

BRIEFLY...

Highlights of Report Number: 09-06-004-01-370 to Ms. Esther R. Johnson, National Director, Office of Job Corps

WHY READ THE REPORT

The report discusses allegations that placements were falsified in one American Business Corporation (ABC) office and invalid placements were claimed throughout ABC offices. It also discusses allegations that Job Corps did not take timely action to assess liquidated damages or correct placement data when it learned of the invalid placements.

WHY OIG DID THE AUDIT

The Office of Inspector General conducted an audit of ABC and the Atlanta Regional Office of Job Corps to determine the merits of a hotline complaint alleging that (1) falsified placements were reported in one of ABC's offices and that invalid placements were claimed throughout ABC's Career Transition Service (CTS) offices, (2) the Atlanta Job Corps office failed to assess liquidated damages on identified invalid placements, and (3) the Atlanta Job Corps office failed to revise ABC and Job Corps performance data to reflect invalid placements because of concern about the impact on the its national performance rating.

The OIG decided to audit these allegations because Job Corps is a major Department of Labor program affecting disadvantaged youth of the country. The reliability of student placement data is very important in assessing the success of the program and managing the resources and assets of the Department. Student placement data is used extensively by the Office of Job Corps, Departmental management and the Congress and, therefore, must be reliable.

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/2006/09-06-004-01-370>.

SEPTEMBER 2006

ABC GEORGIA OVERSTATED JOB CORPS PLACEMENT OUTCOMES

WHAT OIG FOUND

The OIG found that placement outcomes reported by ABC for program years 2003 and 2004 were not reliable and a significant number of invalid placements were claimed. We found unsupported job and educational placements; inadequate documentation of compliance with Job Corps requirements; and confirmed cases of signature forgeries on educational placement verification forms. One of the reasons this occurred was that the procedures the Atlanta Regional Office used to monitor ABC placement activities were not effective and the placement verification processes had systemic weaknesses.

We did find that the Atlanta Regional Office (1) initiated actions to recover liquidated damages from ABC, and (2) identified and reported invalid placements to the National Office, although it could have initiated those actions timelier.

WHAT OIG RECOMMENDED

We recommended that the National Director, Office of Job Corps, direct the ARO Director to take corrective action to ensure monitoring and follow-up actions are taken timely on CTS providers. We also recommended that personnel be trained in incident reporting procedures and procedures for performance-based contracts be improved. We specifically recommended the National Director, Office of Job Corps immediately assess \$214,992 in liquidated damages and review reported placements on all ABC contracts for potentially invalid placements.

Finally, we recommended the National Director, Office of Job Corps, direct the ARO Director to determine the financial impact of ABC's invalid placements on payments to centers.

In response, ABC objected to the use of Unemployment Insurance wage information in determining the validity of placements and disagreed with our conclusions. The Job Corps Atlanta Regional office concurred with our findings.