



United States
General Accounting Office
Washington, D.C. 20548

Office of Special Investigations

B-257934

August 22, 1994

The Honorable John Glenn
Chairman, Committee
on Governmental Affairs
United States Senate

Dear Mr. Chairman:

You asked that we review allegations that some of the statistics provided in the semiannual reports of the Department of Labor's Office of Inspector General (DOL-OIG) might be inaccurate. Specifically, you asked that our office review the basis for the statistics for the DOL-OIG's Office of Investigations and determine their accuracy and reliability. After discussing the request with your office, we contacted the DOL-OIG in November 1993 and began the review at its headquarters in early December 1993 and at the New York DOL-OIG Regional Office for Investigations shortly thereafter.

In brief, DOL-OIG reports did not accurately summarize the activities of the office during the immediately preceding 6-month periods. Section 5 of the Inspector General Act of 1978 requires that "each Inspector General shall, not later than April 30 and October 31 of each year, prepare semiannual reports summarizing the activities of the Office during the immediately preceding six-month periods ending March 31 and September 30."

We found systemic problems in DOL-OIG's methodology for capturing and recording agency accomplishments that were reflected in its semiannual reports to the Congress. Accomplishments entered into the system during a 6-month reporting period were reported statistically for that reporting period, even though some of the accomplishments had actually occurred in earlier 6-month periods. DOL-OIG did not explain this fact in the semiannual reports either by footnote or in some other fashion. Therefore, the statistics for the Office of Investigations used by the DOL-OIG in reporting semiannual results to the Congress were not always reflective of the actual time frame in which events had taken place. Statistics on indictments, convictions, recoveries, cost efficiencies, restitutions, fines/penalties, civil monetary actions, forfeitures, and court costs many times were different from what had

actually occurred during the reporting periods. Sometimes, differences were substantial, varying as much as 40 percent from what actually occurred during the reporting period. A summary analysis of the differences for three semiannual reporting periods over an 18-month period covered in our review is in enclosure I.

THE INVESTIGATIONS CASE TRACKING SYSTEM AT DOL-OIG

DOL-OIG's management information system is called the Investigations Case Tracking System (ICTS). Agents in the regions prepare case entry sheets, which regional office support staff then enter into ICTS. Staff in the office of the Assistant Inspector General for Investigations (AIGI) are responsible for consolidating information from all regional locations and preparing it for DOL-OIG's semiannual report.

DOL-OIG provided several reasons why its semiannual reports reflect the accomplishments entered into its case tracking system during preceding 6-month periods rather than the actual accomplishments that occurred during the period.

(1) Administrative problems with support staff in the regions caused delays. (2) U.S. attorneys' offices failed to inform DOL of judicial actions in a timely fashion. (3) Heavy agent workloads hindered agents from promptly obtaining adequate support to close out cases. (4) DOL-OIG did not apply criteria consistently to determine when entries such as recoveries, court costs, and fines/penalties should be properly reported. We did not independently examine and validate these reasons.

DOL-OIG CORRECTIVE ACTIONS

We met with DOL-OIG officials on May 11, 1994, to discuss the results of our work. At that time, the Inspector General made an initial decision to place a clarifying footnote in the current period's semiannual report. Subsequent discussions among DOL-OIG officials resulted in action to correct the statistics reported in fiscal years 1992 and 1993 semiannual reports and in the semiannual report for the period ending March 31, 1994. The structure of their database, we were told, permitted this change immediately to all nonmonetary data and certain monetary data. DOL-OIG officials advised us that monetary fields that could not be updated because of statutory time constraints for issuing the March 31, 1994, semiannual report will be corrected in future reports.

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In short, DOL-OIG intends to ensure that future semiannual reports accurately reflect events that occurred within the reporting periods. DOL-OIG plans to use corrected data fields by the next reporting period. A copy of the AIGI's letter to us is incorporated as enclosure II.

