulted in audit exceptions totaling $417,939 of the $2.2 million audited. Of the total exceptions taken, $155,545 was questioned and $262,394 was recommended for disallowance. The questioned costs consisted primarily of missing time and attendance reports and personnel files ($123,762) and unsupported consultant services ($22,000). Costs recommended for disallowance consisted primarily of costs incurred outside of the grant period ($118,296) and costs in excess

of budget ($146,003). In addition, the audit report contains seven administrative findings that cite deficiencies in financial management and grant administration.

- Center for Employment Training, San Jose, California

This audit of $23.5 million in grant funds administered by the Center for Employment and Training resulted in $194,785 of cost exceptions. The grantee's eligibility system was found to have weaknesses in the areas of incomplete intake forms and inadequate review systems. These weaknesses resulted in $17,504 in cost exceptions and would have exceeded $676,600 in questioned costs if projection techniques had been utilized. An additional $151,477 in costs were questioned resulting from unauthorized purchases and $18,691 for unapproved capital improvements. Recommendations were made related to financial improvements in their management systems in the areas of procurement and cost allocation planning.

Office of Special Targeted Programs (OSTP)

During this period, 28 audit reports were issued on OSTP grants and contracts awarded to public and private agencies for administration of a variety of special programs for youth, older workers, research and demonstration projects and other special activities. All of these audits were performed by CPA firms under contract with DOL. Twenty-six of these reports contained audit exceptions totaling $3,076,239 out of $306 million audited. The following two reports illustrate the type of audits conducted.

- Corporation for Public/Private Ventures, Inc.

An audit of the Corporation for Public/Private Ventures, Inc. for the period of January 1978 through December 1981 resulted in audit exceptions totaling $683,578 of the $11.7 million audited. Of the total exceptions audited, $608,697 was questioned and $74,881 was recommended for disallowance. The questioned costs consisted primarily of inadequate documentation at the subgrantee level ($365,773) and at the prime sponsor level ($199,362). The costs recommended for disallowance consisted primarily of unallowed subgrantee costs ($45,635) and consultant costs in excess of contract limitations ($12,002). In addition, the audit report contains seven administrative findings that cite deficiencies in financial management, grant administration and property management systems.

- National Council of Senior Citizens, Inc. Washington, D.C.

An audit of the National Council of Senior Citizens, Inc. for the period July 1979 through June 1981 resulted in audit exceptions totaling $42,060 of $44.7 million audited. Of the total exceptions, $31,454 was recommended for disallowance and $10,606 was questioned. The primary reason for costs recommended for disallowance was that the fringe benefit charge exceeded actual costs incurred ($28,429). Costs questioned primarily resulted from excessive travel costs ($4,524) and insurance charges in excess of actual costs ($1,842). The audit report also contained five administrative findings citing deficiencies in financial management and property systems.

Job Corps Contractors

During this period, ten financial and compliance audit reports were issued on Job Corp contracts. Of the $29 million in Job Corps funds audited, $7,178,003 in cost exceptions were identified. One of the audits was conducted by OIG staff and nine audits were performed by CPA firms under contract with DOL. The following report illustrates the type of audits performed during the reporting period.

- Joint Action in Community Services, Inc.

  An audit of the Joint Action in Community Services, Inc., Washington, D.C. for the period October 1978 through September 1982 resulted in audit exceptions totaling $144,077 out of $7.5 million audited. Of the total exceptions, $77,805 was questioned and $66,272 was recommended for disallowance. The questioned costs consisted primarily of the use of incorrect indirect cost rates ($74,844). Costs recommended for disallowance consisted primarily of improper expenditures for consultant services and supplies ($43,140) and improper charges for settlement of possible legal claims ($23,132). In addition, the audit report contains six procedural findings that cite deficiencies in financial management and grant administration.

Indian and Native American Grantees

During this reporting period, two audit reports covering Indian and Native American programs were issued. Both audits were financial and compliance audits conducted by

CPA firms under contract with DOL. Of the $32.8 million in audited costs, $983,727 was questioned or recommended for disallowance.

State Employment Security Agencies

Nine audit reports were issued on State Employment Security Agencies during this reporting period. One of the audits was an economy and efficiency audit conducted by OIG staff, while the remaining eight were financial and compliance audits performed by CPA firms. Four audits were performed under A-102, Attachment P provisions. Of the $830 million audited, $5 million in exceptions were noted as follows:

Audit Exception	Number of Reports With Exceptions	Amount of Exceptions
Insufficient Documentation	4	$1,446,672
Unallowable Costs	3	2,266,374
Improper Transfer Between Grants	1	409,302
Unresolved Audit Exceptions	1	317,610
Other	1	478,240
Total		$4,918,198

Note: $2,234,000 in unallowable costs are associated with unallowable purchases of land identified in two audit reports.

Occupational Safety and Health Administration

Twenty-seven audit reports of OSHA grants to states and public organizations covering $43.3 million were issued during this reporting period. Seventeen of these financial and compliance reports contained exceptions totaling $1.2 million which are noted as follows:

Audit Exception	Number of Reports With Exceptions	Amount of Exceptions
Insufficient Documentation	12	$ 792,873
Unauthorized Procurement	5	23,127
Unallowable Indirect Costs	2	94,564
Unallowable Costs	8	306,938
Total		$1,217,502

Mine Safety and Health Administration

During this reporting period, three financial and compliance audit reports were issued on MSHA grants to states. The grant costs audited were $915,110 and resulted in no costs questioned by the auditors. One of the issued reports contained administrative findings related to inadequate internal controls but does not question any costs related to this issue.

Departmental Management

Departmental management is a term derived from the budget process that includes Department of Labor support activities for the Office of the Secretary, Office of the Assistant Secretary for Administration and Management, Office of the Solicitor, Office of Inspector General as well as others. Under this designation, we also include management issues that transcend all agencies within the Department. These crosscutting issues include such subjects as procurement, cash management, ADP operations, payroll, travel, etc. During this reporting period, three reports were issued covering OASAM contracts and three reviews of agency management were completed.

With an emphasis on improving management controls and economizing in all phases of government, the OIG focused on two cross-cutting issues during this reporting period--motor vehicle management and non-career officials' travel. Highlights of this work are as follows.

- A joint OASAM-OIG review of motor vehicle utilization was completed in December 1982. The review was performed in order to evaluate management practices related to the acquisition, utilization, maintenance, disposal, and potential misuse of vehicles.

  As a result of the anticipated escalating vehicle costs over the next few years, it was determined that the $7.7 million spent on operating a fleet of 3,200 vehicles could be better managed. The evaluation team concluded that up to $1 million could be saved annually by improved management

practices and the release of unneeded and underutilized vehicles in the Department.

Work is underway on the recommendations included in the report and an additional spin-off review has begun which focuses on the use of Government vehicles for home-to-work transportation.

- As a result of a May 1981 GAO report on noncareer officials' travel during the transition between Administrations, we performed a followup review of the Department's noncareer officials' travel. The objectives of the review were to evaluate adherence to Federal travel regulations and Departmental travel policies, as well as to assess the adequacy of internal controls over travel voucher processing.

  The review did not disclose any widespread discrepancies; however, deficiencies in the internal and administrative controls over voucher processing were noted. We made recommendations concerning the Agencies' internal control systems that will make travel less susceptible to abuse. The Agencies found the recommendations generally constructive and began implementation.

In addition to these crosscutting issues, we issued two financial and compliance audit reports of contracts related to the Office of the Assistant Secretary for Administration and Management. Audit exceptions totaled $48,813 of $1.8 million audited.

Audit Resolution

Audit resolution occurs when a final determination for each audit finding has been

issued by the grant officer of the program agency and accepted by the Office of Inspector General. During this reporting period, 341 audit reports were resolved by the appropriate program agency and accepted by the OIG. Of approximately $90.8 million in questioned costs or costs recommended for disallowance, $63,908,008 was supported by the grant officer and disallowed, while $26,930,628 was determined to be allowable. In many instances, the allowability of costs was the result of additional supporting documentation provided by the grantee or reevaluation of regulatory requirements that were in variance with those identified by the auditors. The issuance of the final determination by the grant officer does not preclude the right of the grantee to subsequent appeal and revisions to the allowability of costs.

