



OFFICE OF THE INSPECTOR GENERAL

U.S. Department of Justice

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FOR IMMEDIATE RELEASE

April 12, 2018

DOJ OIG Releases Report on DEA Asset Forfeiture Program Contracts Awarded to Maximus, Inc. for Financial Investigative Services

Department of Justice (DOJ) Inspector General Michael E. Horowitz announced today the release of a report examining \$26 million in Drug Enforcement Administration (DEA) Asset Forfeiture Program (AFP) contracts awarded to Maximus, Inc. (Maximus) for financial investigative services. The DEA awarded the contracts, or “task orders,” to Maximus to provide personnel responsible for analyzing evidence and information associated with targeted drug investigations to identify assets that were potentially eligible for seizure and forfeiture.

As described in today’s report, the DOJ Office of the Inspector General (OIG) identified several concerns about the administration and oversight of the task orders we reviewed. Specifically:

- **Hiring of Task Order Personnel.** We found that DEA officials were decisively involved in selecting the contracted personnel who worked on the task orders, and that 40% of the personnel working under the task orders were former DEA Employees, averaging 22 years of service prior to retirement from the DEA. Further, because officials from neither the DEA nor Maximus kept a record of the resumes considered for each vacancy, the OIG was unable to compare the qualifications of the former DEA employees who were selected for task order work to other applicants who did not have DEA experience. While the OIG did not find any evidence that the DEA officials’ roles in selecting contract personnel violated ethics rules, our findings highlight the need for the DOJ’s Justice Management Division to assess the propriety of the DEA’s level of involvement in the selection of task order personnel.
- **Personal Services.** The Federal Acquisition Regulation (FAR) generally prohibits “personal services” contracts, which are contracts that make the contract personnel appear to be, in effect, government employees. We found that the manner in which the DEA administered the task orders we examined demonstrated several characteristics of a personal services contract. For example, DEA employees directly assigned daily activities to, and approved the timesheets of, contract personnel, whereas Maximus and its subcontractor, Professional Risk Management, Inc. (PRM), had only 1 individual to serve as contract and project manager for 82 contract workers nationwide. Contract personnel also told us that they had been embedded into DEA Tactical Diversion Squads and Strike Forces. We determined that the DEA needs to strengthen its oversight of AFP task orders to ensure compliance with the FAR.
- **Classification of Task Order Workers as Independent Contractors.** Maximus and its subcontractor, Professional Risk Management, Inc. (PRM), classified all contract personnel as independent contractors. However, we found that task order personnel exhibited characteristics with respect to Maximus and PRM that suggested an employer-employee

relationship. As noted in today's report, PRM has advised the OIG that it has reclassified as an employee almost every worker currently performing similar services under the current, follow-on DEA AFP contract.

- **Task Order Costs.** The OIG found that Maximus and PRM generally complied with contract terms and conditions concerning expenses charged to the task orders. However, two individuals who were hired as Subject Matter Experts did not meet the contractual requirements for educational qualifications, and we found instances where the DEA paid Maximus for prohibited local travel costs.

Today's report makes 11 recommendations to JMD and the DEA to improve how they administer and oversee Asset Forfeiture Program contract awards and performance. JMD, DEA, and Maximus explicitly agreed with, or identified appropriate corrective action in response to, all of the recommendations, and the OIG has already closed one recommendation based on actions taken by the DEA in response to our draft report.

Report: Today's report is available on the OIG's website under "Recent Reports" and at the following link: <https://oig.justice.gov/reports/2018/a1826.pdf>.

Podcast: To accompany today's report, the OIG has released an 8-minute podcast featuring members 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-04-12-18.htm>.

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