METHODOLOGY

We discussed the basis for semiannual statistical reporting with DOL-OIG management officials at both the headquarters and New York regional office locations. We reviewed records involving statistical accomplishments at both these sites for the period April 1, 1992, through September 30, 1993.

All source documents for the DOL-OIG management information system are maintained at regional sites. Thus, all verification and validation must be done either by the regional offices themselves or through headquarters visits to the regional locations. We accumulated information on all DOL-OIG Regional Offices for Investigation and compared the New York segment of these reports to actual source documents maintained in the region to test their credibility. This included limited testing to ensure that claimed accomplishments were adequately supported by evidence and information contained in investigative case files.

As agreed with your office, we are sending a copy of this letter to the Secretary of Labor and the Inspector General, U.S. Department of Labor. We will also make copies available to others upon request. If you have any questions concerning these issues, please contact me or Deputy Director Donald Wheeler of my staff at (202) 512-6722.

Sincerely yours,



Richard C. Stiener
Director

Department of Labor - Office of the Inspector General
Semiannual Report Statistics for the
Office of Investigations
April 1, 1992, Through September 30, 1992

Table 1A: Indictments and Convictions

| Time Frame | Indictments | Convictions |
|--|-------------|-------------|
| Accomplishments reported for period in question | 86 (100%) | 94 (100%) |
| Accomplishments actually within reporting period | 53 (62%) | 60 (64%) |
| Accomplishments 10/1/91 through 3/31/92 | 22 (26%) | 15 (16%) |
| Accomplishments prior to 10/1/91 | 11 (12%) | 19 (20%) |

Table 1B: Dollar Amounts of Accomplishments

| Accomplishment category | Amounts reported for period in question | Amounts actually within reporting period | Amounts occurring 10/1/91 through 3/31/92 | Amounts occurring prior to 10/1/91 |
|----------------------------|---|--|---|------------------------------------|
| Recoveries | \$3,057,688 | \$1,292,979 | \$1,686,687 | \$ 78,022 |
| Cost Efficiencies | 889,230 | 802,057 | 72,605 | 14,568 |
| Restitution | 754,154 | 470,695 | 78,130 | 205,329 |
| Fines | 64,935 | 40,985 | 6,400 | 17,550 |
| Penalties | 5,000 | 5,000 | 0 | 0 |
| Settlements | 277,603 | 277,603 | 0 | 0 |
| Court Costs | 126,291 | 126,291 | 0 | 0 |
| Assessments | 0 | 0 | 0 | 0 |
| TOTAL DOLLAR AMOUNT | \$5,174,901 (100%) | \$3,015,610 (58%) | \$1,843,822 (36%) | \$315,469 (6%) |

Department of Labor - Office of the Inspector General
Semiannual Report Statistics for the
Office of Investigations
October 1, 1992, Through March 31, 1993

Table 2A: Indictments and Convictions

| Time Frame | Indictments | Convictions |
|--|-------------|-------------|
| Accomplishments reported for period in question | 87 (100%) | 70 (100%) |
| Accomplishments actually within reporting period | 76 (87%) | 55 (79%) |
| Accomplishments 4/1/92 through 9/30/92 | 7 (8%) | 13 (19%) |
| Accomplishments prior to 4/1/92 | 4 (5%) | 2 (2%) |

Table 2B: Dollar Amounts of Accomplishments

| Accomplishment category | Amounts reported for period in question | Amounts actually within reporting period | Amounts occurring 4/1/92 through 9/30/92 | Amounts occurring prior to 4/1/92 |
|----------------------------|---|--|--|-----------------------------------|
| Recoveries | \$1,235,913 | \$950,392 | \$94,129 | \$191,392 |
| Cost Efficiencies | 1,340,874 | 318,717 | 51,993 | 970,164 |
| Restitution | 990,867 | 978,573 | 12,294 | 0 |
| Fines | 23,892 | 23,892 | 0 | 0 |
| Penalties | 0 | 0 | 0 | 0 |
| Settlements | 994,818 | 979,000 | 15,818 | 0 |
| Court Costs | 0 | 0 | 0 | 0 |
| Assessments | 3,358 | 3,158 | 200 | 0 |
| TOTAL DOLLAR AMOUNT | \$4,589,722 (100%) | \$3,253,732 (71%) | \$174,434 (4%) | \$1,161,556 (25%) |