Of the 221 reports which are unresolved, 27 are reports which have been unresolved for more than six months. The total cost exceptions associated with these reports are $2,121,626. Of the unresolved audits over six months old, 23 are on administrative hold pending conclusions of ongoing investigations and account for $1,921,638 of the cost exceptions. Two OSHA reports associated with $160,657 in questioned costs remain unresolved but are expected to be resolved shortly. An MSHA audit report has not been resolved by the program agency because documentation is expected to be forthcoming that may allow a substantial portion of the $39,331 in costs questioned by the auditor.

As stated earlier, the recommendations in our ESA report on the role of the employing agencies in administering the FECA program are being considered by the Employing Agencies

Task Force. To date, the Task Force has not responded as to specific corrective actions that will be taken or the deficiencies cited in the report and, therefore, the report remains unresolved.

We are working closely with the above agencies to ensure that these delinquent unresolved audit reports will be resolved at the earliest possible time.

The following reports illustrate resolutions which have occurred during the reporting period.

La Raza Unida De Ohio

Our audit of the La Raza Unida de Ohio (Audit Report No. 11-2-192-C) was resolved by the Employment and Training Administration during this reporting period and its final determination disallowed the total $2,864,464 in costs questioned by the auditors. The amount disallowed constituted the total amount covered by the audit and resulted from the fact that the grantee's financial management system did not meet standards required by CETA regulations. Material weaknesses were found in the accounting system such that accounting entries were based on summarizing transactions from source documentation and accounting records could not be reconciled with Financial Status Reports. The grant period covered by this audit was October 1979 through September 30, 1981.

City of Detroit, Michigan

The following five audits of the City of Detroit have been resolved during this reporting period.

Report No.	Amount Audited	Audit Report Amount Questioned	Final Determination Amount Disallowed
A059-80-000105	$154,838,197	$3,219,097	$2,878,422
A059-81-000487	313,333	302,366	302,366
A059-82-000625	374,137	374,137	374,137
A059-81-000310	10,351,982	1,610,087	1,610,087
A059-81-000444	3,143,022	3,143,022	3,143,022
Total	$169,020,671	$8,648,709	$8,308,034

The Employment and Training Administration issued final determinations on these audits that disallow $8,308,034 of the $8,648,709 in total costs questioned by the auditors. This level of disallowed costs equals 96 percent of the costs questioned.

Over $5.5 million in disallowed costs dealt with indirect costs charged to several CETA grants for city salaries and administrative expenses that were unsupported by an indirect cost allocation plan. $302,366 was recommended for disallowance based on a review of rental payments that disclosed that the CETA program was being charged $80,000, when the acceptable annual use allowance under OMB guidelines was only $2,800. $374,137 was recommended for disallowance pertaining to interest earned on letter of credit advances to run the CETA program that were commingled with other city funds in interest bearing accounts.

Three of the audits were perpetual or residential audits and targeted on specific issues such as indirect cost plans or rent costs of the Detroit CETA program. The grant periods covered by the audits were from November, 1976 through September, 1981 and included $170 million in grant funds administered by the City of Detroit.

City of Cleveland, Ohio

The following three audit reports have been resolved by the Employment and Training Administration:

Report No.	Amount Audited	Audit Report Amount Questioned	Final Determination Amount Disallowed
A059-80-000195	$54,972,652	$2,593,134	$2,593,134
A059-81-000455	1,731,000	67,983	67,983
A059-82-000614	3,200,000	220,811	220,811
Total	$59,903,652	$2,881,928	$2,881,928

The ETA final determination fully substantiated all costs questioned by the auditors. The primary reasons for disallowance included $1,294,965 associated with ineligible participants, $54,331 resulting from staff who were in violation of conflict of interest and nepotism provisions, and $220,881 resulting from charges to the CETA program for unallowable compensation claims. The City charged CETA $160,921 for worker's compensation payments associated with Public Service employees who were not eligible. The City charged an additional $35,135 compensation costs against inflated wages and deducted $13,008 for a retirement fund for CETA employees who were ineligible for the retirement benefits. The grant periods covered by the audits were from October 1978 through March 1981.

Mopportunities Incorporated

The Employment and Training Administration has resolved Audit Report No. 11-2-101-C which covered six grants totaling $7,024,085 in funds from January 1978 through September 1981. The final determination disallowed

$329,629 which sustained total costs questioned by the auditors. Approximately $292,500 was disallowed because reported expenditures exceeded the total budgeted amounts in four of the six grants audited. Also, $29,669 in wages and $4,922 in related fringe benefits were disallowed because of inadequate documentation to determine the eligibility of eight participants.

National Caucus and Center on Black Aged, Inc.

The Employment and Training Administration issued its final determination on Audit Report No. 11-2-157-C that disallowed all of the $98,652 in costs questioned by the auditors. The audit covered $12.7 million in grant funds administered by the grantee from July 1979 through June 1981. The grant officer disallowed $58,809 in participant wages and fringe benefits associated with employment in excess of the maximum number of hours allowable. Over $16,000 of administrative costs were disallowed as these costs exceeded administrative cost ceilings. An additional $23,375 was disallowed as the expense was incurred prior to the grant period.

OFFICE OF ORGANIZED CRIME AND RACKETEERING

OIG's Office of Organized Crime and Racketeering (OOCR) is responsible for conducting criminal investigations into labor racketeering activities by elements of organized crime. This office operates in conjunction with the U.S. Department of Justice Strike Forces, U.S. Attorneys, and other selected Federal agencies--as appropriate--in investigations of labor racketeering activities by organized crime. Our specific interest is focused on crimes such as extortion, kickbacks, embezzlement, illegal payments, and bribery in the labor-management field.

During the reporting period of October 1, 1982 to March 31, 1983, the Office of Organized Crime and Racketeering opened 38 cases. There were 16 cases referred for prosecution to the Department of Justice or other authorities. In addition, there were 15 indictments which involved 24 individuals during this reporting period. Finally, there were 20 individuals who were convicted of various crimes as a result of trials or pleas.

Some of the investigations we have conducted during this reporting period continue to establish violations involving the areas of embezzlement, kickbacks, illegal payments, extortion and labor leasing.

Embezzlement

Union-negotiated employee benefit plan funds and labor union funds, with their billions of dollars, are vulnerable to embezzlement, especially by organized crime. This type of

criminal conduct often involves the willing participation of dishonest union officials, who use their position to siphon funds for themselves as well as others. Some recent cases are summarized below.

- In an ongoing investigation of Teamsters Local 507 in Cleveland, Ohio, Jack Nardi pled guilty on March 15, 1983, to conspiracy to embezzle and solicitation of a bribe by a witness. Nardi allegedly conspired with officers and employees of the union to receive payment without any legitimate benefit to the union. There was also an attempt to conceal and cover up these payments by falsely reporting to the Secretary of Labor, and to dues paying members of IBT Local 507, that Nardi was employed as a business agent and special organizing representative of Local 507. In addition, he also allegedly solicited $20,000 in cash and other benefits to refute testimony that he gave to the grand jury and to become unavailable as a witness at any future proceedings. The latter charge followed an investigation by the FBI and OOCR. U.S. v. Nardi (N.D. Ohio)

- Four officials of Teamsters Locals 389 and 186 in Los Angeles were convicted and sentenced for embezzlement of union funds, racketeering, and interstate travel in aid of racketeering. Sten Thordarson, secretary-treasurer of Local 389, and Martin Fry, secretary-treasurer of Local 186, were sentenced to 30 months in prison, while Craig Dunbar, business agent of Local 389, and Martin Salgrado, trustee of Local 186, received two year sentences. The prison sentences of all four will be followed by five years of probation supervision and each

individual was ordered to pay $6,368 to the Prudential Insurance Co. for damages to property owned by the Redman Moving and Storage Co. in Thousand Oaks, California.

