



*Office of Inspector General  
U.S. Department of Labor*

*Annual Performance Report  
Fiscal Year 2013*

## Table of Contents

Introduction.....	1
OIG Strategic Goals .....	2
How the OIG Plans its Work .....	3
External Factors that Impact Goal Achievement .....	3
How the OIG Measures its Performance .....	4
How the OIG's Goals Align with the Department's Goals.....	5
Agency Performance Outcomes Summary .....	6
FY 2013 Statistics.....	7
Goal 1: Optimize the performance and accountability of employment and training programs .....	8
Goal 2: Safeguard and improve worker and retiree benefit programs .....	10
Goal 3: Optimize the performance and accountability of worker protection and workplace safety programs ....	12
Goal 4: Assist DOL in maintaining an effective strategic management process .....	14
Goal 5: Combat the influence of organized crime and labor racketeering in the workplace.....	16
Planned Activities for FY 2014.....	17

## Introduction

The mission of the Office of Inspector General (OIG) at the Department of Labor (DOL) is to:

- increase the economy and efficiency of DOL programs, operations and management by preventing and detecting fraud, waste, and abuse;
- conduct and supervise audits and investigations of DOL's programs and activities;
- inform the Secretary of Labor and the Congress of problems and corrective action taken with respect to the administration of DOL operations and programs;
- assess the potential for fraud, waste, and abuse, and make recommendations to DOL and the Congress; and
- operate a criminal investigative program to reduce the influence of organized crime and labor racketeering on employee benefit plans, internal union affairs, and labor-management relations.

Consistent with the Government Performance and Results Act of 1993, the OIG has a strategic plan that is driven by responsibilities under the Inspector General Act of 1978 and other statutes, as well as the mission of the Department of Labor. The OIG's specific strategic goals are as follows:

- Goal 1: Optimize performance and accountability of DOL employment and training programs.
- Goal 2: Safeguard and improve worker and retiree benefit programs.
- Goal 3: Optimize the performance and accountability of worker protection and workplace safety programs.
- Goal 4: Assist DOL in maintaining an effective strategic management process.
- Goal 5: Combat the influence of organized crime and labor racketeering in the workplace.

Achievement of these goals is measured in terms of how well the OIG's work products effect positive change, such as improving program effectiveness; reducing vulnerabilities that make programs susceptible to abuse; achieving savings; and reducing criminal activity in the form of fraud and labor racketeering. Indicators such as the percentage of OIG audit recommendations that are implemented and convictions that result from OIG investigations are effective measures because they reflect the outcome of its work. Similarly, the monetary results of OIG investigations, costs questioned by OIG audits, and funds put to better use as the result of OIG work reflect the impact of the OIG's efforts.

In its FY 2013 Performance Plan, the OIG established performance targets for each of its strategic goals. The achievement of those goals is outlined in this report, along with detailed performance information and examples of the types of audit and investigative work accomplished in Fiscal Year (FY) 2013.

## OIG Strategic Goals

### Goal 1

#### **Optimize the performance and accountability of employment and training programs**

- Promote the effectiveness of programs in increasing long-term employment, earnings, and self-sufficiency of, and reducing social payments to, program participants.
- Improve the integrity of DOL's employment and training programs.

### Goal 2

#### **Safeguard and improve worker and retiree benefit programs**

- Promote improved integrity and cost efficiency of the unemployment insurance and Federal disability compensation programs.
- Improve the safeguards afforded to pension, health, and welfare benefits programs.

### Goal 3

#### **Optimize the performance and accountability of worker protection and workplace safety programs**

- Enhance the effectiveness of worker safety and health programs.
- Improve the effectiveness of DOL's worker protection programs in fostering equal opportunity and fair wages.
- Improve the integrity of DOL's worker protection and workplace safety programs.

### Goal 4

#### **Assist DOL in maintaining an effective strategic management process**

- Ensure the effectiveness and efficiency of DOL management, financial systems, and information technology.
- Investigate substantive allegations of wrongdoing by DOL employees, grantees, contractors, or service providers.

### Goal 5

#### **Combat the influence of organized crime and labor racketeering in the workplace**

- Protect ERISA-covered union pension and benefit plans from the influence of organized crime and labor racketeering.
- Protect labor-management relations from employers or union officials who engage in labor racketeering activities or are influenced or controlled by organized crime.
- 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.

