

U.S. Department of Labor

Office of Inspector General—Office of Audit

**EMPLOYMENT AND TRAINING
ADMINISTRATION**



COMPLAINT INVOLVING UNITED WAY OF CENTRAL ALABAMA'S BIRMINGHAM WORKS FOR YOUTH PROGRAM

Date Issued: September 28, 2007
Report Number: 04-07-003-03-390

**U.S. Department of Labor
Office of Inspector General
Office of Audit**

BRIEFLY...

Highlights of Report Number: 04-07-003-03-390, to the Assistant Secretary for Employment and Training.

WHY READ THE REPORT

The Workforce Investment Act (WIA) established the Youth Opportunity Grant (YOG) program to increase the long-term employment of youths who live in empowerment zones, enterprise communities, and high poverty areas. Between March 2000 and June 2006, the Employment and Training Administration (ETA) awarded \$20 million of YOG funds to the Jefferson County, Alabama, Office of Community Development. Jefferson County contracted with the United Way of Central Alabama (UWCA) to be the service provider for the YOG program. UWCA established the Birmingham Works for Youth (BWY) program, a community collaborative initiative to serve youth through a case management referral system.

The Office of the Inspector General received a complaint alleging that BWY officials misused and mismanaged grant funds. The complaint alleged that (1) UWCA did not operate an effective YOG program; (2) BWY case managers forged and falsified participant job placement records; (3) BWY case managers falsified and materially overstated program enrollment numbers to ETA; (4) UWCA did not use YOG funds properly when purchasing used office equipment; and (5) UWCA did not pay wages to employees in accordance with the YOG agreement.

WHY OIG DID THE AUDIT

The purpose of the audit was to determine the validity of the five allegations made in the hotline complaint.

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/2007/04-07-003-03-390>

**September 2007
Complaint Involving United Way Of Central
Alabama's Birmingham Works For Youth Program**

WHAT OIG FOUND

Our audit found that allegation 1 was valid. UWCA did not operate an effective YOG program. The program enrolled one-third of the number of participants called for by the \$20 million grant, yet spent 96 percent of its awarded funds. The program did not meet its performance goals in the areas of high school completion, college enrollment, or employment.

We could not make a conclusion on the validity of allegations 2 and 3; however, we did find that BWY claimed credit for placing participants in long-term unsubsidized employment even though participants were already employed upon entering the program. In addition, BWY's case files lacked adequate documentation to support BWY's claimed results and/or the eligibility of participants served.

Allegations 4 and 5 were not valid. UWCA used YOG funds properly to purchase office equipment and paid employee wages in accordance with the YOG agreement.

WHAT OIG RECOMMENDED

We recommended that the Assistant Secretary for Employment and Training ensure that ETA provides adequate technical assistance and monitoring of any future DOL-funded programs operated by Jefferson County.

In response to the draft report, UWCA officials stated that they operated the YOG program in a programmatically and fiscally responsible manner under the direct oversight of ETA.

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Executive Summary

The Office of Inspector General conducted a performance audit of the United Way of Central Alabama (UWCA) Inc., Birmingham Works for Youth (BWY) program. The audit was conducted in response to a hotline complaint alleging that BWY officials misused and mismanaged Department of Labor (DOL) funds.

The Workforce Investment Act (WIA) established the Youth Opportunity Grant (YOG) program to increase the long-term employment of youths who live in empowerment zones, enterprise communities, and high poverty areas. Between March 2000 and June 2006, the DOL, Employment and Training Administration (ETA) awarded \$20 million of YOG funds to the Jefferson County, Alabama, Office of Community Development (Jefferson County¹). Jefferson County contracted with UWCA to be the service provider for the YOG program. UWCA established the BWY program, a community collaborative initiative to serve youth through a case management referral system.

The BWY program was funded entirely with YOG funds. The grant was originally scheduled to expire on June 30, 2006, with hopes that the grantee would secure other financial resources to continue the program. The grantee was unable to do so, and ETA extended the grant period to December 31, 2006, to allow UWCA to wrap up BWY program activities.

The objective of the audit was to determine if the allegations in the complaint against UWCA/BWY could be substantiated. The complaint alleged that:

1. UWCA did not operate an effective YOG program that met performance goals for employment, high school graduation, and college enrollment.
2. BWY case managers forged and falsified participant job placement records to increase the number of participants reported as placed in long-term employment.
3. BWY case managers falsified and materially overstated program enrollment numbers to ETA.
4. UWCA did not use YOG funds properly when purchasing used office equipment.
5. UWCA did not pay wages to employees in accordance with the YOG agreement.

¹ The Grantee's name and address was changed from Birmingham/Jefferson County Job Training, City of Birmingham (SDA) to Jefferson County, Office of Community Development on July 1, 2000.

Results

1. The allegation that UWCA did not operate an effective YOG program that met performance goals for employment, high school graduation, and college enrollment was substantiated. The program enrolled just one-third of the number of participants called for by the \$20 million grant, yet spent 96 percent of its awarded funds. Furthermore, the program did not meet its performance goals in the areas of high school completion, college enrollment, or employment.
2. We could not conclude whether case managers forged and falsified participant job placement records to increase the number of participants reported as placed in long-term employment. However, we did find that BWY claimed credit for placing participants in long-term unsubsidized employment even though participants were already employed upon entering the program.
3. We could not conclude whether BWY falsified and materially overstated program enrollment numbers to ETA. However, we did find that BWY's case files lacked adequate documentation to support the eligibility of participants served.
4. The allegation that UWCA used YOG funds improperly when purchasing used office equipment was not substantiated.
5. The allegation that UWCA did not pay wages to employees in accordance with the YOG agreement was not substantiated.

Auditee Responses

Both Jefferson County and UWCA officials asked OIG to reconsider the finding that UWCA did not operate an effective Youth Opportunity Grant program. UWCA officials stated that UWCA operated the YOG (or BWY) program in a programmatically and fiscally responsible manner under the direct oversight of ETA. UWCA also requested that OIG modify its audit conclusion to state that based on the preponderance of evidence available, UWCA/Jefferson County operated the program with guidance, guidelines, and performance goals set by ETA.

OIG Conclusion

We have considered UWCA and Jefferson County responses in their entirety and found no additional information that would materially affect our conclusion that UWCA did not operate an effective YOG program. Our findings and recommendations remain unchanged.

Recommendations

We recommend that the Assistant Secretary for Employment and Training ensure that ETA provides adequate technical assistance and monitoring of other future DOL-funded programs operated by Jefferson County. Specifically, ETA needs to ensure that Jefferson County:

- serves only eligible participants;
- properly documents participant eligibility;
- maintains participant records that accurately reflect program activities; and
- provides adequate supervision over case managers.

