

U.S. Department of Labor

Office of Inspector General—Office of Audit

OFFICE OF JOB CORPS



COMPLAINT INVOLVING THE CINCINNATI JOB CORPS CENTER

**Date Issued: September 29, 2006
Report Number: 03-06-004-01-370**

**U.S. Department of Labor
Office of Inspector General
Office of Audit**

BRIEFLY...

Highlights of Report Number: 03-06-004-01-370, to the National Director of Job Corps.

WHY READ THE REPORT

The Office of Inspector General (OIG) performed an audit of six allegations made in a complaint against the Management Training Corporation (MTC), operator of the Cincinnati Job Corps Center (the Center). We performed the audit in response to a hotline complaint alleging mismanagement and misappropriation of Job Corps' funds by Center employees. Our objective was to determine the validity of the six allegations made in the hotline complaint. We limited our audit to the specific allegations in the complaint.

WHY OIG DID THE AUDIT

The purpose of our audit was to answer the following questions:

1. Did the Center report students who left the Job Corps Program on its Morning Accountability Check report?
2. Did the Center allow students with excessive unexcused absences from training to continue in the Job Corps Program?
3. Did several Center employees claim time for hours not worked?
4. Did the Center enforce Job Corps' Zero Tolerance Policy?
5. Did Center employees steal property and medical supplies?
6. Did the Center improperly use beautification items?

READ THE FULL REPORT

To view the report, including the scope, methodology, and MTC's response, go to:

<http://www.oig.dol.gov/public/reports/oa/2006/03-06-004-01-370.pdf>

September 2006

Audit of Complaint Involving the Cincinnati Job Corps Center

WHAT OIG FOUND

Our audit substantiated allegation 1. We could not make a conclusion on allegation 2, and could find no evidence to substantiate allegations 3, 4, 5 and 6.

Regarding allegation 1, which we substantiated, we found that the Center used combinations of various leave categories to include students on the Morning Accountability Check report even though they had physically left the Center but were not officially terminated. Extending students' termination dates can inflate the Center's student onboard strength which is one of the performance measures that Job Corps uses to determine center contractor efficiency. We did not determine what effect extending the stay of nine students had on the Center's student onboard strength. We are presently conducting an audit of the Center's use of a combination of various leave categories for all students for program year 2002 through March 31, 2006, to determine the extent and impact of the problem.

WHAT OIG RECOMMENDED

Because we are conducting additional audit work on related issues, this report has no recommendations.

In their response to the draft report, MTC officials disagreed with our conclusion that the Center used combinations of various leave categories to extend the students' termination dates beyond their actual departures from the Center. MTC officials stated that the fact that the leave occurred at the end of the student's tenure in the program did not automatically mean that the leave was used to extend the termination date.

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Executive Summary

The Office of Inspector General (OIG) performed an audit of six allegations made in a complaint against the Management Training Corporation (MTC), operator of the Cincinnati JCC. We performed the audit in response to a hotline complaint alleging mismanagement and misappropriation of Job Corps' funds by Center employees. Our objective was to determine the validity of the six allegations made in the hotline complaint. We limited our audit to the specific allegations in the complaint. See appendix B for details on the audit's scope and methodology. Our audit objectives for the six allegations were:

1. Did the Center report students who left the Job Corps Program on its Morning Accountability Check report?
2. Did the Center allow students with excessive unexcused absences from training to continue in the Job Corps Program?
3. Did several Center employees claim time for hours not worked?
4. Did the Center enforce Job Corps' Zero Tolerance Policy?
5. Did Center employees steal property and medical supplies?
6. Did the Center improperly use beautification items?

Our audit substantiated allegation 1. We could not make a conclusion on allegation 2, and could find no evidence to substantiate allegations 3, 4, 5 and 6.

Results

We found that the Center reported students on the Morning Accountability Check report even though they had physically left the Center but were not officially terminated. The Center used combinations of various leave categories to extend the students' termination dates beyond their actual departure from the Center. Extending students' termination dates can inflate the Center's student onboard strength. Student onboard strength is one of the performance measures that Job Corps uses to determine center contractor efficiency. We did not determine what effect extending the stay of nine students had on the Center's student onboard strength. We are currently conducting an audit of the Center's use of a combination of various leave categories for all students for program year 2002 through March 31, 2006, to determine the extent and impact of the problem.

Although we found the Center allowed students with excessive unexcused absences from training to continue in the Job Corps Program, we could not conclude whether the

Complaint Involving the Cincinnati Job Corps Center

Center took appropriate action according to its policies and procedures for addressing these students' behavior. The complainant provided us the names of 23 students who had unexcused absences or missed training periods, which the complainant believed to be excessive. We determined that there was a pattern of unexcused absences for 12 of the 23 students. However, we could not determine if the Center took appropriate action for 11 of the 12 students because the Center destroys the student Center Standards Office file 6 months after the termination date, unless the student separates from the Job Corps Program for disciplinary reasons. We are presently conducting an audit of current students with excessive absences to determine if the Center took appropriate action according to its policies and procedures.

We found no evidence to substantiate the remaining allegations.

This audit focused on the students the complainant provided. We are currently performing a separate audit on the extent and effect of the Center's use of leave to manipulate student termination dates and the Center's action on students who have excessive absences from training. Therefore, we have no recommendations.

Contractor Response

In their response to the draft report, MTC officials disagreed with our conclusion that the Center used combinations of various leave categories to extend the students' termination dates beyond their actual departure from the Center. MTC officials stated that all the students were on approved leave, and the fact that that the leave occurred at the end of the student's tenure in the program, did not automatically mean that the leave was used to extend the termination date. MTC officials also responded that they considered job search to be a legitimate use of the leave category Present for Duty Off Center (PDOF) because when specifying the allowable uses of PDOF leave, the language in the PRH states "such as," as opposed to "limited to." Further supporting the use of PDOF leave for job search, MTC officials responded that the Job Corps Chicago Regional Office Career Development Services System Plan, issued in August 2001, stated the regional office goals for centers was to place at least 90 percent of graduates prior to their separation dates. Also, MTC officials stated they sent the Center's standard operating procedure for using PDOF for job search to the Job Corps Chicago Regional Office for review and it was never questioned.

