



BRIEFLY...

ILAB COULD IMPROVE OVERSIGHT OF CHILD LABOR AND FORCED LABOR GRANTS

September 25, 2020

WHY OIG CONDUCTED THE AUDIT

The Bureau of International Labor Affairs' (ILAB) Office of Child Labor, Forced Labor, and Human Trafficking (OCFT) battles child and forced labor practices in other countries — including slavery, child prostitution, pornography, and trafficking — by funding projects that provide services to vulnerable children and advocate for reforms. OCFT has spent over \$1.2 billion in approximately 100 countries since 1995 to fund projects in efforts to reduce child and forced labor. Additionally, the President and Congress have required OCFT to publish reports on child and forced labor.

Because child and forced labor practices continue to present dire consequences for children and other workers, it is critical that OCFT meets its reporting obligations and effectively monitors its grant-funded projects to ensure they achieve their objectives.

WHAT OIG DID

We conducted a performance audit to determine the following:

Did OCFT implement its reporting requirements and provide effective oversight of its grant-funded projects related to combatting child and forced labor?

To answer this question, we reviewed child labor and forced labor reports issued by OCFT, as well as projects with activity between 2013 and 2018.

READ THE FULL REPORT

<http://www.oig.dol.gov/public/reports/oa/2020/17-20-003-01-070.pdf>

WHAT OIG FOUND

OCFT implemented its reporting requirements, but could improve oversight of its grant-funded projects related to combatting child and forced labor. Oversight of projects is vital if OCFT is to ensure grantees use funds to serve and protect vulnerable individuals at risk of child or forced labor practices.

To meet its reporting requirements, OCFT issued — and updated — reports detailing countries with the worst forms of child labor and listings identifying goods and products made by child or forced labor. According to OCFT, Congress and the Executive Branch have used OCFT's report on the worst forms of child labor to formulate labor and trade policies. The product listings were used to raise public awareness of child and forced labor and to ensure federal agencies did not procure goods made by child laborers.

As part of its oversight responsibilities, OCFT conducted audits of high-risk projects. In carrying out these audits, OCFT could have formally notified grantees sooner of the corrective actions necessary to address findings so that the grantees might implement those corrective actions promptly and during the projects' period of performance. We found it took at least a year on average for OCFT to issue corrective action notices to grantees. Inadequate oversight of the audit resolution process and lack of coordination with the grant officer resulted in delays.

OCFT also conducted third-party evaluations of each project twice during the project's period of performance. However, we found OCFT did not adequately document follow-up actions taken by grantees in response to evaluation recommendations. Specifically, OCFT did not ensure grantees reported on the status of all recommendations from project evaluations. When grantees did report on follow-up actions, the reporting was insufficient to determine if the actions taken were consistent with agreed-upon plans.

WHAT OIG RECOMMENDED

We made recommendations to the Associate Deputy Undersecretary for International Labor Affairs to improve oversight of the audit and evaluation processes to ensure grantees receive corrective action notices timely and to track and document follow-up actions to evaluation recommendations. Management concurred with the recommendations.