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U.S. Department of Labor
Washington, DC 20210

Office of Inspector General



Assistant Inspector General’s Report

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and Training
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Based on allegations included in a hotline complaint, the Office of Inspector General (OIG) conducted an audit of a \$20 million Youth Opportunity Grant awarded to the Jefferson County, Alabama, Office of Community Development. Jefferson County contracted with the United Way of Central Alabama, (UWCA), to be the service provider for its Youth Opportunity Grant (YOG) program, the Birmingham Works for Youth (BWY). The period of performance under the grant was March 2000 to December 2006.

Our objective was to determine if the allegations discussed in the hotline complaint against UWCA/BWY could be substantiated. The following table presents each allegation we considered and our conclusion on whether the allegation was substantiated:

ALLEGATION	AUDIT CONCLUSION
1. UWCA did not operate an effective Youth Opportunity Grant program (BWY) that met performance goals for employment, high school graduation, or college enrollment.	Substantiated
2. BWY case managers forged and falsified participants' job placement records to increase the number of participants reported as placed in long-term employment.	Inconclusive
3. BWY falsified and overstated program enrollment numbers to ETA.	Inconclusive
4. UWCA used YOG funds improperly when purchasing used office equipment.	Not substantiated
5. UWCA did not pay employees' wages in accordance with the YOG agreement.	Not substantiated

While we could not reach a conclusion regarding allegations 2 and 3, we did find that BWY claimed credit for placing participants in long-term unsubsidized employment even though participants were already employed upon entering the program. In addition, BWY's case files lacked adequate documentation to support BWY's claimed results and/or the eligibility of participants served.

We conducted the audit in accordance with Generally Accepted Government Auditing Standards for performance audits. Our audit objectives, scope, methodology, and criteria are detailed in Appendix B.

Objective 1: Did UWCA operate an effective YOG program that met the YOG performance goals for employment, high school graduation, and college enrollment?

Results--The allegation that UWCA did not operate an effective YOG program that met performance goals for employment, high school graduation, and college enrollment was substantiated.

In March 2000, ETA awarded a one year, \$5 million YOG to the Jefferson County, Alabama, Office of Community Development. Jefferson County contracted with UWCA to be its service provider for the YOG program, the Birmingham Works for Youth (BWY). The grant contained a provision for ETA to continue the program for four option years. ETA exercised the option for each of the four years, providing total funding as follows:

Program Years	Budgeted Funding
2001	\$ 5,000,000
2002	5,000,000
2003	3,750,000
2004	3,750,000
2005	2,500,000
Total	\$20,000,000

Enrollments

The BWY program provided participants with mentoring services and training in the areas of basic skills (reading and math), work readiness and occupational skills. The YOG statement of work and operational budget set an enrollment goal of 1,000 youths per year, or 5,000 youths over the 5-year period of performance. At the end of the BWY program, UWCA reported actual enrollments of 1,636².

Although the BWY program enrolled just one-third of the planned number of participants, ETA did not modify the grant to reduce funding. At the expiration of the grant in December 2006, the BWY program had expended \$19.3 million, or 96 percent of the amount awarded. As a result, BWY incurred costs of \$11,768³ per enrollee more than double the planned cost per enrollee of \$5,000.

UWCA experienced delays in starting up its BWY program due to difficulties in finding a suitable location for the training center within the enterprise zone, developing working relationships with program partners, and hiring a suitable director. Consequently, ETA

² Subsequent information received from UWCA official stated that enrollment increased to 1698 after the audit period.

³ The cost per participant of \$11,768 is calculated by dividing the total YOG cost of \$19,252,048 by the total number of participants of 1,636.

reduced BWY's expected program performance goals for participant enrollment for the initial 2-year period from 2,000 to 1,333. At the end of the second year, UWCA had incurred \$5.1 million in program cost while enrolling 453 participants in the BWY program, 66 percent less than the revised enrollment goal of 1,333. Although UWCA did not meet participant enrollment goals in the first 2 years of the BWY program, ETA awarded the remaining three option year extensions.

At the start of the third program year, ETA revised the YOG goals by dropping participants served as a performance measure and replacing it with service activities. ETA defined a service activity as a participant completing at least 5 hours in one or more program development activities. The revision changed the original annual goal of serving 1,000 participants to providing 800 service activities per year. In addition, ETA indicated they would rely on service levels and monthly placements of out-of-school youth, rather than participants served, to track the progress of YOG sites.

Performance Goals

The YOG provided performance goal goals in the following areas:

- Attainment of high school diploma
- Attainment of General Equivalency Diploma (GED)
- Placement in Post Secondary Education
- Retention in Post Secondary Education
- Placement in Employment
- Retention in Employment
- Placement in Military
- Placement in Apprenticeship Program
- Retention in Apprenticeship Program

Table 1 provides a comparison of the performance goal established for the 5-year grant period with the actual results reported:

Table 1

PERFORMANCE LEVELS	5-Yr Actual Participants Served Totals	5-Yr Goals Participants Served Totals	Percentage of Goals Achieved
High School Completion Rates			
ATTAINMENT OF HIGH SCHOOL DIPLOMA:	141	500	28.20%
ATTAINMENT OF GED:	62	375	16.53%
TOTAL	203	875	23.20%
College Enrollment Rates			
PLACEMENT IN POST SECONDARY	224	315	71.11%
RETENTION IN POST SECONDARY EDUCATION	Not Available ⁴	Not Available	Not Available
Employment			
PLACEMENT IN EMPLOYMENT (after 2 weeks of initial employment)	296	625	47.36%
RETENTION IN EMPLOYMENT	Not Available	Not Available	Not Available
PLACEMENT IN MILITARY	Not Available	Not Available	Not Available
PLACEMENT IN APPRENTICESHIP PROGRAM	3	470	0.64%
RETENTION IN APPRENTICESHIP PROGRAM	Not Available	Not Available	Not Available

As shown above, the BWY program did not meet any of its performance goals. Except for placement in post secondary education (71% of goal), BWY's reported results were less than 50 percent of the performance goals established by the YOG for those goals for which results were tracked. We were unable to report on ETA's revised performance goals because the state data system was unable to provide information needed to calculate WIA measures.

UWCA was unable to obtain nonfederal funding for the BWY program, and it ceased operations as of December 31, 2006. According to a UWCA official, a town hall meeting was held at the end of the program. At the meeting, participants who had successfully completed educational and employment activities were introduced in an effort to raise funds. However, no additional funds were raised to sustain the program.

