FOR IMMEDIATE RELEASE
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DOJ OIG Releases Report on Audit of the Drug Enforcement Administration's Diversion Control Support Task Orders Awarded to Ocean Bay Information and Systems Management, LLC

The Department of Justice (DOJ) Office of the Inspector General (OIG) announced today the release of a report assessing four task orders totaling $20 million that the Drug Enforcement Administration (DEA) awarded to Ocean Bay Information and Systems Management, LLC (Ocean Bay), as part of a 5-year contract to provide outreach, logistical, and administrative support services to the DEA's Diversion Control Program (DCP).

The OIG's audit found that Ocean Bay and its subcontractor generally provided the contractually agreed-upon services, but we could not determine whether the contract workers only engaged in diversion-related activities that were allowable and consistent with the positions for which they were hired. Nor could we determine whether the services meaningfully contributed to the overall DCP. We also identified several concerns with the DEA's and Ocean Bay's compliance with laws, regulations, and policies. These issues were the result of the DEA's insufficient acquisition planning, deficient administration of the task orders after the award, and the DEA contracting office being 83 percent understaffed. Many of these issues also reflected the DEA's departure from corrective actions that the DEA took following three prior OIG reports.

The specific findings in today's report include:

- **Enforcement of Contract Requirements:** We identified over $2.9 million in potential funds to be put to better use based on contract workers that did not appear to meet the education or experience qualifications for their positions. We also found that the DEA paid travel costs that had not received contractually required pre-approvals.

- **Prohibitions on Contractors Performing Inherently Governmental Functions:** The DEA's contract files did not demonstrate that the acquisition planning team fully considered the risks associated with service contracts that operate amidst a blended government-contractor workforce, which made the interaction between the DEA employees and contract workers appear to violate federal laws and regulations generally prohibiting contractors from performing inherently governmental functions or personal services.
- **Involvement in Contract Worker Hiring:** DEA personnel dictated contract hiring decisions through "meet-and-greets" despite the contract explicitly assigning Ocean Bay the responsibility of screening and selection, and despite DEA policy prohibiting DEA personnel from directing or attempting to influence who a contractor hires.
- **Monitoring Subcontractor Compliance:** Neither the DEA nor the contractors monitored the division of labor between the prime contractor and the subcontractor as required by the Federal Acquisition Regulation's and Small Business Administration's rules, which can compromise the contractors' future small business program eligibility.
- **Application of Labor Law Exemptions and Wage Determinations:** To avoid underpayment to contract workers, the DEA needs to consult federal labor experts and document its determination on the applicability of labor laws to all contract positions.

The OIG made 11 recommendations to improve the DEA's stewardship of its DCP support contracts and similar service contracts. The DEA agreed with all the recommendations and has already taken corrective action sufficient to address four recommendations.

Report: Today's report is available on the OIG's website.

Please contact us at OIG.Media@usdoj.gov if you have any questions.

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