B. THE PROGRAMS

Virtually every aspect of earning a living is covered by the Department's programs.

Goal One: Lifelong Learning and Skill Development

One of the broad goals of the Department is to advance the future of America's workers by promoting improvements in training of our nation's working women and men, and by fostering changes in skill levels to expand future job choices. (DOL agencies contributing to this goal include ETA, VETS, BLS and OASAM.)

Fiscal Year 1997 was a year characterized by growing recognition and agreement by practitioners and policy makers at all levels that today's array of Federal job placement and training programs, while well intended, do not effectively meet the needs of today's economy and need to be replaced by more coherent and systematic approaches. In response, considerable work has been done this year both legislatively and administratively to provide more coherent and systematic approaches to workforce development. During Fiscal Year 1997 both the House and the Senate took positive steps towards job training reform. In May of 1997, the House passed the Employment, Training, and Literacy Enhancement Act -- H.R. 1385. In September 1997, the Senate Committee on Labor and Human Resources reported S. 1186 -- the Workforce Investment Partnership Act. While the Administration did not agree with every provision in H.R. 1385 and S. 1186, both bills represent a significant step forward in building an integrated job training and employment system for America's current and future workers, and incorporate the key principles articulated in the President's G.I. Bill for America's Workers. Those principles include: providing resources for training directly to adults so they can make informed choices, without bureaucratic interference; streamlining Federal training programs for adults, by organizing them within the One-Stop Career Center delivery system, and ensure that the private sector is a full partner; and ensuring strong accountability. The Department will continue to work with Congress to improve and complete action on this legislation in FY 1998, so that we can achieve our shared goal of workforce development reform.

ETA and its partners and stakeholders have long accepted the importance of achieving performance goals and increasing customer satisfaction. To this end, we have administratively continued moving towards the new workforce development system that provides greater State and local flexibility and, more importantly, provides easier access for all job seekers, employers, and others to get job, skills, and career information, as well as information on the eligibility requirements for programs in the community, testing and assessment services and help with job search.

ETA places a high priority on measuring and improving the efficiency and effectiveness of its employment and training programs in a variety of ways. ETA does this by collecting detailed

data on its program participants through its management information system, by monitoring program results through a performance measurement and management system, and by evaluating programs through rigorous studies of their costs and net impacts. ETA routinely provides feedback to its State and local partners on their performance. ETA focuses not only on low performers to raise performance of the system as a whole, but also on high performers to set benchmarks for the system and showcase exemplary programs.

For some time, ETA has been investing in management information which provides American taxpayers, the Congress, and the workforce development community with information on client characteristics, the services they receive, and the effect of services in terms of employment, earnings, and educational attainments. This information is important to assess progress in achieving program goals, and also to enable States and local programs to compare performance results and set performance benchmarks when serving diverse populations and utilizing different service strategies. Providing critical performance feedback to States is essential to promoting continuous improvement. Each year Governors receive performance "report cards" on each local JTPA service delivery area which give States an idea of how their programs "stack up" nationally on performance results as well as on those factors that may affect results - the local economy and the client groups being served. Each local program is ranked on each performance measure giving the State some indication of how much performance improvement will be needed before a local program is considered to be among the "best in the business."

Although ETA believes it has good performance measures for some of its programs, there is much more that needs to be done to provide valid, reliable data on program outcomes to the Congress and the American taxpayer. ETA's Strategic Plan and Annual Performance Plan outline the strategies and resources needed to ensure that high-quality performance management and measurement plans are implemented at the Federal, State and local levels, and that programs are operated in the most efficient and effective manner possible.

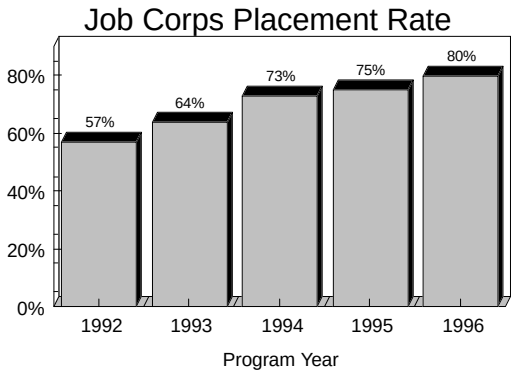
Adult and Youth Programs (ETA)

During PY 1996, ending June 30, 1997, approximately $977 million in Federal funds were distributed to State governments to provide training and other services to economically disadvantaged adults and youth. By law, States retain twenty-three percent of the Adult funds and eighteen percent of the Youth funds for Statewide activities, and distribute the balance to the 646 Service Delivery Areas (SDAs). These programs offer basic skills and job training and support services. Private Industry Councils (PICs) composed of business, labor, and other community leaders direct local JTPA programs. PIC members are appointed by local elected officials. Approximately 456,600 participants were served in adult and youth programs in PY 1996. This was a decrease in participants of an estimated 61,700 from the previous program year.

Summer Youth Program (ETA)

In addition to gaining work experience, summer youth program participants are evaluated to determine if they met local educational standards. Those who do not meet those standards, may be enrolled in remedial education as part of their summer program. It is hoped the extra education will provide the basic skills needed for academic success during the regular school year.

Under the Title II-B Summer Youth Employment and Training Program, $871 million was available for the summer of 1997. According to preliminary figures from mid-summer reports, 492,933 youth were working in Federally financed summer jobs, approximately 82,200 more than in the summer of 1996.



Job Corps (ETA)

The Job Corps program is a highly intensive, primarily residential training program for severely disadvantaged youth aged 16 through 24. Enrollees are offered housing, food, medical care, education, vocational training and supportive services. The program prepares youth for stable, productive employment, and/or entrance into vocational and technical schools, junior colleges and other institutions for further education and training.

In PY 1996, a total of $1.1 billion was available to fund 110 centers serving approximately 67,774 new enrollees in 46 States, Puerto Rico and the District of Columbia. These centers are operated through contracts with private contractors, and with the Interior and Agriculture Departments for twenty-eight Civilian Conservation Centers.

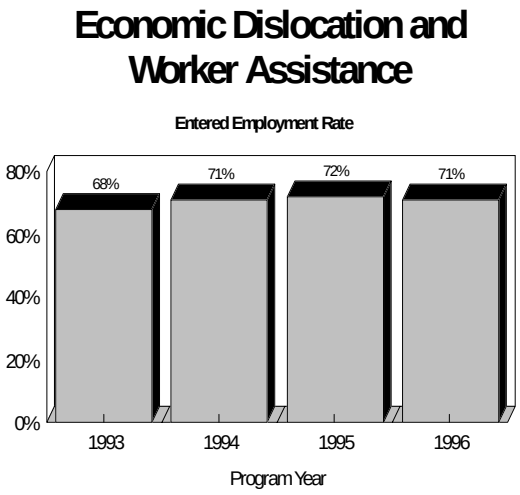
The percentage of Job Corps enrollees placed in jobs, school, or the military after completion of the program was 80 percent in PY 1996, compared to 75 percent in PY 1995.

Apprenticeship Training (ETA)

Although apprenticeship training is not federally funded, ETA's Bureau of Apprenticeship and Training promotes apprenticeship and allied training in various industries, recommends and approves apprenticeship program standards, registers apprentices, and provides technical assistance to program sponsors. About 394,064 apprentices had been registered by the end FY 1997, an increase of 7.2 percent over the 367,700 registered in Fiscal Year 1996.

Assistance for Dislocated Workers (ETA)

Eighty percent of the appropriation under the Economic Dislocation and Worker Adjustment Assistance (EDWAA) program is provided to States through formula-funded block grants. The remainder of the funds are awarded to States, on an as needed basis, to enable them to respond to specific dislocation events, including defense and Clean Air Act related dislocations, which they could not address with their existing resources. EDWAA funds are used to provide training and reemployment assistance to dislocated workers -- those losing jobs through plant closings and mass layoffs -- and unemployed individuals with little prospect of returning to their previous occupations. It is estimated that approximately 537,803 dislocated workers were served in PY 1996 up from 523,810 in PY 1995.



Trade Adjustment Assistance provides job readjustment services, including skills and remedial training, job search, relocation assistance and income support to workers who lost their jobs because of increasing trade imports. In FY 1997, $85.1 million was provided to States and was used to enroll an estimated 23,119 workers in classroom or on-the-job training, and paid job search allowances and relocation allowances to an estimated 388 and 626 individuals, respectively. An additional $27.8 million was provided for similar assistance under the North American Free Trade Agreement primarily for classroom or on-the-job training for an estimated 3,910 workers.

Special Employment and Training Programs (ETA)

These special activities include native Americans, migrant and seasonal farmworkers, and older worker programs. These programs offer basic skills training, job training and support services to these special targeted groups.

Native American Programs are designed to provide a wide range of job training and support services to Indians and other Native Americans to improve their employability and help them secure permanent employment. For PY 1996, the program was funded at $52.5 million and served approximately 18,700 participants, excluding those served under P.L. 102-477. It is estimated that half of participating adults and youth were placed in employment after their participation.

The Migrant and Seasonal Farmworker Program helps migrant and seasonal farmworkers and their families by providing training and supportive services to those seeking stable year-round employment at a liveable wage and by improving the living standard of those who remain

in the agricultural market. In PY 1996, this program was funded at $69.3 million and served approximately 37,000 participants with a preliminary entered employment rate of 77.7 percent.

The Older Americans Program, authorized by the Older Americans Act, provides subsidized part-time work opportunities in community service activities for unemployed low-income persons aged 55 and over. One objective of the program is to obtain unsubsidized employment for at least 20 percent of the available positions. This objective has been reached consistently. For PY 1996 ending June 30, 1997, $401 million was used to finance approximately 61,500 positions in which an estimated 92,000 individuals worked during the year.

Employment Services (ETA)

The U.S. Employment Service seeks to match individuals seeking employment with employers seeking workers. It is funded primarily through Federal employer taxes paid into the Unemployment Trust Fund. Employment Service programs operated by States are authorized by the Wagner-Peyser Act of 1933, as amended. It operates in over 1,800 local offices in the fifty states, Puerto Rico, Virgin Islands, District of Columbia and Guam. State Employment Services also administer programs through reimbursement agreements with the Department of Labor, such as the Alien Labor Certification program.

In PY 1996, about $761.7 million was provided to States for basic Employment Service operations and 18.4 million job applicants sought employment services, slightly down from 18.5 million in PY 1995. During PY 1996, over 6 million job openings were received, an increase from the 5.9 million received the previous program year.

