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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

HUMAN RESOURCES
DIVISION

September 24, 1982

B-209116

The Honorable Geraldine A. Ferraro
House of Representatives



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Dear Mrs. Ferraro:

Subject: Allegations Concerning Waste and Mismanagement
in the Bureau of Labor Statistics' New York
Regional Office (GAO/HRD-82-128)

In your May 25, 1982, letter and later discussions with your staff, we were asked to review the adequacy of the Department of Labor's investigation into allegations of waste and mismanagement in the Bureau of Labor Statistics' (BLS') New York regional office. We agreed to review Labor's investigative files on this case to determine whether the major allegations were investigated satisfactorily.

The allegations were investigated by BLS' national office and by the Office of the Inspector General's New York office. Their reports concluded that none of the allegations could be substantiated.

We reviewed the working papers, correspondence, and other documents provided by the offices conducting the investigations. We talked with the investigators in charge of both the BLS and the Inspector General portions of the investigation and other officials from those agencies. We did not meet with the complainant or the employees named in the allegations.

Based on the information available to us, we believe that Labor's investigation of the allegations was adequate. In some cases the investigators did not fully pursue an allegation because they satisfied themselves through other means that it was unfounded. For example, regarding an allegation of leave and attendance irregularities, the investigators reviewed the office's policies and procedures for leave and attendance, which they found adequate, but did not attempt to fully reconstruct individual work schedules.

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BACKGROUND

In April 1981, an employee in BLS' New York office wrote to the BLS Commissioner expressing her concerns about abuse of leave and attendance policies in her office. Later that month two management analysts from BLS' Office of Administrative Management interviewed the complainant, who gave them documents purported to support these and other allegations, including

- fraudulent use of Government-owned travel requests and airline discount coupons,
- failure to submit speaking honoraria, and
- other waste or misuse of Government resources.

The analysts briefly investigated some of the allegations, concentrating primarily on the New York office's time and attendance policies and procedures and four employees' leave records. The complainant had kept logs over several years of when these employees were absent from the office. The analysts compared these logs with official time and attendance records, reviewed written policies and procedures, and interviewed managers and supervisors. They prepared a preliminary report in May 1981 concluding that the complainant's information was inadequate to either confirm or refute her allegations, but that more work was warranted.

According to a May 8, 1981, Office of Inspector General internal memorandum, the BLS officials conferred with Labor's national Office of the Inspector General about the allegations and BLS' preliminary investigation. In June 1981, the Office of the Inspector General referred the matter to its New York regional office, requesting that the complainant be interviewed. On August 5, 1981, two special agents interviewed the complainant. Later, as a result of that interview, an investigative plan was developed, detailing steps to analyze each of the complainant's 17 allegations, including the allegations reported earlier to BLS. On December 3, 1981, the Inspector General's office prepared a preliminary investigative report, outlining the work it had performed and reporting that the investigation on all allegations was continuing.

On December 17, 1981, the Assistant Inspector General for Investigations referred 11 of the allegations back to BLS as more appropriately to be handled by administrative action. The Inspector General's office completed its investigation on the other six allegations on January 15, 1982, and on February 12 informed BLS that the investigation failed to develop information to substantiate the allegations and that the case was being closed.

In a March 26, 1982, memorandum, BLS informed the Assistant Inspector General for Investigations that a senior management analyst from BLS' national office had investigated the other 11 allegations and failed to find evidence to support any of them.

Investigation reports were released to the complainant in April 1982 by the Office of Inspector General and in May 1982 by BLS. The names of the persons who made the investigations as well as the names of those investigated were deleted because Labor officials believed that information was exempt from the Freedom of Information Act (5 U.S.C. 552).

RESULTS OF INVESTIGATIONS
INTO SPECIFIC ALLEGATIONS

The following sections describe each of the complainant's 17 allegations concerning the BLS' New York office and the conclusions reached by the BLS management analysts or the Inspector General's investigators.

Allegation 1. Several supervisors and other employees were often absent from the office without taking leave.

The management analysts from the BLS national office compared the complainant's log of absences with official time and attendance records of the persons involved. Although there were numerous unexplained differences between the sources, the analysts did not attempt to verify all specific absences. They reviewed the office's policies and procedures for attendance and leave and concluded they were adequate. The analysts were satisfied that supervisors were aware of their staff's out-of-office duties and leave schedules and took appropriate actions when employees abused leave procedures.

Allegation 2. An Assistant Regional Administrator was often absent during office hours because of his teaching duties at City University of New York.

Through interviews with the Assistant Regional Administrator and contacts with several local universities, the Inspector General's New York office investigators learned that the Administrator was a professor at Long Island University (not City University of New York) and had taught several evening courses there, but none during office hours.

Allegation 3. The former Regional Commissioner

--spent a significant amount of his work hours
as a teacher at Pace University,

--gave numerous speeches on Government time for which he was paid fees, and

--took Government furniture and equipment with him when he retired.

The investigators contacted Pace University and learned that all but one course the former Commissioner taught was held in the evening. One course did begin at 3:50 p.m., but other employees verified that the Commissioner often worked late to compensate for his teaching schedule.

Functions of the Office of the Regional Commissioner include public relations and speaking. The investigators verified that one organization had offered, but did not pay, the Commissioner a speaking fee. The Commissioner told the investigators he did not accept payments for speaking.