MTC's response did not address our work on excessive unexcused absences.

See Appendix D for a copy of MTC's response to the draft report. Attachments that MTC submitted along with its response are not included in Appendix D, but are available upon request.

OIG Conclusion

We did not change our conclusion that the Center used combinations of various leave categories to extend the students' termination dates beyond their actual departures from

the Center. The response did provide MTC's reasoning for using PDOF for job search as part of its efforts to meet the Job Corps Chicago Regional Office goal of placing at least 90 percent of graduates prior to their separation dates. However, if the students actually did perform job search, there should have been evidence that the students returned to the Center to discuss the results of the job search with the Center Career Development Manager, and these discussions should have been documented. The fact the students did not return to the Center once placed on PDOF and other leave combinations further supports our conclusion that the Center used PDOF and other leave to extend the students' termination dates. As a result, the Center's onboard strength incorrectly showed that the bed space and/or training slots occupied by these students were not available for new incoming students.

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Assistant Inspector General's Report

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OIG conducted an audit of issues raised in a complaint made against the Management Training Corporation (MTC), operators of the Cincinnati Job Corps Center (the Center). A former Center staff member who was an MTC employee made the complaint alleging mismanagement and misappropriation of Job Corps funds by MTC employees.

Based on the allegations in the complaint and our interview with the complainant and the complainant's legal counsel, our objectives were to answer the following questions:

1. Did the Center report students who left the Job Corps Program on its Morning Accountability Check report?
2. Did the Center allow students with excessive unexcused absences from training to continue in the Job Corps Program?
3. Did several Center employees claim time for hours not worked?
4. Did the Center enforce Job Corps' Zero Tolerance Policy?
5. Did Center employees steal property and medical supplies?
6. Did the Center properly use beautification items?

The following table presents each allegation we considered and our conclusion on whether the allegation was substantiated.

ALLEGATION		AUDIT CONCLUSION
1.	The Center reported students who had left the Job Corps program on its Morning Accountability Check report.	Substantiated
2.	The Center allowed students with excessive unexcused absences from training to continue in the Job Corps program.	Inconclusive
3.	Center employees claimed time for hours not worked.	Unsubstantiated
4.	The Center did not enforce Job Corps' Zero Tolerance Policy.	Unsubstantiated
5.	Center employees stole property and medical supplies.	Unsubstantiated
6.	The Center did not properly use beautification items.	Unsubstantiated

We conducted our audit in accordance with Government Auditing Standards for performance audits. Our scope, methodology, and criteria are detailed in Appendix B.

Objective 1 – Did the Center report students who left the Job Corps Program on its Morning Accountability Check Report?

Finding – The Center Reported Students Who Left the Job Corps Program on its Morning Accountability Check Report.

The complainant alleged that Center officials included students on the Morning Accountability Check (MAC) report even though the students were not eligible for the Job Corps program. Based on information the complainant provided, we interpreted this to mean that the Center was including students on the MAC even though the students had physically left the Center and the Center did not officially terminate them. The complainant indicated one method the Center used to keep the students on the MAC report was to record the students as being on Present for Duty Off Center (PDOF) leave. The complainant provided us with a list of 11 students' names and dates that chronicled these abuses.

We found that the Center reported students on the MAC report even though they had physically left the Center but were not officially terminated. We determined that for 9 of the 11 students (82 percent) provided by the complainant, the Center used combinations of various leave categories to extend the students' termination dates beyond their actual departure from the Center. Extending students' termination dates can inflate the Center's student onboard strength (OBS). OBS is one of the efficiency measures that Job Corps used to determine center contractor performance. We did not determine what effect extending the stay of these nine students had on the Center's OBS because we planned to conduct an audit of the Center's use of leave for all students for the period of July 1, 2002, through March 31, 2006, to determine the extent and impact of the problem.

According to Job Corps' Policy Requirements Handbook (PRH), Appendix 501a, each Job Corps center has a planned capacity (beds available). Job Corps uses OBS as an efficiency measure that depicts the extent to which the centers operate at full capacity. OBS is the percentage of capacity utilized on a cumulative basis for the program year. According to MTC's Residential Living Training Manual, OBS is determined by the average number of students that are enrolled in the program compared to the centers contracted enrollment capacity. The manual further states that OBS is affected by the Weekly Termination Rate (WTR). The WTR consists of all students that separate from the program. The PRH, Appendix 501a, shows that Job Corps' goal for OBS for all centers is 100 percent.

The PRH Chapter 6.1 R2a, Administrative Support, Student Attendance, Leave and Absences, effective during our audit, stated that leave shall not be granted as a means of artificially postponing the student's separation date.

The PRH, Chapter 6, Administrative Support Exhibit 6-1, defines leave, the type of allowed leave and any limitation on the number of days allowed. The PRH dated July 1, 2001, was in effect at the time of our audit. The PRH provided that PDOF leave can be used for students involved in authorized activities off center such as: regional or national competitions or awards, work-based Learning or Vocational Skills Training off center, recruiting drives, escort duty, out-of-town job interviews, and apprenticeship jobs or armed forces processing. See Exhibit A for a listing and explanation of the leave categories.

According to the MTC Residential Living Training Manual and our interviews with the Center Programs Director and Records Supervisor, the Center uses the MAC report to keep track of Job Corps students on and off the Center. The Residential Advisors (RA) are responsible for performing nightly bed checks. The RAs record in a logbook whether a student was absent or present. When the bed check is finished, the RA's will complete the Dorm Accountability Roster, which shows whether the student is absent or present, and submit it to the records department.

Our audit found that for 9 of the 11 (82 percent) students, the Center used a combination of leave categories to delay reporting students as terminated beyond their actual departure date from the Center. The Center used PDOF leave to extend six students' stay and, for three students, used a combination of Unpaid Administrative Leave and Absent Without Leave (AWOL) after the students left the Center. The following provides details of our analysis.

