

U.S. Department of Labor Office of Inspector General



FY 2002 Performance Plan

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U.S. Department of Labor Office of Inspector General FY 2002 Performance Plan

1. Introduction

The Office of Inspector General (OIG) is an independent, objective agency within the U.S. Department of Labor (DOL). Created by the Inspector General Act of 1978 (IG Act), the OIG is responsible for conducting audits, investigations, and evaluations of DOL programs and operations; identifying actual and potential problems or abuses; developing and making recommendations for corrective action; and informing the Secretary and the Congress of problems or concerns. The OIG at Labor is unique in that it is also responsible for carrying out a criminal investigations program to contribute toward the Government's effort to reduce the influence of organized crime and labor racketeering in the workplace.

Through effective strategic management of OIG activities, and consistent with our mandate under the IG Act, in Fiscal Year 2002, we will meet our statutory mandates while utilizing our expertise and the results of our work to help the Department in meeting its mission and addressing the many challenges it faces in the coming years. With passage of the Government Performance and Results Act (GPRA), Congress and the Administration are demanding that programs be effective and cost efficient, and produce a positive impact. By identifying problems, recommending solutions, and providing technical assistance, we plan to help the Department to meet this mandate. Through our oversight of all DOL programs we will also support the cross cutting strategic goals established by the Secretary. These include: A Prepared Workforce, A Secure Workforce, and Quality Workplaces. In addition, our work supports the Secretary's goal of "Maintaining a Departmental Strategic Management Process."

2. Overview of the OIG Strategic Plan

The OIG developed a Strategic Plan in conformance with the Government Performance and Results Act of 1993. The plan details our mission, vision, goals, objectives, and strategies. The plan is driven by our responsibilities under various statutes, including the IG Act and the Chief Financial Officers Act; the mission of the Department; the goals established by the Administration and the Secretary; and the challenges faced by DOL, particularly in the areas of employment and training, safety and health, worker benefit programs, and departmental management. The overall purpose of the plan is to serve as a catalyst for directing OIG resources to those audits, investigations, and evaluations that are most effective in helping us to carry-out our mission and to achieve our vision and strategic goals over the 6 years covered by the plan.

2.1 Mission

The OIG serves the American worker and taxpayer by conducting audits, investigations, and evaluations that result in improvements in the effectiveness, efficiency and economy of Departmental programs and operations. We detect and prevent fraud and abuse in DOL programs and labor racketeering in the American workplace. We provide advice to the Secretary and the Congress on how to attain the highest possible program performance.

2.2 Vision

The OIG will be widely recognized in the Department and the Congress for providing timely, quality, and useful information, recommendations, and technical assistance that improve key programs and operations of the Department of Labor. Moreover, the OIG will make a significant and positive impact on the Government's effort to control the influence of organized crime and reduce labor racketeering in the workplace.

From a management perspective, the OIG will create and foster an organizational culture of employee respect, acceptance and inclusion in which OIG employees believe they are valued, believe their ideas have merit, and know their talents are fully utilized.

2.3 OIG Strategic Goals

The OIG Strategic Plan establishes the following long-term goals for the OIG:

OIG Goal 1: Optimize performance and accountability of DOL employment and training programs.

Performance Goal 1.1: Improve the effectiveness of programs in increasing long-term employment, earnings, and self-sufficiency of, and reducing social payments to, program participants.

Performance Goal 1.2: Improve the integrity of DOL's training and employment programs.

OIG Goal 2: Safeguard and improve worker and retiree benefit programs.

Performance Goal 2.1: Improve the integrity and cost efficiency of the DOL's unemployment insurance program.

Performance Goal 2.2: Improve the integrity and cost efficiency of the DOL's disability compensation programs.

Performance Goal 2.3: Improve the safeguards afforded to pension and health and welfare benefit programs.

OIG Goal 3: Optimize the performance and accountability of worker protection and workplace safety programs.

Performance Goal 3.1: Improve the effectiveness of DOL safety and health programs in reducing workplace injuries, illnesses and fatalities.

Performance Goal 3.2: Improve the effectiveness of DOL's worker protection programs in fostering equal opportunity and fair wages.

Performance Goal 3.3: Improve the integrity of DOL's worker protection and workplace safety programs.

OIG Goal 4: Assist DOL in maintaining an effective management process.

Performance Goal 4.1: Determine the validity of DOL's annual consolidated financial statements prepared pursuant to the CFO Act.

Performance Goal 4.2: Improve the financial and performance accountability of DOL and its grantees and contractors.

Performance Goal 4.3: Provide audited program cost and performance data.

Performance Goal 4.4: Identify systemic weaknesses that may result in abuses, criminal conduct, or mismanagement.

OIG Goal 5: Combat the influence of organized crime and labor racketeering in the workplace.

Performance Goal 5.1: Protect ERISA-covered union pension and benefit plans from the influence of organized crime and labor racketeering.

