



# DOL-OIG Highlights

September–October 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.

### Improving the Performance Accountability of Workforce Development Programs

The Department’s ability to ensure that its planned \$5 billion investment in workforce development programs is successful in advancing participants’ skills and placing them in suitable employment is an area of concern for the OIG. Critical to this task is the Department’s ability to obtain accurate and reliable data with which to measure, assess, and make decisions regarding the performance of grantees, contractors, and states in meeting the programs’ goals. In particular, the Department needs to ensure that its investments in credential attainment align with the needs of local employers and are having the desired impact on participants’ ability to obtain or advance in a job.

A recent audit, which followed up on the employment status of a sample of Job Corps students five years after they left the program, found that Job Corps was challenged to demonstrate the extent to which its training programs helped participants obtain meaningful jobs appropriate to their training.

## Open Recommendations as of December 9, 2019

<b>211</b> Open Recommendations	<b>\$180,734,486</b> Monetary Value of Recommendations
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[Recommendation Dashboard](#)

In the YouthBuild program, grantees reported that 18,750 participants had successfully exited their programs from 2011 to 2016, but these reported “successful exits” included 1,155 participants (6 percent) who had not yet secured an industry credential or earned a high school diploma or general equivalency diploma (GED), and who had not obtained any employment or enrolled in another educational program.

Finally, recent research suggests that opioid dependency has been a leading cause of workforce exits for workers ages 25 to 54. To date, the Employment and Training Administration has approved 19 states and the Cherokee Nation for up to \$96 million in National Health Emergency Grants for the purpose of addressing the opioid crisis. The Department needs to monitor the performance of the discretionary grants it has awarded for delivering services to employers and workers impacted by the opioid crisis.

## New Work Started

[Review of Potential Anti-Deficiency Act Violation Related to the Registered Apprenticeship Program](#) (October 21, 2019)

## Reports Issued

***Department of Labor Needs Improvements in Managing Its Records Management Program to Capture Electronic Messages for Preserving Federal Records*** [Report No. 17-19-001-07-001](#) (September 20, 2019)

An audit of DOL’s records management controls revealed that DOL lacks procedures for identifying, managing, and preserving electronic messages as federal records of official activities.

***MSHA Can Improve Its Pre-Assessment Conferencing Program*** [Report No. 05-19-001-06-001](#) (September 23, 2019)

In our audit to assess the Mine Safety and Health Administration’s (MSHA’s) pre-assessment conferencing program, we found that MSHA had not properly managed aspects of its pre-assessment conferencing program.

***Job Corps Should Do More to Prevent Cheating in High School Programs*** [Report No. 26-19-001-03-370](#) (September 25, 2019)

We found that the Job Corps program lacks the necessary controls, including oversight, to prevent, detect, and mitigate cheating in high school programs.

***ETA Had No Reasonable Assurance That \$183 Million in TST Grant Funds Helped Get H-1B Jobs*** [Report No. 06-19-001-03-391](#) (September 27, 2019)

We found that the Employment and Training Administration did not provide reasonable assurance that Technical Skills Training grantees delivered training that resulted in participants’ obtaining and retaining jobs in H-1B occupations.

***Quality Control Review of the Single Audit of the AARP Foundation for the Year Ended December 31, 2018*** [Report No. 24-19-002-03-360](#) (September 27, 2019)

We performed a quality control review of the single audit of the AARP Foundation and determined that the audit work was acceptable and met the requirements of applicable standards, including generally accepted government auditing standards, generally accepted auditing standards, and Uniform Guidance.

***Quality Control Review of the Single Audits of Experience Works Inc. and Affiliate for the Years Ended June 30, 2015 through June 30, 2017*** [Report No. 24-19-003-03-360](#) (September 30, 2019)

We performed a quality control review of the single audit of Experience Works Inc. and determined that the audit work was acceptable and met the requirements of applicable standards, including generally accepted government auditing standards, generally accepted auditing standards, and Uniform Guidance.

## Investigations

A former high-level United Auto Workers (UAW) official pleaded guilty to conspiring with other UAW officials to accept more than \$1.5 million in bribes and kickbacks from UAW vendors and contractors. ([USAO ED-MI 09/04/19](#))

A Texas man was sentenced to 38 months in prison and three years of supervised release, and ordered to forfeit \$5 million and his Houston residence for his role in an H-2B visa fraud scheme. ([USAO SD-TX 09/04/2019](#))

A Missouri man was arrested on a federal criminal complaint for allegedly conspiring with UAW officials to embezzle hundreds of thousands of dollars in union money for their own personal benefit. ([USAO ED-MI 09/12/2019](#))

25 Southern California defendants were charged for their alleged involvement in healthcare fraud schemes that fraudulently sought more than \$150 million from the Medicare and Medicaid programs, as well as private insurers and union health benefit plans. ([USAO CD-CA 09/18/2019](#))

A California man was sentenced to 51 months in prison for his role in a scheme to defraud the State of California by filing false Unemployment Insurance claims. ([USAO ED-CA 09/19/2019](#))

A North Carolina woman was sentenced to three years of probation, 10 months of which she will spend in home confinement, for her role in an unemployment benefits scheme. ([USAO WD-NC 09/26/2019](#))

A former administrative manager of the United Brotherhood of Carpenters New Jersey/New York benefit funds was indicted for allegedly defrauding the funds of more than \$1.5 million. ([USAO D-NJ 09/27/2019](#))

A New York man pleaded guilty to conspiring with his co-defendants by engaging in a Ponzi scheme that swindled unwitting investors out of tens of millions of dollars in retirement savings. ([USAO WD-NY 10/07/2019](#))

A former labor union president pleaded guilty to violating the Taft-Hartley Act by demanding and accepting approximately \$150,000 in bribe payments from an employer. ([USAO SD-NY 10/16/2019](#))

A former high-level UAW official pleaded guilty to conspiring with other UAW officials to engage in honest services fraud by taking more than \$123,000 in bribes and kickbacks from UAW vendors and contractors and to conspiring to launder the proceeds of the scheme. ([USAO ED-MI 10/22/2019](#))

A New Jersey man was sentenced to 33 months in prison for operating a 17-year conspiracy that defrauded customers out of millions of dollars. ([USAO D-NJ 10/23/2019](#))

A former chief executive of a Missouri hospital pleaded guilty for his role in a pass-through billing scheme in which the hospital was used to submit fraudulent claims, resulting in multiple insurance companies and the Missouri Medicaid program paying more than \$100 million in false claims. ([DOJ News Release 10/29/2019](#))



The Office of Inspector General serves the American workforce, the U.S. Department of Labor, and Congress by providing independent and objective oversight of departmental programs through audits and investigations, and by combating the influence of labor racketeering in the workplace.

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