- The Center extended the stay of six students by using the PDOF leave category. The number of days extended ranged from 15 to 125. For example, one student went on Summer Break and never returned to the Center. After 18 days on Summer Break, the Center reported the student on PDOF for 87 days and indicated the purpose was for job search, which is not one of the allowable purposes listed in the PRH. We also found that the

termination date for the six students was also their last day on PDOF leave. See Exhibit B for more details on the six students.

- The Center extended the stay of three students by using a combination of Unpaid Administrative Leave and AWOL. For example, the Center reported one student on Summer Break for 18 days and then extended the student's stay for 21 days using Unpaid Administrative Leave or AWOL. The Center then terminated the student. See Exhibit C for more details on the three students.

In his response to our preliminary finding, the Center's Director stated that they had documentation to justify the various leave categories that the students were placed on. However, the Center's Director responded that it is difficult for him to judge the motives of the staff involved. The Center's Director was appointed in May 2004, after we completed our onsite audit work. The Center's Director also stated that the Job Corps Regional Office issued a Regional Career Development Services System (CDSS) Plan that allowed Job Corps Centers to place students on PDOF while students search for jobs. The justification for this was that the time home would allow students to either find a job or decide to return to the Center for additional training. The Center's Director further stated that Center staff tended to try very hard to retain students and to give them every opportunity to make wise choices.

We contacted the Job Corps Regional Office Project Director concerning the Center Director's response and were informed that the CDSS directed the Center to follow the PRH. According to the PRH, students on PDOF leave are allowed to be off center for job interviews; it does not mention job search as one of its uses.

PDOF and other leave combinations were excessive enough to demonstrate that the Center staff intended to extend the students' stay after the students left the Center.

We have no recommendations because this audit only focused on the students the complainant provided. We are currently performing an audit on the extent and effect of the Center's use of leave to manipulate student termination date.

Contractor Response

In their response to the draft report, MTC officials disagreed with our conclusion that the Center used combinations of various leave categories to extend the students' termination dates beyond their actual departure from the Center. MTC officials stated that all the students were on approved leave, and the fact that that the leave occurred at the end of the students' tenure in the program did not automatically mean that the leave was used to extend the termination dates. MTC officials also responded that they considered job search to be a legitimate use of PDOF because when specifying the allowable uses of PDOF leave, the language in the PRH states "such as," as opposed to "limited to." Further supporting the use of PDOF leave for job search, MTC officials responded that the Job Corps Chicago Regional Office Career Development Services

System Plan, issued in August 2001, stated the regional office goals for centers was to place at least 90 percent of graduates prior to their separation dates. Also, MTC officials stated they sent the Center's standard operating procedure for using PDOF for job search to the Job Corps Chicago Regional Office for review and it was never questioned.

See Appendix D for a copy of MTC's response to the draft report. Attachments that MTC submitted along with its response are not included in Appendix D, but are available upon request.

OIG Conclusion

We did not change our conclusion that the Center used combinations of various leave categories to extend the students' termination dates beyond their actual departure from the Center. MTC officials' response to the draft report provides their reasoning for using PDOF for job search as part of its efforts to meet the Job Corps Chicago Regional Office goal of placing at least 90 percent of graduates prior to their separation dates. However, if the students actually did perform job search, there should have been evidence that the students returned to the Center to discuss the result of the job search with the Center Career Development Manager, and these discussions should have been documented. The fact the students did not return to the Center once placed on PDOF and other leave combinations further supports our conclusion that the Center used the PDOF and other leave to extend the students' termination date. As a result, the Center's onboard strength incorrectly showed that the bed space and/or training slots occupied by these students were not available for new incoming students.

Objective 2 – Did the Center allow students with excessive unexcused absences from training to continue in the Job Corps Program?

Finding –The Center Allowed Students With Excessive Unexcused Absences to Continue in the Job Corps Program.

The complainant alleged that the Center allowed students with excessive unexcused absences to continue in the Job Corps program. The complainant provided us the names of 23 students who had unexcused absences or missed training periods, which the complainant believed to be excessive. We determined that there was a pattern of unexcused absences for 12 of the 23 students (52 percent). However, we could not determine if the Center took appropriate action for 11 of the 12 students because the Center destroys the student Center Standards Office (CSO) file 6 months after the termination date unless the student separates from the Job Corps Program for disciplinary reasons. We are presently conducting an audit of current students with excessive absences to determine if the Center took appropriate action according to its policies and procedures.

PRH Chapter 3.4, Student Standards and Conduct, Section R2, Rules and Sanctions, dated July 1, 2001, states: "Centers shall develop standards of conduct, including a set

of rules and sanctions.” PRH Exhibit 3-1, Infraction Levels and Appropriate Center Actions, shows that absent from assigned activity is a Level III infraction and the Job Corps Center action is to sanction the student in accordance with the center’s policy and behavior review panel.

The Center’s Standard Operating Procedure (SOP), Student Attendance Systems, dated May 1, 2002, provides the policy on student attendance. According to the following parts of the SOP, the Center is expected to take action on students who fail to attend classes.

- Paragraph B 1 - “Failure to attend classes or walking off the center during class hours is a violation of center rules and regulations and interferes with students’ vocational, educational and social development.”
- Paragraph B 2 - “... students must have written authorization to be excused from classes during the training day....”
- Paragraph B 4 - “The center views class attendance as paramount to the students’ development in all areas of performance and has established this intolerance for absence policy to reflect this view.”
- Paragraph B 5 - “Since attendance is an employability issue, it is imperative that our students understand its importance.”

Paragraph B 9 and Section C, provides the following steps should be taken to address attendance problems:

- **First time Offenders:** Students who have five unexcused absences within a 2-week period must attend a counseling session.
- **Second Time Offenders:** Students must meet with the Attendance Committee and sign a Performance contract.
- **Third Time Offenders:** Students must meet with the CSO.
- **Fourth Time Offenders:** Students are referred to the CSO who in turn refers the student to the Center Review Board which may lead to termination.

According to the Center’s Programs Director, on the first and third Monday of the month, the Center Records Supervisor initiates a printout, listing students absent from training. The information is provided to the Intervention Panel comprised of the CSO, Academic Manager, Vocation Manager, Counseling Staff or Designee, Residential Living Manager (RLM), Programs Director, and Security. Depending on the level of the violations, the Center schedules a meeting with the students who are attendance violators and the appropriate staff.

