

BRIEFLY...

Highlights of Report Number: 02-08-201-03-390, to the Assistant Secretary for Employment and Training.

WHY READ THE REPORT

The High Growth Job Training Initiative (HGJTI) is a strategic effort to prepare workers to take advantage of new and increasing job opportunities in high growth, high demand, and economically vital sectors of the American economy. The purpose of HGJTI is to target education and skills development resources toward helping workers gain skills needed to build successful careers in these and other growing industries.

During the period July 1, 2001, through March 31, 2007, the Employment and Training Administration (ETA) awarded 157 HGJTI grants totaling \$271 million. Of this amount, ETA accepted unsolicited proposals and awarded 133 grants totaling \$235 million (87 percent) through non-competitive procurement methods. One grant for \$7 million was awarded to a specific entity based on Congressional direction. The remaining 23 grants for \$29 million were awarded competitively.

WHY OIG DID THE AUDIT

In response to a request from Senator Tom Harkin, Chairman of the Subcommittee on Labor, Health and Human Services, and Education and Related Agencies, the Office of Inspector General (OIG) conducted a performance audit of the HGJTI grant procurement process. Our audit objective was to determine if proper procurement procedures were followed in awarding non-competitive HGJTI grants.

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/2008/02-08-201-03-390.pdf>

November 2007

HIGH GROWTH JOB TRAINING INITIATIVE: DECISIONS FOR NON-COMPETITIVE AWARDS NOT ADEQUATELY JUSTIFIED

WHAT OIG FOUND

ETA could not demonstrate that it followed proper procurement procedures in 35 of 39 tested non-competitive awards (90 percent). These 35 awards totaled \$57 million.

Specifically, decisions to award 10 non-competitive grants were not adequately justified, reviews of unsolicited proposals were not consistently documented, and matching requirements of \$34 million were not carried forward in grant modifications.

These failures to follow proper procurement procedures resulted from a control environment that did not ensure adherence to applicable criteria, nor that decisions to award grants non-competitively were adequately documented. ETA could not demonstrate that it made the best decisions in awarding grants to carry out HGJTI. Further, since matching requirements were not carried forward in some grant modifications, the programs and levels of services provided could be significantly reduced from those intended in the original grants.

WHAT OIG RECOMMENDED

We made eight recommendations to the Assistant Secretary for Employment and Training to improve management controls over grant awards. In summary, we recommended the Assistant Secretary take steps to ensure: competition is encouraged for discretionary grant awards; award decisions are adequately documented; and matching requirements of \$34 million are carried forward in grant modifications.

The Assistant Secretary for Employment and Training generally agreed with our recommendations but strongly disagreed with findings related to the procurement practices utilized for non-competitive grants. The Assistant Secretary further stated that sufficient documentation had been provided to support that the awards met departmental policy regarding non-competitive procurement.