The total number of individuals who entered employment in PY 1996 was 3.3 million. Total individuals placed in permanent jobs (150+ days) in PY 1996 was 1.7 million.

Unemployment Insurance Program (ETA)

The Unemployment Insurance (UI) program establishes the first economic line of defense for workers who lose their jobs through no fault of their own. Authorized by the Social Security Act of 1935, UI was created as a means to alleviate personal hardship due to involuntary unemployment and to stabilize the economy.

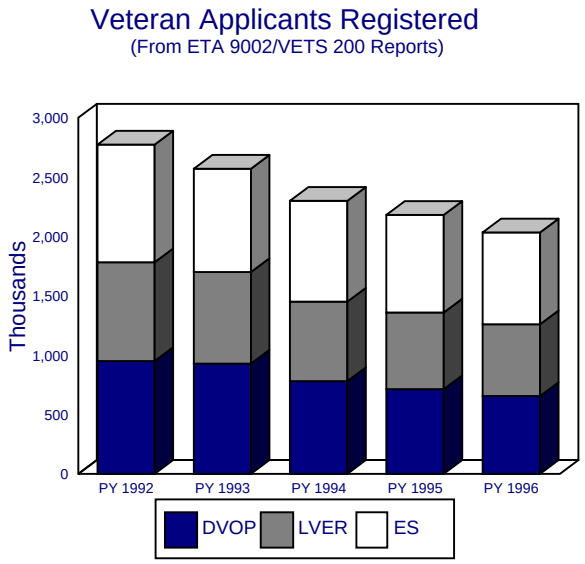
The UI system is a unique Federal-State partnership based on Federal law but executed through State law by State officials. It is funded through employer taxes that are maintained in the Unemployment Trust Fund. Basic benefits for unemployment compensation are financed by State taxes on employer payrolls, while benefit costs for ex-federal workers are reimbursed by Federal agencies. Program administration expenses are financed through the collection of Federal Unemployment Tax Act (FUTA) by the Internal Revenue Service. During FY 1997, a total of $2.225 billion was provided to the State Employment Security Agencies (SESAs) for

administration of the UI program. Claimants for UI benefits are provided services by 53 SESAs through the operation of approximately 1,800 local UI claims offices. These SESAs are responsible for both the payment of UI benefits and the collection of UI taxes from all liable/subject employers. In FY 1997, the total unemployment rate averaged 5.1 percent while the insured unemployment rate averaged 2.0 percent. It is estimated that about 118 million workers were covered by the UI program of which 7.6 million workers received cash benefits during the year. The 53 State agencies collected $22.2 billion in State UI taxes and reimbursable payments from 5.8 million liable subject employers, during FY 1997. They paid out $20.6 billion in benefits under the Federal and State regular and extended benefits programs. Benefits were paid to first time intrastate claims within 14 days, 90.6 percent of the time.

On an accrual basis, State and Federal tax revenues and reinbursements totaled $27.2 billion in FY 1997. Accrued benefit payments and other expenses totaled $24.3 billion during the same time period. At the close of FY 1995, the restated Unemployment Trust Fund accrued balance was $48.7 billion. In FY 1996, it increased by $5.3 to $54.0. The FY 1997 ending balance of the UTF on a cash basis was $63.1 billion.

Veterans' Employment and Training Services (VETS)

The Office of the Assistant Secretary for Veterans' Employment and Training (OASVET) develops and promotes training and employment opportunities for the Nation's veterans with special emphasis placed on assisting disabled and Vietnam era veterans. To help accomplish these goals, the OASVET administers two major veterans' programs through the Veterans' Employment and Training Service (VETS): the Disabled Veterans' Outreach Program (DVOP) and the Local Veterans' Employment Representative (LVER) program. In Fiscal Year (FY) 1997, $157 million was available to State Employment Security Agencies (SESAs) for staffing these two programs. These funds were sufficient to fund about 1,572 DVOP and 1,352 LVER positions. VETS also assures SESAs' compliance with statutory mandates requiring priority be given to veterans for all services.

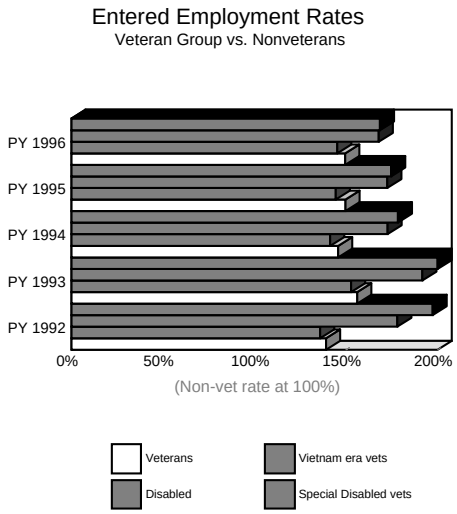


In Program Year (PY) 1996, State Job Services Agencies, including the DVOP/LVER staff, registered 2,042 million veterans. This number represents a decline from previous years, as part of a continuing pattern of similar year-to-year declines over the past several years (see accompanying chart). VETS assumes this declining pattern is due to an improving economy,

increased use by job-ready computer literate job seekers of America's Job Bank and other electronic tools, and the consequent low unemployment figures. The percentage of veterans referred to jobs increased slightly, and the percentage of veterans for whom placement transactions were accomplished showed a major increase. Statistics indicate that a veteran assisted by the Job Service was 47% more likely to enter employment than a non-veteran in PY 1996. DVOP/LVER staff helped 308,611 veterans into jobs during the program year.

The FY 1997 Performance Agreement numerical goal of 340,000 veterans assisted into jobs by DVOP and LVER staff was not realized due to the lower number of veterans registering for such assistance in the current economy and VETS' emphasis on providing intensive services to certain disadvantaged segments of the veteran population most in need of job search assistance. This is balanced by a consistent referral ratio and increased percentage of placement transactions overall.

A key statistic not included in the current performance measures is the relatively high proportion, 28%, of special disabled and disabled veterans helped into jobs, which exceeds the entered employment rate achieved for all veterans, 25%. This achievement reflects the greater priority for services, the results of our Memorandum of Agreement with the VA, and the case management approach utilized by the Job Service agencies.



The above chart shows the success of VETS and its funded State staff in obtaining positive results from applying priority of services for veterans, particularly for special disabled veterans.

VETS administers the Veterans' Reemployment Rights (VRR) program, as authorized by the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), to protect the reemployment rights and related job benefits of veterans, Reservists and Guard members. VETS staff investigates complaints and mediates resolutions of case(s) between the protected individual and the employer.

The ratio of VRR cases closed within 90 days to the total number closed is a key performance measure. VETS' performance on this measure exceeded the Assistant Secretary's FY 1997 Performance Agreement Goal of 85 percent from FY 1993 through FY 1995. However, in FY 1996, protracted problems in the appropriations process and consequent negative impacts on staffing due to two government shutdowns resulted in diminished performance during that year. Significant numbers of carry-over cases which could not be resolved throughout VETS'

efforts to recover from the FY 1996 shutdowns have also impacted overall performance measures for FY 1997. Despite the impact of these carry-over cases, VETS' FY 1997 success in closing 80 percent of cases closed within 90 days represents by far the largest improvement over the previous year's performance (3%) achieved by VETS in any year over the past five years.

Moreover, FY 1997 performance, if carry-over cases from FY 1996 are not measured, reached 87% of cases closed being closed within 90 days. In addition, the number of carry-over cases from FY 1997 into FY 1998 went down to 207 cases as compared with 223 carry-over cases from FY 1996 into FY 1997. These two promising trends reflect the diminution of the FY 1996 shutdown effects by the end of FY 1997, and bode well for continued improvement toward the established performance standard in FY 1998.

Transition Assistance Program

Beginning in FY 1992, VETS has administered the Transition Assistance Program (TAP) on a nationwide basis. TAP provides three-day workshops for service members and their spouses who are within 180 days of ending active duty who want to participate in these preparatory workshops to help them transition into the civilian labor market. Workshops are delivered at approximately 180 military installations in the continental United States.

The Performance Agreement for FY 1997 called for 165,000 TAP participants to receive labor market information and job search skills through the efforts of VETS, with its service provider partners, DoD, VA, SBA and SESAs. A total of 132,667 service members and their spouses attended TAP workshops in FY 1997, bringing the percentage of participants who participate in the workshops to 59.4%, representing a decline over previous years. VETS has already started developing strategies in its strategic plan to increase the number of participants and will meet with DOD and the VA to identify ways of increasing participation. VETS still has the capacity of serving more than 160,000 participants and considers it worthwhile to encourage participation because of a study that showed that participants obtain their first civilian job an average of three weeks sooner than do nonparticipants. FY 1997 attendance figures were also below expectations in raw numbers because the Department of Defense discharged fewer personnel than had been projected for the year.

National Veterans Training Institute

The National Veterans Training Institute (NVTI) is a service provider staff training academy administered by VETS through a competitively awarded contract with the University of Colorado at Denver. Specifically authorized by legislation, the NVTI exists to provide professional skills training to DVOP, LVER, VETS and other service providers' staff to enhance their abilities to meet the Veteran customer's needs. The NVTI offers a multi-course curriculum delivered in both residential and distance learning modes. The FY 1997 increase in total number trained is largely attributable to a higher proportion of non-residential course deliveries. The decrease in the number of DVOPs and LVERs trained, and thus in their proportion of the total trained, is

attributable to several factors: the substantial decrease in total DVOP/LVER staffing, emphasis on training Job Service agency managers on case management techniques, and increased proportions of Department of Defense civilian staff who help deliver TAP workshops in TAP facilitator training. Also, the DVOP or LVER status of participants in certain long distance courses, such as the Veterans Program Orientation, was not identified by NVTI.

VETS Performance Agreement proposed training 2,000 service provider staff through NVTI in FY 1997. VETS exceeded this goal by providing NVTI training to more than 2,587 participants. Also, VETS has published as planned, a Request for Proposals in order to award a new contract for the operation of the National Veterans' Training Institute in FY 1998.

FY 1998 Performance Measures under the Government Performance Results Act

In developing performance measures for FY 1998 and beyond, VETS recognizes both the outcome, results-oriented thrust of the Government Performance and Results Act and the changing technological environment in which our veteran customers are served.