Based on the Center’s SOP, we defined excessive unexcused absences as any student that had five or more absences within a 2-week period and this occurred more than four times. We reasoned that the student should have changed his or her behavior after going through the four step progressive action provided in the Center’s SOP.

The results of our analysis showed that 12 of the 23 students had excessive unexcused absences. The average number of incidents of unexcused absences that exceeded 4 was 6, and the average total number of unexcused absences during the students’ enrollment at the Center was 149. The table below provides details on the 12 students.

Students With Excessive Unexcused Absences		
Student	Number of Incidents of Unexcused Absences Beyond the Fourth Occurrence	Total Number of Unexcused Absences During Enrollment at the Center
1	15	291
2	9	191
3	8	181
4	8	145
5	7	141
6	7	132
7	6	125
8	5	100
9	3	134
10	3	187
11	3	67
12	2	91

We could not determine whether the Center followed its SOP in addressing student attendance problems. We found that only 1 of the 12 students was terminated for disciplinary reasons from the program, partially for excessive absences. For the remaining 11 students, we did find evidence that 4 of the students were placed on Attendance Behavior Contracts for first and second time offenses, but there was no documentation to address action taken past the fourth time offense for the remaining 7 students. Center officials told us that they destroy student counseling records 6 months after the student’s termination date. We concluded this practice complied with the PRH. The PRH Chapter 6.3 – Student Record Management states: “records at Job Corps centers are to be retained for 3 years after the student’s termination date.” However, the PRH does not include counseling records in its list of records required to be retained.

We have no recommendations because this audit focused on the students the complainant provided and all of these students had terminated from the program at the time of our audit. Therefore, counseling records were not available to determine whether the Center complied with its SOP. We are presently conducting an audit of

unexcused absences which will include current students and those students who separated within a 6-month period within the timeframe of our audit.

Contractor Response

MTC's response did not address our work on excessive unexcused absences.

Objective 3 – Did Several Center Employees Claim Time for Hours Not Worked?

Results – Documentation Supported Hours Worked for Several Center Employees.

The complainant alleged: (1) there were several incidents in which Center employees were paid for a full shift when they reported to work late or left early, and/or (2) were paid for shifts when they did not report for work. We could not substantiate the allegation. However, the Center did not have the employee sign-in/sign-out sheet for one of the alleged incidents and, as a result, we were not able to make a determination of the actual hours worked.

According to an interview with the Center Accounting Supervisor, the Center used manual time cards to account for its hourly employees' time worked. RAs were paid by the hour and the RLM was paid on salary basis. The Center Accounting Supervisor, said all time cards were approved by the employee's supervisor. The Director of Finance and Administration told us that hourly employees should sign the sign-in/sign-out sheet. We observed that this was kept at the guard's station when reporting to and leaving from work.

The complainant provided us monthly calendars for the period July 2002 through June 2003, in which the complainant recorded the absences and arrival and departure times for several employees based on the complainant's observation. Of the 62 entries made on the calendars, we selected a non-statistical sample of 15 incidents to determine if there was a pattern of incidents in which employees were actually paid for time not worked.

The following provides the results of our audit of this allegation:

Allegation That Employees Were Paid for Time Not Worked

We reviewed eight incidents where the complainant alleged that employees were paid for time they did not work. The complainant provided the employee's name and the hours the complainant observed the employee started work and/or ended work. In seven of the eight incidents, we found the hours reported on the employee's time cards reconciled to the sign-in/sign-out sheets and/or dorm log books.

For the remaining incident, we were unable to determine if the employee was paid for the correct number of hours because the Center could not locate the sign-in/sign-

out sheet supporting the hours worked. However, this did not affect the scope of our audit work or our conclusion on the allegation.

Allegation That Employees Were Paid For Days They Did Not Report to Work

We reviewed seven incidents in which the complainant alleged that employees were paid even though they did not report to work. We reviewed the employees' time cards and leave records and found that in all seven incidents, the employees were either on approved sick leave or vacation or they reported to work.

Since our sample did not show a pattern of employees paid for time not worked, we did not review any more of the incidents provided by the complainant. However, we did note that the Center needs to ensure that time sheets are retained for audit purposes. Overall, we concluded that the allegation was not substantiated.

The Center Director told us that the Center no longer uses the employee sign-in/sign-out sheet and considers the time cards, signed by the employees' supervisor, to be the official documentation of hours worked.

Contractor Response

MTC officials responded that the sign-in/sign-out sheet is not a Job Corps requirement and MTC documents the hours worked for non-exempt staff using the timecards signed by the supervisor.

OIG Conclusion

We agreed with the MTC response and removed the recommendation that was in the draft report.

Objective 4 – Did the Center Enforce Job Corps' Zero Tolerance Policy?

Results – The Center Enforced Job Corps' Zero Tolerance Policy

The complainant alleged that the Center did not enforce Job Corps' Zero Tolerance Policy. We could not substantiate the allegation.

Chapter 3.4 in the PRH, Student Standards of Conduct and R2, Rules and Sanctions, requires centers to develop a Standards of Conduct that incorporate a policy of Zero Tolerance for Violence and Drugs. The PRH requires that each center's policy include at a minimum, the infraction and corresponding actions detailed in the PRH's Exhibit 3-1. We found the Center implemented a policy that met the PRH requirements. The following are the Zero Tolerance offenses in the Center's Standards of Conduct:

1. Possession of a gun or illegal weapon
2. Physical assault that causes bodily harm to student or staff

3. Sexual assault of a criminal nature
4. Robbery and extortion
5. Arson
6. Arrest for felony, on or off Center property
7. Possession, distribution, or sale of drugs on center or under center supervision
8. Conviction of drug use or possession
9. Use of drugs as evidenced by a positive drug test conducted upon suspicion or a second positive drug test after a 45-day period

According to the Center's Standards Officer and the Center's SOP, significant incidents were defined and classified at the following levels:

- Level-1 offenses are Zero Tolerance offenses and require immediate termination.
- Level-2 offenses are intermediate offenses that are handled through the CSO office or Dorm Court . Depending on the offense, the incident can be sent directly to the Center review board for a decision.
- Level-3 offenses are minor and are handled through the CSO office or Dorm Court.