Department of Labor - Office of the Inspector General
Semiannual Report Statistics for the
Office of Investigations
April 1, 1993, Through September 30, 1993

Table 3A: Indictments and Convictions

| Time Frame | Indictments | Convictions |
|--|-------------|-------------|
| Accomplishments reported for period in question | 112 (100%) | 81 (100%) |
| Accomplishments actually within reporting period | 63 (56%) | 65 (81%) |
| Accomplishments 10/1/92 through 3/31/93 | 49 (44%) | 15 (18%) |
| Accomplishments prior to 10/1/92 | 0 (0%) | 1 (1%) |

Table 3B: Dollar Amounts of Accomplishments

| Accomplishment category | Amounts reported for period in question | Amounts actually within reporting period | Amounts occurring 10/1/92 through 3/31/93 | Amounts occurring prior to 10/1/92 |
|----------------------------|---|--|---|------------------------------------|
| Recoveries | \$1,233,325 | \$987,419 | \$202,153 | \$43,753 |
| Cost | | | | |
| Efficiencies | 599,942 | 239,931 | 304,388 | 55,623 |
| Restitution | 1,163,810 | 986,223 | 173,568 | 4,019 |
| Fines | 1,204,399 | 1,198,384 | 3,915 | 2,100 |
| Penalties | 2,208,800 | 2,208,800 | 0 | 0 |
| Settlements | 62,297 | 41,795 | 20,502 | 0 |
| Court Costs ^a | 0 | 0 | 0 | 0 |
| Assessments ^a | 0 | 0 | 0 | 0 |
| TOTAL DOLLAR AMOUNT | \$6,472,573 (100%) | \$5,662,552 (87%) | \$704,526 (11%) | \$105,495 (2%) |

^aIncluded in penalties figure above.

ENCLOSURE II

ENCLOSURE II

U.S. Department of Labor

Office of Inspector General
Washington, D.C. 20210

Reply to the Attention of:



Mr. Don J. Wheeler
Deputy Director for Investigations
United States General Accounting Office
Washington, D.C. 20548

Dear Don:


Our meeting on May 11 was most useful in helping us to focus on the criteria used by the Office of Investigations (OI) in reporting our statistical accomplishments in our Semiannual Reports. We appreciate the time that you, Don Lyons, and other members of your staff spent during the review of our procedures.

As you recall from the meeting, the Inspector General made an immediate decision to place a clarifying footnote on our current period Semiannual statistics. However, after I reviewed the results of our meeting, first with OI staff and later with the Inspector General, I decided that since there was still time to make corrections in our Semiannual Report, it would be better to change the criteria upon which we log the OI accomplishments to the various Semiannual periods to ensure that we report accomplishments during the period in which they actually occur. The structure of our data base permitted this change immediately as to all non-monetary fields and selected monetary fields.

Enclosed please find the tables (including FY 1992 and 1993 revisions) which we have published in our Semiannual Report for the period ending March 31, 1994. As to the remaining monetary fields which were not specifically referenced to a date, we have corrected this inadequacy for the future; however, it was not possible to retroactively sort the data by specific date in all instances within the statutory time constraints. We intend to be using corrected fields by the next reporting period.

Please feel free to forward a copy of this letter to the Committee with your report. Thank you for bringing this matter to our attention.

Sincerely,


F.M. Broadaway
Assistant Inspector General
for Investigations

Enclosure

Working for America's Workforce

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