## How the OIG Plans its Work

The OIG develops its strategic work plan through consultations with its stakeholders, chiefly administration officials and the Congress:

- **Audits:** The OIG prioritizes its audit projects based on a risk assessment that considers program dollar size, vulnerability to abuse, potential impact on the public, and prior audit and investigative history.
- **Program Fraud Investigations:** OIG program fraud investigations typically result from allegations or suspicions of wrongdoing involving DOL programs, operations or personnel. They may also be the result of broad initiatives arising out of prior OIG activities, or as part of interagency initiatives, normally in consultation with the appropriate U.S. Attorneys.
- **Labor Racketeering Investigations:** OIG labor racketeering investigations generally result from allegations of organized crime influence or control of labor unions and/or employee benefit plans. They may also be the result of referrals from U.S. Attorneys, or as part of the OIG's participation in interagency task forces targeting organized crime and labor racketeering.

## External Factors that Impact Goal Achievement

As an independent, objective agency within the DOL, the OIG performs a critical function of identifying problem areas or systemic weaknesses. However, there are factors beyond its control that impact its ability to meet objectives. For example:

- It is not within the OIG's authority to implement its recommendations;
- The OIG cannot control the results of judicial or administrative proceedings that impact the outcome of its investigative work; and
- It is not within its jurisdiction to collect monetary sanctions imposed by the courts or DOL as a result of its work.

To mitigate these factors, the OIG:

- Works with DOL and the Congress to call attention to and follow-up on uncorrected deficiencies.
- Works cooperatively with U.S. attorneys.
- Strives to provide work products that give stakeholders the best, timely information to make decisions.

## How the OIG Measures its Performance

Impact	Performance Measure	Indicator
Effecting Positive Change	Identify high risk areas or significant management problems	Narrative on significant accomplishments
	Achieve implementation of recommendations	Percent implemented
	Report the results of significant accomplishments (national, regional, or local) that contribute to: <ul style="list-style-type: none"> <li>re-designs of major programs or systems</li> <li>major enhancements to program effectiveness</li> <li>significant improvements to internal controls</li> <li>terminations of grants or contracts</li> <li>changes in legislation or regulations</li> </ul>	Narrative on significant accomplishments
Reducing Vulnerabilities	Increase OIG cases accepted for enforcement action (e.g., prosecution, civil, administrative, or personnel action)	Number of cases opened
	Produce quality investigations that result in an adequate conviction rate for cases that resulted in indictment	Conviction rate
	Produce quality investigations that result in civil/administrative actions taken	Number of actions taken
	Report number of indictments and convictions obtained as a result of OIG cases	Number of convictions and indictments
	Report the results of significant accomplishments (national, regional, or local) that contribute toward reducing vulnerabilities. This includes successful investigations of corrupt union officials, plan administrators, service providers, program officials, employees, or participants	Narrative on case results
Achieving Savings	Report the amount of monetary outcomes and savings (e.g., fines, penalties, restitutions, asset forfeiture, cost efficiencies) resulting from OIG investigations.	Amount of monetary accomplishments
	Report the amount of questioned costs or opportunities for savings identified by OIG audits	Savings identified
	Achieve concurrence on recommendations for monetary savings identified by OIG audits	Percent concurred

## How the OIG's Goals Align with the Department's Goals

The OIG's strategic goals generally align with those of the Department. Below is a table that outlines how each OIG goal fits into the Department's strategic goals.

OIG Goals	DOL Strategic Goals				
	Prepare workers for good jobs and ensure fair compensation	Ensure workplaces are safe and healthy	Assure fair and high quality work-life improvements	Secure health benefits and, for those not working, provide income security	Produce timely and accurate data on the economic conditions of workers and their families
Goal 1: Optimize performance and accountability of DOL employment and training programs	X				X
Goal 2: Safeguard and improve worker and retiree benefit programs				X	
Goal 3: Optimize the performance and accountability of worker protection and workplace safety programs		X			
Goal 4: Assist DOL in maintaining an effective strategic management process	X	X	X	X	X
Goal 5: Combat the influence of organized crime and labor racketeering in the workplace	X	X	X	X	

## Agency Performance Outcomes Summary

Indicators, Targets, and Results	FY 2013 Target	FY 2013 Result
Number of investigations completed <sup>1</sup>	409	507
Percentage of prosecutions that result in a conviction for those indicted	85%	96%
Number of audits and other reports completed	55	58
Percentage of prior year recommendations resolved by DOL	50%	95%
Percentage of prior year recommendations implemented by DOL <sup>2</sup>	35%	43%
Percentage of concurrence on prior year recommendations for monetary savings identified by OIG audits	50%	100%