VETS will continue to measure certain outputs for veterans within the Job Service system as required by law. Such outputs as entered employment and comparison to non-veterans to ascertain priority of services will remain, along with the other measurements displayed in the supplemental information. Such information is relayed to Congress on an annual basis per statute. VETS will however focus on improving results for special groups within the veterans population most at a disadvantage in the labor market. Female, minority, recently separated (young) and disabled veterans, and veterans receiving public assistance are among those perceived as most in need. The case management approach will be fully employed as a means to reducing the unemployment rates of the targeted groups. Outcomes of the new emphasis will be measured on a longitudinal basis and for FY 1999, baselines will be established.

Similarly, customer satisfaction efforts envisioned in the Strategic Plan will take time to develop and will not be completed until beyond FY 1998.

In line with VETS' enforcement role and the goal of enhancing retirement security, VETS will strive to assure that veterans, reservists and National Guard members do not lose pension rights or benefits because of their military training. Using FY 1997 baseline data, in FY 1998, VETS will measure success as follows: "Increase USERRA cases resolved within 120 days by one percent (1% over baseline). Ninety percent of pension complaint cases are closed within one year from their filing date."

VETS will also ensure that veterans do not suffer discrimination in the workplace because of military service, service-connected disability, or National Guard and reserve training. Based on FY 1996 data, VETS will measure the decrease (or increase) in the number of Federal Veterans' Preference Rights cases.

Towards ensuring that transitioning service members and their spouses receive information from TAP workshops to enhance their transition into the civilian labor market, VETS will measure the level of increase (or decrease) in service members and spouses over FY 1997.

Bureau of Labor Statistics (BLS)

The Bureau of Labor Statistics (BLS) is the principal fact-finding agency for the Federal Government in the field of labor economics. BLS provides sensitive statistical and economic data on employment, unemployment, labor market demographics, prices, wages, job safety and health, productivity, and projections of job growth by occupation. Most data come from voluntary responses to surveys of businesses or households conducted by BLS staff, by the Bureau of the Census (on a contractual basis), or in conjunction with cooperating State agencies.

BLS data play a large and important role in the development of other Federal statistics including the Gross Domestic Product and other key economic indicators. The Congress, President, Federal Reserve Board, and other executive branch agencies use these statistics in determining national economic policy. BLS data are also used by industry and labor in economic planning and collective bargaining and by other public and private institutions in a variety of planning and analytical activities. In addition, BLS data directly affect the economy. For example, the Consumer Price Index is used to adjust Social Security and Federal civilian and military retirement payments.

The BLS submitted its Government Performance and Results Act (GPRA) Strategic Plan to the Office of Management and Budget and Congress as part of the Departmental Strategic Plan. To assist in the Department's implementation of GPRA, the BLS is serving as a pilot agency for implementing program cost accounting.

Employment and Unemployment Statistics

The goal of the Employment and Unemployment Statistics program is to analyze and publish accurate data on the labor force, employment and unemployment, and persons not in the labor force; labor market developments; characteristics of special worker groups, including displaced workers; and detailed employment data by occupation and industry. The Employment and Unemployment Statistics program also maintains an up-to-date "universe" file of establishments covered by the State Unemployment Insurance system, which the BLS uses to select samples for its establishment-based surveys.

During 1997, the Current Employment Statistics (CES) program completed a two-year research effort to develop improved, probability-based sample design and estimation formulas. The new design, which the BLS will implement over the next several years, will improve the reliability of the initial estimates of employment from the CES.

In October 1996, the BLS launched a redesigned Occupational Employment Statistics (OES) program. With support from the Employment and Training Administration (ETA), the BLS expanded this program to an annual sample of 400,000 establishments and will produce detailed estimates of employment and earnings by occupation for the Nation, each State, and 500 local areas.

The BLS began implementing the standard industrial classification revision known as the North American Industry Classification System (NAICS).

Prices and Living Conditions

The goals of the Prices and Living Conditions programs are to develop and to publish comprehensive measures of price change in retail and primary markets, and to conduct research to improve the measurement process. The data provide the essential elements to analyze price behavior and interpret price change throughout the U.S. economy.

In 1997, the BLS continued work on five major projects in the six-year revision of the Consumer Price Index.

Compensation and Working Conditions

The goals of the Compensation and Working Conditions program are: to study employee compensation, using a broad range of data on workers' wages and salaries in many occupations, industries, and geographic areas; to develop information on employee benefits and the costs employers incur in providing those benefits; to compile statistics on the occurrence of work-related occupational injuries and illnesses; and to publish data on collective bargaining and labor management relations.

In 1997, the BLS made considerable progress toward its goal of integrating three existing compensation surveys –- the Occupational Compensation Survey Program, the Employment Cost Index, and the Employee Benefits Survey -– into a single survey program, the National Compensation Survey (NCS).

Productivity and Technology

The goals of the Productivity and Technology program are, in the domestic area, to measure and analyze productivity trends in major sectors of the economy and in individual industries; and, in the international area, to develop comparable measures of productivity, labor force, employment and unemployment, hourly compensation costs, and other economic indicators for selected countries.

Employment Projections

The goals of the Employment Projections program are to develop information about the labor market 10 years into the future, including labor force trends by sex, race, and age; employment trends by industry and occupation; and the implications of these trends on employment opportunities and education and training needs for youth and other specific groups in the population.

In 1997, the BLS developed 1996-2006 projections for the year of the labor force, economic trends, and employment by industry and occupation. The BLS prepared the 1998-99 editions of the Occupational Outlook Handbook and the Career Guide to Industries.

Goal Two: Promoting Welfare to Work

The new Balanced Budget Act of 1997, signed by the President on August 5 provides Welfare-to-Work Grants to States and local communities to create additional job opportunities for the hardest to employ recipients of Temporary Assistance for Needy Families and places the Department of Labor as the lead Federal agency to implement the new law. This program is funded at $3 billion -- $1.5 billion for fiscal years 1998 and 1999 -- and calls for State passthrough of 85 percent of the funds available for local Private Industry Councils (known as workforce development boards in some areas). Considerable work will be required throughout all levels of the workforce development system to implement this relatively large responsibility. (DOL agencies contributing to this goal include ETA, VETS and the WB.)

Goal Three: Enhancing Pension and Health Benefits Security

Like skills development, economic security is a lifelong concern. Employment-based pension and health benefits are the foundation of family security.

Only about half of all full-time workers in the private sector have pension coverage. Three-quarters of workers in small businesses, those with fewer than 100 employees, are not covered by a pension plan. Increasing access to our private pension system and assuring that private

pensions, health care, and other employee benefits are secure and properly administered are top Departmental priorities. (DOL agencies contributing to this goal include PWBA and PBGC.)

Pension and Welfare Benefits Administration (PWBA)

The Pension and Welfare Benefits Administration (PWBA) is responsible for administration of Title I of the Employee Retirement Income Security Act of 1974, as amended (ERISA) and certain portions of the Federal Employee Retirement System Act of 1986 (FERSA). PWBA's responsibilities include regulation, enforcement and research to protect six million private sector employee benefit plans covering approximately 150 million people and controlling more than $3.5 trillion in assets.

During FY 1997, as part of the implementation of the Government Performance and Results Act (GPRA), PWBA revised and recast its original 5-year strategic plan. To establish the foundation for the strategic plan, the agency established a preliminary set of performance measures, and in so doing, conducted a thorough and comprehensive reexamination of its data collection efforts to ensure that the performance being measured and reported provided the most thorough and as accurate as possible picture of PWBA's accomplishments in protecting the employee benefits of the American people. Also included in the strategic plan are annual performance plans set to begin in FY 1998. PWBA will report on its revised performance measures beginning with the FY 1998 consolidated financial statements.

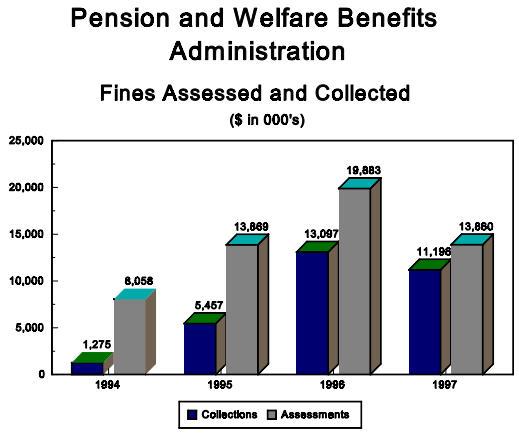
Guided by its mission and strategic goals, PWBA continued to implement a number of successful programs in the two important areas of safeguarding workers retirement and providing assistance to the public. PWBA prioritized efforts and allocated resources to implement programs within these functional areas in such a way that each program would complement the others by capitalizing on the interrelation between PWBA’s enforcement, reporting, compliance, and public assistance efforts.

In the highly visible area of customer service, PWBA introduced a number of public outreach and education initiatives, targeting workers as well as employers and professionals in the plan benefits community, to raise public awareness of issues affecting security of retirement savings and to complement the enforcement program by providing workers with information to enable them to better monitor their retirement savings.

PWBA’s aggressive public outreach activities have proven to be successful in providing workers with the tools they need to be the “eyes and ears” for the agency’s enforcement program. For example, some of PWBA’s outreach efforts involving monitoring of plans by participants have especially benefitted PWBA’s nationwide enforcement effort to protect savings held in contributory retirement plans, most notably 401(k)-type plans. This program is a continuation of an initiative launched the prior year, and has resulted in over 2,478 investigations and over $33 million restored to these plans during FY 1997.

Overall, as a result of PWBA's field enforcement efforts during FY 1997, monetary results to employee benefit plans (assets restored and prohibited transactions reversed) totaled approximately $363 million, with approximately $255 million achieved through voluntary compliance and $108 million through litigation.

During FY 1997, PWBA continued a number of other successful programs which were begun over the last few years. In the area of reporting compliance, the delinquent filer voluntary compliance program (DFVCP) continues to encourage compliance with certain reporting and disclosure provisions of ERISA in exchange for reduced penalties. During FY 1997 the agency received nearly 2,700 delinquent filings along with approximately $8.1 million in penalty payments associated with this program.



PWBA's 502(c)(2) civil penalty administrative hearing project, begun as a two-year pilot in 1995, completed its first full year as an ongoing agency program. The program better leverages DOL resources by assigning selected PWBA staff to represent the Department in routine civil penalty cases being heard before the Administrative Law Court rather than referring these cases to the Office of the Solicitor.

During FY 1997, PWBA's field offices and National Office together assessed civil penalties totaling nearly $13.9 million during this time. The civil penalty assessment program was established in FY 1991 under provisions of ERISA Sections 502(c)(2), 502(i) and 502(l). Collections of assessed penalties since that time, including interest and other charges, total nearly $74.9 million.

