

BRIEFLY...

Highlights of Report Number 26-08-001-01-370, to the National Director, Office of Job Corps.

WHY READ THE REPORT

This report discusses unsafe and unhealthy conditions at a Job Corps center operated by Career Systems Development Corporation (CSD). Those conditions placed students and staff at risk for injury and illness. The report also discusses inaccurate performance data reported by two CSD centers.

WHY OIG CONDUCTED THE AUDIT

The audit objectives were to answer the following questions:

1. Did CSD ensure compliance with Job Corps requirements for managing center safety programs?
2. Did CSD ensure compliance with Job Corps requirements for reporting performance?
3. Did CSD ensure compliance with Job Corps requirements for managing and reporting financial activity?

This report is a summary of our audit work conducted at CSD headquarters in Rochester, New York; the Laredo Job Corps Center (Laredo) in Laredo, Texas; and the New Haven Job Corps Center (New Haven) in New Haven, Connecticut.

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/2008/26-08-001-01-370.pdf>

September 2008

CAREER SYSTEMS DEVELOPMENT CORPORATION: CONTROLS OVER CENTER OPERATIONS WERE NOT EFFECTIVE

WHAT OIG FOUND

We observed unsafe or unhealthy conditions at New Haven. At Laredo, required background checks were not conducted for 23 of the 30 student applicants tested.

Also, reported performance was not accurate at Laredo and New Haven. Student On-Board Strength (OBS) was overstated at Laredo. We estimate that as many as 27 percent of the students included in OBS should have been separated earlier. Vocational completions were overstated at New Haven. We estimate the training records for as many as 46 percent of the vocational completions for Program Year 2005 were not consistent with Job Corps requirements.

These conditions occurred because CSD controls over center safety and performance reporting were not effective.

Nothing came to our attention to indicate that CSD did not comply with Job Corps requirements for managing and reporting financial activity.

WHAT OIG RECOMMENDED

We made eight recommendations to the National Director of Job Corps to require CSD to develop corporate-level controls and perform on-site monitoring over all centers to identify and correct systemic non-compliance with Job Corps safety and performance reporting requirements. These recommendations also included requiring CSD to identify OBS and vocational completion overstatements at other centers and pay any liquidate damages owed.

HOW AUDITEE RESPONDED

The Office of Job Corps generally concurred with the recommendations. Job Corps provided documentation that CSD established improved corporate controls over center safety programs and performance reporting. This included CSD implementing a new quality assurance program.

Job Corps did not directly state if it would require CSD to identify OBS and vocational completion overstatements at other centers and pay any liquidated damages owed.