<sup>1</sup> The significant difference in the result versus target was due to a large number of single claimant unemployment insurance fraud cases involving American Recovery and Reinvestment Act (ARRA) funds. These types of cases generally do not require the same resources as more complex UI fraud investigations, such as fictitious employer, fraudulent employer and identity theft schemes. The American Taxpayer Relief Act of 2012 (P.L. 112-240) extended the expiration date of the Emergency Unemployment Compensation (EUC) program to January 1, 2014. The OIG expects the number of these types of investigations will decrease significantly when ARRA funding expires.

<sup>2</sup> Because of the nature of OIG recommendations, the amount of time needed for DOL to fully implement them often exceeds more than one year, which is reflected in our target.

## FY 2013 Statistics

### Investigations:

Investigative recoveries, cost-efficiencies, restitutions, fines and penalties, forfeitures, and civil monetary action <sup>1</sup> .....	\$75.2 million
Investigative cases opened .....	564
Investigative cases closed.....	507
Investigative cases referred for prosecution.....	441
Investigative cases referred for administrative/civil action .....	213
Indictments.....	550
Convictions.....	555
Debarments.....	34

### Audits:

Audit and other reports issued.....	58
Questioned Costs <sup>2</sup> .....	\$17.7 million
Outstanding questioned costs resolved during this period .....	\$32.5 million
Funds recommended for better use <sup>3</sup> .....	\$482.5 million

<sup>1</sup> Includes recoveries, cost efficiencies, restitutions, fines/penalties, civil monetary actions, fines, forfeitures and court costs.

<sup>2</sup> As defined by the IG Act, questioned costs include alleged violations of law, regulations, contracts, grants or agreements; costs not supported by adequate documentation; or the expenditure of funds for an intended purpose that was unnecessary or unreasonable. Disallowed costs are costs the OIG questioned during an audit as unsupported or unallowable and the Grant/Contracting Officer has determined the auditee should repay. The Department is responsible for collecting the debts established. The amount collected may be less than the amount disallowed, and monies recovered usually cannot be used to fund other program operations and are returned to the U.S. Treasury.

<sup>3</sup> The term "recommendation that funds be put to better use" means a recommendation by the OIG that funds could be used more efficiently or achieve greater program effectiveness if management took actions to implement and complete the recommendation. This term is defined by the Inspector General Act and includes, among other things: reductions in future outlays; deobligation of funds from programs or operations; costs not incurred in the future by implementing recommended improvements related to the operations of the establishment, a contractor, or grantee; and any other savings specifically identified, including reverting funds to the U.S. Treasury to be used for other purposes.

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

Indicators, Targets, and Results	FY 2012 Result	FY 2013 Target	FY 2013 Result
Number of investigations completed	74	63	59
Percentage of prosecutions that result in a conviction for those indicted	90%	85%	98%
Number of audits and other reports completed	18	16	18
Percentage of prior year recommendations resolved by DOL	96%	50%	100%
Percentage of prior year recommendations implemented by DOL	41%	35%	32%
Percentage of concurrence on prior year recommendations for monetary savings identified by OIG audits	100%	50%	100%

Under Goal 1, the OIG seeks to promote the effectiveness of employment and training programs such as Workforce Investment Act programs, Job Corps, and Veterans' Employment and Training. The OIG also seeks to improve the integrity of DOL's training and employment programs by identifying fraud, waste or abuse involving these important programs.

In FY 2013, the OIG completed 18 audits and 59 investigations under Goal 1. The number of investigations completed was short of its target of 63 because of a shift in investigative resources toward safeguarding and improving worker and retiree benefit programs (Goal 2). However, as previously discussed, the OIG exceed its overall FY 2013 target for number of investigations completed by almost 100 investigations.

