



OFFICE OF THE INSPECTOR GENERAL

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DOJ OIG Releases Audit Report on the DEA's Regional Linguist Services Contract Awarded to Conduit Language Specialists, Inc.

Department of Justice (DOJ) Inspector General Michael E. Horowitz announced today the release of a report examining the Drug Enforcement Administration's (DEA) contract with Conduit Language Specialists, Inc. (Conduit) to provide analytic linguist services for the DEA's Denver and Phoenix Field Divisions. The contract, which was awarded in October 2012, is scheduled to end in April 2018. Actual contract costs paid through December 2017 were approximately \$39 million.

As described in today's report, the DOJ Office of the Inspector General (OIG) found that the DEA failed to provide sufficient administration and oversight of the contract, which resulted in: (1) significant non-compliance with applicable laws, regulations, and the contract terms and conditions; (2) minimal quality assurance (QA); (3) contractor performance deficiencies; and (4) poorly defined contract requirements.

The specific findings in the report released today include:

- The DEA allowed some Conduit linguists — whose work is used by the DEA to translate and analyze Title III wiretaps as part of federal criminal investigations — to work under the contract without completed background investigations or signed non-disclosure agreements. In addition, Conduit allowed some linguists to work under the contract without valid language proficiency results. We found that the DEA paid almost \$2.9 million for linguists who did not meet these essential prerequisites.
- The DEA appointed one Contracting Officer's Representative to oversee the eight regional linguist contracts, including the contract with Conduit that was the subject of the OIG's audit. This individual was not directly performing the majority of their contract oversight responsibilities, leaving key tasks to be completed by DEA staff who were not designated to complete such tasks.
- The DEA could not provide documentation to support that it completed annual contractor performance assessment reports in accordance with the Federal Acquisition Regulation, which are crucial to effective contract administration and oversight. The DEA also failed to identify deficiencies in Conduit's monthly administrative reports,

despite the importance of the missing information for monitoring contractor performance.

- The DEA placed sole responsibility for QA on Conduit, even though the DEA also had responsibility for QA as required under federal regulations. Conduit officials acknowledged that they had not followed or enforced Conduit's QA plan. The DEA also did not properly review the plan on a regular basis to ensure compliance by Conduit.
- The DEA's significant failures related to enforcement of linguist requirements, contract administration and oversight, and QA, contributed to contract performance deficiencies. For example, the OIG found that Conduit on occasion replaced linguists working on DEA projects without first consulting with DEA Task Monitors or DEA Special Agents. Additionally, on three different occasions Conduit was unable to fully meet the DEA's need for linguists. To fill this unmet need, the DEA paid \$33,421 more to another linguist contractor than it would have paid under its contract with Conduit.
- The DEA improperly approved and paid price adjustments to Conduit that included unallowable increases to the profit and general and administrative costs categories. In addition, we found that Conduit's methods for calculating its fixed billing rate and paying some fringe benefits to its linguists were deficient, and the latter did not comply with the Service Contract Labor Standards (SCLS).
- The DEA did not adequately define its need for this contract, which ultimately hindered Conduit's ability to keep linguists actively working in certain locations.

In February 2017, the OIG issued a Management Advisory Memorandum to the DEA regarding the language proficiency and security requirements of linguists, the DEA's and Conduit's quality assurance practices, and the DEA's ability to adequately define its contract need.

Today's report makes 11 recommendations to assist the DEA in improving the administration and oversight of its linguist contracts. The DEA and JMD agreed with the recommendations. Conduit did not explicitly agree or disagree with many of our recommendations, and objected to the majority of the concerns we identified in our report.

Report: Today's report is available on the OIG's website at the following link:

<https://oig.justice.gov/reports/2018/a1808.pdf>.

Podcast: To accompany today's report, the OIG has released an 8-minute podcast featuring a member of the audit team discussing the report's findings. The podcast and a downloadable transcript are available at the following link: <https://oig.justice.gov/multimedia/podcast-01-11-18.htm>.

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