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Statement of Inspector General Rae Oliver Davis on HUD OIG's Management Alert: HUD Should Take Additional Steps to Protect Contractor Employees Who Disclose Wrongdoing

WASHINGTON DC— Today, the U.S. Department of Housing and Urban Development (HUD) Office of Inspector General (OIG) issued a management alert that recommends HUD take additional steps to protect contractor employees from retaliation for blowing the whistle on wrongdoing.

As a result of several recent investigations, HUD OIG learned that employees of thousands of contractors who receive funds from HUD may not be protected against retaliation for whistleblowing. Although HUD OIG identified this problem with respect to Housing Assistance Payments contracts, the same risk is present in many other HUD contracts. This gap in protections exists because the contracts pre-date July 1, 2013, the date on which the anti-retaliation law codified at 41 U.S.C. § 4712 (Section 4712) became effective; and because HUD has not modified the contracts to include Section 4712 anti-retaliation provisions that would protect the employees.

HUD OIG recommends that HUD be proactive in addressing this serious risk by (1) undertaking a comprehensive review of all contracts to determine whether they include Section 4712 anti-retaliation provisions and (2) seeking voluntary cooperation from program participants to proactively modify any HUD contracts that do not include Section 4712 anti-retaliation language to confer whistleblower protections on contractor employees. HUD OIG also recommends HUD seek legislative authority to modify contracts to include Section 4712 without waiting for a future renegotiation of the contract.

By addressing the recommendations in this management alert, HUD can close a substantial gap in protections for potential whistleblowers. Including Section 4712 whistleblower protections in HUD contracts will promote integrity in HUD's programs by ensuring that employees who work under those contracts are safeguarded from retaliation when they disclose wrongdoing.

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