Conclusion

The allegation that UWCA did not operate an effective YOG program was substantiated. The BWY program enrolled just one-third of the number of participants called for by the \$20 million grant, yet spent 96 percent of its awarded funds. As a result, costs totaled \$11,768 per enrollee, well above the planned cost per enrollee of \$5,000. For those goals that could be measured, BWY failed to meet its performance goals in the areas of high school completion, college enrollment, and employment.

⁴ Not Available - UWCA did not measure several training activities. According to UWCA, the grant did not require them to track the training conducted to the program outcomes. The outcomes above include younger and older youth combined activities, since their activities were not tracked by age as required by the grant, but rather by in-school youth (ISY) and out-of-school youth (OSY).

As the BWY program has ceased to operate, we make no recommendations for improving program operations.

Objective 2: Did case managers forge and falsify participant job placement records to increase participants reported as placed in long-term employment?

Results -- We could not conclude whether case managers had forged and falsified participant job placement records to increase the number of participants reported as placed in long-term employment.

BWY policy required case managers to complete the following forms to record and track participants placed in unsubsidized employment:

- BWY 114 - Placement Activity Form
- BWY 145 - Monthly Employment Report
- BWY 147 - Monthly Employment Memo

As previously noted, the complainant alleged that case managers forged participant signatures on placement records; however, none of these key forms listed above required a signature. Therefore, we did not substantiate this element of the allegation.

BWY forms 145 and 147 do require case managers to indicate whether the participant or BWY secured the job placement and whether the participant received defined pre-placement activities. Both ETA and BWY require that a participant must have received a defined job pre-placement activity to be reported as long-term placement.

The ETA Youth Opportunity Grant Glossary of Terms defines pre-placement activity as:

A specific group of youth development activities with a specific entrance and completion point designed to prepare enrollees for long-term placements, for example:

- Internship/Unsubsidized employment for less than two weeks;
- Job readiness training;
- GED preparation; and
- SAT preparation.

We examined a random sample of 80 participant files to verify the validity of reported long-term job placements and to determine if participants received pre-placement activities and case managers provided post employment follow up services. The documentation in 4 of the files revealed that BWY claimed credit for long-term employment even though the participants were already employed in the same job upon entering the program.

For 23 participants' files⁵, we found evidence indicating that case managers had little or no contact with participants after placement. The files contained case notes that were identical from one month to the next, for as long as 10 months. Case managers merely duplicated their case notes and changed the dates on the forms.

BWY policy required case managers to document their contacts with participants after placement when providing followup services, using the following forms:

- BWY 121 and 134 – Contact Notes Forms
- BWY 114 - Placement Activity Report
- BWY 145 - Monthly Employment Report

BWY's Quality Control policy required that case notes be original (not duplicated), specific and valid. Case managers did not comply with this policy. Of the 17 case managers⁶ employed by BWY, 12 were responsible for the questionable information we found in participants' files. For one case manager, we found that eight participants' files had identical case notes (forms BWY 121 or 134) for several months in each file. In one participant file, we found the same case notes were duplicated for 10 months. The only differences found on the forms were the dates.

We found evidence in 4 of the 23 files that leads us to question whether the BWY case managers really worked with the participants. For example, case notes in two files stated, "Discuss **her** future plans" even though the participant was a male in both cases. This sentence appeared for 3 months in one file and 4 months in the other file. The case manager indicated face-to-face contacts with both participants.

BWY officials stated they were aware problems existed and issued several employee warning notices. The warning notices addressed quality control issues involving case managers' notes that were identical, unclear and invalid. Jefferson County Center for Workforce Development raised similar concerns in its July 2004 monitoring report. The report stated that many of the case notes were pre-prepared and duplicated. To ensure that case managers complied with the quality control policy, BWY requested Coordinators perform random file checks to discourage copying and pasting of case notes. In addition, BWY management stated they conducted staff meetings to reiterate BWY's Quality Control policy related to case managers' notes.

Because of the frequency of exceptions found in our samples, we attempted to contact the 36⁷ participants to verify whether they received services. We established contact with 8 of the 36 participants. Four⁸ of the eight participants disputed information in their files. Based on our conversations with these four participants, we concluded that information in their files was unreliable and misleading, such as BWY's claims of participants' placements and the

⁵ In finding No. 3, we found nine of the 76 participant files tested to verify the validity of reported enrollments also contained case managers' notes that did not comply with BWY's Quality Control policy of being original (not duplicated), specific and valid.

⁶ Seventeen YCDS (case managers) were required to conduct post employment followup services.

⁷ The 36 of 156 (80 +76) participants contacted include 27 from job placement and 9 from enrollment samples.

⁸ Three of the six had Enterprise Community attestation issues, are discussed in detail in Finding No. 3.

number of case managers' contacts. Four of the 8 participants contacted could not verify the exact number of contacts made by BWY case managers, but indicated their overall satisfaction with the services they had received.

Two case managers stated their supervisors told them to copy and paste the information, change the dates and write generic case notes. We were unable to determine if the case managers were falsifying information or simply taking short cuts based on instructions, they received from their supervisors; however, it is unlikely that a case manager and participant had the same conversation each month for 6 to 10 months. Other BWY case managers denied that BWY supervisors instructed them to forge or falsify participants' records. The BWY Director also denied instructing staff to forge or falsify documents.

Conclusion

The allegation that BWY case managers forged participant signature on placement records was not substantiated. The forms used by BWY to record and track participants placed in unsubsidized employment did not require a signature.

Review of a random sample of 80 participant case files found evidence that BWY improperly claimed credit for 4 placements in long-term employment for participants who were employed in the same job when they entered the program. Another 23 files contained information that was simply duplicated from one month to the next, providing little assurance that BWY provided any useful followup services to participants.

As the BWY program has ceased to operate, we make no recommendations for improving program operations.

Objective 3: Did BWY falsify and materially overstate program enrollment numbers to ETA?

Results -- We could not conclude whether BWY falsified and materially overstated program enrollment numbers to ETA.

While we were unable to determine whether BWY falsified program enrollment numbers, we did find that 52 of 76 participant files tested lacked documentation to support YOG eligibility requirements. BWY's internal controls did not ensure participants' files were complete and contained accurate information.

Files Lacking Documentation of U. S. Residency

The YOG contained the following requirement:

Youth must simply be between the ages 14 and 21 at enrollment, reside in the target area, be legal U. S. residents and males ages 18 and above must be registered as required under the Selective Service Act.

We found that 42 of the 76 participant files tested lacked documentation demonstrating participants were legal U. S. residents. The BWY Director said that BWY did not verify applicants' legal U. S. residency as part of its eligibility certification process due to an oversight on their part.

Files Lacking Proof of Residency in the Enterprise Community (EC)

20 CFR 664.820 states:

Youth ages 14 through 21 who reside in the community identified in the grant are eligible to receive services.