Local 186 had been chosen in July 1978 as the bargaining agent for employees of Redman Moving and Storage Co. When Redman refused to recognize the union, Local 186 enlisted the aid of Local 389 to strike against the company. Strike Force Agents from the Office of Organized Crime and Racketeering and the Bureau of Alcohol, Tobacco and Firearms established that Redman's trucks were damaged with explosives, vandalized, and burned during the course of the strike, and that union funds were used for travel to conduct the vandalism. U.S. v. Thordarson et al. (C.D. Calif.)

Kickbacks

To influence the operation of employee benefit plans, kickbacks--usually monetary--are sometimes given to key plan officials. Notable during this reporting period were the following cases involving kickback schemes.

- The U.S. Supreme Court has refused to review the appeal of former president of Teamsters Local 478 Joseph P. Uzzolino's 1980 conviction for conspiracy. He was convicted for accepting a $10,000 payment to forgive $80,000 owed to the pension and welfare funds of Teamsters Local 478. He has been ordered to report to the U.S. Marshal's Office for assignment to a Federal prison to begin his five year prison sentence. The trial judge in 1980 had overturned the convictions because he felt the jury had convicted Uzzolino on an inconsistent jury

verdict theory. The government appealed the reversal, and, in June 1981, the Third Circuit Court of Appeals in Philadelphia reinstated the conviction. Uzzolino appealed the conviction twice to the Third Circuit and twice it was upheld. U.S. v. Uzzolino et al. (D. N.J.)

- Lawrence A. Smith, owner of Rittenhouse Consulting Enterprises, Inc., was indicted in Camden, New Jersey on charges of soliciting and receiving kickbacks, and paying bribes and kickbacks in the administration of severance plans of five unions in Cherry Hill, New Jersey. The unions include the United Paperworkers International Union Local 286; Hotel, Motel and Restaurant Employees Union Local 170; Retail, Wholesale and Department Store Union Local 1034; and, the Teamsters Locals 676 and 830. The indictment alleges that Smith conspired to obtain permission to administer these severance plans through the influence of Angelo Bruno, alleged head of the Philadelphia organized crime family murdered on March 21, 1980, and by paying bribes and kickbacks to union officials whose members were covered by these plans. The charges include the paying of cash to Ralph Natale, former official of the Hotel, Motel and Restaurant Employees Union Local 170, who is now serving a Federal sentence for narcotics violations. This investigation is a joint effort of the OOCR and the New Jersey State Police. U.S. v. Smith (D. N.J.)

- Raymond Lane, former secretary-treasurer of the Hotel and Restaurant Employees and Bartenders Union (HREU) Local 28 in Oakland, California, was indicted in January 1983 on charges of attempting to defraud Locals 28

and 19. Others who were indicted included Allen Dorfman, who was slain on January 20, 1983, while awaiting sentencing for his conviction of attempting to bribe a U.S. Senator; Sol C. Schwartz and Abe Chapman, both Dorfman associates; and Frank C. Marolda, president of HREU Local 19.

The indictment resulted from a four year investigation by the Office of Organized Crime and Racketeering and the Federal Bureau of Investigation. It charged that, from February 1979 to February 1980, the defendants allegedly plotted to defraud six employee welfare benefit or pension benefit plans by, among other things, giving Dorfman privileged information so that his Amalgamated Insurance Company of Chicago could win a bid to administer a pre-paid dental plan for Local 28.

In September 1978, another joint OOCR-FBI investigation resulted in Lane's indictment on 30 counts of embezzlement, violating the Racketeer Influenced and Corrupt Organizations statute, and obstruction of justice. As a result of this indictment, he pled guilty in January 1979 to one count of embezzlement of union funds. The August 1979 sentence required him to serve six months of a two year sentence, resign from his job as secretary-treasurer of Local 28, and remove his family members from Local 28 positions. In August 1982, Lane was found guilty of intimidating two witnesses that were scheduled to testify at his probation hearing on the embezzlement conviction. For this offense, he was sentenced to an additional year in prison. U.S. v. Lane et al. (N.D. Calif.)

Illegal Payments

Under the Taft-Hartley Act, it is unlawful for an employer, or association of employers to pay, lend or deliver any money or thing of value to a union officer or union representative. It is also unlawful for a union officer or representative to demand, request or accept any type of payment. During this reporting period, we had further developments in an important case involving illegal payments.

- John Cody, president of the International Brotherhood of Teamsters Local 282, was sentenced to five years in prison and fined $80,000 as a result of convictions on seven counts of racketeering, accepting illegal payments, and violation of income tax statutes. As a result of an FBI-IRS investigation, he had been indicted in January 1982 for violating the Racketeering Influenced and Corrupt Organizations (RICO) statute, labor payoffs, and kickbacks. OOCR Special Agents conducted an investigation that led to additional charges and resulted in a superseding indictment, which was filed in March 1982. This latter investigation disclosed payoffs from H.S. Roberts, Inc., an asphalt paving company, to Cody in the form of free labor and construction materials for the construction of his home in Southampton, New York. This conviction has added significance since Local 282 is one of the most powerful labor organizations in the construction industry and controls the flow of concrete and other vital materials to building sites in the New York City metropolitan area. A strike or slowdown by this Local, such as the two month walkout in the summer of 1982, can cripple the multimillion dollar construction industry from Manhattan

to the eastern tip of Long Island. Cody's conviction included the charges resulting from the OOCR investigation. U.S. v. Cody (E.D. N.Y.)

Extortion

Extortion is defined in the Hobbs Act as "the obtaining of property from another with his consent, induced by wrongful use of actual or threatened force, violence, or fear, or under color of official right."

During this reporting period, we have had continuing success in the investigation of labor racketeering and organized crime activities in New York City's Fulton Fish Market. To date, this case has produced 48 indictments, 37 guilty pleas, four guilty verdicts, three contempt citations, two dismissals, one acquittal, and one fugitive still at large.

o The Supreme Court has refused to review Carmine Romano's appeal to have his conviction on misuse of the United Seafood Workers Local 359 pension and welfare funds reversed. Romano, a former Local 359 official, is presently serving 12 years for a conviction on racketeering charges of extortion, receipt of illegal payments, obstruction of justice, and misuse of the union's welfare and pension funds.

Victor Grande, who had been charged with conspiracy to commit extortion for allegedly requesting parking fees from individuals who parked their vehicles on public streets while doing business in the market, has pled guilty to income tax evasion. The charge of income tax evasion resulted from his failure

to report more than $135,000 of income from 1977 to 1980. His sentence includes five years' probation, payment of court costs, and all unpaid taxes.

Philip Almeraris, Kenneth Gillio, Robert Gillio and Paul Guglielmo pled guilty to stealing goods from interstate shipments. They acknowledged that thousands of pounds of fish were stolen from trucks delivering fish to the market through a practice known as "tapping." This practice involves removing three or four fish from each crate unloaded into an empty crate until it is completely full. The "tapped" fish is then sold to organized crime connected fish companies. This is a joint investigation with the IRS and the New York City Police Department. U.S. v. Romano et al. (S.D. N.Y.)

Labor Leasing

While labor leasing is not in itself an undesirable or illegal method of conducting business, the following case points out its vulnerability to "sweetheart" contract arrangements. These "sweetheart deals" are a form of labor-management collusion in which the employer pays the union representative to negotiate lower wage rates or benefits than the market would permit, to allow the employer to use non-union labor, or to fail to enforce the collective bargaining agreement.

The facility with which companies and labor can be manipulated and the sophistication of transacting seemingly legitimate business make this an area of concern.

- One of the most significant convictions ever obtained by our Office of Organized Crime and Racketeering involved a labor-leasing scheme, on a national basis, orchestrated by Eugene Boffa. He was originally sentenced in 1982 on charges of violating the Racketeering Influenced and Corrupt Organizations and Taft-Hartley Acts, obstruction of justice, and mail fraud. Although the Third Circuit Court of Appeals reversed part of the mail fraud conviction, Boffa was resentenced on March 23, 1983 to twenty years in prison and fined $40,000. He was also ordered to forfeit his eight leasing companies because of the racketeering influence established in the RICO conviction. The stiff sentence is important since the court specified its intention to set an example by imposing the maximum sentence. U.S. v. Boffa et al. (D. Del.)

