



DOL-OIG Highlights

July–August 2019

Highlighted Concern

The Office of Inspector General (OIG) identifies on an ongoing basis areas of significant concern that cause the U.S. Department of Labor (DOL) to be at particular risk of fraud, mismanagement, waste, deficiencies, or abuse. Below is one of our current concerns. Please visit our [Significant Concerns](#) page to learn about all DOL-OIG significant concerns.

Ensuring the Safety of Students and Staff at Job Corps Centers

The OIG remains concerned about the ability of the Job Corps program to provide a safe environment for its students and staff. Controlling violence and other criminal behavior on campus has been a challenge for Job Corps centers for years. OIG audits from February 2015 and March 2017 disclosed that some Job Corps centers failed to report and investigate serious misconduct, such as drug abuse and assaults, or downgraded incidents of violence to lesser infractions, creating an unsafe environment for students and staff. Follow-up work completed by the OIG in December 2017 showed Job Corps was taking steps to improve center safety and security. However, the Department’s corrective action plan has not yet been fully implemented. The OIG continues to monitor Job Corps’ progress in completing its various safety initiatives.

Open Recommendations as of October 7, 2019

219 Open Recommendations	\$176,950,152 Monetary Value of Recommendations
------------------------------------	---

[Recommendation Dashboard](#)

New Work Started

[Quality Control Review of Experience Works, Inc., Single Audit Reports](#) (August 6, 2019)

Reports Issued

MSHA Did Not Evaluate Whether Civil Monetary Penalties Effectively Deterred Unsafe Mine Operations [Report No. 23-19-002-06-001](#) (August 16, 2019)

An audit of the Mine Safety and Health Administration’s (MSHA’s) Civil Monetary Penalties (CMP) program determined that MSHA did not demonstrate that the CMP program deterred unsafe mine operations. Our data analysis showed no correlation between penalties paid and the safety of mine operations. In addition, MSHA did not separately evaluate the impact of the CMP program. [Video Summary](#)

Investigations

The owner of a Jacksonville, Florida–area substance abuse treatment center pleaded guilty for his role in a \$57 million money laundering conspiracy associated with a pass-through billing scheme involving laboratory testing services. [USAO MD-FL 07/09/2019](#)

An attorney, a consultant, and a business owner were indicted on wire and bankruptcy fraud charges alleging that they created a sham secured creditor with a senior lien on business assets for the purpose of fraudulently shielding the assets from legitimate creditors. [USAO WD-WI 07/12/2019](#)

A doctor and three people associated with a pharmacy were charged for their respective roles in defrauding the federal workers' compensation program in a \$10 million scheme involving illegal kickbacks and medically unnecessary prescriptions for pain creams. [USAO D-NJ 07/16/2019](#)

A former Bureau of Prisons employee was sentenced to 37 months in prison for wire fraud in connection with various schemes to defraud the federal government via improper disability and workers' compensation benefit claims. [USAO ND-CA 07/19/2019](#)

The president of a labor union was arrested for demanding and accepting at least \$150,000 in bribes from an employer in exchange for not vigorously representing union members' interests. [USAO SD-NY 07/26/2019](#)

A former high-ranking official in a labor union admitted in federal court that he had accepted \$325,000 in unlawful cash payments from a Chicago business and failed to report the payments on his federal tax returns. [USAO ND-IL 07/30/2019](#)

A Plainville, Connecticut, electrical contractor pleaded guilty to one count of money laundering stemming from a scheme in which he stole more than \$3.3 million from his employees. [USAO D-CT 07/31/2019](#)

An Illinois state senator was indicted on embezzlement charges for allegedly fraudulently receiving salary and benefits from a labor union for which he did little or no work. [USAO ND-IL 08/02/2019](#)

A former United Auto Workers vice president was sentenced to prison based on his conviction for accepting bribes from high-level executives of Fiat Chrysler Automobiles US, LLC. [USAO ED-MI 08/05/2019](#)

A Delaware man pleaded guilty to defrauding a federally funded job placement program in a wire fraud case. [USAO D-DE 08/05/2019](#)

Two Boston City Hall aides were convicted of conspiring to extort a music festival production company operating on City Hall Plaza. [USAO D-MA 08/07/2019](#)

The CEO of a Denver technology company was sentenced to more than six years in federal prison for obstructing and defrauding the IRS, as well as stealing money from employee health care and 401(k) plans. [USAO D-CO 08/12/2019](#)

A company and its president pleaded guilty to one count each of conspiracy to commit visa fraud. [USAO ED-MO 08/15/2019](#)

A Charleston, West Virginia doctor pleaded guilty to illegal distribution of controlled substances that were not for legitimate medical purposes. [USAO SD-WV 08/24/2019](#)

A Dayton, Ohio, IT staffing company pleaded guilty to knowing about but failing to notify an authority of a federal offense, namely, visa fraud at a university. [USAO SD-OH 08/28/2019](#)