Performance Goal 5.2: Protect labor-management relations from employers or union officials who engage in labor racketeering activities or are influenced or controlled by organized crime.

Performance Goal 5.3: Protect the democratic principles of unions and the rights of the members from union officials who are influenced or controlled by organized crime or who engage in labor racketeering.

These ambitious goals serve as the impetus for achieving our mission and vision. Achieving the OIG's goals and objectives requires the dedication and commitment of all OIG employees, as well as the support of the Administration and Congress. Paramount to our success will be our ability to fund an adequate workforce; to provide our staff with the necessary, upgraded, specialized training to carry out the activities envisioned by the plan; and to maintain an adequate level of technological readiness.

2.4 Agency Organization

The OIG administers its programs through four major components: the Offices of Audit; Investigations; Analysis, Complaints, and Evaluations; and Management and Counsel.

The Office of Audit is responsible for reviewing the fiscal and programmatic integrity and efficiency of all Department activities. Audits are performed to evaluate compliance with applicable laws and regulations, review the economical and efficient use of resources and determine the extent to which the effectiveness of DOL programs and operations is achieved.

The Office of Investigations is responsible for conducting investigations into criminal activity or misconduct by DOL employees, grantees, contractors, program participants, and beneficiaries. This office also administers the OIG's Labor Racketeering Program which focuses on reducing the influence the organized crime and labor racketeering in three general areas: employee benefit plans, labor-management relations, and internal union affairs.

The Office of Analysis, Complaints and Evaluations is responsible for carrying out the OIG's program evaluations, policy development, and strategic planning functions. This office performs evaluations, inspections, and analysis of DOL programs or functions that are requested by the Department and Congress to improve program efficiency, effectiveness, and services. It is also responsible for policy analysis, performance planning and measurement, budget formulation, congressional relations, legislative assessment, and public affairs. In addition, this office operates a complaint analysis division to address stakeholder allegations of wrongdoing involving DOL programs and operations.

The Office of Management and Counsel provides administrative support to the OIG nationwide through various functions including legal services; budget formulation and execution; and management of OIG personnel, procurement, contracting, and information technology resources.

3. OIG Strategic Goals and the Fiscal Year 2002 Budget

In Fiscal Year 2002, the OIG is requesting \$57,461,000 in funding and 428 FTE. The OIG's FY 2002 program activities will focus on audits, investigations, and evaluations that will identify problems, recommend solutions, and provide technical assistance and useful information to the Department and Congress for use in their management or oversight of the Department.

A Prepared Workforce: *Enhance opportunities for America's Workforce*

OIG Goal: Optimize performance and accountability of DOL employment and training programs.

In FY 2002 the OIG will: audit the performance and outcomes of Welfare to Work formula grants; provide oversight of aspects of the WIA program including training provider qualifications, selected performance reporting systems, sufficiency of internal and cash controls over WIA training accounts, performance reported by eligible training providers, and the effect of WIA waiver authority on WIA reform principles; determine outcomes for Job Corps trainees and determine the validity of Job Corps' report on its job training match; evaluate the effectiveness of ETA's non-custodial parent training; and conduct investigations into allegations of fraud against DOL employment and training programs.

A Secure Workforce: *Promote the economic security of workers and families*

OIG Goal: Safeguard and improve worker and retiree benefit programs.

In FY 2002 the OIG will: identify and investigate fictitious and fraudulent employer schemes in the UI program; audit the use of Reed Act funds distributed to states; compare UI non-monetary determination activities across states; audit UTF financial statements and the Department of Treasury charges to the UTF; comply with mandate to prepare an annual joint Part B Black Lung Program administrative services report with the IG of the Social Security Administration (SSA); audit the financial statements of the Black Lung, Longshore, and DC Trust Funds and the FECA Special Fund; determine if adequate controls over electronic pharmacy purchases in the Black Lung Program exist; audit EFAST to determine appropriate application controls; evaluate customer service issues related to DOL's worker's compensation and pension programs; work with ETA and the IRS to provide states routine access to IRS Form 1099 UI tax data; and investigate and identify fraud activity involving the Black Lung, Longshore/ Harbor Workers, and FECA programs.

Quality Workplaces: *Foster quality workplaces that are safe, healthy, and fair*

OIG Goal: Optimize the performance and accountability of worker protection and workplace safety programs.

In FY 2002, the OIG will: determine the effectiveness of States that operate their own OSHA programs in identifying serious violations; examine Departmental procedures for the issuance and dissemination of informal rules and interpretations to determine if DOL is in compliance with the Administrative Procedures Act; audit MSHA's enforcement of miner training requirements; evaluate OSHA's safety and health enforcement and outreach in the high-tech sector; perform a follow-up evaluation of ILAB's child labor projects; evaluate Wage and Hour's Customer Service Program; and conduct investigations into allegations of corruption or misconduct by safety and health inspectors.