Goal Four: Safe, Healthy, and Equal Opportunity Workplaces

A vital part of the Department's mission is to ensure all Americans a safe, healthy, and equal opportunity workplace. Common sense and business necessities provide strong incentives for creating and maintaining such a workplace environment, but these incentives are not always sufficient.

The Department has an important role to play in protecting workers and promoting equal opportunity workplaces. If an employer's practices threaten workers' safety and health, discriminate against women, minorities, veterans, or people with disabiltiies, or deprive workers of fair wages, tough enforcement is necessary. The ultimate goal is compliance with

employment laws. (DOL agencies contributing to this goal include ESA, OSHA, MSHA, SOL, OASAM, ETA, PCEPD, ILAB, BRB and OALJ.)

Workers' Compensation (ESA)

The Department administers three primary disability compensation programs that provide benefits to certain workers who experience work-related injury or disease, and survivors of employees who die from job-related injuries or diseases. Compensation for most private-sector workers suffering job-related injuries is administered by state agencies.

In FY 1997, the Department paid more than $2.5 billion in medical and wage-loss benefits to 300,000 workers who had been hurt or became ill on the job or to the survivors of those who died.

In FY 1998, OWCP will begin reporting the results of the Government Performance and Results Act (GPRA) statutory objectives and several new program performance goals/objectives of the laws administered by the program. The FY 1998 performance measures are: (1) Reduce Lost Production Days: As an interim step toward the goal of reducing the average number of lost production days for all accidents in FECA, reduce by three percent the previous year's target number of days lost due to disability for cases in Quality Case Management (QCM); (2) FECA Medical Cost Savings: Save 10 percent versus amounts billed for pharmacy and inpatient hospital service by implementation of fee schedule; (3) Periodic Roll Management: Produce an additional $8 million in compensation benefit savings; (4) Appeals of Black Lung Claims: Implement new regulations designed in part to increase the percentage of final case resolutions at the district director level; and (5) FECA and Longshore Customer Service: Increase customer satisfaction by 2 percent above the baseline.

Strategies to achieve these goals include swift, clear decisions; cutting of paperwork and procedural "steps"; reaching out to the customer with needed services; working effectively with employers and others to get injured workers back on the job; and continuing the involvement of all employees in the achievement of these outcomes. All these lead to a better level of services for workers and lessened compensation costs for employers.

Federal Employees' Compensation

The Federal Employees' Compensation Act (FECA) affords income and medical-cost protection for job-related injuries, diseases or deaths of civilian employees of the Federal government and certain other groups. Benefits are charged back to Federal-employers, who pay from funds appropriated in their annual budgets or from operating revenues. In FY 1997, FECA received 218,436 Federal employee injury reports 2,000 fewer than in FY 1996. Of this number, most were adjudicated in a timely manner—94.4 percent of traumatic injuries within 45 days, and 90.2 percent of the nontraumatic injury cases within 180 days--an improvement over FY 1996 when adjudications were 92.9 percent and 85.8 percent, respectively.

In FY 1997, the FECA program continued the Periodic Roll Management Project (PRM) which was aimed at quality management of the disability roll, improvement in service to long-term disabled beneficiaries, rehabilitation and reemployment of the partially disabled and adjustment of benefits to accurately reflect eligibility. Since April 1992, PRM project teams in four district offices screened another 6,000 long-term cases, bringing the total count of cases screened since April 1992 to over 40,000. By the end of FY 1997, 30 percent of those cases had benefits adjusted or terminated. Continuing cumulative savings from these actions compounded over the four-year period totaled $246 million.

Longshore and Harbor Workers Compensation

The Longshore and Harbor Workers' Compensation Act provides medical benefits, compensation for lost-wages and rehabilitation services for job related injuries, diseases or death of private-sector workers in certain maritime and related employment. Benefits are paid directly from private funds by an authorized self-insured employer or through an authorized insurance carrier. In certain cases, benefits are paid from a special fund composed primarily of employer contributions and administered by the Department. In FY 1997, about 91,000 maritime workers or their survivors received benefits from employers. This is an increase of 2,000 over FY 1996. Another 7,684 workers received compensation benefits from the Longshore Special Fund, up from 7,100 last year. During FY 1997, 80.7 percent of informal conferences were held within the required 45 days, an increase from 79.7 percent reported in FY 1996. Timeliness is measured from the date the requests are received by Longshore. Longshore has scored consistently well above its own internal timeliness goal for processing conference requests.

Coal Mine Workers

The Black Lung Benefits program provides monetary compensation and medical and survivor benefits to coal miners who are totally disabled by pneumoconiosis caused by their employment. When no responsible mine operator can be assigned liability, or when coal mine employment ceased before 1970, benefits are paid from the Black Lung Disability Trust Fund.

The Black Lung Benefits program provided monthly benefits to 61,447 (down from 64,501 last year) beneficiaries while 15,195 beneficiaries received medical benefits only. In FY 1997, the program continued its high level of performance by issuing 99 percent of initial findings on claims on a timely basis.

Labor-Management Standards (ESA)

The Office of Labor-Management Standards (OLMS) administers and enforces provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA), as amended and related laws which protect union democracy, financial integrity, and certain rights of union members. Through its Statutory Programs unit, OLMS also administers the employee protection provisions

of the Intermodal Surface Transportation Efficiency Act and the Airline Deregulation Act's Airline Rehire Program.

In administering the LMRDA program, OLMS has three primary statutory-based goals: (1) to ensure that the reports required of unions and others under the law are available for public disclosure; (2) to resolve union member complaints concerning union officer elections and other matters pertaining to safeguards for union democracy, as required by the law; and (3) to protect union financial integrity by enforcing safeguards established in the law.

In administering responsibilities of the Department of Labor under Federal transit law, the OLMS Statutory Program unit ensures that fair and equitable arrangements protecting mass transit employees are in place before the release of Federal transit grant funds.

OLMS began the process of developing results-based performance measures in FY 1995 in anticipation of full implementation of the Government Performance and Results Act (GPRA). Since then, the agency has continued to work on developing and refining such measures in order to reflect the statutory objectives of the GPRA and the mission-based objectives of the laws administered by OLMS. The measures were revised for FY 1997 and have been further refined for FY 1998. Although further work on performance measurement is anticipated, GPRA goals and measures in place for FY 1998 are as follows: (1) increase compliance with LMRDA standards for union financial integrity to 22%; (2) reduce by 50% union officer election complaints concerning unions whose previous elections were investigated by OLMS; (3) increase reporting compliance so that 85% of annual financial reports required of unions with annual receipts over $200,000 will be timely filed, processed, and made available for public disclosure; (4) achieve a high level of customer satisfaction with OLMS public disclosure service such that 80% of customers surveyed will rate the service good to excellent; and (5) enable the timely release of federal transit grant funds by DOT by issuing 100% of transit employee protection certifications within established time frames.

Labor - Management Reporting and Disclosure (LMRDA) Program

The provisions of the LMRDA and related laws administered and enforced by OLMS apply primarily to private and Federal sector labor unions, union officers and employees, employers, and labor relations consultants. OLMS is responsible for enforcement programs covering approximately 35,000 labor organizations.

In FY 1997, to ensure democracy and fiscal integrity in labor organizations OLMS completed 329 criminal investigations, 42.6 percent were referred for prosecution. There were 128 indictments and 132 convictions resulted from OLMS criminal investigations referred for prosecution, primarily union funds embezzlement cases. At the end of FY 1997, 163 additional criminal cases were pending at the Department of Justice or with local prosecutors and 266 such cases were pending completion in OLMS field offices. OLMS also completed 419 compliance audits in intermediate body or local unions and one in an international union to uncover union funds embezzlement and other violations of the LMRDA. OLMS conducted a greater number of

compliance audits in FY 1996 (500). The reduced number of those audits in FY 1997 is indicative of particular case priorities during the year rather than a change in enforcement strategy.

OLMS processed approximately 36,849 reports filed by labor unions, union officers, union employees, employers, labor consultants and surety companies and made those reports available for public disclosure. OLMS processed 28,605 requests for labor organization reports in response to approximately 7,857 disclosure requests.

In the civil enforcement area, OLMS received and investigated 152 union officer election complaints; supervised remedial officer elections in 35 labor unions; and investigated 27 union member complaints alleging improper imposition of a trusteeship. The 152 union officer election complaints are significantly fewer than the 194 investigated in FY 1996. OLMS is required by law to investigate all union member complaints filed by union members under the LMRDA. The agency has no control over the number of complaints it receives from year to year. The reduction in selection complaints received in FY 1997 in comparison with the prior year is not viewed as a trend.

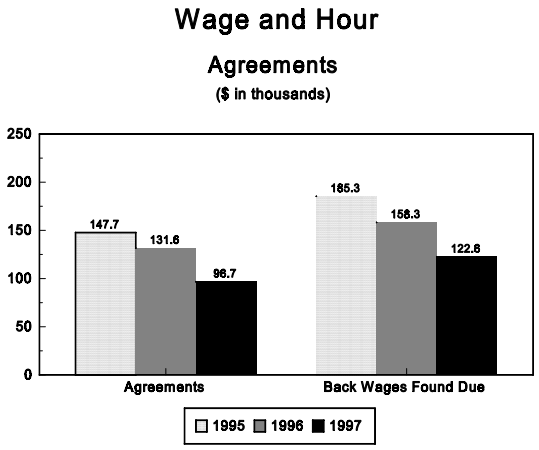
Employee Protections Program

The Employee Protection provisions of the Intermodal Surface Transportation Efficiency Act require that arrangements be made to protect certain rights of mass transit employees affected by federal grant funds used for the acquisition, improvement, or operation of a transit system. The OLMS Statutory Programs unit is responsible for assuring the protection of approximately 311,500 transit workers nationwide.

To ensure that the required protections were in place in FY 1997, Statutory Programs completed a total of 942 urban transit program certification actions, 96 percent of which were completed within 60 days of referral, and 500 rural transit program certification actions. The office also processed 201 claims submitted by individuals and/or unions alleging violation of the terms and conditions of employee protections certified by the agency. The number of Urban Transit Program Certifications, 942, is significantly lower than the 1,200 reported in FY 1996. This difference in number does not represent a drop in workload but a variance in the way the certification actions were counted. The Division is currently reviewing methodology used to compute these numbers to achieve a standardized reporting of results for the future. The way in which the certifications were counted also applies to the number of claims processed from 73 in FY 1996 to 201 in FY 1997.

In addition, staff of the Statutory Programs unit responded to approximately 100 program inquiries in connection with the Airline Rehire Program established pursuant to the Airline Deregulation Act.