In addition to those cases highlighted under the categories above, some of our other significant cases during this reporting period include:

- On January 14, 1983, Thomas Andretta, an alleged member of the Provenzano Crime Group, entered into a Consent Judgment in the civil Racketeering Influenced and Corrupt Organizations (RICO) filing against Local 560 of the International Brotherhood of Teamsters (IBT). In this instance, the civil RICO filing sought injunctive relief to prevent Andretta from committing further racketeering violations. The Consent Judgment specifically prohibits Thomas Andretta from any association with or activity involving any union, labor organization, or employee benefit plan. As

was highlighted in a previous semiannual report, both Anthony and Nunzio Provenzano also filed Consent Judgments in this civil RICO filing.

The complaint alleges that the Provenzano Crime Group through Local 560 IBT engaged in a pattern of racketeering activity by conspiring to commit and committing numerous crimes in violation of the RICO statute. The complaint represents the first time that the Government has used the civil provisions of the RICO statute to launch a comprehensive attack upon a corruption problem within a union. The filing of this civil RICO complaint is the cornerstone of the Newark Strike Force's efforts to deprive the Provenzano Crime Group of its primary vehicle for the commission of pervasive racketeering. U.S. v. Provenzano et al. (D. N.J.)

- Pascal DiJames, international president and secretary-treasurer of the Tile, Marble, and Terrazzo Finishers and Shopmen International Union, was convicted on December 14, 1982, of failure to file required trusteeship reports with the Secretary of Labor. He was acquitted of charges alleging the illegal transfer of $92,759 from a local to the international union.

  A third count against DiJames and co defendant Frank Iarrobino, International Union Vice President, had charged them with having fabricated minutes purporting to reflect a general membership meeting of the local union in May 1978 in order to conceal the existence of the trusteeship. This count was dismissed by the court during trial on the grounds that minutes were not

records supporting the required report inasmuch as the defendants never intended to file a report. The government was unsuccessful in its argument that such a ruling is contrary to the holding in United States v. Budzanoski, 462 F. 2d 443, 451-52 (3d Cir. 1972) that union records containing information which pertains to the subject matter of a required report under analogous provisions of the Labor-Management Reporting and Disclosure Act must be kept even if no report has been filed.

This is the first time that a union official has been convicted for willfully failing to file reports of trusteeship required under the Labor-Management Reporting and Disclosure Act. This investigation was conducted jointly by OOCR and the FBI. U.S. v. Di James et al. (N.D. Ga.)

- On March 31, 1983, Dr. Joel S. Sokol was indicted by a Federal grand jury for conspiracy and twelve counts of mail fraud.

  The indictment charges that Sokol entered into a fraudulent scheme with Stanley Resnick and attorney George Franconero (murdered in March 1981) to defraud numerous banks and equipment leasing firms in connection with financing obtained for the various dental clinics operated by the Joel S. Sokol D.D.S. Professional Association. The Sokol clinics serviced various labor unions including International Brotherhood of Teamsters Local 478, Retail Clerks International Local 1262, and United Auto Workers Union Local 906. The indictment alleges that the scheme involved the creation of inflated invoices for furniture and dental equipment which were then used to

induce the banks and leasing companies to provide financing based upon the inflated collateral value of the furniture and equipment. According to the indictment, more than three quarters of a million dollars in financing was obtained during the course of the scheme. To date, the Sokol Dental Plan investigation has resulted in three separate indictments involving four defendants.

In previous semiannual reports, we discussed the indictments and convictions of other individuals involved in this investigation. Stanley Resnick, president of Metro Dental Service, Inc., John Burke, a salesman for the Newark Dental Supply Company, and Eugene Roehrer, Secretary Treasurer of Local 906 UAW, pled guilty or were convicted for a variety of offenses including conspiracy, interstate transportation of stolen property, false credit applications, and embezzlement.

This investigation was jointly conducted by the OOCR and the U.S. Postal Inspection Service. U.S. v. Sokol (D. N.J.)

- Two alleged organized crime figures, Loren Piccarreto, Laborers Local 435 shop steward, and Joseph Trieste, business agent for Local 435, were indicted on charges that they deprived a local union member in Rochester, N.Y. from the exercise of his rights by the use of force and violence. This violated provisions under the Labor-Management Reporting and Disclosure Act. The victim, a member of Laborers Local 435, attempted to speak out at union meetings in opposition to known organized crime individuals who were placed into officer and shop steward

positions in the local. U.S. v. Piccarreto and U.S. v. Trieste (W.D. N.Y.)

Legislative Issues

During this reporting period, there was a high level of interest in the work of the Office of Organized Crime and Racketeering. Two specific issues received attention from Congressional committees over the last several months.

The first issue, law enforcement authority for OOCR Special Agents, was addressed by the Senate Committee on Labor and Human Resources and the Senate Permanent Subcommittee on Investigations. The hearings examined whether OOCR has sufficient powers to discharge its mandate of eliminating the domination and influence of organized crime and labor racketeers from unions and union administered pension plans. The hearing before the Senate Committee on Labor and Human Resources also addressed whether the lack of law enforcement powers endangers the Special Agents, and in some cases their families, and limits their effectiveness.

During those hearings, the Acting Inspector General restated the OIG's position on law enforcement authority that was communicated in previous semiannual reports. The last report stipulated that it is "essential in our view that our Special Agents be afforded full law enforcement authority and that legislative action be taken to provide this authority."

The second legislative area that we have strongly supported during this reporting period is S. 336, the Labor Management Racketeering Act of 1983. Passage of this bill would greatly assist unions to rid

themselves of corrupt officials and would facilitate our efforts to control corruption in labor unions by (1) adding to and clarifying the list of crimes which disqualify convicted persons from holding positions of trust (also clarified and expanded) with employee benefit plans, labor organizations, or corporate labor-management relations; (2) increasing the period of debarment from five to a maximum of ten years; (3) providing for debarment to commence at the time of conviction rather than at the end of the appeals process; (4) increasing the penalties for violations of the Taft-Hartley Act and; (5) clarifying certain investigative responsibilities of the Department of Labor.

S. 336 is supported by the Administration and AFL-CIO. This legislation is identical to S. 1785, which was unanimously passed by the Senate on two separate occasions during the 97th Congress, but failed to be considered in the House. The Office of Inspector General continues to strongly support passage of S. 336 in the 98th Congress.

PART III

MONEY OWED TO THE DEPARTMENT OF LABOR

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

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

Program Name	Outstanding Receivables 1/ 3/31/83	Delinquencies 2/ 3/31/83	Adjustments & Write-Offs FY 82 3/
Employment Standards Administration			
Federal Employees Compensation Act • overpayments to beneficiaries/ providers	$ 14,287	$ 9,994	$645
Black Lung Program • Responsible Mine Operator reimbursement & overpayments to beneficiaries/ providers	192,637	189,689	76
Employment & Training Administration			
• disallowed costs from auditing or monitoring outstanding cash balances after contract termination; erroneous overpayments to grantees	174,005	165,277	18,632
Mine Safety & Health Administration			
• civil penalties from mine operators	7,576	7,199	455
Occupational Safety & Health Administration			
• civil penalties from businesses	10,058	10,058	194
Pension Benefit Guaranty Corporation			
• terminated plan assets subject to transfer employer liability, and accrued premium income	90,727	53,408	-
All Other Agencies	1,350	1,300	-
TOTALS	$490,640	$436,925	$20,002

1/ Includes amounts identified as contingent receivables that are subject to an appeals process that can eliminate or reduce the amounts identifed.

2/ Any amount more than 30 days overdue is delinquent. Includes items under appeal and not in collection mode.