Maintaining a Departmental Strategic Management Process

OIG Goal: Assist DOL in maintaining an effective management process.

In FY 2002, the OIG will: audit DOL's financial statements, as required by the CFO Act; continue to assist the Department in implementing managerial cost accounting standards; determine the extent to which single audits of DOL grant recipients can be relied on for purposes of expressing an opinion on the DOL financial statements; conduct financial and performance audits of grants and contracts; assess general and application controls in IT systems that produce DOL financial statements and performance reports; assist in the development of DOL Performance/Cost Statements; audit system development efforts to ensure they conform with DOL-wide IT system architecture; conduct security reviews of DOL IT systems; evaluate the Department's success in complying with the requirements of the Small Business Act; provide oversight and consultation to assist the Department in fully complying with the requirements of the Government Performance and Results Act; and investigate allegations of wrongdoing or criminal misconduct by DOL employees and service providers.

A Secure Workforce/quality Workplaces

OIG Goal: Combat the influence of organized crime and labor racketeering in the workplace.

In FY 2002 the OIG will: investigate organized crime influence or manipulation of labor unions, union-affiliated employee benefit plans, and labor-management relations; conduct industry probes into organized crime influence in the maritime, and construction industries; conduct investigations under the Civil Racketeering Influenced and Corrupt Organizations Act to identify and remove organized crime influence from unions; and investigate fraudulent health insurance sold through "bogus unions."

4. FY 2002 Performance Goals and Indicators

Our statutory mission is to identify problems or weaknesses, detect fraud, make recommendations for corrective action, and combat labor racketeering in the workplace. To accomplish this, we have to ensure that the information provided to our stakeholders through our audits, investigations and evaluations is useful, significant, reliable, and timely. Moreover, our work products need to result in: decisions and actions by our stakeholders that effect positive changes, such as improved program economy and efficiency; reduced vulnerabilities that make programs susceptible to fraud, abuse or mismanagement; and reduced influence of organized crime and labor racketeering in unions and the workplace.

The impact of work products depends on our ability to demonstrate that DOL programs or operations have been significantly improved or that our work contributed to a reduction in criminal activity. Therefore, we will measure attainment of our 5 strategic goals in terms of our success in: effecting positive change, reducing vulnerabilities, producing a positive return on invested resources, and providing quality services to stakeholders.

4.1 Strategy for Validation of Performance Measures and Indicators

The value of the results of OIG's efforts, which will be utilized to measure the OIG success in achieving its strategic goals (e.g., recommendations accepted or implemented, cases accepted for enforcement action, convictions obtained, etc.), will be obtained from DOL agencies or from the Department of Justice (DOJ). To evaluate our success in achieving our goals and objectives, the OIG has established a review and analysis process that is used to assess its performance. Performance is reported on a quarterly basis by the OIG operating components. These reports are analyzed by OIG top management to assess the extent to which OIG offices are meeting previously-established, individual performance targets. We then evaluate the results of our performance to determine whether any changes are needed in the way we do business, including adjusting operating plans to maximize the use of resources, or whether any goals or objectives need to be adjusted to ensure that we can effectively measure the impact of our work. To assess the quality of our performance data, we will conduct internal quality reviews of data bases that capture performance data and/or conducting inspections of field offices to ensure the integrity and completeness of data reported. We cannot, however, validate data provided by DOJ. This review and analysis is the basis for annual reporting of our performance.

4.2 FY 2002 Performance Goals

The OIG has established performance goals for FY 2002 that provide direct program support and IG oversight support to the DOL cross-cutting and management goals. These performance goals are consistent with our audit and investigative responsibilities under the IG Act and the goals established in the OIG Strategic Plan. In addition, the OIG has identified the means (resources, processes, and technologies) and strategies that will be applied toward accomplishing our performance goals.

4.3 FY 2002 Targeted Levels of Performance

This performance plan includes actual and targeted performance information from 1998 (our base year) through 2002. Through our strategic planning process, we adjust performance levels year by year to address increased or decreased demands in each goal area. In addition, targeted levels of performance are adjusted to account for shifts in resources and in audit, investigations, or evaluations strategies to focus on higher impact projects. Nonetheless, the OIG's overall performance is expected to continue to increase in FY 2002 from our base year as follows: 34% increase in audits; 9% increase in investigations; and 114% increase in evaluations.

The tables that follow detail OIG performance levels that we will achieve in FY 2002 in support of our strategic plan goals.

