

**U.S. Department of Labor**

Office of Inspector General  
Washington, DC. 20210



September 29, 2014

MEMORANDUM FOR: JOSEPH A. MAIN  
Assistant Secretary  
for Mine Safety and Health

*Elliot P. Lewis*

FROM: ELLIOT P. LEWIS  
Assistant Inspector General  
for Audit

SUBJECT: Alleged Waste of Government Funds by MSHA Employees  
Report Number: 05-14-004-06-001

On May 22, 2012, the Office of Inspector General, Complaint Analysis Office received a complaint alleging fraud, waste and abuse within MSHA. Specifically, the complaint alleged unacceptable behavior and inappropriate use of travel funds related to MSHA's participation in two Joint Western Regional Safety and Health Conferences (Safety and Health Conference), a planning meeting for MSHA's 2012 Metal Nonmetal National Mine Rescue Contest, and a 2010 MSHA Western District Office supervisors' meeting.

Depending on their nature, the allegations were initially assigned either to the Office of Audit or the Office of Inspections and Special Investigations (OISI) within the Office of Inspector General. Also, after performing our preliminary review of the allegations assigned to the Office of Audit, we conferred with OISI, which agreed to investigate four allegations involving potentially criminal activity. OISI completed its investigation of all allegations it was assigned and determined that its findings did not merit any administrative or other referrals to MSHA management.

This memorandum details the results of our review of the allegations not referred to OISI for investigation. We did not perform an audit of the allegations; therefore, we did not conduct our limited review of these allegations in accordance with Generally Accepted Government Auditing Standards.

**Results in Brief**

The complaint included allegations of unnecessary travel costs for MSHA's attendance at the 2010 and 2011 Joint Western Regional Safety and Health Conference (Safety

and Health Conference). Additionally, the complaint included allegations of questionable travel practices by employees attending a planning meeting for MSHA's 2012 MNM National Mine Rescue Contest, and unnecessary travel costs related to a 2010 Western District Office supervisors' meeting.

We could not conclusively determine if travel to the Safety and Health Conferences was necessary. However, we did find questionable travel by a now retired MSHA official related to his trip to a planning meeting. Additionally, we found that MSHA wasted travel funds by holding a district office supervisors' meeting in Reno, Nevada, instead of at the district office.

We recommend that MSHA follow the Department of Labor's October 2011 procedures for travel to conferences, contests, and meetings, as well as the MSHA clearance processes implemented in 2012 and 2013.

### **Background and Results**

The purpose of the Mine Safety and Health Administration is to prevent death, disease, and injury from mining and to promote safe and healthful workplaces for the Nation's miners. As part of its stated mission to promote safe and healthful workplaces, MSHA takes part in the planning and operation of mine safety and health conferences and regional and national mine rescue contests. Its involvement includes funding travel costs to conferences and contests.

The Nevada Mining Association, with the assistance of MSHA and mining industry representatives, organizes an annual Safety and Health Conference. The purposes of the conference are to: (1) forge partnerships with a focus on achieving zero fatalities, injuries, and occupational illnesses; (2) gain a better understanding of how to send every miner home safe and healthy after every shift; (3) foster a better relationship between industry and federal agencies; and (4) sustain an open dialogue of similar interest in safety and health, between industry and federal agencies. MSHA employees hold positions on the conference planning committee and take an active part in the conference. The 2010 conference was held in Reno and the 2011 conference was held in Las Vegas.

The allegations we reviewed were that:

- 1) MSHA sent employees to a 2010 conference in Reno, Nevada, and a 2011 conference in Las Vegas, Nevada, who were not required or did not need to be there;
- 2) MSHA officials who attended a Metal Nonmetal Mine Rescue Contest planning meeting in March 2012 received kickbacks, and a District Manager remained at the meeting an extra day; and
- 3) MSHA held a district supervisors' meeting in Reno instead of at the district office.

The detailed results of our review of the allegations are as follows:

**(1) Attendance of MSHA Employees at the October 25, 2010, and October 23, 2012 Safety and Health Conferences**

Allegation

This complaint alleged that many employees present at the conferences were not required or did not need to attend.