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

APPENDIX

SELECTED STATISTICS

Audit Activities	
Reports issued on DOL activities	
Audit Exceptions	272
	$ 76,594,878
Reports issued for other federal agencies	2
Dollars resolved	$ 90,838,636
Allowed	$ 26,930,628
Disallowed	$ 63,908,008
Fraud Investigation Activities	
Cases opened	349
Cases closed	316
Cases pending as of 3/31/83	500
Cases referred for prosecution	111
Individuals or entities indicted	94
Individuals or entities convicted	68
Cases referred to DOL agencies for administrative action	63
Employees terminated	12
Fines	$ 112,399
Recoveries	$ 1,115,045
Restitutions	$ 470,247
Organized Crime and Racketeering Investigation Activities	
Cases opened	38
Cases referred to DOJ/others	16
Individuals indicted	24
Individuals convicted	20

Audit Resolution Activity
October 1, 1982 to March 31, 1983

Agency/Program	September 30, 1982 Balance Unresolved Reports	Dollars 1/	Issued (Increases) Reports	Dollars
Employment and Training Administration				
CETA Sponsors				
Prime Sponsors	196	$70,068,634	164	$56,914,492
Native Americans	10	3,860,778	2	983,727
Migrants	22	6,583,236	19	1,965,197
Job Corps	-	-	10	7,178,003
Older Workers	2	180,724	4	126,544
Policy, Evaluation & Research	6	477,494	1	55,810
Other National Pgms	23	1,003,747	22	2,814,645
Technical Assistance	-	-	1	79,240
State Employment Security Agencies	12	1,150,795	9	4,918,198
Employment Standards Administration	1	-	4	292,707
Occupational Safety & Health Administration	12	210,956	27	1,217,502
Mine Safety & Health Administration	3	88,621	3	-
Office of the Asst. Secy for Admin and Mgmt	3	6,645	6	48,813
Total 2/	290	$83,631,630	272	$76,594,878

1/ "Dollars" signifies both questioned costs (costs that are inadequately documented or that require the grant officer's interpretation regarding allowability) and costs recommended for disallowance (costs that are in violation of law or regulatory requirements).

2/ The differences between the beginning balances in this schedule and the ending balances in the schedule of the previous semiannual report result from adjustments required during the reporting period.

Resolved (Decreases) 3/			March 31, 1983 Balance Unresolved	
Reports	Allowed	Disallowed	Reports	Dollars
221	$23,487,899	$52,381,592	139	$51,113,635
10	618,667	4,123,073	2	102,765
25	589,806	5,937,727	16	2,020,900
3	-	-	7	7,178,003
1	76,679	98,657	5	131,932
6	230,350	247,144	1	55,810
24	537,936	357,146	21	2,923,310
-	-	-	1	79,240
13	923,182	714,915	8	4,430,896
2	-	-	3	292,707
25	422,370	35,558	14	970,530
5	40,971	8,319	1	39,331
6	2,768	3,877	3	48,813
341	$26,930,628	$63,908,008	221	$69,387,872

3/ Audit resolution occurs when a final determination for each audit finding has been issued by the grant officer and accepted by the Office of Inspector General. Thus, this table does not include activity subsequent to the final determination such as: the appeals process; the results of the program agency's debt collection efforts; or revisions to prior determinations.

Status of Unresolved Audits
As of March 31, 1983

Agency/Program	Total Unresolved Reports	Total Unresolved Dollars	0 to 6 Months Reports	0 to 6 Months Dollars	Over 6 Months 1/ Reports	Over 6 Months 1/ Dollars
Employment and Training Administration						
CETA Sponsors						
State and Local Prime Sponsors	139	$51,113,635	120	$49,445,292	19	$1,668,343
Native American Grantees	2	102,765	2	102,765	-	-
Migrant Grantees	16	2,020,900	15	1,889,671	1	131,229
Job Corps Contractors	7	7,178,003	7	7,178,003	-	-
National Programs for Older Workers	5	131,932	4	126,544	1	5,388
Policy, Evaluation & Research Grantees	1	55,810	1	55,810	-	-
Technical Assistance & Tng Contractors	1	79,240	1	79,240	-	-
Other National Programs Grantees	21	2,923,310	19	2,806,632	2	116,678
State Employment Security Agencies	8	4,430,896	8	4,430,896	-	-
Employment Standards Administration	3	292,707	2	292,707	1	-
Occupational Safety & Health Administration						
OSHA/BLS Sponsors	14	970,530	12	809,873	2	160,657
Mine Safety and Health Administration						
MSHA Sponsors	1	39,331	-	-	1	39,331
Office of the Assistant Secretary for Administration and Management						
OASAM Contractors	3	48,813	3	48,813	-	-
Total	221	$69,387,872	194	$67,266,246	27	$2,121,626

1/ Twenty-three of the 27 unresolved audit reports were precluded from resolution for the following reason:

- Twenty-three determinations are pending the conclusion of investigations ($1,921,638).

SUMMARY OF AUDIT REPORTS ISSUED DURING THE CURRENT REPORTING PERIOD

During the current semiannual reporting period October 1, 1982 to March 31, 1983, we issued 274 audit reports as follows:

DEPARTMENT OF LABOR		
Employment and Training Administration		
CETA Sponsors:		
State and Local Prime Sponsors	164	
Native American Grantees	2	
Migrant and Seasonal Farmworkers Grantees	19	
National Programs for Older Workers Grantees	4	
Policy, Evaluation and Research Grantees	1	
Job Corps Contractors	10	
Technical Assistance and Training Contractors	1	
Other National Programs Grantees	22	223
State Employment Security Agencies		9
Mine Safety and Health Administration		
MSHA Sponsors		3
Office of Assistant Secretary for Administration and Management		
OASAM Contractors		2
Internal Audits		4
Occupational Safety and Health Administration		
OSHA Sponsors		27
Employment Standards Administration		
Internal Audits		4
OTHER FEDERAL AGENCIES		
Federal Emergency Management Administration		1
Environmental Protection Agency		1
Total		274

LIST OF AUDIT REPORTS ISSUED
OCTOBER 1, 1982 TO MARCH 31, 1983

EXTERNAL AUDITS

Region 1/	Program 2/	Date Sent To Program Agency	Audit Report Number	Name of Contractor or Grantee
I	OSHA	10/18/82	01-2-023-C	RHODE ISLAND
I	OSHA	12/06/82	01-3-C-001	CONNECTICUT
I	PRIME	10/01/82	01-2-017-C	VERMONT CETO
I	PRIME	10/18/82	01-2-022-C	NEW BEDFORD
I	PRIME	10/29/82	01-2-020-C	CUMBERLAND CO
I	PRIME	11/08/82	01-2-021-C	FALL RIVER
I	PRIME	11/18/82	01-2-025-C	HILLSBOROUGH
I	PRIME	12/29/82	01-2-027-C	MAINE GOV
I	PRIME	12/29/82	01-2-024-C	NEW HAMPSHIRE BOS
I	PRIME	12/29/82	01-3-002-C	MAINE BOS

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 NO-Washington, D.C., National Office.

2/ Indicates name of program audited; PRIME - State and Local Prime Sponsor; SESA - State Employment Security Agency; JOBCP - Job Corps Contractor; OSHA - OSHA Grantee; DINAP - National CETA Native American Programs Grantee; MIGRANT - National CETA Migrant and Seasonal Farmworkers Grantee; ONP - Other National CETA Programs Grantee; OPER - ETA Office of Policy, Evaluation and Research Grantee; NPOW - National Programs for Older Workers Grantee; MSHA - Mine Safety & Health Administration; EPA - Environmental Protection Agency; ESA - Employment Standards Administration; OASAM - Office of Assistant Secretary for Administration Management; BLS - Bureau of Labor Statistics; and I - Indirect Cost Audit.