Wage and Hour (ESA)



The Wage and Hour Division administers and enforces a wide range of laws that collectively cover virtually all private, state and local government employment. In FY 1997, Wage and Hour conducted 35,940 compliance actions under the Fair Labor Standards Act (FLSA) and 1,622 Government Contract actions. The number of compliance actions completed in FY 1997 is, for the most part, less than in FY 1996 on an Act by Act basis. However, Wage and Hour has increased education/outreach efforts which contributes significantly to voluntary compliance. Wage and Hour's strategic plan includes efforts to measure the impact of both direct enforcement (compliance actions) and education/outreach on rates of compliance in particular industries or industry sectors. Employers agreed to pay 78.9 percent of the monetary findings under the FLSA and government contract programs in FY 1997. While this rate is less than last year (the recovery rate of 83.1 percent in FY 1996 was the highest since FY 1991), it compares favorably with recovery rates over the previous four years. For example, the recovery rate has fluctuated from 76.5 percent in FY 1993, to 81.4 percent in 1994, and to 79.1 percent in FY 1995. Agreements to pay totaled $96.7 million compared to $122.6 million in monetary findings.

Wage and Hour has demonstrated significant progress in fulfilling the statutory requirements of the Government Performance and Results Act (GPRA) and program goals/objectives of the laws enforced by them, in large part because it has been developing its strategic program planning capability for several years. Traditionally, Wage and Hour's performance measures were quantitive and focused on level of effort and number and nature of outputs procured. Most of the measures contained in this document relate to Wage and Hour activity and resulting outputs. Wage and Hour's strategic and performance plans focus more on outcomes particularly in improving compliance and increasing customer satisfaction. Wage and Hour has defined a clearly stated mission that has been communicated to all levels of the organization. A process is in place that will assure input from all levels of the organization in the development of performance goals and objectives, and measures that will be used to determine success.

In FY 1998, Wage and Hour will: 1) Increase compliance in the Los Angeles garment industry from 45 percent to 55 percent for employers who are the subject of repeat investigations; 2) improve the proportion found in compliance, realizing improvement of at least five percent in compliance rates in targeted residential health care, garment, and cucumber and tomato commodities; and 3) maintain overall rating of employers' satisfaction at or above 90 percent while increasing the proportion of "good" and "very good" ratings.

Federal Contract Compliance Programs (ESA)

The Office of Federal Contract Compliance Programs (OFCCP) enforces regulations which require Federal contractors to take affirmative action, to eliminate discrimination from the workplace and to obtain redress for its victims. In FY 1997, 3,750 compliance reviews of Federal contractors were completed and 372 complaints were investigated and resolved. A total of $30.8 million in financial agreements was obtained, including back wage agreements of $10.7 million for 4,435 workers. The number of workers in facilities reviewed was 1.56 million. In comparison to FY 1996, the foregoing represents a slight increase in activity, except in the number of complaints, which did drop slightly. These changes over the last year can be attributed to increased hiring and finally overcoming attrition.

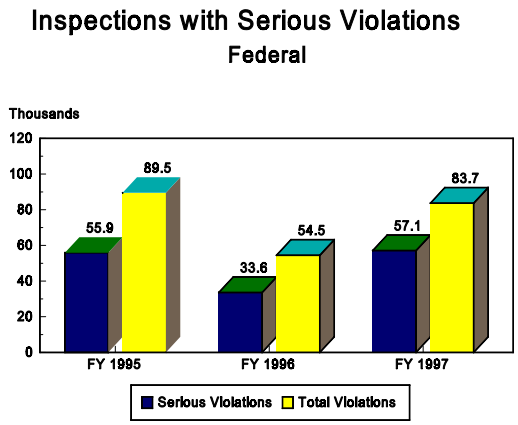
OFCCP's performance goal/objective in the program's Strategic Plan is "to increase by 30 percent, the number of Federal contractors brought into compliance under its various laws and Executive Order administered/enforced by OFCCP. During FY 1997, the program's goal has been supported by several actions, including: (1) Implementing revised 41 CFR 60-1 regulations; (2) Finalizing of revised 41 60-2 regulations, which will help to reduce the paperwork burden on Federal contractors; (3) Entering into a MOU with DOL and Justice for the purpose of sharing information and to promote equal employment opportunity; and (4) Revising the EEDS process to be available for testing during early FY 1998. In preparation for implementation of the GPRA, discussions have centered on establishing a baseline of participation of minorities and women in the workforce during FY 1998. In each subsequent year, changes in the participation rates will be measured against the baseline of data from the year prior to the institution of the change in review.

Occupational Safety and Health (OSHA)

The Occupational Safety and Health Administration (OSHA) is responsible for enforcing the Occupational Safety and Health Act of 1970 (Public Law 91-596). The OSH Act authorizes the agency to enforce safety and health standards through inspections of workplaces, and also to foster voluntary compliance by employers through onsite consultation, training, education and information services, partnerships, and Voluntary Protection Programs. The OSHA program is administered by the National Office, 10 regional offices, and 93 area offices. OSHA also makes fifty percent matching grants to assist 25 states in administering and enforcing safety and health standards under approved state programs. The agency covers more than 100 million workers at more than six and a half million workplaces.

OSHA is in the process of developing a new performance measurement system that will focus on outcomes rather than activities, as required by the Government Performance and Results Act (GPRA). The new measures derive from OSHA's strategic plan, and focus on three major areas: reducing workplace injuries, illnesses and fatalities in the most hazardous industries and workplaces, and meeting the agency's statutory enforcement responsibilities; changing workplace cultures to increase employer and worker awareness of safety and health, as evidenced by cooperative compliance programs, safety and health programs, training and outreach, and user-

friendly standards and regulations; and securing public confidence in OSHA's programs and services through collaboration with stakeholders, redesigned area offices, and improved management information, data collection and accounting systems that accurately measure the agency's progress.



During FY 1997, OSHA conducted 34,264 Federal enforcement inspections, an increase of approximately 41 percent from the FY 1996 total. This reflects the restoration of funding for the Federal enforcement program. State plan personnel conducted 56,623 worksite inspections, a decrease of 2.5 percent. Both programs have been shifting emphasis from regulation to results by offering incentives to employers who choose partnership with OSHA through the implementation of effective safety and health programs. Traditional enforcement continued for employers who elected an adversarial role.

OSHA continued to improve its penalty collection process. At the end of FY 1997, the Federal program had collected 57.6 percent of penalties categorized as "collectible" during that fiscal year. The collection rates for previous years, based on updates since the FY 1996 financial statement, were 84.1 percent for FY 1996 and 89.1 percent for FY 1995. Over time, OSHA expects that the collection percentages for each year will approach 100 percent.

OSHA's reform efforts include a streamlining of its rulemaking activities. This strategy involves identifying clear priorities, focusing on key building block rules, rewriting standards in plain English, eliminating outdated standards, and emphasizing business-labor partnerships. In FY 1997, final standards were promulgated for: longshoring and marine terminals; 1,3-butadiene; abatement verification; and methylene chloride. A proposal was published for tuberculosis.

OSHA continued stringent enforcement efforts against employers who willfully neglected the safety and health of their employees. The number of cases designated as egregious or involving significant penalties (over $100,000) rose again, from 165 in FY 1996 to 226 in FY 1997. The Federal program completed 2,651 investigations of complaints filed under sections 11(c), 405, and several other statutes for which OSHA has assumed responsibility, alleging discriminatory actions against employees for exercising rights afforded them by the Act. State programs completed 1,454 discrimination investigations during FY 1997.

Consistent with its partnership initiatives, OSHA continued to explore ways to encourage cooperation beween workers and employers and to promote voluntary compliance programs. The agency funds 90 percent of the costs incurred by designated state agencies to provide free onsite consultation to small businesses that request assistance in achieving voluntary

compliance. Under this program, 20,299 initial private sector consultation visits were completed in FY 1997, a decrease of 2.4 percent from FY 1996, due to the increasing complexity of these visits. In FY 1997, OSHA funded 23 Susan Harwood Training Grants.

Through its Voluntary Protection Program, OSHA grants special recognition to companies that have exemplary safety and health programs. The number of worksites participating in this program reached 391 in FY 1997, with 337 Federal and 54 State Plan State sites. The OSHA Training Institute in Des Plaines, Illinois emphasized the training needs of Federal and state compliance officers, and reflected newly promulgated standards. Twelve educational institutions functioned as OSHA Training Institute Education Centers to provide OSHA courses for the private sector.

In FY 1997, OSHA continued to implement the data initiative, which will enable the agency to collect establishment/site specific injury and illness data as well as information on injury and illness characteristics. This system will greatly improve OSHA's ability to measure injury, illness and fatality rates, to target agency interventions to the most hazardous worksites, and to measure program outcomes as required by GPRA. The data initiative includes a program to monitor the quality of employers' injury and illness records.

In conjunction with the Department's Bureau of International Labor Affairs (ILAB), OSHA continued its cooperative activities in universal worker protection under the Memorandum of Understanding with Mexico, and with other international counterpart agencies, particularly in Eastern Europe.

Mine Safety and Health (MSHA)

The Mine Safety and Health Administration mission is to achieve the purpose of the Federal Mine Safety and Health Act of 1977: making the first priority and concern of all in the mining industry the health and safety of its most precious resource—the miner. All of MSHA's resources are dedicated to ensuring that each of the approximately 322,000 men and women who work in over 13,800 American mines will go to their jobs secure in the knowledge that they will not have to place themselves at risk of loss of life or limb to make a living.

MSHA works, in partnership with the American mining community, to eliminate fatalities, reduce the frequency and severity of accidents, and minimize health hazards associated with the mining industry. The Mine Act requires MSHA to inspect every underground mine four times each year and all surface mines two times each year to determine compliance with federal safety and health standards. In carrying out other legislative mandates contained in the Mine Act, MSHA also: (1) conducts additional inspections of gassy mines; (2) conducts spot inspections of mines with particularly hazardous conditions; (3) investigates mining accidents; (4) investigates and refers acts of criminal wrongdoing to the Department of Justice for prosecution; (5) investigates discrimination complaints; (6) assesses and collects civil penalties; (7) provides education and training assistance; (8) tests mining equipment for safety; (9) compiles and

analyzes accident and injury data; (10) provides technical assistance to the mining industry; (11) promulgates mandatory safety and health standards and (12) manages State Grants program.