The following are examples of the OIG's audit work under this goal:

- An audit into cost overruns of the Job Corps program during Program Years 2011 and 2012 found that the overrun was caused by a lack of strong management oversight and internal controls. Job Corps could not demonstrate that it had established a sound budget or spending plan, reconciled all Job Corps financial systems to ensure that financial data were complete and accurate, or routinely monitored budgeted costs to actual costs.
- An audit found that the impact of the Department's \$500 million Green Jobs Training Program was limited in terms of reported employment outcomes. Grantees reported that 11,613 (49 percent) of participants who obtained jobs retained employment for at least 6 months; however, this number represented only 16 percent of the planned retention goal of 71,017 as of June 30, 2012. Our audit also found that 42,322 participants (52 percent) who completed training were incumbent workers, meaning they were already employed when they entered the program. Grantees were authorized to train incumbent workers who needed training to secure full-time employment, advance their careers, or retain their current jobs. However, for the 81

incumbent workers we identified in our sample, we found no evidence that they needed green job training for any of these purposes.

- An audit found that the Navajo Nation did not adequately manage \$16.5 million in WIA grant funds and could have served more participants with available unspent funds. The Navajo Department of Workforce Development, which administers grant funds on behalf of the Navajo Nation, did not properly allocate and expend \$8 million of grant funds. Furthermore, we found that it had retained \$8.5 million in unspent funds that exceeded the end of year carryover limit. Despite these excess funds, the grantee only served 62 percent of its planned number of adults, had waiting lists of prospective participants, and had policies that limited re-enrollment for participants that may have needed additional services.

Examples of our investigative work under this goal include the following:

- A former immigration lawyer was sentenced to 5 years in prison and 24 months of supervised release, and ordered to pay more than \$2.5 million in restitution. From 1996 until early 2009, the individual operated an immigration law firm that made millions of dollars in fees from foreign-national clients for purportedly securing them legal immigration status. He and his employees also recruited others to participate, including enlisting the help of corrupt accountants, who created false tax returns for the fictitious employers, and a corrupt DOL contractor, who helped ensure the DOL certifications were granted. As a result, DOL issued thousands of labor certifications, and immigration authorities granted legal status to the lawyer's clients to which they were not entitled.
- A Colorado business owner was found guilty of 89 counts of mail fraud, visa fraud, human trafficking, and money laundering for his role in an H-1B visa fraud scheme. From 2008 through 2010 the business owner recruited foreign nationals and, on their behalf, filed labor condition applications with DOL so they could obtain H-1B visas. He told the foreign nationals that they would be working as nursing instructors/supervisors for a local university. In reality, the workers were subcontracted by his company to work as nurses at long-term care facilities.
- A former information technology (IT) company owner was sentenced to nine months of home detention with electronic monitoring and five years' probation, and ordered to perform 40 hours of community service. The company owner engaged in a conspiracy to recruit and hire citizens of India to come to the United States as temporary specialty occupation workers in the IT field. He filed false Labor Condition Applications with DOL and I-129 petitions for H-1B nonimmigrant workers with the United States Citizenship and Immigration Services. In the petitions, he stated he had jobs for the nonimmigrant workers, when in fact there were no jobs for them.

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

Indicators, Targets, and Results	FY 2012 Result	FY 2013 Target	FY 2013 Result
Number of investigations completed	229	198	288
Percentage of prosecutions that result in a conviction for those indicted	96%	85%	97%
Number of audits and other reports completed	14	13	13
Percentage of prior year recommendations resolved by DOL	100%	50%	80%
Percentage of prior year recommendations implemented by DOL	47%	35%	36%
Percentage of concurrence on prior year recommendations for monetary savings identified by OIG audits	100%	50%	100%

Under this goal, the OIG promotes improved integrity and cost efficiency of the Unemployment Insurance (UI) program and Federal disability compensation programs, such as the Federal Employees' Compensation Act (FECA) and the Energy Employees Occupational Illness Compensation Program Act (EEOICPA). The OIG also seeks to improve the programs that safeguard the Nation's pension and health and welfare benefit plans.

In FY 2013, the OIG completed 288 investigations and 13 audits under Goal 2. The OIG exceeded its target for the number of investigations completed as a result of large numbers of single claimant unemployment insurance fraud cases involving American Recovery and Reinvestment Act (ARRA) funds. As discussed on Page 6, the OIG expects that the number of these types of investigations will decrease significantly when ARRA funding expires.

