

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

BRIEFLY...

Highlights of Report Number: 05-06-001-03-390, to the Assistant Secretary for Employment and Training.

WHY READ THE REPORT

In 2004, we received two complaints with numerous allegations which, in general, alleged that St. Charles County, Missouri, Department of Workforce Development (DWD) overcharged Department of Labor (DOL) grants.

St. Charles County is a grant subrecipient of workforce development funds under the Workforce Investment Act (WIA) and Welfare-to-Work (WtW) programs from the Missouri Division of Workforce Development (Missouri). DWD received approximately \$5.4 million in WIA and WtW funds, as well as funding for other Federal programs, during our audit period July 1, 2000 through July 31, 2004.

WHY OIG DID THE AUDIT

We audited the DOL grants at DWD to determine if the allegations could be substantiated.

READ THE FULL REPORT

To view the report, including the scope, methodology, and full agency response, go to:

<http://www.oig.dol.gov/public/reports/oa/2006/05-06-001-03-390.pdf>

September 2006

St. Charles County's Department of Workforce Development Claim to Missouri Is Unsupported

WHAT OIG FOUND

The complainants made several allegations which, in general, alleged that DWD overcharged DOL grants. We cannot conclude on the merits of these allegations because of a lack of critical documentation showing how costs actually were allocated to the DOL grants. However, since DWD and DOF could not provide critical records to account for DOL grant funds, they cannot support their claim for reimbursement to Missouri. Therefore, we are questioning all WIA and WtW grant costs, totaling \$4,110,061 for the period July 1, 2000 through July 31, 2004.

WHAT OIG RECOMMENDED

We recommend that the Assistant Secretary for Employment and Training:

- In lieu of DWD's missing crosswalk spreadsheets used to allocate costs to DOL programs, direct Missouri to submit alternative documentation to support the claimed cost allocations of \$4,110,061 reimbursed to DWD for the period July 1, 2000 through July 31, 2004. Based on ETA's determination, recover unallowable or unsupported costs.
- Direct Missouri to ensure that:
 - DWD allocates costs to DOL programs in accordance with the relative benefits received.
 - DWD and DOF maintain adequate records to account for all expenditures of DOL program funds.

In their response to the draft report, Missouri and County officials stated they intend to submit alternative documentation as evidence of the clients served by these programs and the expenditures made on behalf of these programs to assure DOL that these grants were accounted for, and used to serve clients for which the grants were intended.

The response did not address Missouri's actions to resolve the other two recommendations.

All recommendations will be resolved as part of ETA's audit resolution process.