LIST OF AUDIT REPORTS ISSUED
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Region 1/	Program 2/	Date Sent To Program Agency	Audit Report Number	Name of Contractor or Grantee
I	PRIME	01/17/83	01-2-026-C	BRIDGEPORT
I	PRIME	02/02/83	01-2-019-C	WATERBURY
I	PRIME	02/02/83	01-3-004-C	KENNEBEC
I	PRIME	02/17/83	01-3-005-L	EMHRDA
I	PRIME	03/25/83	01-3-010-C	WATERBURY
I	SESA	02/17/83	01-3-003-C	NEW HAMPSHIRE
II	PRIME	10/07/82	02-3-001-C	STEUBEN CO
II	PRIME	10/08/82	02-3-002-C	ATLANTIC CO
II	PRIME	10/19/82	02-3-005-C	CAMDEN CO
II	PRIME	10/19/82	02-3-003-C	CHAUTAUQUE CSRT
II	PRIME	10/19/82	02-3-004-C	CITY OF BUFFALO
II	PRIME	12/01/82	02-2-1302-L	MUNICIPALITY OF CAGUAS, PR
II	PRIME	12/07/82	02-3-008-C	ONEIDA CITY
II	PRIME	12/09/82	02-3-007-C	RENSSELAER CITY
II	PRIME	12/09/82	02-3-009-C	JEFFERSON CITY
II	PRIME	12/28/82	02-3-040-C	PASSAIC CO
II	PRIME	12/30/82	02-3-066-C	CITY OF ROCHESTER
II	PRIME	01/18/83	02-3-102-C	NIAGARA CO
II	PRIME	01/25/83	02-3-138-C	MIDDLESEX CO
II	PRIME	02/16/83	02-3-167-C	GLOUCHESTER CO
II	PRIME	02/18/83	02-3-168-C	NEW YORK CITY HRA
III	OSHA	03/22/83	03-3-010-C	UNITED STEELWORKERS

LIST OF AUDIT REPORTS ISSUED
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Region 1/	Program 2/	Date Sent To Program Agency	Audit Report Number	Name of Contractor or Grantee
III	PRIME-I	02/09/83	03-3-020-C	OPPORTUNITIES INDUST CENTER
III	PRIME	10/01/82	03-2-321-L	FAIRFAX CO
III	PRIME	10/27/82	03-0-1010-C	DISTRICT OF COLUMBIA
III	PRIME	11/01/82	03-2-320-C	CITY OF WILMINGTON
III	PRIME	11/05/82	03-2-378-C	HENRICO/CHESTERFIELD/HANOVER
III	PRIME	11/12/82	03-2-371-G	FAYETTE CO
III	PRIME	11/17/82	03-2-391-C	PRINCE GEORGES CO
III	PRIME	12/14/82	03-2-379-G	NORTHUMBERLAND CO
III	PRIME	01/12/83	03-2-326-C	CITY OF PITTSBURGH
III	PRIME	01/12/83	03-2-409-C	MONTGOMERY CO
III	PRIME	01/14/83	03-2-375-C	MERCER CO
III	PRIME	01/28/83	03-2-325-C	CITY OF PORTSMOUTH
III	PRIME	02/01/83	03-2-280-C	STATE OF W VIRGINIA E&T
III	PRIME	02/07/83	03-3-019-C	CITY OF ROANOKE
III	PRIME	03/01/83	03-3-003-C	ALLEGHENY CO
III	PRIME	03/01/83	03-3-005-C	SCHUYKILL CARBON
III	PRIME	03/09/83	03-2-279-G	VIRGINIA BOS
IV	BLS	12/13/82	04-2-0415-C	TENNESSEE DOL
IV	BLS	12/21/82	04-2-0355-C	SOUTH CAROLINA

LIST OF AUDIT REPORTS ISSUED
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Region 1/	Program 2/	Date Sent To Program Agency	Audit Report Number	Name of Contractor or Grantee
IV	OSHA	12/09/82	04-2-0507-C	UNIV OF TENNESSEE
IV	OSHA	12/10/82	04-2-0508-C	UNITED PAPERWORKERS INT
IV	OSHA	12/10/82	04-2-0483-C	GEORGIA STATE UNIVERSITY
IV	OSHA	12/13/82	04-2-0414-C	TENNESSEE DOL
IV	OSHA	12/21/82	04-2-0354-C	SOUTH CAROLINA
IV	OSHA	01/12/83	04-2-0352-C	KENTUCKY DOL
IV	OSHA	02/01/83	04-3-0105-C	NORTH CAROLINA OS&H PROJECT
IV	OSHA	02/07/83	04-2-0486-C	UNIF FURNITURE WORKERS
IV	PRIME	10/01/82	04-2-0456-C	TUSCALOOSA
IV	PRIME	10/05/82	04-2-0360-C	MOBILE
IV	PRIME	10/18/82	04-2-0379-C	ALABAMA BOS
IV	PRIME	10/20/82	04-2-0396-C	NE FLORIDA CSRT
IV	PRIME	10/26/82	04-2-0364-C	WAKE CO
IV	PRIME	11/10/82	04-2-0423-C	KENTON CO
IV	PRIME	11/30/82	04-1-0919-C	SARASOTA CO
IV	PRIME	12/01/82	04-2-0363-C	RALEIGH
IV	PRIME	12/01/82	04-2-0378-C	BUNCOMBE CO
IV	PRIME	12/02/82	04-2-0424-C	GREENSBORO
IV	PRIME	12/03/82	04-2-0401-C	LOUISVILLE/JEFFERSON
IV	PRIME	12/08/82	04-2-0451-C	SOUTH CAROLINA BOS
IV	PRIME	12/08/82	04-2-0445-C	CAPITAL AREA CSRT
IV	PRIME	12/08/82	04-2-0347-C	LEON CO
IV	PRIME	12/10/82	04-2-0484-C	MEMPHIS
IV	PRIME	12/16/82	04-2-0453-C	KENTUCKY BOS

LIST OF AUDIT REPORTS ISSUED
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Region 1/	Program 2/	Date Sent To Program Agency	Audit Report Number	Name of Contractor or Grantee
IV	PRIME	12/17/82	04-2-0397-C	MISSISSIPPI BOS
IV	PRIME	12/21/82	04-2-0433-C	PASCO CO
IV	PRIME	12/22/82	04-2-0291-C	WINSTON-SALEM
IV	PRIME	12/30/82	04-2-0478-C	E KENTUCKY CEP
IV	PRIME	12/30/82	04-2-0422-C	BROWARD CO
IV	PRIME	01/10/83	04-3-0074-C	ALACHUA CO
IV	PRIME	01/12/83	04-3-0004-C	OKALOOSA CO
IV	PRIME	01/18/83	04-3-0080-C	SPARTENBURG
IV	PRIME	01/26/83	04-2-0488-C	S FLORIDA E&T CSRT
IV	PRIME	01/31/83	04-2-0491-C	COBB CO
IV	PRIME	03/01/83	04-2-0485-C	CRSA E&T CSRT
IV	PRIME	03/03/83	04-2-0496-C	GEORGIA BOS
IV	PRIME	03/08/83	04-2-0292-C	DAVIDSON CO
IV	PRIME	03/15/83	04-2-0426-C	CITY OF CHARLOTTE
V	JOBCP	01/10/83	05-3-061	AVCO INTERNATIONAL
V	JOBCP	02/28/83	05-3-068	AFL-CIO APPALACHIAN INC
V	NPOW	02/24/83	05-2-059	WISCONSIN BUREAU OF AGING
V	OSHA	11/11/82	05-2-052	OHIO DOI
V	OSHA	11/22/82	05-1-166	OHIO DOI
V	OSHA	02/02/83	05-1-165	MICHIGAN DEPT OF LABOR

LIST OF AUDIT REPORTS ISSUED
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Region 1/	Program 2/	Date Sent To Program Agency	Audit Report Number	Name of Contractor or Grantee
V	PRIME	10/19/82	82-000401	DUPAGE CO
V	PRIME	10/29/82	81-000343	COLUMBIANA CO
V	PRIME	11/03/82	82-000434	ROCKFORD CSRT
V	PRIME	11/22/82	81-000051	CITY OF CINCINNATI
V	PRIME	11/22/82	82-000412	LAKE CO
V	PRIME	11/22/82	82-000456	TRI COUNTY
V	PRIME	11/22/82	05-1-011	ALLEN CO
V	PRIME	11/30/82	82-000333	OAKLAND CO
V	PRIME	12/02/82	82-000243	TAZEWELL CO
V	PRIME	12/09/82	05-3-043	MINNESOTA ES
V	PRIME	12/09/82	05-1-153	ST JOSEPH CO
V	PRIME	12/10/82	82-000568	CITY OF INDIANAPOLIS
V	PRIME	12/16/82	82-000704	TRUMBULL CO
V	PRIME	12/17/82	82-000131	MILWAUKEE CO
V	PRIME	12/17/82	05-1-036	PEORIA CSRT
V	PRIME	12/21/82	81-000490	KANE CO
V	PRIME	12/23/82	05-3-040	MILWAUKEE CO
V	PRIME	12/30/82	82-000366	CITY OF MINNEAPOLIS
V	PRIME	12/30/82	82-000390	CITY OF WARREN
V	PRIME	12/30/82	05-1-034	CHAMPAIGN CSRT
V	PRIME	01/11/83	82-000592	GRAND RAPIDS
V	PRIME	01/20/83	82-000208	KALAMAZOO CO
V	PRIME	01/21/83	82-000761	ROCK ISLAND CO