A Prepared Workforce

OIG Goal #1: Optimize performance and accountability of DOL employment and training programs

Annual Performance Goals/Objectives	Baseline Data FY 1998	FY 1999 Actual Levels	FY 2000 Actual Levels	FY 2001 Target Level of Performance	FY 2002 Target Level of Performance
Conduct performance and financial compliance audits of DOL employment, training, and Welfare-to-Work programs and provide consultation and assistance to those programs	OIG Audits - 27 Single Audits - 6 Consultation and Assistance - 3	OIG Audits - 79 ¹ Single Audits - 9 Consultation and Assistance - 2	OIG Audits - 42 ² Single Audits - 55	34 audits will be completed	36 audits will be completed
Provide program evaluation services and technical assistance	0	0	3 program evaluations were completed	4 program evaluations will be completed	4 program evaluations will be completed
Work with DOL management to resolve audit recommendations	1998 = 72	Achieved 79% (57 of 72 resolved)	Achieved 92% (66 of 72 resolved)	Achieve 95% resolution of 1998 recommendations	N/A
	1999 = 169	N/A	Achieved 84% (142 of 169 resolved)	Achieve 90% resolution of 1999 recommendations	Achieve 95% resolution of 1999 recommendations
	2000 =	N/A	N/A	Achieve 75% resolution of 2000 recommendations	Achieve 90% resolution of 2000 recommendations
	2001 =	N/A	N/A	N/A	Achieve 75% resolution of 2001 recommendations
Work with DOL management to ensure implementation of audit recommendations	1998 = 72	Achieved 65% (47 of 72 implemented)	Achieved 78% (56 of 72 implemented)	Achieve 80% of implementation 1998 recommendations	Achieve 85% of implementation 1998 recommendations
	1999 = 169	N/A	Achieved 68% (115 of 169 implemented)	Achieve 75% implementation of 1999 recommendations	Achieve 80% implementation of 1999 recommendations
	2000 =	N/A	N/A	Achieve 50% implementation of 2000 recommendations	Achieve 75% implementation of 2000 recommendations
	2001 =	N/A	N/A	N/A	Achieve 50% implementation of 2001 recommendations

A Prepared Workforce

OIG Goal #1: Optimize performance and accountability of DOL employment and training programs

Annual Performance Goals/Objectives	Baseline Data FY 1998	FY 1999 Actual Levels	FY 2000 Actual Levels	FY 2001 Target Level of Performance	FY 2002 Target Level of Performance
Achieve adequate customer satisfaction on DOL and Congressional stakeholder requests for OIG services	Currently being developed based on FY 2001 data	N/A	N/A	N/A	Achieve at least ___% customer satisfaction (based on FY 2001 data)
Conduct investigations into allegations of fraud against DOL employment and training programs	45	49 ³	44 investigations were completed	30 investigations will be completed	33 investigations will be completed
Produce quality investigations that result in convictions	91%	100%	Achieved 100% conviction rate for cases that resulted in indictment	Convictions will be achieved for at least 80% of cases that resulted in indictment	Convictions will be achieved for at least 80% of cases that resulted in indictment

¹ The increase in the number of audits resulted from shifting resources to Goal 1 Welfare-to-Work audits in response to a Congressional request.

² The FY 2000 target for OIG audits was exceeded because, for audits in two program areas, we issued individual reports to each audited entity rather than issuing a consolidated report.

³ Our higher completion rate in this area was due to closing of cases from prior years and to a temporary shift in resources. This higher rate is not expected to be sustained in future years.

A Secure Workforce

OIG Goal #2: Safeguard and improve worker and retiree benefit programs

Annual Performance Goals/Objectives	Baseline Data FY 1998	FY 1999 Actual Levels	FY 2000 Actual Levels	FY 2001 Target Level of Performance	FY 2002 Target Level of Performance
Conduct audits of DOL worker and retiree benefits programs and functions and provide consultation and assistance to those programs	OIG Audits - 18 Consultation and Assistance - 0	OIG Audits - 11 completed ⁴	OIG Audits - 14 Single Audits - 15	20 audits will be completed	25 audits will be completed
Provide program evaluation services and technical assistance	1	3	2 program evaluations were completed	1 program evaluation will be completed	1 program evaluations will be completed
Work with DOL management to resolve audit recommendations	1998 = 32	Achieved 84% (29 of 32 resolved)	Achieved 100% (32 of 32 resolved)	Achieve 95% resolution of 1998 recommendations	N/A
	1999 = 32	N/A	Achieved 94% (30 of 32 resolved)	Achieve 90% resolution of 1999 recommendations	Achieve 95% resolution of 1999 recommendations
	2000 =	N/A	N/A	Achieve 75% resolution of 2000 recommendations	Achieve 90% resolution of 2000 recommendations
	2001 =	N/A	N/A	N/A	Achieve 75% resolution of 2001 recommendations
Work with DOL management to ensure implementation of audit recommendations	1998 = 32	Achieved 72% (23 of 32 implemented)	Achieved 94% (30 of 32 implemented)	Achieve 80% implementation of 1998 recommendations	Achieve 85% implementation of 1998 recommendations
	1999 = 32	N/A	Achieved 31% ⁵ (10 of 32 implemented)	Achieve 75% implementation of 1999 recommendations	Achieve 80% implementation of 1999 recommendations
	2000 =	N/A	N/A	Achieve 50% implementation of 2000 recommendations	Achieve 75% implementation of 2000 recommendations
	2001 =	N/A	N/A	N/A	Achieve 50% implementation of 2001 recommendations