The following are examples of the OIG's audit work under this goal:

- An OIG audit determined that, while the Employee Benefits Security Administration (EBSA) has made efforts to improve its oversight of plans that hold hard-to-value alternative investment, EBSA needed to provide additional guidance and oversight to ensure plan administrators properly identified and valued hard-to-value alternative investments, estimated to total as much as \$1 trillion. Without adequate assurances that plan managers and administrators prudently select, monitor, and value plan investments, ERISA plans invested in these types of assets can sustain losses from imprudent, speculative, Ponzi, and other fraudulent schemes.
- An audit of the Georgia Department of Labor found that it missed opportunities to detect and recover UI overpayments caused by unreported earnings because it delayed implementing cross-matching of new hires with the National Directory of New Hires database. In addition, ETA could not ensure Georgia's reported overpayment data were accurate, nor could it measure the effectiveness of its UI overpayment recovery activities.

Examples of our investigative work under this goal include the following:

- One OIG investigation resulted in the sentencing of a New Jersey man to 27 months in prison and an order to pay restitution of more than \$1.6 million for his role in a UI fraud scheme. He prepared and submitted false UI applications on behalf of approximately 233 individuals. He recruited individuals into the scheme, using their names and other personally identifiable information to fraudulently apply for UI benefits. They then paid him approximately \$200 from each UI check received.
- In another investigation, a former Texas Workforce Commission (TWC) employee was sentenced to five years' supervised release and ordered to perform 200 hours' community service for her role in a scheme to defraud the TWC of more than \$61,000 in fraudulent unemployment insurance benefits. She used her knowledge of the TWC UI system to instruct her family members and friends to successfully file for fraudulent UI benefits to which they were otherwise ineligible.
- As a result of one of the OIG's UI investigations, a medical biller in New York was sentenced to 12 months in prison and ordered to pay restitution of more than \$1.6 million for his role in a UI fraud scheme. He fraudulently submitted UI benefits on behalf of more than 233 individuals who then paid him for a portion of each UI check received.

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

Indicators, Targets, and Results	FY 2012 Result	FY 2013 Target	FY 2013 Result
Number of investigations completed	35	28	30
Percentage of prosecutions that result in a conviction for those indicted	83%	85%	83%
Number of audits and other reports completed	14	10	10
Percentage of prior year recommendations resolved by DOL	100%	50%	95%
Percentage of prior year recommendations implemented by DOL	69%	35%	43%
Percentage of concurrence on prior year recommendations for monetary savings identified by OIG audits <sup>1</sup>	N/A	50%	N/A

<sup>1</sup> The OIG made no recommendations for monetary savings for audits of programs that fell within OIG Goal 3 in FY 2012 or FY 2013.

Under this goal, the OIG seeks to enhance the effectiveness and integrity of worker protection programs administered by the Occupational Safety and Health Administration (OSHA) and Mine Safety and Health Administration (MSHA) to protect the lives and health of the Nation's workers.

In FY 2013, the OIG completed 30 investigations and 10 audits under Goal 3. The following are examples of the OIG's audit work under this goal:

- An audit found that, while MSHA's processes for reviewing, approving, and overseeing coal mine roof control plans have improved since a prior review conducted by the OIG, MSHA still needs to do more to improve its oversight of roof control plans. Specifically, we found that: districts still operated under incomplete Roof Control Plan Standard Operating Procedures; district managers did not always document the rationale for their roof control plan decisions; and enforcement personnel did not always document their roof control plan monitoring activities.
- In an audit of MSHA's Section 110 special investigations process we determined that, while in general MSHA conducted these investigations properly once it initiated them, MSHA can still improve its investigations process. Under a Section 110 special investigation, MSHA districts conduct investigations of agents of mine operators that violate mandatory health or safety standards, or knowingly fail or refuse to comply with citations or orders that MSHA issues. We found many cases where MSHA did not initiate investigations and review documentation within the time frame goals it established. In addition, we found MSHA did not always document its rationale for not pursuing certain investigations, and did not ensure the proper tracking of credentials for investigators who conduct the Section 110 special investigations.

- An audit of MSHA's conduct of biennial Mine Rescue Training Contests in its two major program areas, Coal and Metal Nonmetal (MNM), found that MSHA did not follow proper approval and contracting procedures, document its fee structure methodology, or fully account for MNM contest fees and costs. MSHA failed to comply with related federal regulations, and did not implement adequate internal controls; in doing so, MSHA may have failed to comply with federal laws. MSHA's lack of management oversight of mine rescue contests resulted in MSHA spending excessive, unnecessary and potentially unallowable funds, and exposed the agency to possible significant legal and financial liabilities.