According to the Center's Standards Officer, all staff are required to report all incidents by preparing a Significant Incident Report (SIR). They also track the SIR's in a logbook and an automated data base. The Center's security staff is also required to complete a SIR for incidents entered in the Center's security logbook.

The complainant provided us with three specific incidents that were alleged to have violated the Zero Tolerance Policy. In addition to the three incidents, we reviewed a judgmental sample of seven Zero Tolerance incidents selected from the Center's security logbooks and one Zero Tolerance incident selected from a sample of SIRs the complainant provided.

The following are details of our review of the three specific Zero Tolerance incidents the complainant provided:

1. The complainant alleged two students were discovered with marijuana in their rooms but were not suspended or terminated. The Center did not have a written SIR on this particular incident. However, there was documentation that showed the Center's Training Employees Assistance Program (TEAP) Specialist was called in to examine the students' rooms. The TEAP Specialist confiscated items and identified them as "flavored" cigarettes and not marijuana. Therefore, this was not a Zero Tolerance violation.
2. The complainant alleged one student slapped another student but was not disciplined. The SIR showed two students were involved in a fight. We reviewed

documentation of the Center's action on the SIR. The Center determined one of the students initiated the fight and terminated the student. The CSO recommended the other student be found guilty of fighting and be terminated. The Center Review Board Minutes stated that this student was guilty, but the student should be retained in the Job Corps program. The Center Review Board members' ballots showed they considered that the student had no other disciplinary incidents.

3. The complainant alleged that a Center staff member punched a student but was not suspended or terminated. Although the allegation was directed towards discipline of a Center staff member, which is not covered under Zero Tolerance, we reviewed the incident to determine if any students involved committed a Zero Tolerance violation and whether any disciplinary action taken complied with the Center's SOP. The SIR and statements taken from the students and Center staff showed several Center staff members intervened in a fight between two students. Several witnesses wrote that after Center staff intervened several times to stop one of the students from continuing the fight, one of the staff members hit the student. One witness wrote that the student hit the staff member and the staff member responded in self defense by hitting the student twice. The CSO recommended that the student be found guilty of the charges of Physical Assault that Causes Bodily Harm, Fighting, Destruction of Government Property, and Alcohol Intoxication and terminated. Based on our review of the documentation, we concluded that the Center staff member did hit the student but it was done in self defense and the CSO recommendation complied with the Center's SOP.

For the eight Zero Tolerance incidents we judgmentally selected, we found the Center terminated the students.

Overall, the allegation could not be substantiated.

Objective 5 – Did Center Employees Steal Property and Medical Supplies?

Results - We Found No Evidence of Unreported Theft of Property and Medical Supplies by Center Employees.

The complainant alleged that students and staff convert Job Corps property for their own use. Examples included an employee took a comforter used for a dorm bed for his/her own personal use, another employee was taking over-the-counter-medications for her own personal use, and security officials had keys and were taking food. We could not substantiate any of the above allegations.

To determine if Center employees had the opportunity to steal property, we observed physical security of the main building, interviewed Center security personnel about security operations and the Center's Health and Wellness Manager about security of medical supplies.

We did not address the allegation of one employee taking a comforter because it was not significant and from our observation, the comforters were stored in a controlled environment.

We physically observed that the attic, basement, and subbasement areas of the main building were secure. We also found there was a loading dock with a door in the rear of the building used for receiving food and supplies. Center security personnel told us the door was locked from midnight to 7 a.m. and all persons entering and leaving the Center are required to sign in and out. We did note that a potential weakness with this door, in that, an individual could walk into the building through this unlocked door during daytime hours. However, Center officials told us that they have since corrected the problem, by adding a security camera to the loading dock area, and by installing a doorbell for deliveries. The door is no longer unlocked in the mornings.

Concerning medication, from our observation, we found that the medicine cabinets in the dorms 02 and 06 contained over-the-counter medications such as aspirin, antacid medication, iodine, ace bandages, rubbing alcohol, and ibuprofen. The Center's Health and Wellness Manager said the RAs are supposed to restock the cabinets weekly and maintain a medication logbook recording receipts and usage of medicine and supplies. In order to receive refills, they must present empty containers. The Manager said she reviews the logbook to verify the amount of medications given to the students and initials the logbook before reissuing medicine refills. The Manager told us larger quantities of medication and prescription drugs are kept in the Health and Wellness Center and can only be administered by the manager on duty.

We concluded that medication located at the dorms was minimal and was properly secured. We found that the medicine cabinets contained a minimal amount of medicine because of its size, 15 inches wide and 24 inches long, and they were locked. The cabinets contained normal over-the-counter medications. We did not perform testing of the over-the-counter medical supplies inventory because of the minimal amount that is stored in the medicine cabinets which were properly secured. We did interview the RA accused by the complainant of taking over-the-counter medication for her own personal use. The RA said she had a heart attack in 1999, and is only allowed to take prescription medication approved by her doctor. The Center's Director and the RLM confirmed these facts.

The complainant alleged that security officials had keys to the kitchen and were taking food. We interviewed the Center's Finance Director and found that a food theft did occur in 2001, but they were not able to identify the responsible party. As a result, the Center installed locks on the refrigerators and freezers. The Center's Finance Director said only food service and warehouse personnel have keys to the refrigerators and freezers. We did not perform testing of the food inventory because the Center did take action to secure the food after the reported theft.

We determined that the food theft was addressed and the Center dorms and medical facility were secure, and it would be difficult to steal the type of property items the complainant alleged. Therefore, the allegation could not be substantiated.

Objective 6 – Did the Center Improperly Use Beautification Items?

Results – We Did Not Determine that the Center Improperly Used Beautification Items.

The complainant alleged that from her observation the Center spends thousands of dollars on beautification projects and only uses the items when the facility is being inspected. After the inspections, the Center placed all the beautification items in boxes and returned them to storage in the attic. The complainant also alleged that Job Corps pictures were being taken for personal use. The allegation was not substantiated.

