

March 21, 2002

MEMORANDUM FOR:     EMILY STOVER DeROCCO  
                          Assistant Secretary for  
                          Employment and Training

*Elliot P. Lewis*

FROM:                 ELLIOT P. LEWIS  
                          Acting Deputy Inspector General  
                          for Audit

SUBJECT:             Audit of Homestead Job Corps Center Property Taxes  
                          July 1, 1999 Through June 30, 2000  
                          Report Number 02-02-208-03-370

We have completed an audit of the Homestead Job Corps Center (HJCC) for the period July 1, 1999 through June 30, 2000. The audit objective was to determine if Vinnell Corporation claimed property taxes for HJCC under contract number 12-99-001-43. We found that no property taxes were claimed and paid by Vinnell Corporation for HJCC. We are making no recommendations and no response is necessary.

If you have any questions or wish to discuss this issue further, please contact Richard H. Brooks, Regional Inspector General for Audit at (212) 337-2566.

### **Background**

Job Corps was established in 1964 and is presently authorized under Title I, Subtitle C of the Workforce Investment Act of 1998. The overall purpose of the program is to provide economically disadvantaged youths aged 16 to 24 with the opportunity to become more responsible, employable citizens. With annual funding more than \$1 billion, Job Corps is the largest Federal youth employment and training program. Job Corps provides total support for participants including basic education and vocational classes; dental, medical and eye care; social skills training; meals; recreational activities; counseling; student leadership activities; and job placement services.

The Employment and Training Administration (ETA) awarded Contract Number 12-99-001-43 to Vinnell Corporation to operate HJCC for the period April 1, 1999 through March 31, 2000 with three additional option years.

HJCC was part of the Homestead Air Force Base. The Center consists of 15 buildings in a 50 acres complex. It is located in Homestead, Florida.

### **Objective**

The audit objective was to determine if Vinnell Corporation, claimed property taxes for the HJCC under Contract Number 12-99-001-43.

### **Scope and Methodology**

We reviewed charges to utilities, and other facility maintenance claimed under the contract number 12-99-001-43 for the period July 1, 1999 through June 30, 2000. We obtained an understanding of HJCC internal controls through inquiries with appropriate personnel, inspection of relevant documentation, and observation of operations. The nature and extent of our testing were based on the risk assessment.

We examined center operations expenses, general ledgers and supporting documentation including vouchers and invoices. We used judgmental sampling techniques to test individual account transactions. We sampled \$181,476 or 29 percent of reported utilities, fuel, and maintenance expenses. We did not audit performance measurements of HJCC.

The audit was performed using criteria we considered relevant in evaluating the reasonableness, allowability and allocability of claimed expenses. Criteria included Title 20 of the Code of Federal Regulations, Federal contrast cost principles set forth in the Federal Acquisition Regulation, Part 31 and the Job Corps Policy and Requirements Handbook (PRH). Also, other requirements in the contract were used as criteria in evaluating the allowability of claimed expenses.

We conducted our audit in accordance Government Auditing Standards, issued by the Comptroller General of the United States, and included such tests as we considered necessary to satisfy the objectives of the audit. We conducted fieldwork from January 22 to January 25, 2002, at HJCC located in Homestead, Florida.

### **Audit Results**

We found that no property taxes were claimed and paid by Vinnell Corporation, for HJCC during the period July 1, 1999 through June 30, 2000. We are making no recommendations and no response is necessary.