The community identified in the YOG was the Jefferson County, Alabama, EC (Jefferson County and the surrounding communities of Five Point, Smithfield and West End areas). The BWY YOG program policy required verifiable, certified documentation of the participants' residency (such as public entitlement documentation, current school records, etc.). Participants who claimed they were living in the EC with someone other than a parent were required to have the person who resided within the EC to complete an attestation form.

Ten of the 76 participants files in our sample did not contain support that they lived in the EC zone. However, we found that nine participants did not have the required attestation forms in their files to support this assertion⁹ and one did not reside in the EC.

We identified another four cases where attestation forms were available but contained information that was inconsistent with other information found in the participants' files or the participants disputed the information when we questioned them. These four cases are discussed below:

- Documentation in the participant's file indicated that the participant lived with his sister (a former BWY participant) within the EC. However, the sister's file contained a change of address status form showing that the sister had moved to a location outside the EC. This move occurred prior to the participant's enrollment in the program.
- Two participants told us that they did not know the attesters or the addresses listed on the initial contact or attestation forms. They stated that they were not related to the contact persons listed on the form and had always lived at their current addresses, which were outside the EC.
- The attester's last name on the participant's initial contact sheet completed by the case manager was altered and the attester's signature was different from the altered name on the contact sheet. There was also confusion about the attester's relationship with the participant (i.e., cousin vs. aunt). In addition, the participant's trip

⁹ Twenty-nine of the 76 claimed that they were living in the EC with someone other than a parent.

request listed the parent's address, which was outside the EC, just 2 weeks after enrollment.

Conclusion

BWY lacked adequate documentation regarding the eligibility of 52 of 76 tested participants, and we identified four cases with questionable information related to YOG program residency requirements. However, we were unable to determine if these irregularities were part of a systemic attempt to manipulate program enrollment numbers, or simply poor recordkeeping.

Recommendations

We recommend that the Assistant Secretary for Employment and Training ensure that ETA provides adequate technical assistance and monitoring of other future DOL-funded programs operated by Jefferson County. Specifically, ETA needs to ensure that Jefferson County:

- serves only eligible participants;
- properly documents participant eligibility;
- maintains participant records that accurately reflect program activities; and
- provides adequate supervision over case managers.

Objective 4: Did UWCA use DOL funds improperly when purchasing used office equipment?

Results --The allegation that UWCA used YOG funds improperly when purchasing used office equipment was not substantiated.

The complaint alleged that UWCA/BWY inappropriately utilized YOG funds to purchase new office equipment. Specifically, the complaint states that UWCA purchased used equipment even though the Grant called for new equipment. We did not find that the WIA sub-recipient agreement between Jefferson County and UWCA or the YOG prohibited the purchase of used equipment for program purposes. Additionally, the results of our testing of purchases of new office equipment found that BWY appropriately utilized DOL funds to purchase new office equipment. Therefore, the allegation was not substantiated.

An official for UWCA said that it was necessary to borrow used furniture for the BWY program host facility until new furniture arrived. After the YOG program was operational, BWY purchased equipment in accordance with the grant agreement and UWCA's procurement procedures.

As of March 2005, the YOG Fixed Assets Activity document reported that UWCA/BWY had spent \$538,134 of its \$757,822 budget for BWY's program equipment. We obtained UWCA/BWY's "Fixed Assets List" of equipment purchased between March 2000 and March 2005. The list indicates UWCA/BWY purchased 527 equipment items totaling \$508,740. The \$29,394 difference between reported cost and cost reflected on the Fixed Asset list consists of items less than the \$500 capitalization threshold, such as supplies, equipment with less than one year's life, and labor cost.

We traced the purchase orders for 223 of the 527 equipment items valued at \$500 and above to the Fixed Asset Listing. We selected a judgmental sample of 23 items (10 percent) from the Fixed Asset Listing to determine whether the equipment existed and if the purchase was properly authorized and necessary. We found that all 23 equipment items were:

- purchased new;
- properly approved and deemed appropriate for purposes of the YOG program; and
- purchased at invoice prices equal to the master/fixed asset list prices on the equipment worksheet.

Conclusion

The allegation that UWCA used YOG funds improperly when purchasing used office equipment was not substantiated. We found no prohibition against purchasing used equipment to carry out the responsibilities under the YOG program. Furthermore, UWCA/BWY purchased office equipment in accordance with the requirements of its grant.

Objective 5: Did UWCA pay employees wages in accordance with the YOG agreement?

Results --The allegation that UWCA did not pay wages to employees in accordance with the YOG agreement was not substantiated.

The complaint alleged that BWY employees were not paid the amounts that was stated employees would be paid in the DOL grant.

Part IV-Special Clause of the YOG stated:

Flexibility is allowed within the grant budget (**except wages, salaries and fringe benefits**), provided **no single line item** is increased or decreased by more than 20 %. Changes in excess of 20 % and any changes in wages, salaries and fringe benefits, **MUST** receive prior written approval from the DOL Grant Officer.

The ETA Regional Administrator provided the following clarification regarding the Part IV-Special Clause:

If the total amount on any of the line items for salaries, wage and fringe benefits, or indirect costs is to change by any amount in either direction, then a modification is required. The amounts of individual salaries and even the numbers of various types of individual positions included on the project may change without any requirement for a modification so long as the aggregate amount doesn't change from the amount budgeted.

Although the allegation was not substantiated based on the Regional Administrator's explanation that UWCA was not required to obtain a modification to the grant to change individual salaries, we conducted additional testing to ensure individual salaries reimbursed by Jefferson County were actually paid. To that end, we traced the reimbursed amounts to employee payroll records. According to UWCA officials, 40 contract employees assisted BWY staff to operate the YOG program. Since the complaint did not distinguish BWY employees from contract employees, we included all employees in our analysis even though the contractors generally controlled contract employees' salaries. We compared the salaries in employees' files and payroll records for 15 employees. We did not note any exceptions in the employees' salaries, as illustrated in Table 3 below.

Table 3

Comparison of Employee Salaries			
Sample Number	Position	Salary <i>per Files</i>	Salary <i>per Payroll Records</i>
1	YCDS	25,000	25,000
2	¹⁰ OS/IS Coordinator	35,350	35,350
3	¹¹ YCDS	26,700	26,700
4	Project Director	54,080	54,080
5	YCDS	25,000	25,000
6	Training Employment Specialist	30,500	30,500
7	Academic Instructor	14.50 hourly	14.50 hourly
8	Assistant Dir. Employment	38,000	38,000
9	Assistant Activity Specialist	30,300	30,300
10	YCDS	25,000	25,000
11	Assistant Dir. Youth Services	43,680	43,680
12	YCDS	26,826	26,826
13	Tutor	14.50 hourly	14.50 hourly
14	Tutor	14.50 hourly	14.50 hourly
15	Support Specialist	26,398	26,398

¹⁰ OS/IS means out-of-school and in-school youths.