A Secure Workforce

OIG Goal #2: Safeguard and improve worker and retiree benefit programs

Annual Performance Goals/Objectives	Baseline Data FY 1998	FY 1999 Actual Levels	FY 2000 Actual Levels	FY 2001 Target Level of Performance	FY 2002 Target Level of Performance
Achieve adequate customer satisfaction on DOL and Congressional stakeholder requests for OIG services	Currently being developed based on FY 2001 data	N/A	N/A	N/A	Achieve at least ___% customer satisfaction (based on FY 2001 data)
Conduct investigations into allegations of fraud against DOL's worker benefit programs	210	363 ⁶	302 investigations were completed	260 investigations will be completed	285 investigations will be completed
Produce quality investigations that result in convictions or civil/administrative action	94% 111 cases (civil/admin.)	95% 151 cases ⁷ (civil/admin.)	Achieved 96% conviction rate for cases that resulted in indictment Increased by 9% over the 1998 base, the number of cases resulting in successful civil/administrative action 121 cases resulted in civil/admin.	Convictions will be achieved for at least 80% of cases that resulted in indictment Increase by 15% over the 1998 base, the number of cases resulting in successful civil/administrative action (128 cases resulting in civil/administrative action)	Convictions will be achieved for at least 80% of cases that resulted in indictment Increase by 20% over the 1998 base, the number of cases resulting in successful civil/administrative action (133 cases resulting in civil/administrative action)

⁴ The decrease in the number of audits resulted from shifting resources to Goal 1 Welfare-to-Work audits in response to a Congressional request.

⁵ Report No. 05-99-005-03-315, "Audit of UI Benefit Payment Controls", contains 19 recommendations for actions to be taken by State Employment Security Agencies to improve the UI benefit/wage crossmatch overpayment detection system. ETA is working with the States to ensure actions are taken; however, the audit recommendations remain open until the OIG has received documentation confirming that the States have implemented the recommended corrective actions.

⁶ The temporary high completion rate in this area is due to closing of cases from prior years in connection with a shift in resources from individual claimant UI cases.

⁷ The temporary high completion rate in this area is due to our focus on reducing our inventory of individual claimant UI cases, as we shift to more complex, multi-state cases.

Quality Workplaces

OIG Goal #3: Optimize the performance and accountability of worker protection and workplace safety programs

Annual Performance Goals/Objectives	Baseline Data FY 1998	FY 1999 Actual Levels	FY 2000 Actual Levels	FY 2001 Target Level of Performance	FY 2002 Target Level of Performance
Conduct workplace safety, health, and standards audits of DOL programs and provide consultation and assistance to those programs	OIG Audits - 6 Consultation and Assistance - 4	OIG Audits - 2 completed	OIG Audits-10 completed	8 audits will be completed	6 audits will be completed ⁸
Provide program evaluation services and technical assistance	4	3	4 program evaluations were completed	8 program evaluations will be completed	8 program evaluations will be completed
Work with DOL management to resolve audit recommendations	1998 = 8	Achieved 100% (8 of 8 resolved)	N/A	N/A	N/A
	1999 = 0	N/A	N/A	N/A	N/A
	2000 =	N/A	N/A	Achieve 75% resolution of 2000 recommendations	Achieve 90% resolution of 2000 recommendations
	2001 =	N/A	N/A	N/A	Achieve 75% resolution of 2001 recommendations
Work with DOL management to ensure implementation of audit recommendations	1998 = 8	Achieved 13% (1 of 8 implemented)	Achieved 50% (4 of 8 implemented) ⁹	Achieve 80% implementation of 1998 recommendations	Achieve 85% implementation of 1998 recommendations
	1999 = 0	N/A	N/A	N/A	N/A
	2000 =	N/A	N/A	Achieve 50% implementation of 2000 recommendations	Achieve 75% implementation of 2000 recommendations
	2001 =	N/A	N/A	N/A	Achieve 50% implementation of 2001 recommendations

Quality Workplaces

OIG Goal #3: Optimize the performance and accountability of worker protection and workplace safety programs

Annual Performance Goals/Objectives	Baseline Data FY 1998	FY 1999 Actual Levels	FY 2000 Actual Levels	FY 2001 Target Level of Performance	FY 2002 Target Level of Performance
Achieve adequate customer satisfaction on DOL and Congressional stakeholder requests for OIG services	Currently being developed based on FY 2001 data	N/A	N/A	N/A	Achieve at least ___% customer satisfaction (based on FY 2001 data)
Conduct investigations into allegations of corruption or misconduct by safety and health inspectors	10	14	13 investigations were completed	11 investigations will be completed	11 investigations will be completed
Produce quality investigations that result in convictions	100%	100%	Achieved 100% conviction rate for cases that resulted in indictment	Convictions will be achieved for at least 80% of cases that resulted in indictment.	Convictions will be achieved for at least 80% of cases that resulted in indictment.