LIST OF AUDIT REPORTS ISSUED
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Region 1/	Program 2/	Date Sent To Program Agency	Audit Report Number	Name of Contractor or Grantee
V	PRIME	02/10/83	82-000535	VIGO CO
V	PRIME	02/11/83	05-1-132	CUYAHOGA-PARMA
V	PRIME	02/17/83	82-000671	CITY OF DEARBORN
V	PRIME	02/24/83	05-1-064	RAMSEY CO
V	PRIME	03/02/83	82-000355	RURAL MINNESOTA
V	PRIME	03/02/83	82-000750	CITY OF ANN ARBOR
V	PRIME	03/07/83	05-1-042	MICHIANA AREA
V	PRIME	03/09/83	82-000298	FORT WAYNE
V	PRIME	03/11/83	05-2-003	SCIOTO CO
V	PRIME	03/17/83	05-1-155	CITY OF CHICAGO
V	PRIME	03/18/83	05-1-009	MONROE CO
V	PRIME	03/18/83	82-000647	LORAIN CO
VI	OSHA	12/07/82	83-083	TX DEPT OF HEALTH
VI	OSHA	03/04/83	83-097	NEW MEXICO OSHA
VI	PRIME	10/22/82	82-702	OKLAHOMA CITY
VI	PRIME	11/09/82	82-650	ARKANSAS BOS
VI	PRIME	11/10/82	82-618	ARKANSAS BOS
VI	PRIME	11/23/82	82-651	EAST TEXAS CSRT
VI	PRIME	12/23/82	83-080	SE TEXAS E&T
VI	PRIME	12/29/82	83-008	SE TEXAS E&T
VI	PRIME	01/12/83	82-683	SOUTH PLAINS

LIST OF AUDIT REPORTS ISSUED
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Region 1/	Program 2/	Date Sent To Program Agency	Audit Report Number	Name of Contractor or Grantee
VI	PRIME	01/13/83	82-719	PERMIAN BASIN
VI	PRIME	01/17/83	83-100	WEST CENTRAL TEXAS
VI	PRIME	02/02/83	82-682	TARRANT CO
VI	PRIME	02/08/83	83-115	CITY OF EL PASO
VI	PRIME	02/10/83	82-733	GOLDEN TRIANGLE
VI	PRIME	02/10/83	83-111	COMANCHE CO
VI	PRIME	03/17/83	83-145	NORTH TEXAS RP COMM
VI	SESA	02/11/83	83-119	NEW MEXICO ESD
VII	OSHA	12/28/82	7-3-C-005	GREATER KC BLDG & CNST
VII	OSHA	12/28/82	7-3-C-006	WICHITA BLDG & CNST
VII	OSHA	12/28/82	7-3-C-003	ST LOUIS LAB CNSL
VII	OSHA	12/28/82	7-3-C-004	OMAHA MET OSHA TRNG
VII	ONP	03/24/83	7-3-L-008	POINDEXTER ASSOC
VII	PRIME	10/01/82	7-2-C-019	ST CHARLES CO
VII	PRIME	10/12/82	7-2-C-021	CITY OF WICHITA
VII	PRIME	11/02/82	7-3-L-002	ST LOUIS CO
VII	PRIME	12/14/82	7-2-C-020	KANSAS DEPT HR BOS
VII	PRIME	01/03/83	7-3-C-007	ST CHARLES CO
VII	PRIME	01/12/83	7-3-L-001	CIROC

LIST OF AUDIT REPORTS ISSUED
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Region 1/	Program 2/	Date Sent To Program Agency	Audit Report Number	Name of Contractor or Grantee
VII	SESA	11/09/82	7-2-L-018	KANSAS DOL
VIII	BLS	01/29/83	08-3-010-C	WYOMING BLS
VIII	MSHA	01/26/83	08-3-014-G	COLORADO DEPT NAT RESOURCES
VIII	OSHA	01/27/83	08-3-006-C	WYOMING OSHA
VIII	PRIME	12/14/82	08-3-002-C	WELD CO
VIII	PRIME	12/18/82	08-3-011-C	JEFFERSON CO
VIII	PRIME	12/20/82	08-3-001-C	DENVER ETA
VIII	PRIME	01/26/83	08-3-005-C	COLORADO DMPD
VIII	PRIME	02/01/83	08-3-012-C	LARIMER CO
VIII	PRIME	03/09/83	08-3-008-C	COLORADO OMPD
VIII	PRIME	03/23/83	08-3-015-C	UTAH OFC LABOR & TRNG
VIII	SESA	01/26/83	08-3-007-C	N DAKOTA JOB SERVICE
VIII	SESA	01/28/83	08-3-009-C	WYOMING ES
VIII	SESA	03/23/83	11-3-025-L	MANAGEMENT OF OBLIGATIONAL AUTHORITY
IX	ONP	10/01/82	11-2-177-C	WOMEN IN APPRENTICESHIP
IX	OSHA	02/23/83	09-83-C-503	WIOES INC
IX	OSHA	02/25/83	09-83-C-501	FED FIREFIGHTERS OF CALIFORNIA
IX	OSHA	02/28/83	09-83-C-502	TEAMSTERS LOCAL #2707

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Region 1/	Program 2/	Date Sent To Program Agency	Audit Report Number	Name of Contractor or Grantee
IX	PRIME	10/19/82	09-82-L-163-P1	NEVADA BOS
IX	PRIME	10/27/82	09-82-C-101-P1	CITY OF TORRANCE
IX	PRIME	11/04/82	09-82-C-041-P1	ALAMEDA CO TRNG & EMP BRD
IX	PRIME	11/04/82	09-83-C-003-P1	OFC ECONOMIC PLAN & DEV
IX	PRIME	11/08/82	09-82-L-201	TELACU
IX	PRIME	11/24/82	09-82-G-090-P1	STOCKTON
IX	PRIME	01/10/83	09-82-G-106-P1	SHASTA CO
IX	PRIME	01/10/83	09-82-G-099-P1	STANISLAUS CO
IX	PRIME	01/12/83	09-83-C-072-P1	MONTEREY CO
IX	PRIME	01/24/83	09-83-C-141-P1	NO MARIANAS
IX	PRIME	01/27/83	09-83-C-078-P1	OCMC
IX	PRIME	01/27/83	09-83-C-083-P1	CITY OF RICHMOND
IX	PRIME	02/22/83	09-83-C-055-P1	CONTRA COSTA CO
IX	PRIME	02/22/83	09-83-C-097-P1	SOLANO CO
IX	PRIME	03/07/83	09-82-C-057-P1	FRESNO ETC
IX	PRIME	03/09/83	09-83-C-164-P1	NEVADA SCETO
IX	PRIME	03/28/83	09-83-G-098-P1	SONOMA CO
IX	SESA	11/10/82	09-82-C-502	CA EDD - REDWOOD EMP PRO PGM
X	PRIME	12/03/82	10-83-S-023-024	CLARK CO
X	PRIME	12/15/82	10-83-S-022-004	SPOKANE CITY/CO