¹¹ YCDS means Youth Career Development Specialist, also referred to as a case manager.

Conclusion

The allegation is not substantiated. The Grant agreement required UWCA to comply with the total budgeted amount for salaries, wages, and fringe benefits, but did not require UWCA to pay the individual salaries listed in the grant budget.

Auditees' Responses

In their responses to the draft report, Jefferson County and UWCA officials asked OIG to reconsider the finding that UWCA did not operate an effective Youth Opportunity Grant program. UWCA officials stated that UWCA operated the YOG (or BWY) program in a programmatically and fiscally responsible manner under the direct oversight of ETA. UWCA also requested that OIG modify its audit conclusion to state that, based on the preponderance of evidence available, UWCA/Jefferson County operated the program within the guidance, guidelines, and performance goals set by ETA.

OIG Conclusion

We have considered UWCA's and Jefferson County's responses in their entirety and found no additional information that would materially affect our conclusion that UWCA did not operate an effective YOG program.



Elliot P. Lewis
June 4, 2007

Appendices

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BACKGROUND

This audit was initiated in response to a hotline complaint against the United Way of Central Alabama (UWCA) / Birmingham Works Youth (BWY) program. The complaint alleged that BWY, a community collaborative initiative of UWCA, misused and mismanaged DOL funds. DOL funded the BWY program with a Youth Opportunity Grant (YOG). The Workforce Investment Act of 1998 specifies that Youth Opportunity Grants are to be used to increase the long term employment of youth who live in empowerment zones, enterprise communities, and high poverty areas.

In March 2000, DOL awarded \$5 million YOG to Jefferson County Commission (Agreement No AZ-10126-00-60), in the form of a YOG. After the initial year of funding, YOG sites could receive up to four additional years of funding. DOL awarded Jefferson County a total of \$19,804,385 for the period March 2000 through June 2006. Jefferson County contracted \$19,147,489¹² to UWCA to be the service provider for the YOG program and retained \$656,896¹³ grant funds for administrative purposes. UWCA established the BWY program, a community collaborative initiative to serve youth through a case management referral system. The BWY program was established by UWCA and funded entirely with YOG funds.

Workforce Investment Act (WIA) specifies that the YOG grant agreement between DOL and Jefferson County states that the YOG program will increase the long-term employment of youths and concentrate a large amount of resources in empowerment zones, enterprise communities, and high poverty areas to bring about community-wide impacts on:

- Employment rates;
- High school completion rates; and
- College enrollment rates.

The BWY program provided participants with training in various programs, including GED preparation, tutoring, and the following four programs below:

Work experience program (WEP);
In-house occupational skill training (OST);
Operation CODE; and
Choice Program-Life skills training (LST).

Federal funding for BWY program was scheduled to expire June 30, 2006 with hopes that the grantee would secure other financial resources to continue the program. The grantee was unable to do so, and ETA extended the grant period to December 31, 2006, to allow UWCA to wrap up BWY program activities.

¹² UWCA spent \$18,888,232 of the \$19,147,489 funds budgeted in program cost.

¹³ Jefferson County spent \$363,815 of the \$656,896 funds in administrative cost.

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APPENDIX B

OBJECTIVES, SCOPE, METHODOLOGY, AND CRITERIA

Objectives

Our objectives were to determine if the allegations discussed in the hotline complaint against Birmingham Works for Youth (BWY) could be substantiated. We designed our audit to answer the following questions:

1. Did UWCA operate an effective YOG program that met performance goals for employment, high school graduation, and college enrollment?
2. Did BWY case managers forge and falsify participants' job placement records to increase the number of participants reported as placed in long-term employment?
3. Did BWY case managers falsify and materially overstate enrollment numbers to ETA?
4. Did UWCA use YOG funds improperly when purchasing used office equipment?
5. Did UWCA pay employees' wages in accordance with the YOG agreement?

Scope

We conducted a performance audit of the UWCA/BWY program. The audit period covers activities from March 2000 to March 2005. However, we performed audit work beyond the audit period in some instances the scope was expanded to December 2006. Audit fieldwork began July 2005 and concluded June 4, 2007. Fieldwork was primarily conducted at the BWY facility located at 1637 Pearson Avenue, South West, Birmingham, Alabama.¹⁴

We conducted our audit in accordance with Government Auditing Standards for performance audits issued by the Comptroller General of the United States. An audit made in accordance with these standards provides reasonable assurance that it will achieve the objectives, but it does not guarantee the discovery of illegal acts, abuse or all internal control weaknesses. Providing an opinion on compliance with all laws, regulations, and other compliance requirements or internal controls was not an objective of our audit and accordingly, we do not express such an opinion. We believe our audit provides a reasonable basis for our assessment and conclusions.

¹⁴ We also visited the UWCA office located at 3600 8th Avenue South, Birmingham AL 35232, which housed the grant controller, accountant, bookkeeper and director of quality assurance, as well as, a vice president and assistant who oversee the program. The Grantee's name and address was changed from Birmingham/Jefferson County Job Training, City of Birmingham (SDA); 3420 3rd Avenue South Suite 202; Birmingham, AL 35222 to Jefferson County, Office of Community Development; 805 N. 22nd Street; Birmingham, AL 35203 on July 1, 2000.

Methodology

We interviewed ETA officials, UWCA officials and BWY staff to gain an understanding of BWY's program and other relevant information. We utilized the Office of Inspector General (OIG) statistician to select participants' sample files from BWY's universe for enrollment and long-term job placement.

We relied on computer data from the DOL/ETA Eteams system to obtain BWY's universe for enrollment and placement. Both OIG auditor and BWY Assistant Director verified the placement and enrollment lists' totals against the reported numbers and together, using Excel worksheet, sort the lists for duplicated social security numbers and names with addresses. We were satisfied with the explanation given by the Assistant Director for any exceptions and accepted the data to be sufficiently reliable. The Data Monitor receives preliminary monthly reports through Eteams, a system that was utilized by DOL/ETA to report information on all 36 YOG programs.

Our testing of internal controls was specific to the allegations in the complaint. We tested controls over participant enrollment (eligibility) and job placements, including data integrity and fraud detection, equipment procurement, and employees' pay. In addition, UWCA/BWY management completed an internal control survey on areas critical to the YOG program. Details of our internal control testing are described below.