⁸ The decrease in the number of audits is the result of shifting of resources to increase our efforts in the worker benefit and Departmental Management areas.

⁹ Report No. 06-98-008-06-001 contained 7 recommendations to improve the operations at MSHA's Equipment Approval and Certification Center. 3 of the 7 recommendations have been implemented. MSHA states that of the 4 remaining recommendations, 2 will be implemented by December 2000, 1 by December 2001 and the final recommendation by December 2002.

Maintaining a Departmental Strategic Management Process

OIG Goal #4: Assist DOL in maintaining an effective management process

Annual Performance Goals/Objectives	Baseline Data FY 1998	FY 1999 Actual Levels	FY 2000 Actual Levels	FY 2001 Target Level of Performance	FY 2002 Target Level of Performance
Conduct audits and provide technical assistance regarding DOL financial and information technology systems, program performance, operations, and GPRA implementation	OIG Audits - 5 Consultation and Assistance - 5	OIG Audits - 11 completed	OIG Audits - 9	12 audits/consultation assistance efforts will be completed	16 audits/consultation assistance efforts will be completed
Provide program evaluation services and technical assistance	2	0	3 program evaluation were completed	2 program evaluation will be completed	2 program evaluations will be completed
Work with DOL management to resolve audit recommendations	1998 = 49	Achieved 76% (37 of 49 resolved)	Achieved 78% (38 of 49 resolved) ¹⁰	Achieve 95% resolution of 1998 recommendations	N/A
	1999 = 78	N/A	Achieved 64% (50 of 78 resolved) ¹¹	Achieve 90% resolution of 1999 recommendations	Achieve 95% resolution of 1999 recommendations
	2000 =	N/A	N/A	Achieve 75% resolution of 2000 recommendations	Achieve 90% resolution of 2000 recommendations
	2001 =	N/A	N/A	N/A	Achieve 75% resolution of 2001 recommendations
Work with DOL to ensure implementation of audit recommendations	1998 = 49	Achieved 33% (16 of 49 implemented)	Achieved 47% (23 of 49 implemented) ¹²	Achieve 80% implementation of 1998 recommendations	Achieve 85% implementation of 1998 recommendations
	1999 = 78	N/A	Achieved 32% (25 of 78 implemented) ¹³	Achieve 75% implementation of 1999 recommendations	Achieve 80% implementation of 1999 recommendations
	2000 =	N/A	N/A	Achieve 50% implementation of 2000 recommendations	Achieve 75% implementation of 2000 recommendations
	2001 =	N/A	N/A	N/A	Achieve 50% implementation of 2001 recommendations

Maintaining a Departmental Strategic Management Process

OIG Goal #4: Assist DOL in maintaining an effective management process

Annual Performance Goals/Objectives	Baseline Data FY 1998	FY 1999 Actual Levels	FY 2000 Actual Levels	FY 2001 Target Level of Performance	FY 2002 Target Level of Performance
Work to achieve concurrence from DOL management on recommendations for monetary savings (questioned costs, funds put to better use and other monetary findings)	1998 = 56	Achieved 63% (35 of 56 recommendations accepted)	Achieved 89% (50 of 56 recommendations accepted)	Concurrence will be achieved for at least 70% of recommendations for monetary savings for 1998 recommendations	Concurrence will be achieved for at least 75% of recommendations for monetary savings for 1998 recommendations
	1999 = 107	N/A	Achieved 57% (61 of 107 recommendations accepted)	Concurrence will be achieved for at least 55% of recommendations for monetary savings for 1999 recommendations	Concurrence will be achieved for at least 60% of recommendations for monetary savings for 1999 recommendations
	2000 =	N/A	N/A	Concurrence will be achieved for at least 50% of recommendations for monetary savings for 2000 recommendations	Concurrence will be achieved for at least 55% of recommendations for monetary savings for 2000 recommendations
	2001 =	N/A	N/A	N/A	Concurrence will be achieved for at least 50% of recommendations for monetary savings for 2001 recommendations
Achieve adequate customer satisfaction on DOL and Congressional stakeholder requests for OIG services	Currently being developed based on FY 2001 data	N/A	N/A	N/A	Achieve at least ___% customer satisfaction (based on FY 2001 data)
Provide timely evaluation of allegations/requests for investigative service and initiate action	20 days	7.5 days	Evaluated and initiated action within 3.8 days	Evaluate and initiate action within 5 days	Evaluate and initiate action within 5 days

