

HIGHLIGHTS

October 1, 2019–March 31, 2020 Volume 83

A Message from the Inspector General

Now more than ever we must ensure that vital U.S. Department of Labor (DOL) programs, such as unemployment insurance, occupational health and safety protection, and labor law compliance, deliver on their essential missions efficiently and effectively.

With the benefit of work on earlier disaster responses and stimulus bills, the Office of Inspector General (OIG) immediately developed a comprehensive *Pandemic Response Oversight Plan* to address known and expected risks resulting from the pandemic.

Our oversight will be conducted in four phases and focus on the Department's response to the pandemic, particularly under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Areas of review will include DOL's efforts to administer and oversee the expansion of unemployment benefits, protect workers and miners from exposure to COVID-19, and provide guidance and enforce CARES Act regulations relating to paid leave. For instance, we have already issued an advisory report on initial areas of concern relating to unemployment insurance based on our previous work. More information about how we are conducting oversight and responding to the pandemic is available herein and on our website at www.oig.dol.gov.

This *Highlights* edition presents a summary of selected activities, accomplishments, and findings reported in the OIG's *Semiannual Report to Congress* for the six-month period ending March 31, 2020. During this reporting period, the OIG issued 12 audit and other reports, with 57 recommendations for corrective action. The OIG's investigative work resulted in a total of 134 indictments, 102 convictions, and more than \$63 million in monetary accomplishments.

We will continue to work constructively with the Department and Congress on our shared goals of identifying improvements to DOL programs and operations and protecting the interests and benefits of the nation's workers and retirees during this unprecedented time.

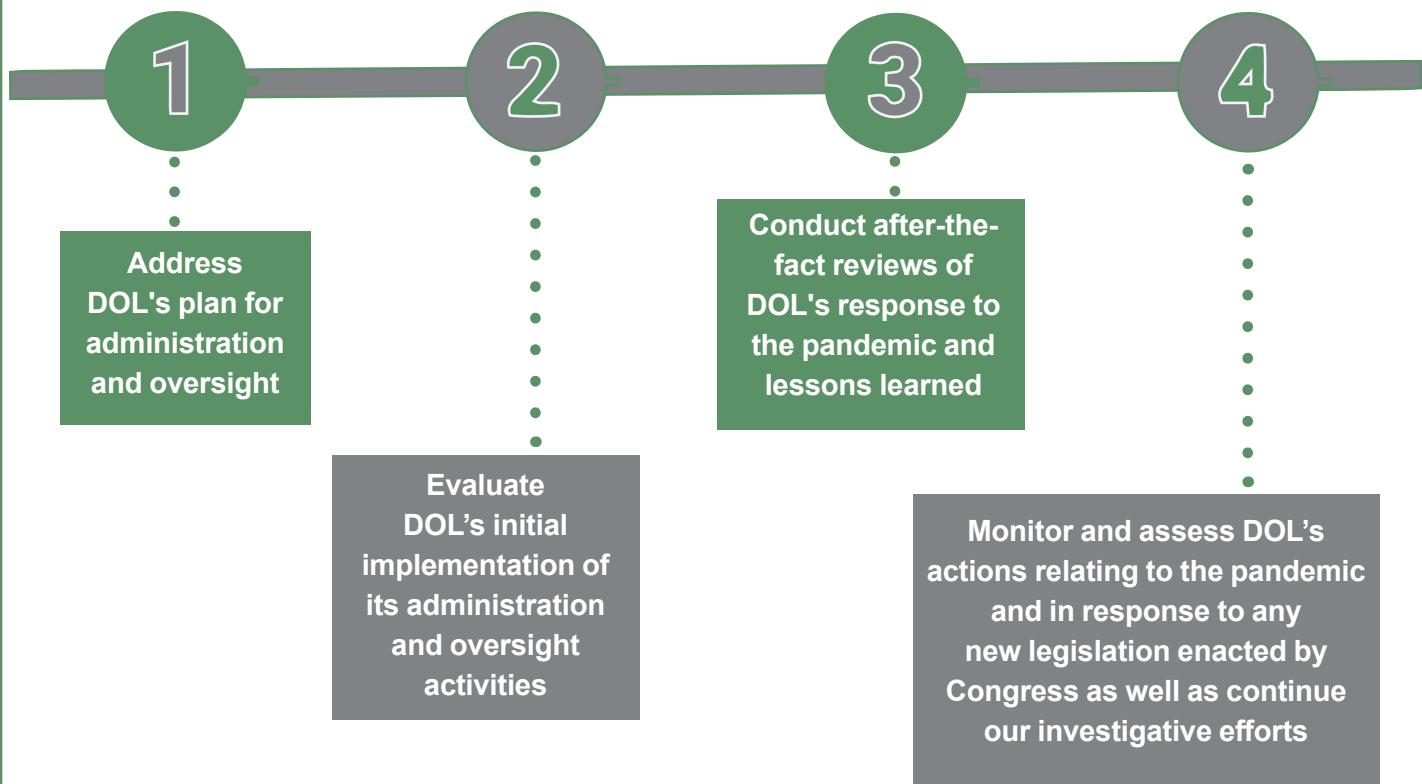


Scott S. Dahl, Inspector General

Pandemic Response Oversight Plan

The U.S. Department of Labor (DOL), Office of Inspector General (OIG), received an appropriation of \$26 million to carry out oversight activities of DOL's response to the coronavirus (COVID-19) pandemic under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Specifically, the OIG received \$25 million to oversee the unprecedented expansion of the Unemployment Insurance (UI) programs provisioned by the Act and \$1 million for oversight of DOL activities supported with funds appropriated to prepare for and respond to the coronavirus pandemic.