1. Enrollment and Long-term Job Placement

We obtained the universe of the 1,642 enrollment and 296 job placement participants.. We utilized the OIG statistician to determine the sample size and method of selection of transactions for each activity. We received the following sample sizes by email from the statistician: Enrollees (1642) – 50 and Long-term placements (296) – 80. We used ACL software to select sample items. We selected 76 files from our enrollment universe to determine if participants met WIA eligible requirements. We initially selected a judgmental sample of 26 participants for our enrollment (eligibility) test. Due to the number of participants whose eligibility was deemed questionable, we selected a random sample of 50 additional participants files for review. We also selected a random sample of 80 participants files for our job placements test. In total, we selected 156 participants' files.

2. Fraud

We analyzed a total of 156 participants' files for forged and falsified documents and any other discrepancies that may exist. We interviewed the BWY Director and staff to determine if the BWY Director or other managers instructed staff to forge and falsify documents. We reviewed phone logs from UWCA regarding case managers/Youth Career Development Specialists (YCDS's) follow-up calls. We attempted to contact 36 of 156 participants regarding questionable documents in their files and services received. We also considered

BWY officials responses to our internal control survey questionnaire to identify areas of potential fraud.

3. Equipment

We traced purchase orders for 223 of the 527 equipment items that cost at least \$500 and above to the Fixed Asset Listing. The 223 items were located on 35 different purchase orders. From a universe of 222 equipment items of \$500 and above (which excludes a telephone identifying No. 40312, that was reviewed separately with all other phones), we selected 23 equipment items a 10 percent sample to verify their existence.

The judgmental sample consisted of the first Asset/Tag number listed and then every 10th number thereafter. We interviewed the Accountant to determine if BWY staff made purchase requests for new equipment, the types of equipment requested and whether they received the equipment.

4. Wages

We compared employee salaries listed in the sub-recipient agreement to the payroll registers, for the latest Fiscal Year 2001 salary payment, to each YOG/BWY employee. We randomly selected 15 employees of UWCA/BWY to verify salaries. We reviewed employee personnel files, employee pay increases, contracts, employment notification letters, and invoices to determine if wages were paid according to YOG agreement and sub-recipient agreement. We also interviewed two Youth Career Development Specialists, two Coordinators, and Assistant Directors of Employment to verify the agreed upon initial salary amounts agreed on.

5. Training and Performance Outcomes

To determine training outcomes, we reviewed participants' files for evidence of training received, but we were unable to verify training completers, as the files did not contain certificates of completion. We reviewed 13 of the total 80 placement sample files to determine the types of training received and attempted to call the participants to verify the training. We selected a random sample of 10 percent, or 11 of the 80 randomly selected placement files. Two additional participants were judgmentally selected because one participant received limited support from the BWY program, and the other because the voluminous participant's file indicated the participant might have received a significant amount of services.

We observed training classes in session and interviewed instructors to assess usefulness of the program. In addition, we reviewed the training program providers' agreements and the related program materials to determine the appropriateness of the training.

To evaluate the effectiveness of the program, we compared the cost expended to the three measurable outcomes, high school graduation, employment and college enrollment. We derived the percentage of participant goals to the actual participants served, by comparing

the grant's cumulative participant performance goals to the cumulative participants' actual reported outcomes.

Criteria:

We used the following criteria in performing the audit:

- WIA Section 136 – Performance Accountability System
- WIA Section 188 – Nondiscrimination
- WIA Section 189 – Administrative Provision
- 20 CFR 664 – Youth Opportunity Grant, Workforce Investment Act section 169 (a)
- Youth Opportunity Grant Agreement (DOL/ETA and Jefferson County)
- YOG Subrecipient Agreement (Jefferson County and UWCA)

APPENDIX C

ACRONYMS AND ABBREVIATIONS

BWY	Birmingham Works for Youth
DOL	Department of Labor
EC	Enterprise Community
ETA	Employment and Training Administration
OIG	Office of Inspector General
QFSR	Quarterly Financial Status Report
SAT	Scholastic Achievement Test
SOF	Statement of Facts
US	United States
UWCA	United Way of Central Alabama
WIA	Workforce Investment Act
YOG	Youth Opportunity Grants

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AUDITEE RESPONSE TO DRAFT REPORT

JEFFERSON COUNTY COMMISSION



BETTYE FINE COLLINS - PRESIDENT
JIM CARNs
BOBBY HUMPHRYES
LARRY P. LANGFORD
SHELIA SMOOT

JIM CARNs

COMMISSIONER, DISTRICT V
Suite 230
716 Richard Arrington, Jr. Blvd. N
Birmingham, Alabama 35203
Telephone (205) 325-5503
FAX (205) 325-5960

September 25, 2007

Mr. Dwight Gates
United States Department of Labor
Office of Inspector General
61 Forsyth Street SW
Atlanta, Georgia 30303

Dear Mr. Gates:

I have reviewed the comments presented in the draft report of the United Way of Central Alabama's (UWCA) Birmingham Works for Youth program audit (Report Number 04-07-003-03-390).

Based on my review, I asked UWCA to respond to the allegation presented in your letter dated September 18, 2007, which states: *UWCA did not operate an effective Youth Opportunity Grant program (BWY) that met the performance goals for employment, high school graduation, or college.* The response from UWCA is presented as an attachment.

I would appreciate your re-consideration of the allegation mentioned above based on the enclosed response by UWCA.

Thanking you in advance for your assistance with this matter.

Should you need any additional information pertaining to this matter, please feel free to contact Sharon Evans on my staff at 205-325-5503.

Sincerely,

Jim Carns, Commissioner

Enclosure

**United Way
of Central Alabama, Inc.**

3600 8th Avenue South
P.O. Box 320189
Birmingham, AL 35232-0189
tel 205.251.5131
fax 205.323.8730
www.uwca.org



what matters.™

September 24, 2007

Commissioner Jim Carnes
Jefferson County Commission
716 Richard Arrington Boulevard, Suite 230
Birmingham, AL 35203

Dear Commissioner Carnes:

The United Way of Central Alabama (UWCA) is taking this opportunity to respond to the U.S. Department of Labor Office of Inspector General, Office of Audit's "Discussion Draft" #04-07-003-03-390, "Complaint Involving United Way of Central Alabama's Birmingham Works for Youth Program." In particular because of information presented in the attached response, we are asking reconsideration of the substantiated finding that "UWCA did not operate an effective YOG program that met performance goals for employment, high school graduation, and college enrollment."

UWCA has experience in successfully managing effective federal, state, and locally funded programs. The YOG demonstration program, from its inception, was based upon a hybrid of the Workforce Investment Act and youth development performance indicators. UWCA, in collaboration with community partners, developed an operational model that took advantage of local strengths to develop an economic empowerment model for youth that was cost-efficient, effective and capable of replication.