Maintaining a Departmental Strategic Management Process

OIG Goal #4: Assist DOL in maintaining an effective management process

Annual Performance Goals/Objectives	Baseline Data FY 1998	FY 1999 Actual Levels	FY 2000 Actual Levels	FY 2001 Target Level of Performance	FY 2002 Target Level of Performance
Increase OIG cases accepted for enforcement action	335 ¹⁴	296	314 cases accepted for enforcement action	320 cases will be accepted for enforcement action	345 cases will be accepted for enforcement action
Produce quality investigations that result in convictions or civil/administrative actions	92% 19 cases involving actions (civil/admin.)	83% 27 cases involving actions (civil/admin.)	Achieved 90% conviction rate for cases that resulted in indictment 14 cases resulted in successful civil/administrative action involving action	Convictions will be achieved for at least 80% of cases that resulted in indictment Increase by 15% over the 1998 base, the number of cases resulting in successful civil/administrative action (21 cases resulting in civil/administrative action)	Convictions will be achieved for at least 80% of cases that resulted in indictment Increase by 15% over the 1998 base, the number of cases resulting in successful civil/administrative action (21 cases resulting in civil/administrative action)

¹⁰ All 11 unresolved recommendations involve issues related to the Department's Annual Financial Statement.

¹¹ Of the 28 unresolved recommendations, 17 involved issues related to the Department's Annual Financial Statement.

¹² All 26 open recommendations involve issues related to the Department's Annual Financial Statement.

¹³ Of the 53 open recommendations, 42 involved issues related to the Department's Annual Financial Statement.

¹⁴ Baseline includes individual UI cases which we largely phased out in fiscal year 1999 to focus on more national scope UI cases in four major categories: interstate cases; fictitious or fraudulent employer cases; internal embezzlement schemes; and cases involving Federal dollars. These cases are more complex and resource intensive, reducing the number of cases we can investigate per year. However, they have a higher return on investment and greater long-term impact in reducing fraud in the program.

Quality Workplaces/ A Secure Workforce

OIG Goal #5: Combat the influence of organized crime and labor racketeering in the workplace

Annual Performance Goals/Objective	Baseline Data FY1998	FY 1999 Actual Levels	FY 2000 Actual Levels	FY 2001 Target Level of Performance	FY 2002 Target Level of Performance
Conduct investigations of organized crime influence and labor racketeering in the workplace ¹⁵	139	115	103 investigations were completed	100 investigations will be completed	110 investigations will be completed
Carry out initiative to increase investigative attention to criminal activity by pension plan service providers	13 open cases	25 open cases	Achieved a case inventory of 32 investigations	Achieve a case inventory of 22 investigations	Achieve a case inventory of 25 investigations
Produce quality investigations that result in convictions	95%	93%	Achieved 90% conviction rate for cases that resulted in indictment	Convictions will be achieved for at least 80% of cases that resulted in indictment	Convictions will be achieved for at least 80% of cases that resulted in indictment

¹⁵ The reduction in the number of organized crime and labor racketeering cases is caused by two factors. First, the OIG has begun a transition in case emphasis to target higher return, but more complex labor racketeering cases. Second, due to a large number of senior investigator retirements, newer, less experienced agents have a significant learning curve resulting in a temporary loss in productivity in this particular area.

Means and Strategies

Program Strategies

Sustained Efforts in FY 2002

- C Conduct sufficient audits and evaluations to assess fiscal and program performance and make recommendations as to how funds for programs related to employment and training; workers' safety, health and standards; and worker benefits may be optimized. Specific audits planned for FY 2002 are listed in Section 3 of this plan.
- C Conduct audits required under the CFO Act to assure the integrity of DOL finances and related systems.
- C Investigate allegations of wrongdoing related to DOL funds, programs, and operations, in particular those related to employment and training; workers' safety, health and standards; and worker benefits.
- C Conduct investigations that contribute toward a reduction of organized crime and labor racketeering activities in the workplace.
- C Respond effectively and timely to requests for audit, investigative, and evaluative services from our stakeholders, predominantly DOL and the Congress.

Enhanced Efforts in FY 2002

- C Carry out program initiatives to: comply with enhanced Federal financial management and managerial cost accounting requirements, and provide adequate oversight of DOL information technology resources and computer security.

Operational Means

- C Maintain an adequate level of professional expertise so that OIG auditors, investigators, and evaluators, are able to address issues as programs evolve or emerge.
- C Invest in training less experienced agents to ensure a smooth transition as numerous mandatory retirements of senior agents occur.

- C Ensure that OIG staff has the necessary information technology equipment, systems, and training, which are an integral part of their work. This includes ensuring staff has ability to: access records of those being audited or investigated (e.g., grantees, contractors, service providers, etc.); secure electronic evidence obtained through searches and seizures; gain access to criminal enforcement data bases; and communicate electronically with stakeholders and counterparts at DOL and other Government agencies. To this end, the OIG plans to carry out an initiative to implement IT architecture requirements of the Department.
- C Cost effectively manage the resource-intensive travel expenses associated with audits, investigations and evaluations.
- C Procure specialized services necessary to carry out certain audit activities.
- C Maintain an effective strategic management and performance measurement mechanism to ensure we fulfill the requirements of GPRA.
- C Maintain effective Congressional liaison to expediently respond to requests for information and to keep Congress informed of problems or deficiencies in DOL programs and operations.