This country's miners are the most productive in the world and supply both U.S. industries and overseas markets with high-grade coal, metal and nonmetal products. Yet along with this high productivity, and in spite of past efforts, the 322,000 men and women who work daily in the mining industry face safety and health hazards at levels unknown in most other professions. Each year approximately 100 miners die in job-related accidents and another 10,000 are seriously injured. One miner dies for every five million hours worked.

Traditionally, mine roof falls have been one of the major causes of accidental mining deaths. In recent years, the number of roof fall deaths have been declining. However, as a result of four accidental roof fall mining deaths in a twelve-hour period, MSHA undertook a special program of increased safety measures. Nearly 700 mine inspectors were dispatched to every underground coal mine in the Nation to review specific safeguards and actions that could be taken to prevent these deadly accidents. Industry and labor associations and state agencies joined in the effort to alert the mining community and to take steps to prevent further occurrences.

In the metal and nonmetal sector, fatalities reached the highest level since 1987. To combat the trend, MSHA embarked on a special two-week National Fatality Reduction Sweep in September 1997. Inspectors visited 9,006 mines and 108,454 miners to bring attention to the increased number of accidental deaths in metal and nonmetal mines—fatalities had climbed to 50 as of September 10, 1997 compared with 34 at the same time last year. The intent was to raise awareness concerning the unusually high number of fatal accidents occurring at metal and nonmetal mines.

MSHA took major steps in FY 1997 for implementing GPRA. As part of the effort to complete its Strategic Plan for FY 1997 - 2002, MSHA re-evaluated its earlier performance measures and in some cases replaced them with measures that better meet the outcome orientation of GPRA and address the most important safety and health issues facing the agency. MSHA has also set in motion an effort to institutionalize a performance planning development and submission process. A core group will meet to discuss and develop refinements to the strategic and performance planning processes in preparation for a larger MSHA off-site meeting.

The Mine Safety and Health Administration FY 1997-2002 Strategic Plan sets forth two overarching strategic goals supported by annual performance objectives/measures and enabling initiatives. The goals are:

- Reduce injuries in the nation's mines.
- Reduce miners' overexposure to health hazards.

They address the safety and health mandate under the Mine Act and are central to the MSHA mission.

The first strategic goal, reducing injuries in the Nation's mines, has as its objectives:

- Reducing the industry nonfatal-days-lost incidence rate to below the average number recorded for the previous five years for all mines.
- Reducing the number of fatalities to below the average recorded for the previous five years in the top three categories of accidents (haulage, roof fall, and machinery).

In FY 1997, MSHA's safety-related efforts included its mandated inspection program, safety alerts, special focus "safety sweeps," education and training programs, and technical support programs. The safety sweeps addressed a sudden increase in occurrences of roof fall fatalities in underground coal mines and the disturbing rise in fatalities at metal and nonmetal mines.

MSHA has an annual mandated program of four inspections of underground mines and two inspections of surface mines. In the coal program in FY 1997, 96% of all mandated inspections were competed; the remaining will be delayed into the first two weeks of FY 1998 because of the assistance provided to the metal and nonmetal National Fatality Reduction Sweep. In the metal and nonmetal program, the mandated inspection completion rate was 84%. This inspection shortfall was a result of the dedication of resources to the National Fatality Reduction Sweep and surface haulage initiative, as well as the attrition rate of metal and nonmetal inspectors.

Hearing loss due to extreme noise levels is preventable. In the coal industry, regulation requires use of hearing protection. In the metal and nonmetal program this is not the case and MSHA has begun work on revising noise exposure standards based on engineering and administrative controls.

MSHA supported and participated in the Department of Labor's National Campaign to Eliminate Silicosis, which was launched jointly with the American Lung Association, the National Institute for Occupational Safety and Health, and the Occupational Safety and Health Administration. As a follow-up, MSHA's Coal, Metal and Nonmetal, and Educational Policy and Development organizations developed informational materials and sponsored silicosis awareness and prevention seminars throughout the country.

MSHA reemphasized its inspection focus on lung hazards in coal mines by strengthening existing enforcement procedures to give coal miners better protection against lung diseases

caused by respirable dust. MSHA inspectors' new instructions are to: provide protection for contractor employees and construction workers at mine sites with regard to dust control plans, training, hazard surveillance and compliance activities; inspect for compliance with ventilation regulations that require operators of underground coal mines to perform on-shift examinations of respirable dust controls; place increased emphasis on examination of dust controls where 100 micrograms or more of quartz (crystalline silica) is present in respirable coal mine dust samples; and place increased inspector emphasis on examining dust controls on roof bolting machines and of machine-mounted dust collectors on continuous mining machines. To help apprise the mining community of the procedures, copies of the MSHA Procedure Instruction Letters were mailed to all coal mine operators and were posted to the MSHA Home Page on the World Wide Web. As part of this effort, MSHA implemented three pilot programs to extend respirable coal dust sampling by inspectors to four times a year at underground coal mines and twice a year at surface coal mines.

Diesel engines are widely used to power equipment in the mining industry, from the very small to the very large. While most of the existing fleet is at surface mines, there is increasing use of diesel engines underground. There has been increasing concern that the tiny particulate matter contained in diesel exhaust may lead to health problems for miners and work continues on the development of a new regulation for diesel particulates. A draft publication, "Practical Ways to Control Exposure to Diesel Exhaust in Mining—A Toolbox," is a product of input from the mining community and describes the experiences of miners, mine operators and diesel equipment manufacturers in seeking to control emissions. It is organized as a "tool-box" so that it can be put to use directly by those working with diesel-powered equipment.

Bureau of International Labor Affairs (ILAB)

The Bureau of International Labor Affairs carries out the Secretary of Labor's international responsibilities, develops Departmental policy and programs relating to international labor activities, and coordinates Departmental international activities involving other U.S. government agencies, intergovernmental organizations, and nongovernmental organizations. ILAB coordinates U.S. government participation in international fora dealing with labor issues, operates technical assistance programs, publishes reports on international labor issues, represents the itnerests of American workers in interagency policy reviews, and assists in the formulation and implementation of international treaties dealing with labor issues.

During FY 1997, ILAB ensured that U.S. government priorities were reflected in employment agendas of international organizations by (1) conducting an exchange program with the European Union (under the New Transtlantic Agenda) to discuss experiences in employment and training; and (2) participating in the Asian-Pacific Economic Cooperation (APEC) working group on Human Resource Development to pursue the establishment of an initiative on worker health and safety and productivity. ILAB also coordinated preparations for the Secretary's participation in the Organization for Economic Cooperation and Development (OECD) Labor Ministerial (October 14-15). In seeking to place the welfare to work issue on the agenda of international

organizations, ILAB participated in preparatory meetings leading to the G-8 Ministerial conference on employment (Japan, November 1997), which will serve as the basis for the G-8 Employment Conference (United Kingdom, January 1998).

ILAB continued to promote the observance and monitoring of core labor standards by (1) continuing to research, investigate and implement codes of conduct related to American imports that might be made with child labor; (2) continuing implementation of the North American Agreement on Labor Cooperation by reviewing submissions/complaints, by implementing the 1997 cooperative activities workplan, which included conferences on child labor and women in the workplace, and by promoting OSH week. In addition, ILAB participated in the development of the Administration's fast track policy.

ILAB continued to support U.S. government foreign policy objectives by providing labor-market technical assistance in Central Europe, the Middle East, Latin America and Africa. In particular, ILAB has initiated a technical assistance program in South Africa for various units of the labor ministry; has commenced a program to strengthen the labor ministry in Paraguay (October 1997); and announced extension of a $3 million AID comprehensive technical assistance package for Central America, the Dominican Republic and Belize to enhance capacity building, as well as $1 million for child labor programs in the region.

Employment of People with Disabilities (PCEPD)

The mission of the President's Committee on Employment of People with Disabilities (PCEPD) is to facilitate the communication, coordination and promotion of public and private efforts to enhance the employment of people with disabilities. The President's Committee provides information, training and technical assistance in support of the Americans with Disabilities Act (ADA) and the Rehabilitation Act of 1973, as amended, to America's business leaders, organized labor, rehabilitation and service providers, advocacy organizations, families and individuals with disabilities.

The major goal of the President's Committee is to provide leadership in the effort to eliminate employment barriers to people with physical, mental and communications disabilities. The President's Committee accomplishes this goal by making available to various groups, as appropriate, a wide assortment of materials educational and informational materials and by providing technical assistance to businesses.

The Job Accommodation Network (JAN) - JAN is a toll-free telephone and on-line bulletin board service for employers, people with disabilities, and rehabilitation professionals that provides information about accommodations for employees with disabilities. In FY 1996, JAN answered 45,000 calls, resulting in people with disabilities either being hired or retained in their current employment. Additionally, JAN established a web-site on the Internet where callers download JAN publications. This web-site experienced over 560,000 'hits' in the first year of operation. JAN's data collection efforts continued to document the reality that job

accommodations for workers with disabilities are not expensive. JAN's data indicates that for every dollar spent by an employer for a job accommodation, the employer reports a savings of $29.00.

Workforce Recruitment Program - The President's Committee, in cooperation with the Department of Defense, coordinated the recruitment for paid summer internships for college students with disabilities. Nine major Federal agencies collaborated on this project. Recruiters visited over 90 colleges and universities interviewing students with disabilities. The President's Committee profiled 797 students and circulated their resumes to hundreds of managers and supervisors who hired 151 of them. Many of those students who graduated from college this past year and were hoping to find permanent employment were converted into permanent employees or stayed in temporary positions until permanent positions become available.

National Disability Employment Awareness Month (NDEAM) Project - The theme for the 1996 National Disability Employment Awareness Month was "Ability for Hire." The Committee took an innovative and cost effective approach in FY 1996 to producing materials to support the program. A dual-purpose educational and public relations kit was developed and distributed, which allowed the Committee to use material for the ADA anniversary as well as to utilize the information throughout the year in support of many Committee projects. Approximately 35,000 kits were produced and distributed throughout the United States and beyond U.S. borders. The kit covered topics such as: cost and benefits of accommodations, diversity and disabilities, information on what business really thinks about the ADA, information about workplace laws, insurance and benefits, myths about people with disabilities, and other resource materials.

The National Business Leadership Network (BLN) - The Business Leadership Network is a business-led initiative designed to stimulate best disability employment practices. This program engages the leadership and participation of employers in the hiring process to enable qualified individuals with disabilities to enter and succeed in the workforce. There are currently eight pilot sites operating BLNs - Colorado, Florida, Indiana, Massachusetts, Michigan, Oregon, Texas and Wisconsin. Additionally, start-up activities began in California, Georgia, Louisiana, Ohio and Wyoming. Two new publications, a Disability Employment Practices guide and the Business Leadership Trends bulletin were designed and published in FY 1996.