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Region 1/	Program 2/	Date Sent To Program Agency	Audit Report Number	Name of Contractor or Grantee
X	PRIME	12/21/82	10-83-S-100-001	KING/SNOHOMISH
X	PRIME	01/03/83	10-83-C-013	MID WILLOMETTE VALLEY
X	PRIME	01/27/83	10-83-C-012	LANE CO PARTICIPANT ELIGIBILITY
X	PRIME	01/27/83	10-83-C-012-002	LANE CO OJT
X	PRIME	01/27/83	10-83-C-012-003	LANE CO PSE
X	PRIME	02/11/83	10-83-S-026-022	WASHINGTON BOS
X	PRIME	02/22/83	10-83-S-029-003	SNOHOMISH CO
X	PRIME	03/11/83	10-83-S-020-004	TACOMA
X	SESA	01/06/83	10-83-S-301-002	ALASKA DOL
X	SESA	01/06/83	10-83-S-301-001	ALASKA DOL-CFU
NO	DINAP	11/22/82	11-2-303-C	NAVAJO TRIBE OF INDIANS
NO	DINAP	11/30/82	11-1-180-C	ALASKA NATIVE FOUNDATION
NO	JOBCP-I	11/22/82	11-2-297-C	NFL PLAYERS ASSOCIATION
NO	JOBCP-I	12/20/82	11-2-298-C	JOINT ACTION IN COMMUNITY SERVICE
NO	JOBCP-I	01/14/83	11-2-295-C	NFL PLAYERS ASSOCIATION
NO	JOBCP-I	03/07/83	11-2-306-C	MINACT INC
NO	JOBCP	11/30/82	11-2-296-C	NFL PLAYERS ASSOCIATION
NO	JOBCP	11/30/82	11-2-284-C	NATL MARITIME UNION OF AMERICA
NO	JOBCP	12/20/82	11-2-292-C	JOINT ACTION IN COMMUNITY SERVICE
NO	JOBCP	02/16/83	12-3-002	ADC LTD

LIST OF AUDIT REPORTS ISSUED
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Region 1/	Program 2/	Date Sent To Program Agency	Audit Report Number	Name of Contractor or Grantee
NO	MIGRANT-I	11/20/82	11-2-003-C	NORTHWEST RURAL OPPORTUNITIES
NO	MIGRANT	10/01/82	11-2-195-C	NORTH DAKOTA RURAL DEVELOPMENT
NO	MIGRANT	10/01/82	11-2-240-C	ORO DEVELOPMENT CORP
NO	MIGRANT	11/22/82	11-2-272-C	FARMWORKERS CORP OF NJ
NO	MIGRANT	11/22/82	11-2-216-C	SOUTH CAROLINA GOV OFC CETA DIVISION
NO	MIGRANT	11/22/82	11-2-145-C	MOTIVATION EDUCATION & TRAINING
NO	MIGRANT	11/22/82	11-2-198-C	UNITED MIGRANT APP SER
NO	MIGRANT	11/22/82	11-2-214-C	IDAHO MIGRANT CNCL
NO	MIGRANT	11/22/82	11-2-213-C	COLORADO CNCL MIG & SEAS FMWKRS
NO	MIGRANT	11/30/82	11-2-161-C	MISSISSIPPI DELTA CNCL FARMWORKERS
NO	MIGRANT	11/30/82	11-2-194-C	COMMONWEALTH OF PUERTO RICO
NO	MIGRANT	11/30/82	11-2-202-C	RURAL AMERICA INC
NO	MIGRANT	11/30/82	11-2-179-C	MINNESOTA MIGRANT COUNCIL
NO	MIGRANT	12/07/82	11-2-286-C	CAMPESINOS UNIDOS INC
NO	MIGRANT	12/07/82	11-2-273-C	CTR FOR EMPLOYMENT TRAINING
NO	MIGRANT	12/07/82	11-2-108-C	FLORIDA DEPT OF EDUCATION
NO	MIGRANT	12/20/82	11-2-253-C	NAMPA IDAHO OFC CTR FOR E&T
NO	MIGRANT	01/13/83	11-2-107-C	TENN OPPORTUNITY SEAS & FARM
NO	MIGRANT	01/14/83	11-3-005-C	CENTRAL VALLEY OPPORTUNITY
NO	MSHA	12/07/82	11-2-302-C	ST OF WASHINGTON EAST WASH UNIVERSITY
NO	MSHA	03/07/83	11-3-015-C	STATE OF ILLINOIS

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NO	NPOW	11/22/82	11-2-238-C	NATIONAL RETIRED TEACHERS
NO	NPOW	11/30/82	11-2-274-C	NATIONAL COUNCIL ON AGING
NO	NPOW	01/05/83	11-2-282-C	NATL CNCL SENIOR CITIZENS
NO	OASAM	10/13/82	11-2-172-C	USDA GRADUATE SCHOOL
NO	OASAM	11/30/82	11-2-242-C	WORKERS INST FOR SAFETY & HEALTH
NO	ONP	10/14/82	11-2-206-C	MORGAN MANAGEMENT
NO	ONP	10/15/82	11-2-183-C	AMERICAN CULINARY FED ED INSTITUTE
NO	ONP	10/29/82	11-2-191-C	GREATER NASHVILLE COMM
NO	ONP	10/29/82	11-2-203-C	HUMAN ECONOMIC APPET DEV CORP
NO	ONP	10/29/82	11-2-178-C	MEXICAN OPP FOUNDATION
NO	ONP	11/22/82	11-2-270-C	PLASTERERS & CEMENT MASONS
NO	ONP	11/22/82	11-2-249-C	RECRUITMENT & TRAINING PROGRAM
NO	ONP	11/22/82	11-2-182-C	PREPARATION RECRUITMENT EMP PGM
NO	ONP	11/30/82	11-2-135-C	ROSSLYN FOUNDATION
NO	ONP	11/30/82	11-2-136-C	NATL MACHINE TOOL BUILDERS ASSOC
NO	ONP	11/30/82	11-2-170-C	PROACTION INSTITUTE
NO	ONP	11/30/82	11-2-204-C	BOB TUCKER & ASSOCIATES
NO	ONP	11/30/82	11-2-261-C	SERVICE EMPLOYEES INTL UNION
NO	ONP	12/07/82	11-2-239-C	CORP FOR PUBLIC/PRIVATE VENTURES
NO	ONP	12/20/82	11-2-173-C	NATL ASSOC FOR THE SOUTHERN POOR
NO	ONP	12/20/82	11-2-271-C	DR BENSON PENICK
NO	ONP	01/05/83	11-2-269-C	NATL ASSN VOL HLTH & SOC WELFARE ORG
NO	ONP	01/14/83	11-2-219-C	NATIONAL PUERTO RICAN FORUM

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Region 1/	Program 2/	Date Sent To Program Agency	Audit Report Number	Name of Contractor or Grantee
NO	ONP	01/17/83	11-2-291-C	MARATHON CO
NO	ONP	03/08/83	11-2-265-C	DOWNRIVER COMM CONF
NO	ONP	03/08/83	11-2-266-C	JAMES LOWERY & ASSOC
NO	OPER	12/20/82	11-2-250-C	MANPOWER DEMONSTRATION RSCH CORP
INTERNAL AUDITS				
III	OASAM	10/08/82	MEMO RPT	DOL NON-CAREER OFFICIAL'S TRAVEL
III	OASAM	12/30/82	MEMO RPT	DOL MOTOR VEHICLE MANAGEMENT
NO	ESA	10/13/82	12-02-003	LSHW CROSSMATCH RESULTS
NO	ESA	01/21/83	12-02-014-1	FECA BLACK LUNG
NO	ESA	03/22/83	12-02-014-2	OWCP CROSSMATCH PROJECT
NO	ESA	03/24/83	12-02-004	LONGSHORE & HARBOR WORKERS
NO	OASAM	01/12/83	12-2-015	BOEING CONTRACT REVIEW
NO	OASAM	03/28/83	12-2-009	YEAR END SPENDING
OTHER FEDERAL AGENCIES				
NO	FEMA	10/13/82	11-2-169-C	USDA GRADUATE SCHOOL
NO	EPA	01/13/83	11-3-021-F	CLARK CO NEVADA

DEPARTMENT OF LABOR
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