Telamon Corporation
3937 Western Boulevard
Post Office Box 33315
Raleigh, North Carolina 27636-3315

Richard A. Joanis
Executive Director
919.851.7611 x201
Djoanis@telamon.org

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Deborah Outten-Mills, Director
National Audit and Evaluations Office
U.S. Department of Labor
Office of Inspector General
200 Constitution Avenue, NW, Room N-5620
Washington DC 20210

RE: Draft Report No. 21-03-018-03-365

Dear Ms. Outten-Mills:

This is to respond to the above-referenced audit report, addressed to Herbert Williams, Georgia State Director. The draft report was prepared by Harper, Rains, Stokes & Knight, P.A., under contract with the Office of Inspector General. The auditors reviewed customer eligibility documentation and fiscal systems applicable to Grant Number AC-10739-00-55, issued under authority of the Workforce Investment Act of 1998 (WIA) in the amount of $1,699,132 to provide services to migrant and seasonal farmworkers (known as the *National Farmworker Jobs Program* [NFJP]) in Program Year 2000.

With respect to the review of customer services and documentation, the auditors found that performance data was consistent with planned objectives and that support documentation was accurate and proper. One fiscal-related finding was noted.

Finding

Specifically, the auditors reported, "...that $5,833 worth of supplies which were used by all programs administered by Telamon Corporation – Georgia were charged against the Farmworker Grant rather than all programs that benefited. Of the $5,833, it was further determined that $2,222 should have been charged against other programs."

The auditors noted that, although Telamon has developed and implemented an acceptable methodology for allocating costs among grant accounts, that methodology was not applied to a purchase of supplies for the state office in Macon, Georgia, which houses employees who also perform work for the migrant Head Start and the DOL-NFJP Housing grants.

Response

We agree that the cost of purchasing those supplies should have been allocated to all programs administered, notwithstanding the fact that Department of Labor grants were the major beneficiaries. This oversight in the allocation process has been rectified and allocation procedures automated since having been brought to our attention by the auditors.

As the amount in question represents 0.0013 percent of the total grant and resulted from a now corrected systems anomaly, we respectfully request that recovery be forgone by the Department.

We appreciate having the opportunity to respond to the draft report and hope for a decision favorable to Telamon Corporation.

Sincerely,

Richard A Joanis
Executive Director