High School/High Tech (HS/HT) Project - This project provides students with disabilities opportunities to explore their interest to pursue careers in technology-related occupations. In FY 1996, the President's Committee was successful in establishing five new HS/HT programs serving an additional 150 students with disabilities. These new centers are located in Cocoa Beach, Florida; Cleveland, Ohio; Houston, Texas; San Mateo, California; and Tillman, Oregon. Four of these new sites work in conjunction with various NASA programs. The Committee continued to support the seven existing HS/HT sites which provided services to 775 students interested in high-tech career fields.

Demographics Initiative - The President's Committee forged a commitment with the Census Bureau and the Bureau of Labor Statistics (BLS) to work toward the routine collection, analysis and publication of data on the employment of people with disabilities. This commitment is designed to bring full attention to the employment of people with disabilities - most notable in the regular employment tracking system of BLS. This commitment manifested itself in the support of these two agencies to debunk the myth of the Current Population Survey (CPS), which wrongfully indicated an ever-decreasing trend in the employment of people with disabilities and to replace this misleading data with accurate data contained in the Survey of Income and Program Participation (SIPP). The President's Committee, with the assistance of both BLS and the Census Bureau, announced this shift with a press release highlighting the SIPP data, which revealed that approximately 800,000 more severely disabled persons were working in 1994 than in 1991. BLS and the Census Bureau agreed to research questions that will enable disability employment data to be collected in their monthly employment data runs.

National Minority Initiative - The President's Committee conducted a forum for approximately 30 leaders of civil rights and minority organizations which addressed the critical employment issues facing minority persons with disabilities. This issue is crucial because the unemployment rate for African-Americans with disabilities is 66% and is 59% for Hispanics with disabilities. This coalition of leaders agreed to develop strategies to better involve minority organizations in addressing the employment problem of minorities with disabilities.

Benefits Review Board (BRB)

The Benefits Review Board (BRB) reviews and decides appeals which raise substantial questions of law or fact taken by any party in interest from decisions of administrative law judges regarding claims for compensation filed pursuant to the provisions of the Black Lung Benefits Act and the Longshore and Harbor Workers' Compensation Act and its extensions. The Board also receives a small percentage of appeals under these Acts directly from the Office of Workers' Compensation Programs (OWCP), Employment Standards Administration (ESA), Department of Labor. The Board exercises the same judicial appellate review authority formerly exercised by the United States District Courts. Appeals received by the Board are docketed, reviewed by docket and/or paralegal staff, and acknowledged. The issuance of the acknowledgment initiates the regulatory briefing schedule. Once the petition for review and all subsequent briefs are filed with the Board, the appeal is reviewed by the attorney staff and a recommended decision is prepared for review and decision by a panel of three Board Members. If deemed necessary by the Members, oral argument may be granted and scheduled on a regional basis.

The Board established performance measures for the first time for FY 1997. The Board's primary goal was to issue dispositions in both of its jurisdictional areas, on average, within 12 months of an appeal being filed with the Board. During Fiscal Year 1997 the Board moved to the Department of Labor headquarters building which caused a minimum of a 30-day disruption of the processing of the Board's work. This resulted in a negative impact on the Board's ability to successfully meet many of the time-based performance goals for Fiscal Year 1997. It should be

noted, however, that the Board ended the Fiscal Year with no backlogs of work and is well positioned to meet or exceed the performance goals and objectives established for Fiscal Year 1998. The workload of the Board is divided into two categories - Black Lung and Longshore. The Board began FY 1997 with 1,012 pending Black Lung appeals and 399 pending Longshore appeals. At the end of FY 1997 there were 1,189 pending Black Lung appeals and 348 pending Longshore appeals. In FY 1997, the average time for dispositions of 1,232 Black Lung appeals was 11.31 months. For Longshore appeals, the average time for the 539 dispositions taken in FY 1997 was 10.95 months. The Board also issued 10,523 non-final orders, disposed of 696 petitions for attorney fees, and decided 372 motions for reconsideration during FY 1997. In addition, the Board responded to 3,023 inquiries from parties to appeals and/or individual Congressmen or Senators.

In accordance with the Government Performance and Results Act (GPRA) the Benefits Review Board has established three strategic goals, objectives, and performance measures for Fiscal Year 1998. Those are (1) Issue decisions on appeals quickly and without adversely impacting parties' due process rights. The objective for this goal is to reduce the processing time by 5% from the FY 1997 base of one year. To be successful in meeting this goal decisions must be issued, on average, within 347 days of filing with the Board. (2) Decide petitions for attorneys fees in the shortest possible time after filing with the Board and becoming processable. The objective for this goal is to reduce the average processing time from the FY 1997 base of 60 days by 5%. To be successful in meeting this goal decisions on attorneys fee petitions must be issued, on average, within 57 days of filing and becoming processable. (3) Decide motions for reconsideration in the shortest possible time after filing with the Board and becoming processable. The objective for this goal is to reduce the processing time by 5% from the FY 1997 base of 180 days. To be successful in meeting this goal, motions for reconsideration must be decided within, on average, 171 days from filing and becoming processable.

Office of Administrative Law Judges (OALJ)

The Office of Administrative Law Judges conducts hearings under more than 80 separate statutes and Executive Orders. Hearings are required to be conducted in accordance with the Administrative Procedures Act, which requires the application of the principles of due process similar to civil cases heard in federal or state courts.

Prior to the beginning of each fiscal year, as part of the Department's budget process, objectives are established along with appropriate case disposition goals in each of the program areas. There are four program areas - Black Lung, Longshore, Traditional, and Immigration.

The Black Lung Program is a federal workers compensation program for coal miners who are disabled from pneumoconiosis, a respiratory disease caused by the inhalation of coal dust.

The Longshore Program is also a workers compensation program for maritime workers who become disabled from injury or disease acquired during their employment in shipyards, loading docks, and other maritime sites.

The Traditional Program involves a wide variety of cases that fall within the Department's jurisdiction. Traditional cases include grant cases under the Job Training and Partnership Act; enforcement and debarment proceedings in Davis-Bacon and Service Contract Act cases; compliance enforcement in Fair Labor Standards Act cases; restitution and remuneration in OFCCP cases involving allegations of discrimination based on race, sex or handicap status; whistleblower cases under the Energy Reorganization Act, other environmental statutes, and the Surface Transportation Act; and a wide variety of other issues.

The Immigration Program involves the appeals by employers of denials of labor certification of aliens to work in specific jobs within the United States for which a qualified U.S. citizen cannot be found.

Performance goals for the OALJ are measured by the number of case disposition achieved per program as established at the beginning of each fiscal year. For FY 1997, OALJ's goals were 6,762 cases of which 7,243 were achieved, resulting in a goal of 107%.

In addition to case management, OALJ has made improvements in other aspects of its operation. For example, the materials for the OALJ home page on the Internet have been increased to over 12,000 total documents. The OALJ home page is a first class product that is of great benefit to people in and outside of DOL who need to learn about OALJ processes or do research in the case areas described above. OALJ has issued an updated version of the Black Lung Desk Book which is widely utilized by the practicing bar. Finally, the use of an alternative dispute resolution (ADR) program continues to expand and be accepted by the parties to OALJ cases.

Goal Five: Helping Working Americans Balance Work and Family

In our increasingly complex lives, time has become one of our most valuable commodities. Families are struggling to balance the demands of work and family. Every day, more employers are recognizing that it is not only good for families, but good for business, to adopt family-friendly policies. The Department is committed to helping employers and families successfully address these challenges. (DOL agencies contributing to this goal include ETA, WB,VETS and OASAM.)

Women's Bureau (WB)

The Women's Bureau is the only Federal agency with primary responsibility for serving and promoting the interests of working women, as authorized by Public Law 66-259. The Bureau participates in the development of Federal, State and local policies and programs to benefit working women; conducts research, reviews legislation, formulates outreach programs that contribute to the development and implementation of public policy; and provides specific support and technical assistance to various targeted groups.

In FY 1996, the Women's Bureau, through its Honor Roll program, generated more than 1,300 Honor Roll pledges - exceeding its original goal of 1,200 pledges. Community organizations, private corporations (both large and small), State and local governments, and unions made a commitment to improve the lives of working women by instituting policies that will make work better for over 2,000,000 women across the country in the areas of pay and benefits, balancing work and family, and training and advancement opportunities. For example, the American Business Collaboration For Quality Dependent Care, a coalition of 21 major corporations, pledged and subsequently launched a $100,000,000 initiative to develop and strengthen child care, school-age care and elder care projects in communities across the country where their employees live and work.

The Women's Bureau held roundtable discussions with working women across the country to hear directly from them about their experiences and to bring their concerns back to the Administration. Beginning in March 1996, the Director met with more than 400 women in New York, Las Vegas, Chicago, Hartford, Atlanta and Florida from low-wage earners to women leaders, union workers to contingent and down-sized workers, older workers to young women just entering the workforce.

In a new initiative receiving widespread attention and national acclaim in FY 1996, the Bureau held "Working Women's Summits" in 20 regional cities. Each regional "summit" focused on a key issue of concern for working women and brought together diverse groups of people to discuss solutions to some of the most stubborn problems working women face. Over 4,000 women attended the conferences and nearly 100 publications were prepared for distribution to participates in these "summits", including the "Working Women Count Honor Roll Report."

In September 1996, the Women's Bureau launched the Fair Pay Clearinghouse, which provides resources to working women, employers, organizations, unions and others who are concerned with ensuring fair wage-setting practices. Through the Clearinghouse's toll free "1-800" number or by accessing the Bureau's Internet address, working women, employers and others can get easily accessible, practical information on fair pay, including a nationwide database of fair pay settlements and employers who have implemented fair pay practices. The information is available state by state and by national resources, and wage data. Two new Bureau publications were also created in connection with the Clearinghouse: "Worth More Than We Earn: Fair Pay for Working Women" and "What Works: Fair Pay for Working Women."

The "Working Women Summits" launched the Bureau's new "Don't Work in the Dark" campaign. This public service campaign is intended to alert and educate working women and men and employers about rights regarding sexual harassment, pregnancy discrimination, age discrimination and the Family Medical Leave Act. The campaign also provides women with facts about their status in the workforce and gives them tools and solutions to address some of the problems they face.