Based on our interview with the Center's Finance Director, we concluded the beautification items the complainant alleged were improperly used were motivational pictures. The Finance Director told us that the motivational pictures were purchased around June 2002, the time the Center was scheduled for a Regional Job Corps Office Assessment.

We physically inspected the attic to determine if the motivational pictures were being stored there. We did not find the motivational pictures; we found the attic only contained old pictures, student luggage, old furniture, comforters, and financial records.

To determine if staff was taking motivational pictures for their personal use, we interviewed the Center's RLM. The RLM did remove two old looking pictures from the attic upon her arrival in June 2003, to improve the appearance of her office, which she did not consider to be personal use. However, prior to removing the pictures from the attic, the RLM obtained permission from the Programs Director. The RLM showed us the two pictures that were removed from the attic and hung in her office.

We interviewed two students currently at the Center. The purpose of the interviews was to determine if the motivational pictures were hanging in the same locations, and if the students were aware of any theft among staff. The interviews disclosed that old pictures had been replaced with new motivational pictures and they had been in the same locations for the past 19 months.

Overall, we found the allegation was not substantiated.



Elliot P. Lewis

March 15, 2004 -- for all allegations except for excessive unexcused absences.
September 14, 2005 -- for the allegation of excessive unexcused absences.

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Exhibits

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EXHIBIT A

Leave Categories ¹

LEAVE TYPE	PURPOSE	CRITERIA/LIMITATION
Present for Duty Off Center (PDOF)	<ul style="list-style-type: none"> • Regional/National competitions or awards. • Work-based Learning. • Vocational Skills Training projects off Center. • Recruiting drives. • Escort Duty. • Out-of-town job interviews. • Apprenticeship jobs. • Armed Forces processing. 	None
Absent Without Leave	Failure to report to Center for morning attendance.	AWOL absence in excess of 6 consecutive training days, or 12 days in a 6-month period, will result in separation from the program.
Administrative Leave Without Pay	<ul style="list-style-type: none"> • Family compassion or hardship. • Court appearance as a defendant. • Pending results of disciplinary fact finding when deemed necessary to remove student from the center. • Elective medical/dental treatment. • When all other leave time is exhausted. 	Not to exceed 30 days per year, unless additional days are approved by the regional office.
Winter/Summer Break	Students are entitled to a scheduled summer break set by the Job Corps National Office.	A break is equivalent to 10 training days. Destination is usually home or alternate destination with limited transportation cost.
Emergency Leave	<ul style="list-style-type: none"> • Death in Family. • Life threatening illness or injury. • Serious illness or injury to student's child. 	Not to exceed 10 training days.
Administrative Leave	<ul style="list-style-type: none"> • Center closure for emergency conditions. • Court Appearance. • Securing medical/dental as concurred by Center health staff. • Temporarily housed off Center as a precaution against harm or injury. • Short-term active duty in National Guard. • Other circumstances of an urgent personal nature. 	Not to exceed 10 training days per 6-month period.

¹ Policy Requirements Handbook - Administrative Support, Exhibit 6-1, July 1, 2001

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EXHIBIT B

Leave Used to Extend Center Days for Six Students

Leave Taken Prior to the Termination Date	Dates	Days	Extended Days	Auditor's Comment
Student 1				
AWOL On Center PDOF Termination date	08-16-03 to 08-20-03 08-21-03 to 08-21-03 08-22-03 to 10-09-03 10-09-03	<u>5</u> <u>1</u> <u>50</u> <u>55</u>	50	Student was AWOL for 5 days. The student returned to the Center for 1 day. The next day, the student left the Center. The Center placed the student on PDOF leave for 50 days until it terminated the student. The purpose for the PDOF leave was job search which is not authorized by the PRH. We counted the days from August 22 to October 9 as the number of extended days.
Student 2				
PDOF Termination date	08-27-03-09-24-03 09-24-03	<u>29</u> <u>29</u>	29	The student left the Center. The Center placed the student on PDOF leave for 29 days before termination. The purpose for the PDOF leave was job search which is not authorized by the PRH.
Student 3				
Summer Break PDOF Termination date	06-06-03 to 07-13-03 07-14-03 to 10-08-03 10-08-03	<u>18</u> <u>87</u> <u>105</u>	87	The student never returned to the Center after Summer Break. The student was placed on PDOF leave for 87 days until the Center terminated the student. The purpose for the PDOF leave was job search which is not authorized by the PRH. We counted the days from July 14 to October 8 as the number of extended days.
Student 4				
PDOF Summer Break PDOF Termination date	05-29-03 to 06-25-03 06-26-03 to 07-13-03 07-14-03 to 09-17-03 09-17-03	<u>28</u> <u>18</u> <u>66</u> <u>112</u>	112	The student left the center 28 days prior to Summer Break. The Center placed the student on PDOF leave. The student did not return after Summer Break and the Center placed the student on PDOF leave for an additional 66 days until the Center terminated the student. The purpose for the PDOF leave was job search which is not authorized by the PRH. We included the days the student was on summer break in the number of days extended because they occurred between the time the student was on PDOF.
Student 5				
PDOF Termination date	03-24-03 to 04-21-03 04-21-03	<u>29</u> <u>29</u>	29	The student left the Center. The Center placed the student on PDOF leave for 29 days before terminating the student. The purpose for the PDOF leave was job search which is not authorized by the PRH.
Student 6				
PDOF Termination date	03-27-03 to 04-10-03 04-10-03	<u>15</u> <u>15</u>	15	The student left the Center. The Center placed the student on PDOF for 14 days before being terminated. The purpose for the PDOF leave was job search which is not authorized by the PRH.