5. Cross Cutting Programs and Issues

The OIG provides audit and investigative oversight to all programs of the Department. Within that role, we coordinate with DOL agencies as we carry out our audits, investigations, and evaluations and with other pertinent law enforcement agencies.

5.1 Linkages with Other DOL Programs

Although the OIG functions as an independent entity within DOL and our jurisdiction largely differs from that of DOL program offices, we coordinate with Departmental agencies on cross-cutting issues. For example, we coordinate with ESA regarding FECA issues and with PWBA on pension investigations. We also continue to work extensively with the CFO on financial management issues.

5.2 Linkages with Other Federal Agencies

In addition to DOL agencies, we also coordinate our program fraud and labor racketeering enforcement efforts with DOJ, and other Federal, state, and local law enforcement entities. We also coordinate with other OIG offices when there are issues of common interest or where program responsibilities overlap. The CFO audit is coordinated with OMB and GAO in order to meet the needs of the government-wide audit. In addition, we annually issue a special report on FECA actuarial liability that is used by other Federal agencies in auditing their financial statements.

6. OIG Strategic Management Process

The OIG supports the Secretary's goal of maintaining a strategic management focus in two ways. First, it has established as one of its strategic goals to assist the Department in maintaining an effective management process. It is our plan to provide audit services and provide appropriate technical assistance to DOL management to ensure the effectiveness and cost-efficiency of DOL's programs, as required by GPRA; the integrity of DOL's financial management system, as required by the CFO Act; and the effective management of information technology resources, as required by the Clinger-Cohen Act.

Second, we have identified internal issues related to the areas of information technology and human resources that we will seek to address to ensure the successful implementation of our strategic plan. These issues are discussed in the sections that follow.

Information Technology Linkages

Information technology (IT) is an integral part of the OIG's strategy to achieve the goals and objectives established in this plan. Adequate IT systems, capabilities, and knowledge are critical tools needed by OIG auditors, investigators, evaluators, and other professional staff to carry out their work. This includes: ensuring access to the records of those being audited or investigated (e.g., grantees, contractors, service providers, etc.); securing electronic evidence obtained through searches and seizures; gaining access to criminal enforcement data bases; and being able to communicate electronically with stakeholders and counterparts in the Department and other Government agencies. An example of the importance of IT to the OIG program involves our pension initiative. A critical element of that initiative is the development of computer data base capabilities to allow for comparisons of intelligence gathered by OIG criminal investigations with information obtained from the SEC to identify problematic investment advisors associated with union pension plans.

The OIG will need to significantly enhance its day-to-day technological infrastructure and increase its readiness to provide oversight of Departmental IT initiatives and functions.

Human Resources

There are a number of human resource issues related to achievement of our goals. Paramount to these issues is our ability to have the necessary workforce (auditors, investigators, and professional and support staff) and contract services to carry out critical activities and initiatives. Factors specific to this include:

- C Investing in training of less experienced agents to ensure a smooth transition as numerous retirements of senior agents occur.
- C Investing in specialized training needed to carry out comprehensive initiatives that directly support the goals.
- C Enhancing the technical capabilities of audit staff to enable them to address program issues related to technological advances, particularly increases in electronic commerce.

From an internal management perspective, we will continue to:

- C Evaluate the training needs of staff at all levels, identify associated costs, and assess the feasibility and extent to which training can or must be provided.
- C Recruit, retain, and develop a diverse workforce to meet the needs of a changing work environment and customer profile; and redesign OIG reward and recognition systems to reflect valuing diversity.
- C Determine the correct administrative support to professional staff ratio and relate it to technological advancements, in order to identify the feasibility of further consolidating administrative functions.
- C Assess the value of our presence in certain geographic areas.

7. CONCLUSION

In FY 2002, the OIG will continue its commitment to help the Department in meeting its mission and the many challenges it faces in the coming years. Through quality work products, we will strive to provide DOL and Congress useful information that they can use as critical decisions are made regarding DOL programs and operations.

ACRONYMS

CFO	Chief Financial Officer
ERISA	Employee Retirement Income Security Act
ESA	Employment Standards Administration
FECA	Federal Employees' Compensation Act
FTE	Full Time Equivalent
GPRA	Government Performance and Results Act
IT	Information Technology
MSHA	Mine Safety and Health Administration
OFCCP	Office of Federal Contract Compliance Programs
PWBA	Pension and Welfare Benefits Administration
SEC	Securities and Exchange Commission
WIA	Workforce Investment Act