



OFFICE OF INSPECTOR GENERAL

U.S. Department of Labor

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INVESTIGATIVE SUMMARY

Finding of Procurement Irregularities Related to Labor Classifications and Billable Rates

In conjunction with an OIG investigation related to time and attendance violations by Wage & Hour Division (WHD) employees, the OIG found that WHD officials failed to act responsibly and appropriately with respect to a related procurement matter. Specifically, the OIG found that WHD procured the services of an individual through contract vehicles that did not support the type of work performed and that did not allow for a labor classification and billable rate that was commensurate with this individual's work experience, and with the work which was actually performed.

As a result, WHD paid significantly more for these services than was warranted. The OIG found that, from December 2011 through December 2014, the contractor in question billed WHD \$540,524 for these services, and the OIG estimated that there was an over payment of \$234,449. The individual's actual annual salary from the contractor was approximately \$34,000.

The OIG's completed investigative report was forwarded to WHD officials on April 10, 2015.

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