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EXHIBIT C

Combination of Leave Used to Extend Center Days for Three Students

Leave Taken Prior to the Termination Date	Dates	Days	Extended Days	Auditor's Comment
Student 1				
Summer Break	06-26-03 to 07-13-03	18	21	Student went on Summer Break and was AWOL for 2 days afterwards. The student returned to Center for 1 day and left the Center. The Center placed the student on Unpaid Administrative leave for 13 days and on AWOL for another 8 days before being terminated.
AWOL	07-14-03 to 07-15-03	2		
On Center	07-16-03 to 07-16-03	1		
Unpaid Admin. Leave	07-17-03 to 07-29-03	13		
AWOL	07-30-03 to 08-06-03	8		
Termination date	08-06-03	42		
Student 2				
Summer Break	06-26-03 to 07-13-03	18	26	Student never returned to the Center after Summer Break. The Center put the student on a combination Unpaid Administrative leave and AWOL for 26 days before being terminated.
Unpaid Admin. Leave	07-14-03 to 07-16-03	3		
AWOL	07-17-03 to 07-21-03	5		
Unpaid Admin. Leave	07-22-03 to 07-31-03	10		
AWOL	08-01-03 to 08-08-03	8		
Termination date	08-08-03	44		
Student 3				
Paid Admin. Leave	03-17-03 to 03-30-03	14	18	The Center put the student on a combination of Paid Administrative leave and Unpaid Administrative leave for 18 days before being terminated.
Unpaid Admin. Leave	03-31-03 to 04-03-03	4		
Termination date	04-03-03	18		

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Appendices

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BACKGROUND

Job Corps is a national program, administered by the U.S. Department of Labor (DOL) Office of Job Corps, which offers a comprehensive array of career development services to at-risk young women and men, ages 16 to 24 to prepare them for successful careers. Job Corps was established by the Economic Opportunity Act of 1964 and is currently authorized under the Workforce Investment Act of 1998, Part 670, Title I. Job Corps' objective is to provide young people with the skills they need to obtain and stay employed, enter the Armed Forces, or enroll in advanced training or further education.

The contract to operate the Center during our audit period was awarded by DOL to MTC on April 29, 1999. The base contract in the amount of \$10,713,009 covered the Center's operational cost for the period of May 1, 1999, through April 30, 2001. The contract contained three option years and the cost of each option year was \$5.5 million, \$5.7 million, and \$5.8 million, respectively. According to the contract, the contractor was to provide training and related support to 225 students.

On May 20, 2003, the complainant, a former employee, provided several allegations against officials at the Center and MTC to OIG's Complaint Hotline. The complainant's legal counsel also provided us a letter with details of the allegations, and we interviewed both of them to obtain further explanations regarding the allegations. From the complaint and the interview, the complaint alleged:

- The Center reported ineligible students on the MAC.
- Students were allowed to continue in the Job Corps Program with excessive absences.
- Several Center employees claimed overtime for hours not worked or were AWOL.
- The Center was not enforcing Job Corps' Zero Tolerance Policy.
- There was theft of property and medical supplies by Center employees.
- The Center improperly used beautification items.

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OBJECTIVES, SCOPE, METHODOLOGY, AND CRITERIA

Objectives

Based on the allegations in the complaint and our interview with the complainant and the complainant's legal counsel, our objectives were to answer the following questions.

1. Did the Center report students who left the Job Corps Program on its Morning Accountability Check report?
2. Did the Center allow students with excessive unexcused absences to continue in the Job Corps Program?
3. Did several Center employees claim time for hours not worked?
4. Did the Center enforce Job Corps' Zero Tolerance Policy?
5. Did Center employees steal property and medical supplies?
6. Did the Center properly use beautification items?

Scope and Methodology

Our audit focused on the allegations against the Center and MTC in the complaint, covering the period January 2002 through November 2003.

The following discusses the methodologies used to review the allegations.

For reviewing the Center's use of leave to extend the termination date, we interviewed the Programs Director and the Records Supervisor. We obtained an understanding on the responsibilities of the RA for reporting students on the MAC. We reviewed the Student Pay Leave Records to identify the daily status of the 11 students and dates specified in the complaint. We then compared the dates on the Student Pay Leave to the dates on the MAC or the Weekly Accountability-Print Accountability History Roster (WA-PAH). We obtained and reviewed the Student Profiles of the 11 students. The Student Profile is a complete history of a student's activities while he/she is on center. We used the Student Profiles as an additional tool to verify the accuracy of the students' leave and to ensure that the original documents were correct. Finally, we reviewed various leave documents such as Unpaid and Paid Administrative Student Leave Request, AWOL Occurrence Record, PDOF Leave Notification, Emergency Student Leave Request, and other supporting documents, where applicable, for the 11 students. We developed a schedule to analyze student activities from enrollment until termination from the Center.

For our review of unexcused absences, we only reviewed the students the complainant provided. We interviewed the Center's Programs Director to determine the process the Center used to address absences from training classes or other activities. For the 23 students that the complainant provided, we obtained a detailed listing of the dates of unexcused absences. Using the detailed listing for each student, we identified the number of incidents in which the student had five or more unexcused absences within a 2-week period. We then determined the number of students that had more than four incidents and considered these to be excessive unexcused absences.

For the alleged payroll irregularities, the complainant provided a monthly calendar covering the period July 1, 2002, to June 30, 2003, on which the complainant observed and recorded the absences and time worked for various employees. Of the 62 entries on the calendar, we selected a non-statistical sample of 15, using a non-structured technique avoiding any conscious bias or predictability, to determine if there was a pattern of incidents in which employees were actually paid for time not worked. To accomplish our review, we interviewed the Center's Accounting Supervisor to obtain an understanding of how the Center's payroll and timekeeping system functioned. For each entry in our sample, we reviewed applicable and available timecards, sign-in/sign-out sheets, and dorm logbooks. For those employees who may have been on leave when the complainant's allegations were made, we reconciled the time card to the Payment Detail Listing report which showed the actual employees' pay and types of hours worked.