Examples of our investigative work under Goal 3 include the following:

- A former Upper Big Branch (UBB) mine superintendent was sentenced to 21 months in prison, for his role in allowing and concealing multiple safety and health violations at UBB. He admitted that he gave advance notice of MSHA inspections to other UBB employees. Consequently, he authorized and caused the concealment of health and safety violations when he knew inspections were imminent, including changing or adjusting the ventilation systems to conceal possible violations. He also ordered examination record books to be falsified, omitting hazardous conditions that would have otherwise been reviewed by MSHA, and told miners to rewire the methane gas detector on a piece of mine equipment so the equipment could run illegally.
- Another investigation resulted in the sentencing of a Louisiana woman to 57 months in prison for posing as an OSHA trainer. In the wake of the Deepwater Horizon oil spill, she produced and issued fraudulent OSHA certificates, which workers were required to have in order to assist with the oil spill cleanup.

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

Indicators, Targets, and Results	FY 2012 Result	FY 2013 Target	FY 2013 Result
Number of investigations completed	27	22	33
Percentage of prosecutions that result in a conviction for those indicted <sup>1</sup>	N/A	85%	100%
Number of audits and other reports completed	20	16	17
Percentage of prior year recommendations resolved by DOL	100%	50%	100%
Percentage of prior year recommendations implemented by DOL	56%	35%	55%
Percentage of concurrence on prior year recommendations for monetary savings identified by OIG audits <sup>2</sup>	N/A	50%	N/A

<sup>1</sup> The OIG first began tracking these results for Goal 4 in 2013.

<sup>2</sup> The OIG made no recommendations for monetary savings for audits of programs that fell within OIG Goal 4 in FY 2012 and FY 2013.

Most of the OIG's work in support of Goal 4 involves auditing DOL's financial statements and conducting work under FISMA to ensure that DOL's information technology systems are secure. In addition, work in this area is intended to ensure that the DOL's administrative processes comply with various regulations and laws.

In FY 2013, the OIG completed 17 audits and 33 investigations under Goal 4. Examples of the OIG's audit work include the following:

- An OIG audit on the Department's FY 2012 financial statements identified three significant deficiencies: lack of sufficient security controls over key financial and support systems; lack of sufficient controls over grants; and the need for improvement in the preparation and review of journal entries. However, none of these deficiencies rose to the level of a material weakness, and the OIG issued an unqualified opinion.
- In an audit of DOL's travel card use, the OIG found that DOL does not have adequate controls to administer the travel card program and that improvements are needed to ensure that travel cards are used only for authorized purposes and are canceled promptly when necessary. Specifically, we found that 21 percent of statistically sampled travel card accounts of current employees incurred transactions while not on official travel. In addition, 10 percent of active employees reviewed had travel card accounts that they had not used for at least a two year period, and more than 79 percent of travel card accounts of separated employees were not promptly canceled upon the employees' separation.
- Another OIG audit found that DOL did not always effectively sanitize its electronic media prior to its transfer or disposal. IT equipment that was ready for imminent transfer or disposal still contained government business information and personal documents. In addition, DOL did not

have policies in place to prevent the release of sensitive data stored on electronic media, including Personally Identifiable Information. As a result, DOL could leave itself at risk of releasing sensitive data.

The following is an example of the OIG's investigative work under this Goal:

- A former DOL contractor was sentenced to six months' home confinement after previously pleading guilty to conspiracy to commit immigration fraud. The DOL contractor falsely claimed to be a DOL employee and met with representatives of a nonprofit organization at DOL to discuss the nonprofit's ability and willingness to assist the DOL in bringing individuals from Africa to the United States for a "Short-Term Scholars" visitor program. This educational program that did not exist and was not authorized by DOL. The DOL contractor falsely told the nonprofit's representative that the fictitious program would last six to nine months and take place at an OSHA training facility in Chicago, Illinois. The nonprofit then generated paperwork, purportedly on behalf of DOL, to bring foreign nationals to the United States for a program that did not exist and was not authorized by DOL. DOL terminated the contractor for misusing a government computer and misrepresenting herself as a federal employee.