The OIG's oversight will focus on the Department's response to the pandemic, particularly under the CARES Act. The OIG's oversight work will be conducted in four phases covering the allocation periods for CARES Act funds and post-allocation. This plan is subject to change as the OIG continues to conduct risk assessments to identify specific areas for review. Funding for oversight related to activities other than UI programs is provided by the \$1 million CARES Act funding, as appropriate, or by reprioritization of existing OIG resources. See the appendix for select criteria for DOL's response to the coronavirus pandemic.



Worker Safety, Health, & Workplace Rights

During this reporting period, we issued audits and completed investigation involving the Department's Office of Federal Contract Compliance Programs (OFCCP), Occupational Safety and Health Administration (OSHA), and Wage and Hour Division (WHD) programs. Highlights of our work in these areas include the following:

Office of Federal Contract Compliance Programs

- An audit of OFCCP's enforcement of Equal Employment Opportunity (EEO) requirements on federal contracts in the construction industry found that OFCCP did not adequately enforce the EEO requirements on at least \$145 billion in federal construction contracts.

Occupational Safety and Health Administration

- Our audit reviewing allegations involving OSHA's untimely referral and reclamation of debt from the U.S. Department of the Treasury found that OSHA had not been timely in referring delinquent debts for collection to Treasury's Bureau of the Fiscal Service.
- A Florida man was sentenced to 12 months of probation and 40 hours of community service for making false, fictitious, and fraudulent statements and representations to an OSHA investigator.

Wage and Hour Division

- A Utah businessman was sentenced to 3 years of probation and ordered to pay more than \$100,000 in restitution for his role in obstructing a WHD Investigation.
- A Puerto Rico Senator and former mayor of Yauco, Puerto Rico, was convicted of making false statements and wire fraud in connection with a WHD investigation.

Employment and Training Programs

The Employment and Training Administration (ETA) provides employment assistance, labor market information, and job training through the administration of programs authorized by the Workforce Innovation and Opportunity Act for adults, youth, dislocated workers, and other targeted populations. ETA also administers several foreign labor certification programs that allow U.S. employers to employ foreign workers to address American worker shortages. Our work during this semiannual period included the following:

Face Forward Program

- An audit of ETA's Face Forward program found that ETA could not determine the impact that \$102 million in grants had on participants, ages 17 and under, with prior juvenile convictions.

Foreign Labor Certification Programs

- A New Jersey woman was sentenced to 70 months in prison and 3 years of supervised release and ordered to pay more than \$1.2 million in restitution for enslaving a woman for more than 9 years.
- A California business owner was sentenced to 33 months in prison and ordered to forfeit \$2.5 million for his role in committing visa fraud, conspiring to commit visa fraud, and witness tampering.

Worker and Retiree Benefit Programs

During this reporting period, we completed several investigations involving worker and retiree programs. Highlights of our work in this area include the following:

Office of Workers' Compensation Programs

- Two Chicago women were sentenced and ordered to pay jointly and severally restitution of more than \$1.4 million for their role in a scheme to defraud DOL's Office of Workers' Compensation Programs.
- A multistate business owner was found guilty of conspiracy to pay health care kickbacks to pharmacists in connection with the Federal Employees' Compensation Act Program.

Labor Racketeering

The OIG conducts investigations into labor racketeering activities involving labor unions, employee benefit plans, and labor-management relations. Our investigative accomplishments for this reporting period include the following:

- A California woman was sentenced to 37 months in federal prison for causing more than \$11.5 million to be submitted for reimbursement to health care benefit programs for unnecessary—and sometimes nonexistent—sleep studies.
- A New York pharmaceutical sales representative was sentenced to 36 months in prison and ordered to pay more than \$10 million in restitution to multiple health care benefit programs for his role in a health care fraud scheme.
- A former senior union official was sentenced to 28 months in prison and ordered to pay more than \$1.5 million in restitution for conspiring with other union officials to engage in honest services fraud by taking bribes and kickbacks from vendors and contractors and for conspiring to launder the proceeds of the scheme.

OIG Hotline

The OIG Hotline is open to the public and to federal employees 24 hours a day, 7 days a week to receive allegations of fraud, waste, and abuse concerning DOL programs and operations.

Phone: 202.693.6999 or 800.347.3756

Fax: 202.693.7020

Website: www.oig.dol.gov