To review Zero Tolerance allegations, we interviewed the Center's Standards Officer and reviewed the Center's SOP to determine the Center's process for handling students who committed conduct offenses. We also verified that this process complied with the PRH Chapter 3.4, Student Standards and Conduct. To determine if the Center officials complied with the criteria in the Center SOP, we tested 11 Zero Tolerance incidents and traced the incidents as documented in the SIRs to the CSO and reviewed the action taken. We tested the three Zero Tolerance incidents the complainant provided, seven Zero Tolerance incidents selected from the Center security logbooks, and one Zero Tolerance incident selected from copies of SIRs the complainant provided. The Center security logbooks contained approximately 225 incidents. Due to the larger number of incidents, we narrowed our scope to the months of January 2002, July 2002, November 2002, February 2003, June 2003 and September 2003. We judgmentally selected all incidents that appeared to be Level 1 offenses. If a month did not contain a Level 1 offense, we proceeded on to the next month. In all, there were seven incidents that appeared to be Level 1 offenses. The complainant provided us copies of 96 SIRs. We analyzed a judgmental sample of 26 SIRs based on incidents that appeared to be the most severe and determined that 1 incident was in violation of the Zero Tolerance Policy.

To review theft of Job Corps property, we toured the Center's dorms, attic, basement and subbasement, the RAs' offices, and the Wellness Center to determine if these areas were secure from theft. We interviewed students about their observation of certain property items in various locations throughout the Center.

To review use of Job Corps' beautification items, we interviewed the Center's Finance Director about the purchase of beautification items. We interviewed the Center's RLM who the complainant alleged had taken beautification items for personal use and we inspected the RLM's office. We also interviewed two students who were enrolled at the Center at the time of the allegations, to determine if the motivational pictures were hanging in the same locations, and if the students were aware of any theft among staff.

We did not test the overall internal controls of the Center's Job Corps program or perform a complete audit of the Center's Job Corps program. We only performed the necessary fieldwork and tested controls to address the allegations.

We conducted our audit in accordance with Government Auditing Standards. Fieldwork at the Center was conducted December 8, 2003, to February 3, 2004. We performed additional analytical work of data and information the Center and the complainant subsequently provided us at various times from the end of our fieldwork at the Center through September 2005.

Criteria

We used the following criteria to perform our audit.

- Job Corps' Policy Requirements Handbook.
- Cincinnati Job Corps Center's Standard Operating Procedures.
- MTC's Residential Living Training Manual.

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ACRONYMS AND ABBREVIATIONS

AWOL	Absent Without Leave
CDSS	Career Development Services System
Center	Cincinnati Job Corps Center
CSO	Center Standards Office
DOL	Department of Labor
MAC	Morning Accountability Check Report
MTC	Management Training Corporation
OBS	Onboard Strength
OIG	Office of Inspector General
PDOF	Present For Duty Off Center
PRH	Policy Requirements Handbook
RA	Residential Advisors
RLM	Residential Living Manager
SIR	Significant Incident Report
SOP	Standard Operating Procedures
WA-PAH	Weekly Accountability-Print Accountability History
WTR	Weekly Termination Rate

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AGENCY RESPONSE TO DRAFT REPORT



JoAnn McDougall, Vice President
Central Region

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August 31, 2006

Mr. Michael T. Hill
Public Ledger Building – Suite 1072
150 South Independence Mall West
Philadelphia, PA 19106

Re: Cincinnati Job Corps Center Draft Report Response

Dear Mr. Hill:

I am responding to the draft report that you sent to Carl Hilliard and me dated August 16, 2006. There are three areas where we disagree with your findings and recommendations.

1. You stated on pages 3 and 6 that *“We found that the Center reported students on the Morning Accountability Check report even though they had physically left the Center but not officially terminated. The Center used combinations of various leave categories to extend the students’ termination dates beyond their actual departure from the Center.”*

Response: All of the students who were on leaves or AWOL had to appear on the Morning Accountability Check because they were on leave or AWOL. The reasons for the leaves were varied, but the fact that they occurred at the end of a student’s tenure in the program did not automatically mean that they were being used to extend the termination date.

2. You stated on pages 4 and 12 that *“We recommend the Director of the Office of Job Corps notify the Cincinnati Job Corps Center to ensure that all sign-in/sign-out sheets be retained for a 3-year period.”*

Response: This recommendation referred to staff signing in and out. However, that is not a Job Corps requirement. Management & Training Corporation documents the hours that non-exempt staff work with timecards signed by the supervisor.

3. On pages 7 and 8 you referred to the PRH definition of PDOF leave. You concluded that job search was not an allowable purpose for using PDOF. *“The PRH provided that PDOF leave can be used for students involved in authorized activities off center such*

Mr. Michael T. Hill
August 31, 2006, 2006
Page 2

as: regional or national competitions or awards, work-based Learning or Vocational Skills Training off center, recruiting drives, escort duty, out-of-town job interviews, and apprenticeship jobs or armed forces processing..."

"...the purpose was for job search, which is not one of the allowable purposes listed in the PRH."

Response: We believe that job search was considered a legitimate use of PDOF. The language in the PRH says "such as," so it was not considered as "limited to" those examples. You followed up on the center director's response concerning the Regional office support for using PDOF for job search. You stated that *"We contacted the Job Corps Regional Office Project Director concerning the Center Director's response and were informed that the CDSS directed the Center to follow the PRH. According to the PRH, students on PDOF leave are allowed to be off center for job interviews; it does not mention job search as one of its uses."*

We do not believe that the Regional Office ever intended to disregard the PRH, however using PDOF for job search was not viewed as violating the PRH. We have attached the Regional Office CDSS Plan that was issued in August 2001 and the center Standard Operating Procedure that was titled "JOB SEARCH LEAVE PROCEDURES (PDOF). The regional goal for centers was to place at least 90% of graduates prior to their separation dates. Students were designated as "in the zone" during their last six weeks before separation. The center's SOP was sent to the region and the terminology was never questioned. Based on these documents and the memories of those of us who worked with the region in 2001, we believe that job search was a legitimate use of PDOF.

We appreciate this opportunity to respond to your draft report. If you have any further questions, please contact Carl Hilliard or me.

Sincerely,



JoAnn McDougall, Vice President
Central Region

CC: Anthony Grice
John Pedersen
Carl Hilliard

JM/jshCRO2006-52

NOTE: MTC's response to the draft report included two attachments: "Career Development Services System Plan, Chicago Region, August 2001" and the center Standard Operating Procedure entitled "JOB SEARCH LEAVE PROCEDURES (PDOF)." The attachments have not been included in this final report, but are available upon request.