

BRIEFLY...

Highlights of Report Number 05-13-004-06-001, issued to the Assistant Secretary for Mine Safety and Health.

WHY READ THE REPORT

MSHA held national mine rescue contests for each of its two major program areas, Coal and Metal and Non-Metal (MNM), every two years. These contests have been the backbone for training and preparing rescue teams to conduct rescue operations. MSHA held its last five MNM contests in Reno, NV, and its last coal contest in Columbus, OH.

MSHA elected to host and pay for significant parts of the contests even though it is not legally required to do so. MSHA's involvement is permissible given its mission.

WHY OIG CONDUCTED THE AUDIT

We received a series of complaints regarding MSHA's MNM mine rescue contests. The complaints alleged MSHA: (a) wasted taxpayer dollars with the contests; (b) wasted taxpayer dollars by holding planning meetings on-site instead of utilizing teleconferencing; (c) wasted taxpayer dollars by purchasing matching shirts for each day of the contests; and (d) inappropriately received upgraded and free hotel rooms, lavish receptions, after-hours parties, limousine rides, and free meals.

Additionally, MSHA informed us it had concerns about its use of a non-government bank account to hold coal contest fees. Therefore, we performed work to answer the following questions:

1. Did MSHA comply with federal laws and regulations and safeguard federal funds when providing MNM Mine Rescue Contests in fiscal years (FY) 2006, 2008 and 2010, and in planning the proposed 2012 contest?
2. Did MSHA comply with applicable laws and regulations when it charged fees for the coal and MNM contests, directed the coal contest funds be deposited in non-government accounts, and used the coal and MNM contest funds to pay for contest expenditures?

READ THE FULL REPORT

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

<http://www.oig.dol.gov/public/reports/oa/2013/05-13-004-06-001.pdf>.

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MSHA SHOULD CONTINUE TO REASSESS AND IMPROVE ITS ROLE IN MINE RESCUE CONTESTS

WHAT OIG FOUND

MSHA did not fully comply with a Federal Travel Regulation to minimize costs for its 2006-2010 MNM contests by performing required cost comparisons for at least 3 sites, resulting in its failure to identify an estimated \$100,000 in potential savings. It also spent \$33,438 on unnecessary clothing and \$13,800 for unallowable commemorative coins.

MSHA also violated the Federal Acquisition Regulation by not justifying its use of sole-source contracts with the Reno-Sparks Convention and Visitors Authority (RSCVA) in 2006 and 2010. It also entered into contracts with the RSCVA and the Peppermill hotel that included impermissible indemnification clauses. MSHA also guaranteed rooms for mine rescue teams with the Peppermill hotel in 2012. The contest was cancelled and the Peppermill may be entitled to collect a penalty of \$194,910. The majority of the penalty would be related to lodging costs associated with nongovernment personnel.

Additionally, MSHA lacked specific statutory authority to charge and retain fees for its coal contests, and it may have violated the Miscellaneous Receipts Act by collecting fees and not depositing them with the Treasury, but instead directing the funds be deposited into a non-government bank account and used to cover contest expenses. MSHA may be required to deposit with the Treasury some or all of the funds it spent and also the approximately \$326,000 that remained unspent after the 2011 coal contest.

WHAT OIG RECOMMENDED

We recommended the Assistant Secretary for Mine Safety and Health: (1) involve its contracting officials with all procurement actions from the outset; (2) ensure the contests are operated in compliance with laws and regulations or relinquish MSHA's role as organizer of the contests; (3) ensure the \$326,308 balance in the coal fund is secured until a decision has been made as to the disposition of those funds; and (4) request a decision from the Government Accountability Office on (a) whether MSHA could legally charge and retain fees for its contests pursuant to the Independent Offices Appropriations Act, or any other statute, and (b) the disposition of the existing coal fund balance.

The Assistant Secretary agreed with our recommendations and noted MSHA has already taken significant steps to address recommendations 1 and 2.