In reviewing the YOG program, which for the Birmingham Works for Youth initiative, spanned a 6.3 year period of time, from September 11, 2000 through December 31, 2006, UWCA believes that it managed the program consistent with the guidelines, milestones, and directives set forth by ETA. There were instances when UWCA questioned ETA directives on program focus and expenditures, but always yielded to ETA's decision.

Regardless, UWCA operated the program in a programmatically and fiscally responsible manner under the direct oversight of ETA. We are requesting that the OIG audit conclusion be modified to state that based on the preponderance of evidence available United Way/Jefferson County operated the program consistent with guidance, guidelines, and performance goals set forth by ETA.

Sincerely,

Daniel J. Dunne, President and CEO

Please remember United Way in your will or estate plan, and please tell us when you do.
Mission: To increase the organized capacity of people to care for one another and to improve their community.

United Way was pleased to take on the challenge of establishing a Youth Opportunity Grant project to serve the Enterprise Community (EC) in Birmingham. We have appreciated the opportunity to work with ETA in serving a population with significant barriers to employment and appreciate the challenges involved on the national level in implementing this program. Marshalling community resources to compile a competitive proposal that resulted in funding to serve at-risk youth under the U.S. Department of Labor's Youth Opportunity Grant was a challenge that we deemed worthwhile and worth the risks involved. UWCA knew that success was dependent upon our work, guidance and support from ETA, Jefferson County Commission, Jefferson County WIB, residents of the Enterprise Community, the educational systems, employers, and health and human service agencies in order to coordinate a quality, community-based program that truly served those for whom it was intended.

In reviewing the YOG program, which for the Birmingham Works for Youth initiative, spanned a 6.3 year period of time, from September 11, 2000 through December 31, 2006, UWCA believes that it managed the program consistent with the guidelines, milestones, and directives set forth by ETA. We further believe UWCA operated the program in a programmatically and fiscally responsible manner under the direct oversight of ETA.

We are requesting that the OIG audit conclusion be modified to state that based on the preponderance of evidence available and the information disclosed in this response United Way/Jefferson County operated the program consistent with guidance, expectations and performance goals set forth by ETA.

Following is a table and timeline that reflects the misalignment between the BYW program implementation and performance objectives with the five-year YOG grant cycle. The OIG report does not appear to take this into consideration. For example, the OIG report states that "In March 2000, ETA awarded a one year, \$5 million YOG to the Jefferson County, Alabama Office of Community Development to provide services to 1,000 youth. Jefferson County contracted with UWCA to be its service provider for the YOG program...." ETA awarded the YOG grant to the City of Birmingham JTPA in March 2000. Since the transition from JTPA to WIA was pending, the City could not initiate the grant leading to a delay in finalizing the award. The actual award to Jefferson County was not issued by ETA until September 11, 2000. While the contract with UWCA was executed that same date, six months of the grant period had expired with no activity since neither Jefferson County nor UWCA had the legal authority or fund availability to initiate program activity.

YOG Fiscal Years	DOL	BWY
1	3/20/00-6/30/01	9/11/00-5/14/02
2	7/01/01-6/30/02	5/15/02-6/30/03
3	7/01/02-6/30/03	7/1/03-6/30/04
4	7/01/03-6/30/04	7/1/04-6/30/05
5	7/01/04-6/30/05	7/1/05-12/31/06
Months of Activity	64	76

The OIG report is accurate in stating that the target enrollment goal was 1,000 youth per year as stated in the grant proposal. On May 1, 2001, Robert Lunsford, Director of the Jefferson County Office of Community and Economic Development, responded to correspondence from Laura Cessario, Grant Officer, of 3/9/01 regarding start-up delays and enrollments. He cited significant census data declines in the EC that only became known to the County and UWCA subsequent to the 2000 census that were unavailable when the YOG proposal was written. He requested a reduction in enrollment goals to more accurately reflect the target population residing in the area. He requested a goal of 450 out-of-school and 200 in-school youth. Both Jefferson County and UWCA wanted to make it clear to ETA that the original enrollment projections were based upon 1990 census data that proved to be higher than actual population counts. There was not a response to this request for modification from ETA. The performance goal was modified to 1333 in a Memorandum from ETA on 10/21/02. (See **Attachment 1-** and **Attachment 7** for DOL Correspondence October 21, 2002)

The OIG report cites the federal funds spent by UWCA with the conclusion that the cost per enrollee exceeded what was intended. Over the 6.3 years that UWCA managed YOG grant funds, a total of \$18,886,299.27 was expended, with each year's budget and all expenditures in excess of the federal threshold approved by ETA. Rank ordering the cost of providing BWY services at the level ETA required, 39.38% of the expenditures were for salaries, benefits and payroll taxes. The second highest expenditure at 18.02% was for professional contracts and tutors. 6.56% of cost was spent for job coaches. Once again, ETA established the ratio of staff/youth and where they thought personnel needed to be increased. UWCA and ETA were in frequent discussions regarding level of staffing required, but UWCA abided by ETA's decisions. Renovation was almost 3% of the total expenditure. UWCA and Jefferson County surveyed the EC to find a location that ETA would approve. UWCA requested a waiver to utilize a site that abutted the EC which would have taken much less time and cost to renovate, but ETA rejected the request. The indirect cost paid to UWCA was 7.77%. (See **Attachment 2-Fiscal & Financial Information**).

OIG conducted a limited review of YOG and BWY as one of several sites audited nationally from February 19-March 5, 2002. (See **Attachment 3-OIG Statement of Facts & DOL Follow Up** from OIG Report) The exit interview on March 5, 2002 made suggestions for "supplemental policies and procedures ...to capture effective and efficient program operations and results." There were no significant inconsistencies identified that indicated BWY was in violation of YOG regulations. In May 2003, UWCA was audited by an independent auditor contracted by Jefferson County for financial accounting and internal controls utilizing the WIA monitoring tool developed by ADECA. (See **Attachment 4**) The report reflected "no exceptions" to UWCA's management, made no recommendations and requested no corrective action. UWCA engaged an independent auditor to conduct A-133 program and fiscal audits for FY 2001, 2002, 2003, 2004, 2005 and 2006. (See **Attachment 5-OMB Circular A-133.**) There were no findings. Once again, UWCA contends that it expended the funds in a fiscally

responsible and accountable manner with approval for each annual budget and major expenditures from Jefferson County and ETA.