An employee, whom the complainant said had helped the former Regional Commissioner pack when he retired, told the investigators that only personal notes, pamphlets, and publications were packed. He said that, to the best of his knowledge, the Commissioner did not take any furniture or equipment belonging to Labor. Furthermore, as noted under allegation 11, the BLS analyst concluded that BLS' New York office had adequate property controls.

Allegation 4. Two employees were paid for unworked overtime to compensate for not being promoted.

Time and attendance records for one of the employees showed that she had been paid for 9 hours of overtime from January 1980 to June 1981. Records for the other employee, who was deceased, had been shipped to a records center and were not retrieved.

Allegation 5. Several employees, including three specifically named, sold or used airline discount tickets received while traveling at Government expense, instead of giving them to the office.

The analysts reviewed the travel records of the three named employees and found that two had not traveled by air during the period that the airlines gave the coupons. The third employee made only one trip and that involved a flight on which coupons were not given.

In addition, an investigator examined the regional office's records and its procedures for accounting for and collecting the coupons. She found that although some travelers had initially failed to submit coupons with their travel vouchers, BLS had

contacted the travelers, who either submitted the coupon or reimbursed the Government for any value received.

Allegation 6. An Assistant Regional Commissioner used three specifically identified Government travel requests to take his wife and daughter to the Virgin Islands.

An investigator reviewed the Assistant Commissioner's travel vouchers and found the three identified travel requests were used on official business for trips to Chicago, San Francisco, and the Virgin Islands.

Allegation 7. BLS cosponsored a training course with an outside firm. Although the outside firm charged \$180 per participant, BLS was not reimbursed for the clerical and support costs it incurred for the course.

The analyst found that the facts pertaining to the allegation concerned two events. First, the BLS office did plan to sponsor a series of free seminars, but the series was canceled due to lack of interest. Second, another organization held its annual conference in New York City. A BLS employee was a speaker at this conference, and BLS paid a total of \$180 for three of its staff to attend.

Allegation 8. A former employee was paid for travel expenses incurred while he was on sick leave.

By the time of the investigation, the former employee was deceased and his records had been sent to a records storage center. For these reasons and because other allegations by the complainant involving the employee's supervisor could not be substantiated, the investigators did not pursue this matter any further.

Allegation 9. An employee was on jury duty about 2 years before the investigation, but failed to remit her jury duty check to Labor.

The analyst reviewed the office's cash receipts journal and identified many instances in which BLS employees had turned in jury duty fees. He also reviewed this employee's leave records and found no evidence of jury duty during 1979 or 1980. However, the employee did serve on jury duty in September 1981, after the allegation was made, and her fee was remitted in October 1981.

Allegation 10. The Regional Commissioner has shown favoritism by hiring people from his synagogue.

The analyst interviewed current and previous officials in Labor's New York personnel office. These officials said that

hiring was performed through required competitive procedures, they had never been pressured to hire specific applicants, and they had not heard of other complaints about favoritism in BLS hiring.

Allegation 11. The Regional Commissioner failed to establish proper controls for office furniture and equipment, thus making it easy for him to give away equipment.

The Office of Assistant Secretary for Administration and Management is responsible for all Government-owned property in Labor's New York office, not individual agency offices such as BLS. The analyst concluded that adequate controls were in place.

Allegation 12. One employee was allowed to remain on maternity leave for over a year, while another employee was denied a similar long absence for maternity.

The analyst reviewed the personnel records for the two employees and found the first employee was on annual leave, sick leave, and leave without pay for 7-1/2 months. When asked to return to work, she resigned because she was denied further leave without pay. The second employee was on annual leave, sick leave, and leave without pay for 15 weeks. Her file contained no evidence of any request for, or denial of, additional leave.

Allegation 13. A part-time employee claimed overtime pay for hours she did not work.

The analyst reviewed the employee's time and attendance records and found no overtime was paid, although the employee did report that she had started work early. A BLS official said that overtime is not paid for coming to work early or leaving late unless approved in advance by the supervisor.

Allegation 14. Two employees suffered on-the-job injuries and were discouraged by management from filing claims.

The analyst met with personnel officials and reviewed files at the Office of Workers' Compensation Programs. They found that both employees had filed injury reports. One was treated by a Public Health Service doctor, and the other was treated by a private doctor who was paid by the Government.

Allegation 15. Regional training conferences were held at an unnecessarily expensive resort and attendees were limited to favored employees.

The analyst found that the Regional Commissioner had compared the costs of several locations before determining that one was the best alternative. The conference was held during the off-season at reduced rates. For example, for the 1979 conference (the one the complainant was concerned about), each participant was charged \$50 a day to cover room and meals. Conference rooms were provided at no extra charge. The Regional Commissioner told the analysts that all New York office professional staff attended.

Allegation 16. An applicant for a clerk-typist position was allowed to submit a pre-prepared typing sample in lieu of a properly supervised typing test. She was hired for the position anyway and later promoted to a professional position.

The analyst reviewed the employee's file, found she had passed a typing test, and concluded there were no irregularities in her hiring or later promotions. A labor relations officer told the analyst that typing tests are given by the Office of Personnel Management, not the Labor office.

Allegation 17. A consultant was improperly listed on a BLS report as an employee.


The analysts found that the person in question was a rehired annuitant and therefore properly classified as an employee.

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We did not obtain written comments from the Department of Labor, but we did obtain oral comments from officials of the Office of Inspector General and BLS. Generally they agreed with the information in this report. We will send copies of this report to interested parties and make copies available to others upon request.

We trust that this information satisfactorily responds to your request.

Sincerely yours,


Gregory J. Ahart
Director