

**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.