In addition, ETA conducted program monitoring visits on 4/6/01, 7/16-18/01; 2/11-12/02; 9/10-12/02; 9/2-5/03. There were start-up problems that are documented. UWCA believes that its leadership was pivotal in upholding the intent of the YOG program to work through those challenges to develop a program that produced viable outcomes for high risk youth that was valued by those for whom it was designed to serve. Beginning in February 2002, ETA acknowledged the significant progress of the program and from that point until the end of December 2006 when BWY officially closed, ETA was supportive of program efforts and outcomes. (See **Attachment 1, page 2** for reference to Site Visit 4/6/01 & **Attachment 6 - DOL Site Visits.**)

The OIG report continues to state that “UWCA experienced delays in starting up its BWY program due to difficulties in finding a suitable location for the training center within the enterprise community, developing working relationships with program partners, and hiring a suitable director. Consequently, ETA reduced BWY’s expected program performance goals for participant enrollment for the initial 2-year period from 2,000 to 1,333.” While there were start-up delays, ETA did not make exceptions to the enrollment target for BWY based upon those circumstances. In a Memorandum from ETA on 10/21/02, ETA reduced enrollment goals and eliminated grant enrollments as a performance measurement for all grantees. They further re-defined program outcome measures. Birmingham’s service goal was set by ETA at 800, 400 out-of-school youth and 400 in-school youth. In addition, ETA created a performance measure of out-of-school placements per month. BWY’s target was 23. (See **Attachment 7- DOL Service Goals & DOL Correspondence.**)

Further in the report, OIG states that, “At the end of the second year, UWCA had incurred \$5.1 million in program cost while enrolling 453 participants in the BWY program, 66 percent less than the revised enrollment goal of 1,333.” Because the BWY program began six months late and was hindered in implementation by a variety of circumstances, it did not complete its second year of the grant funding until 6/30/03, eight months after ETA eliminated enrollment as a performance measurement. At that point in time, a total of 1240 youth were enrolled, 93% of the total programmatic goal (1,333) set by ETA. In response to the progress demonstrated by the program and successful ETA monitoring visits, ETA did award the remaining three year extensions. By the end of the BWY grant period (December 31, 2006), BWY enrolled a total of 1698 youth, 127.38% of the 1,333 goal set by ETA. Using the penetration denominator established by ETA (1917), BWY had an 89% penetration rate into the target population. DOL’s capacity to report program activity ended in December 2005 when the contract with Covansys ended. BWY continued to operate and maintain data based upon ETA reporting guidelines disseminated in June, 2005. (See **Attachment 8- eTeams.**)

In YOG Quarterly Data and Rate Analysis compiled by ETA through June 30, 2005, the conclusion of the YOG five-year funding cycle, BWY’s performance indicators were as follows:

Categories	BWY	Ranking Among 36 Sites
Youth Retention Rate (Jan-June 2005)	68%	13
Program to Date Participation Rate (ETA Goal 51%)	80%	24
Program to Date Completion Rate	63%	29
Program to Date Long-Term Placements	847	27

(See **Attachment 9-** Youth Opportunity Grant Quarterly Data and Rate Analysis)

This measurement was taken a full eighteen (18) months before BWY completed its YOG program activity, so it is not a final report of program performance indicators. Nevertheless, BWY exceeded the ETA-established enrollment goals and met the participation rate goals.

The OIG report compares the performance goals compared with WIA outcomes, 40% of which are listed as “Not Available.” Once again, UWCA utilized the ETA taxonomy and MIS system for collecting data and was directed by ETA regarding which component of the program was to be improved at any given time. (See **Attachment 8-** eTEAMS) eTeams, which did not become available from ETA until February 2002, did not enable BWY to monitor progress on an ad hoc basis. UWCA attempted to utilize Crystal reports to extract reports that would provide a more effective management tool, but the skill level required to interface with eTeams to yield useful reports was time and labor prohibitive. While UWCA is held accountable for management of the YOG program, at no time did UWCA have full control over program design, implementation, and/or expenditures. Decisions in these areas were made under the direction of ETA. Compiling total program data from 9/11/00-12/31/06 (a total of 76 months) and reporting the abbreviated performance indicators required by ETA, yields the following:

Enrollment	1698
Achieved GED	67
Achieved High School Diploma	174
Entered Short-Term Unsubsidized Employment	740
First-Time Placement in Unsubsidized Jobs	347
Number of Replacements	228
Entered Community College	183
Entered Four Year College	115
Entered Pre-Apprenticeship Training	10
Entered Job Corps	15
Entered CBO/Proprietary Training	13
Total Placements	1041

Once again, since data through November 2005 was captured on eTeams and subsequent data from December 2005-December 2006 is captured independently, it is impossible to compile a comprehensive report based upon 'denominators' ETA used to calculate performance measures. ETA notified that it would not set service goals beyond June 2005.

The OIG report also states that "UWCA was unable to obtain nonfederal funding for the BWY program..." and "no additional funds were raised to sustain the program." UWCA, believing in the community-based approach to workforce development for at-risk youth, submitted a collaborative proposal to the Jefferson County WIB in May, 2002 that provided an economic empowerment network integrating the three Jefferson County community college one-stops, community service providers and UWCA's workforce network developed during its successful operation of the Welfare-to-Work grant. The Jefferson County WIB funded the program for one year and then returned to its traditional funding of JTPA-model training programs and discontinued funding to the UWCA model which was based upon YOG's innovative approach. In the second year's application that was not funded, UWCA committed a local match of \$100,000 to integrate the youth WIB services with the national America's Promise network. UWCA's plan for sustainability was that the YOG program could be downsized and integrated into a larger, county-wide coordinated program that established the community colleges and the YOG site as 'hubs' for youth workforce development services in Jefferson County. UWCA and BWY program partners made efforts to engage funding partners in this endeavor to no avail.

While UWCA is in agreement with the OIG that the program had problems, we do believe we operated an effective program that served a high risk population in a very challenging environment that was far from conducive to success. The record shows we followed guidance, policies and procedures set forth by ETA for program goals, performance and expenditures.

We request that the OIG restate its finding to reflect the assertion that United Way/Jefferson County operated the project consistent with ETA guidelines, expectations and performance goals and that from February 2002 to the conclusion of the program, UWCA never received any indication from ETA that BWY was not meeting objectives. From the inception of the grant through its conclusion, BWY was never given any communication from ETA that expenditures were not in alignment with program intent.

UWCA acknowledges that over the 6.3 years of operation and with over 100 different staff and nearly 40 contract employees, human and clerical error resulted in a limited number of documentation errors. It also acknowledges that it worked with a high risk population of older youth whose residence might change on a regular basis and who might not be entirely truthful in responding to 'government' questions. However, the policies and procedures UWCA established with BWY were designed to result in a program consistent with YOG eligibility and accountability standards. Throughout this entire program that produced significant positive results for this at-risk population, UWCA was dedicated to addressing the intent of Congress in working with at-risk youth

to enable them to become productive, economically viable members of our community.
We believe that goal was achieved.