Finally, given the impact of downsizing and displacement on working women, the Women's Bureau added downsizing to its research and publication portfolio. In addition to issuing a fact sheet entitled "What Women Need to Know About Downsizing," the Bureau commissioned extensive research which will result in the future issuance of reports that monitor and analyze the impact of downsizing on working women and their families and offer strategies that women, unions, corporations, communities and State and the Federal government can take to mitigate the negative impact which economic restructuring has on women.

In addition to the special initiatives above, millions of customers were reached all across the country through print media, television and radio programs which resulted from outreach efforts initiated by the Bureau in FY 1996. Highlights in this area involved responding to over 8,000 callers to the Bureau's Work and Family Clearinghouse, sponsoring nearly 150 conferences on issues facing working women, co-sponsoring Women's Equality Day Conferences around the country and increasing a general mailing list to over 15,000.

Goal Six: Maintaining a Departmental Strategic Management Process

To maximize the overall achievement of the Secretary’s goals, the Department established this overarching goal to effectively link strategic planning, resource allocation, and on-going operational activities with program strategies. This goal addresses major cross-cutting functions such as Departmental leadership and guidance, financial management, and information technology and human resources management. (DOL agencies contributing to this goal include OASAM, the OCFO and OIG.)

Office of Inspector General

The Office of Inspector General (OIG) is charged with preventing fraud, waste, and abuse and promoting economy, efficiency and effectiveness in DOL programs and operations. This is accomplished through comprehensive audits and evaluations of DOL programs and activities; and investigations of suspected wrongdoing by DOL contractors, grantees, program participants or beneficiaries, and employees. The OIG is also responsible for conducting criminal investigations to eliminate the influence of organized crime and labor racketeering on employee benefit plans, labor-management relations and union affairs.

During FY 1997, the OIG issued 313 reports on DOL programs and operations. We also opened a total of 529 investigations. Our program fraud investigations focused on suspected wrongdoing by DOL contractors, grantees, program participants, beneficiaries, and employees. Through our labor racketeering investigations, we worked to contribute to the Government's effort to reduce the influence of organized crime and labor racketeering on employee benefit plans, labor-management relations and union affairs. The OIG questioned costs totaling $26.2 million and recommended that another $24.2 million in DOL funds be put to better use. In response to current and previous OIG recommendations, DOL management disallowed $6.7 million and agreed to put almost $1 million to better use. Moreover, the Department achieved a cost-avoidance of $4.7 million from resolution of previous OIG evaluations. Our investigations resulted in 265 indictments, 225 convictions and $41.3 million in monetary results such as fines, penalties and restitution.

In FY 1997, the OIG developed and began implementation of a strategic plan that establishes the OIG's priorities, goals, and performance targets for 5 years. During the year, the OIG completed numerous activities in support of achieving these goals. Examples of our accomplishments follow.

In supporting OIG’s internal goal of improving the effectiveness, efficiency, and management of DOL agencies, programs, and operations, the OIG provided an assessment as to the financial status of the Department through its audits of the consolidated financial statements and the financial statements of the UI, Black Lung, Longshore and DC Trust Funds and the FECA Special Fund. As part of these activities, we called attention to several weaknesses including the $5.5 billion indebtedness of the Black Lung Disability Trust Fund. We worked with the Department to surface and address issues related to the implementation of GPRA and provided recommendations to the Department regarding the sharing of information and consolidating of reports needed by VETS, ESA and the EEOC. We worked with PWBA and the CIO on the new Form 5500 reporting system development efforts. We conducted evaluations to assist the Department in determining the efficiency and effectiveness of specific DOL programs and operations. For example, an evaluation of a proposed contract in the amount of $344,000 resulted in the contract not being awarded. An evaluation of the FECA Early Nurse Visitation Program provided the Department with information on how the program could be more effective. From an investigative perspective, we continued to investigate allegations of wrongdoing by DOL employees or service providers who misuse DOL funds or who fail to properly exercise their employment or contractual responsibilities.

In supporting OIG’s internal goal to optimize the use of funds appropriated for employment, training, and welfare-to-work programs by enhancing program performance and accountability, we conducted various financial and compliance audits of employment and training grants and contracts in which we identified improper charges to the Government or disclosed low performance of programs or services. We provided the Department recommendations to improve services provided under the JTPA Title III program for dislocated workers. An OIG audit determined that Title III participants were somewhat better off in obtaining and retaining employment but were re-employed at significantly lower wages than those who did not

participate in the program. We also provided technical assistance and consultation to the Department on a number of employment and training issues and programs, including School-to-Work and workforce development performance measures. Through our investigative efforts, we have worked diligently to ensure the integrity of employment and training funds. An example of our work in this area is the indictment of two officials of the Council of Jewish Organizations and a member of the New York State Assembly for allegedly diverting in excess of $1.5 million in job training funds to their personal use or to companies they owned and operated. Another case involved the president of a union local who recently pled guilty to filing false on-the-job training costs claims, in conjunction with a grant awarded to the union to assist eligible dislocated workers to obtain employment.

In supporting OIG's internal goal to optimize the use of funds appropriated for workplace safety, health, and standards programs by enhancing program performance and accountability, we identified certain weaknesses in the protections afforded to whistle blowers under the Occupational Safety and Health Act and made recommendations to ensure such protections: an OIG audit found that employees who complained directly to employers were more likely to be fired than those that complained directly to OSHA. We also identified inaccuracies in the data used by ESA to determine the Davis-Bacon prevailing wages; responded to a congressional request to audit and determine how employers are selected for investigation and how resources are allocated for FLSA investigations; and identified inefficiencies in DOL's back wage collection activities, including $8.5 million that should be transferred to Treasury. From an investigative perspective, we continued our efforts to identify and investigate allegations of wrongdoing by MSHA inspectors.

In supporting OIG's internal goal to help workers and retirees by safeguarding workplace employment, unemployment, and disability benefits and enhancing DOL's effectiveness in administering related programs, through work in this area, we identified $73 million of unreported equity in SESA real property and questioned $8.2 million in related costs. We also continued to identify and investigate fraud against the UI program through the fictitious employer or other fraudulent schemes. In just one case, 12 of 14 defendants have pled guilty to conspiracy to defraud the State of Michigan UI program. This scheme operated for approximately 2 years and resulted in losses of UI funds of almost half a million dollars as a result of the defendants using their janitorial service company to file false UI claims. Another scheme uncovered by the OIG resulted in the indictment of a Massachusetts Department of Employment and Training adjudicator and an accomplice who stole over $60,000 in UI benefit checks. In the pension benefits area, we recommended that PWBA enforce reporting and disclosure requirements for Direct Filing Entities. In the area of disability compensation, we identified a potential loss to the FECA program of $7 million because of improper payments to medical providers. We also continued to investigate schemes by claimants and medical providers to defraud the FECA, Longshore, and Black Lung programs. The following cases illustrate our investigative accomplishments in this area. A Department of Energy employee was indicted for submitting false information to receive workers' compensation benefits. The investigation revealed that the employee owned and operated an automobile repair shop, while fraudulently receiving over $107,000 in benefits. Similarly, a Department of Justice employee was convicted for failing to

report work activities and earnings, while receiving benefits. Another major accomplishment in this area is the resolution of an evaluation of the workers' compensation program for employees of the U.S. Postal Service. In that evaluation the OIG recommended that the Office of Workers' Compensation Programs review certain long-term disability cases we identified as needing additional attention. Following that review, 70 claimants were identified as ineligible for benefits and taken off the FECA rolls. This resulted in a projected cost-avoidance of $4.5 million.

In supporting OIG's internal goal to reduce the influence of organized crime and labor racketeering in the workplace, through its labor racketeering program, the OIG continues to contribute toward the Government's effort to reduce the influence of organized crime and labor racketeering in unions and the workplace. For example, in FY 1997, the OIG continued to identify, target and investigate investment brokers and plan administrators who have ties to organized crime and who abuse or defraud union pension funds. An example of our accomplishments in this area involves the conviction of four individuals who were advisors or service providers to the Teamsters Local 875 Pension Fund in New York. The four engaged in a scheme to temporarily divert pension assets to invest in an off-shore, lucrative (yet high risk) investment scheme. Approximately $10 million of the pension fund's $30 million assets were lost in the scheme when the offshore investors stole the money. We also continued our efforts to remove associates of organized crime from some of the Nation's largest labor unions through the Racketeer Influenced and Corrupt Organizations Act (RICO). The OIG has worked very closely with court-appointed monitors in these RICO cases to remove corrupt officials from unions and help restore democratic representation for their membership. One example is our investigation and subsequent work related to Hotel Employees and Restaurant Employees (HERE) Local 54. This Local was placed under monitorship after a Civil RICO action was filed by the Government following the OIG investigation. With the removal of organized crime from the union and democracy restored, the monitorship was dissolved this year and the union was returned to its membership. OIG investigations also helped the Court-appointed monitor of the Teamsters Local 282 to remove four individuals from the union for their association with the Gambino organized crime family. We continue our efforts to help protect the integrity of union members' funds. For example, an OIG investigation resulted in the indictment of two union officials for allegedly embezzling union funds for construction work on their personal residences.

For more detail on specific findings, recommendations, and accomplishments resulting from audits, investigations, and evaluations, please see the OIG's Semiannual Reports to the Congress.

Office of the Chief Financial Officer

The Department's fiscal year 1997 appropriation bill (H.R. 3755) was accompanied by the House of Representatives' Committee on Appropriations report 104-659. The committee report required that the Department disclose, in its financial statements, information on revenues resulting from the activities of the Department's Office of Inspector General (OIG) and specifically identify measurable "funds put to better use" as additional budgetary resources.

Revenues collected are generally the result of audits of the Department's program recipients and are realized through cash collections or offsets of monies owed. Revenues resulting from the activities of the OIG for the year ended September 30, 1997 are as follows:

AGENCY	TOTAL
Office of the Secretary	$ 69,244
Veterans Employment and Training	95,746
Office of the Assistant Secretary for Administration and Management	17,516
Employment and Training Administration	6,341,693
Multi-Agency	142,354
Totals	$ 6,666,553

Additionally, the OIG identified $8,769,831 in ETA funds which could be reprogrammed for other uses. Audits conducted by the OIG disclosed the following:

- A JTPA service provider's dislocated worker program had been completed and $8 million previously obligated to the provider was reallocated to other dislocated worker programs.

- ETA requested that the OIG review one of its Job Corps contractor's cost reimbursement claim of $1,742,518. The OIG determined that the contractor was only entitled to receive $972,687. The resulting savings of $769,831 was made available for other uses.