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United States General Accounting Office  
Washington, DC 20548

Office of  
General Counsel

In Reply  
Refer to:

H-198463

*All nec. info available to public under FOIA*

JUL 10 1980

The Honorable Donald R. Riegla, Jr.  
United States Senator  
1850 McNamara Federal Building  
Detroit, Michigan 48226

Attention: Mr. Michael F. Smith

Dear Senator Riegla:

We refer to the matter of Rivers Contracting Corporation (Rivers) which was referred to this Office by the Employment Standards Administration, Office of Federal Contract Compliance Programs, United States Department of Labor.

Rivers' complaint, essentially, is that due to harassment, threats and discrimination by the Michigan Department of Highways and Transportation it (Rivers) has suffered financial losses and impairment of its credit rating with the resulting loss of state contracts.

We note that in its letter of March 31, 1980, to your office, the Department of Labor states that our Office is charged with the responsibility of investigating complaints of alleged discrimination involving minority contractors and subcontractors. This is a misunderstanding on the part of the Department of Labor concerning our jurisdiction. While it is true that under our bid protest jurisdiction we will investigate certain allegations of discrimination, this is true only if it is alleged that the discrimination was the basis for the rejection of the complainant's bid on a Federal contract. See Joseph Legat Architects, B-187160, December 13, 1977, 77-2 CPD 458. However, even where a Federal contract is involved, which the information furnished to us indicates is not the case here, we will not consider allegations of discrimination occurring during performance of the contract. See Arasco, Inc., B-132740, January 28, 1976, 76-1 CPD 54, and Mustang Industrial Cleaners, B-172531, March 5, 1976, 76-1 CPD 158.



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For the above reasons, we must decline to take any action in this matter.

Sincerely yours,

Harry R. Van Cleave

For, Milton J. Socolar  
General Counsel