Result: Unsubstantiated

We identified 30 MSHA employees who traveled to the 2010 Safety and Health Conference in Reno, of which the complainant believed half did not need to attend, and 32 MSHA employees who traveled to 2011 Safety and Health Conference in Las Vegas, of which the complainant believed 21 did not need to attend.

We interviewed numerous MSHA and industry officials to discuss MSHA's role and attendance at the conferences. Based on these interviews, we determined that the conferences could have taken place without any assistance or participation by MSHA. However, according to MSHA and industry representatives we interviewed, the MSHA employees who attended provided valuable services to the conferences. These officials stated that MSHA's absence would have compromised the quality of the conference, possibly impacting industry attendance at future conferences.

Management has wide latitude in determining which staff it believes should attend such conferences based on a variety of factors. As a result we were unable to come to a definitive conclusion regarding the exact number of MSHA staff who should have attended.

**(2) March 19, 2012, Reno Metal/Non Metal Mine Rescue Contest Planning Meeting**

Allegation

This complaint alleged that (a) MSHA personnel received kickbacks from hotels, including free limousine rides, meals and lodging during preplanning meetings for the Metal and Nonmetal National Mine Rescue Contest; and (b) a District Manager stayed an extra day in Reno after the planning meeting.

Results: Unsubstantiated in part and Inconclusive in part

(a) Unsubstantiated. We found no evidence of kickbacks, free meals, or inappropriate limousine rides during the planning meetings. We did determine that the hotel provided a shuttle service to and from the airport for Mine Rescue Contest attendees, and the service may have been by limousine or van. However, we did not deem the shuttle

service to be a kickback or inappropriate, as this was a standard service provided for groups staying at the hotel.

(b) Inconclusive. We reviewed the District Manager's travel vouchers and determined that he stayed a day longer than the other Planning Committee members. When we interviewed him, he explained that he remained in Reno an extra day to meet with the various conference organizers to make arrangements for the contests. We were unable to fully resolve this allegation because the District Manager retired after we interviewed him but before providing us the supporting documentation we requested. We were unable to reach him after he retired. Due to the low dollar value involved, we did not continue our review.

### **(3) September 13, 2010, Reno Western District Supervisors Meeting**

#### Allegation

This complaint alleged that an MSHA supervisors meeting was held in Reno, Nevada, instead of the Vacaville, California, District Office, where most of the supervisors in question were stationed. The complaint alleged that many individuals would not have incurred travel costs if the meeting had been held in the District Office.

#### Result: Substantiated

We found that 16 people traveled to Reno to attend a supervisors meeting, of which 10 were stationed in the Vacaville District Office. The meeting was scheduled during the same week as a one day planning committee meeting for the Joint Western Regional Mine Safety and Health Conference. MSHA told us the supervisors meeting was scheduled the same week to take advantage of the travel required for the planning committee meeting. However, only four of the ten employees attended both meetings. We estimate that MSHA spent nearly \$4,000 more in travel costs to hold the supervisors meeting in Reno rather than Vacaville.

#### Recommendation

We recommend that MSHA follow the Department of Labor's October 2011 procedures for travel to conferences, contests, and meetings, as well as the MSHA clearance processes implemented in 2012 and 2013. Among other things, these procedures require documentation of the reason and estimated costs of the trip, and written justification for the location of the event and the necessity of each traveler at the event.

In accordance with DLMS 8 – Chapter 500, paragraph 533, you are requested to provide a written response within 60 days indicating your agreement or disagreement with the above recommendation. If you agree with the recommendation, your response should identify planned corrective actions, officials responsible for such actions, and dates by which the actions should be taken and full implementation achieved. If you

disagree with the recommendation, your response should fully explain the reason(s) for the disagreement.

We appreciate the cooperation and courtesies that MSHA personnel extended to the Office of Inspector General during this review. If you or your staff has any questions, please call Nicholas Christopher, Audit Director, at (312) 353-2416.

cc: Douglas Parker, Deputy Assistant Secretary for Policy  
Angelica Hackney, MSHA  
Monique Gregory, MSHA