

BRIEFLY...

Highlights of Report Number: 02-06-206-03-386, to the Assistant Secretary, Employment and Training.

WHY READ THE REPORT

The Doe Fund, Inc. (TDF) is a nonprofit community-based organization whose mission is to develop and implement cost-efficient, holistic programs that comprehensively meet the needs of a diverse homeless population. TDF was awarded a \$5 million Welfare-to-Work (WtW) grant. The grant required TDF to provide women with transitional assistance to shift welfare recipients into unsubsidized employment that offered career potential for achieving economic self-sufficiency. This report discusses issues surrounding costs charged to the WtW program, participant eligibility and performance.

WHY OIG DID THE AUDIT

The OIG conducted a performance audit to answer the following questions:

- 1) Were reported costs reasonable, allowable and allocable to the grant under Federal requirements?
- 2) Were participants eligible for the WtW program?
- 3) Were performance results measured, reported and achieved?

READ THE FULL REPORT

To view the report, including the scope, methodology, and full agency response, go to: <http://www.oig.dol.gov/publicreports/oa/2006/02-06-206-03-386.pdf>.

September 2006

WELFARE-TO-WORK GRANT – THE DOE FUND, INC.

WHAT OIG FOUND

The audit found:

- 1) Costs were not reasonable, allowable, and allocable to the WtW grant, resulting in questioned costs of \$1,599,323. The questioned amount was the result of unallowable fundraising, improperly allocated costs, and unsupported costs. Further, TDF drew down funds of \$16,936 in excess of claimed costs and lacked budget modification approval to exceed line item costs.
- 2) Participants served were eligible for the WtW program.
- 3) TDF measured and reported enrollment and placement outcomes, but did not measure and report outcomes for average wage at placement or average wage one year after placement. Further, TDF did not meet its enrollment and placement goals.

WHAT OIG RECOMMENDED

We recommend that the Assistant Secretary for Employment and Training:

- 1) Recover \$1,616,259 consisting of questioned costs of \$1,599,323 and \$16,936 of funds drawn down in excess of claimed costs.
- 2) Ensure TDF does not use Federal funds on existing or future grants for unallowable fundraising activities.
- 3) Ensure TDF establishes policies and procedures to ensure that costs are properly documented and allocable to cost objectives.

TDF did not respond to the draft report.