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

Indicators, Targets, and Results	FY 2012 Result	FY 2013 Target	FY 2013 Result
Number of investigations completed	100	98	95
Percentage of prosecutions that result in a conviction for those indicted	93%	85%	97%

The DOL OIG has a unique program responsibility for investigating labor racketeering and organized crime influence or control in unions, employee benefit plans, and labor management relations in the workplace. In FY 2013, the OIG completed 95 investigations, 3 short of its goal of 98. As previously discussed, this was due to a shift in investigative resources toward the accomplishment of Goal 2. Examples of the OIG’s investigative accomplishments in support of Goal 5 include the following:

- A La Cosa Nostra family member in Philadelphia was sentenced to four-and-a-half years in prison for his role in a racketeering conspiracy involving illegal gambling and theft from an employee benefit plan. He operated a sports bookmaking business and devised a fraudulent scheme to receive union health benefits through a “no-show” job with a collectively bargained trash company controlled by La Cosa Nostra.
- The founder and former president of the National Association of Special Police and Security Officers in Washington, D.C., was sentenced to 70 months in prison and an order to pay restitution of more than \$252,000 for stealing funds from the union’s pension plan. He wrote numerous unauthorized checks to himself or to third parties from the association’s pension plan checking account. He spent more than \$100,000 of the pension plan funds while falsely maintaining that the account was an operational fund that he was administering to provide promised benefits to plan beneficiaries.
- An Ohio businessman was sentenced to 97 months in federal prison and ordered to pay over \$136,000 in restitution and to forfeit \$900,000 for his role in schemes to bribe multiple Ohio county officials to obtain financing for government-funded projects. The businessman sought and obtained assistance from a former Ohio county commissioner in order to obtain financing from the Port Authority and the Ohio Vicinity Regional Council of Carpenters and for various construction projects, including a \$125 million U.S. Department of Veterans Affairs 2,080-space parking garage, an office building, and a 122-bed dwelling for homeless veterans.
- A former chiropractic clinic owner in Illinois was sentenced to six-and-a-half years in prison and ordered to pay over \$2 million in restitution for his role in a health care fraud scheme that included union-sponsored benefit plans. He directed that patients receive multiple medical tests without regard to their medical necessity. In addition, he directed the clinics’ staff to order MRI exams and neurological diagnostic testing performed by others without regard to need.

## Planned Activities for FY 2014

In FY 2014, for the area of training and employment programs, the OIG plans to audit a select number of WIA Local Workforce Investment Boards to determine whether they manage WIA funds in accordance with federal requirements and accurately report performance data to ETA. The OIG is also conducting an audit to determine if Job Corps improved the employability of its participants by identifying whether participants advanced to a higher level of education or secured job placements subsequent to receiving training. The OIG plans to audit whether Job Corps ensured center safety by properly handling instances of misconduct. Additionally, the OIG is conducting an audit of National Emergency Grants to determine if ETA followed established policies when awarding NEG funds and evaluating NEG program results.

In the areas of worker and retiree benefits programs, the OIG is conducting an audit to determine if employee benefit plans have adequate protections when plan administrators limit the scope of a plan's audit based on a qualified financial institution's certification of assets. We plan to assess the strength of OWCP's FECA case management and payment functions by identifying trends, anomalies, and relationships of program controls. In addition, the OIG is reviewing whether DOL's annual report on reducing improper UI payments complies with all the requirements of Executive Order 13520, whether figures included in the report are accurate, and whether DOL could improve the plan for meeting improper payment reduction targets.

The OIG continues to focus on the areas of worker safety and workers' rights. For example, the OIG is conducting an audit of OSHA's use of national and local emphasis programs to target high-hazard industries to determine the extent results from the emphasis programs were analyzed and used to impact working conditions in targeted high-hazard industries. Regarding mine worker safety and health, the OIG is conducting an audit to determine if MSHA has established and implemented timeliness standards for laboratory tests on rock dust samples or other samples that yield information related to mine safety conditions. The OIG also plans to review MSHA's oversight of mine operators' emergency response plans to determine if MSHA provided appropriate review and oversight of such plans.

The OIG will continue to assist DOL in maintaining an effective management process. For example, the OIG plans to audit DOL's process for managing its federal and leased property to determine if DOL meets federal space requirements and is efficient. The OIG is auditing DOL's environmental and energy performance to determine if DOL is meeting federal environmental and energy requirements and exercising its authority to reduce emissions of heat-trapping pollution. Further, the OIG will continue its annual audit of DOL's consolidated financial statements and will conduct information security audits in accordance with the Federal Information Security Management Act of 2002.

In FY 2014, the OIG will focus on fraud against Departmental programs, such as the Unemployment Insurance, the Federal Employee Compensation Act, and the Foreign Labor Certification Programs. The OIG will also continue to investigate labor racketeering and/or organized crime influence or control in unions, employee benefit plans, and the workplace.