

# OIG Recovery Act Plan Overview

<b>OIG Name:</b>	U.S. Department of Labor, Office of Inspector General
OIG Broad Recovery Act Goals:	<p>OIG's recovery goals are to:</p> <ol style="list-style-type: none"> <li>1. Implement an audit plan to ensure DOL and its agencies: <ul style="list-style-type: none"> <li>• adequately plan for administration and oversight of ARRA funds;</li> <li>• award grants and contracts based on merit and evidence of responsible spending;</li> <li>• report in a timely and transparent manner on recipients' performance;</li> <li>• implement provisions of the ARRA, as required; and</li> <li>• spend ARRA funds timely and appropriately.</li> </ul> </li> <li>2. Prevent and immediately address fraud, waste and abuse of ARRA funds. The OIG will, as warranted, coordinate with appropriate agencies and organizations to investigate and help prosecute those who intentionally seek to illegally benefit by committing crimes related to ARRA funding.</li> <li>3. Be pro-active. OIG will issue alert memos or other correspondence to the appropriate agency when auditors identify problems requiring corrective action.</li> <li>4. Target resources to high-risk programs.</li> </ol> <p>OIG will audit DOL's implementation of ARRA provisions and use of ARRA funds in three phases: (1) how DOL is planning its administration and oversight; (2) how DOL awards funds to grantees and contractors; and (3) how DOL agencies, grantees and contractors performed and what was accomplished with Recovery Act funding.</p> <p>For a more detailed explanation of the DOL OIG's three-phase approach, and an addendum to its FY 2009 audit work plan which describes the ARRA-related audits it plans to conduct or start in FY 2009, please see: <a href="http://www.oig.dol.gov/recovery">http://www.oig.dol.gov/recovery</a></p>

# OIG Recovery Act Plan Overview

<p><b>OIG Broad Outreach Recovery Act Goals:</b></p>	<p>The OIG will coordinate audit work and share information on the status of ARRA audits with other Federal agencies through regular meetings and conference calls with the Government Accountability Office and the Recovery Accountability and Transparency Board.</p> <p>The OIG will also coordinate its work with DOL agencies, other law enforcement entities, and non-law enforcement organizations. The OIG will provide training and instruction to OIG employees, states, ARRA recipients, and the general public on best practices for detecting and reporting potential fraud, waste and abuse relating to ARRA funding.</p> <p>The OIG will also post information about ARRA’s whistleblower protection provisions on the OIG’s Recovery Act web site at <a href="http://www.oig.dol.gov/recovery/">http://www.oig.dol.gov/recovery/</a>. The web site will describe various ways (e.g., phone, e-mail, mail) of reporting whistleblower and other ARRA-related complaints to the hotline.</p> <p>As requested, DOL OIG will make presentations and provide training about its oversight work to other DOL and Federal agencies, as well as non-governmental associations and stakeholder groups.</p>
<p><b>OIG Recovery Act Risk Assessment Process:</b></p>	<p>The DOL OIG reviewed the Recovery Act legislation to determine the distribution of funds across DOL agencies and to identify new initiatives which require additional reporting and administrative responsibilities. Additionally, the OIG analyzed information from multiple sources to identify high-risk programs. Some of these sources include: prior risk assessments used to develop the annual Audit work plan; findings and recommendations from previous OIG and GAO reports; testimony at Congressional hearings; and data from the annual DOL Performance and Accountability Report.</p> <p>Based on this review, OIG amended its FY 2009 Audit Workplan to add audits of high-risk programs. Examples include: the Federal Additional Compensation program (estimated to cost \$9.3 billion); outreach on the COBRA premium reduction benefit (which has generated nearly 62,000 inquiries since ARRA’s enactment); and Paid Work Experience for Youth in Workforce Investment Act Programs (ARRA provides \$1.2 billion for youth services).</p> <p>OIG’s risk assessment is ongoing. As the OIG obtains and reviews new information about Recovery Act implementation from audit field work, related hotline complaints, Congressional hearings, meetings with incoming executive staff, and other events, the DOL OIG may initiate audit work, as needed.</p> <p>The OIG will review DOL agencies’ final Recovery Act plans and risk assessments to identify additional areas which may merit audit work in FY 2010.</p>

## OIG Recovery Act Plan Overview

<b>OIG Recovery Act Funds:</b>	\$6,000,000
<b>Expiration Date of OIG Recovery Act Funds:</b>	September 30, 2012
<b>FY 2009 OIG Non-Recovery Act Funds:</b>	\$82,466,000
<b>Number of OIG Planned Recovery Act Hires:</b>	OIG plans to hire 2 FTEs to assist with its Recovery Act work.
<b>OIG Recovery Act Funds to be Allocated to Contracts:</b>	Yes
<b>Purpose of Recovery Act Contracts:</b>	Contractors will perform audit work on various DOL programs and operations which have received ARRA funds or have responsibilities for ARRA implementation. To date, OIG plans to have contractors audit the following DOL programs: Federal Additional Compensation (FAC) Benefits under the American Recovery and Reinvestment Act of B31; Flexibility to Provide Training to Priority Populations Under the American Recovery and Reinvestment Act of 2009; Paid Work Experience for Youth in Workforce Investment Act Programs; Expenditures for WIA Services under the American Recovery and Reinvestment Act of 2009; and Competitive Grants for Worker Training in High Growth and Emerging Industry Sectors.
<b>Types of Recovery Act Contracts Awarded to Date:</b>	To date, one competition is in process. The contract type for this competition is firm-fixed price, plus actual travel costs. OIG only plans to use this type of contract for all future contract work related to the Recovery Act.
<b>Link to OIG FY 2009 Recovery Act Work Plan:</b>	<a href="http://www.oig.dol.gov/public/2009Addendum.pdf">http://www.oig.dol.gov/public/2009Addendum.pdf</a>

## OIG FY 2009 Recovery Act Work Plan

Agency	Program Area	Agency Recovery Act Funds Associated w/Program Area	Type of Review (Administrative / Financial, Eligibility, Performance, Other)	Entity Performing Review (OIG Staff, Contractor, Other)	Project Title	Background	Objective	Expected Quarter in Which Work will Start	Expected Quarter in which Final Report will be Issued	Expected Number of Reports
Employment and Training Administration (ETA), Office of the Chief Financial Officer (OCFO), Employment Standards Administration (ESA), Employee Benefits Security Administration (EBSA), Office of Safety and Health Administration (OSHA), Office of Job Corps (OJC)	Accounting for Staff Time and Expenditures under the American Recovery and Reinvestment Act of 2009 (ARRA)	\$47,430,000,000 (estimated)	Administrative/Financial	OIG Staff	Accounting for American Recovery and Reinvestment Act of 2009 Funds	The Department of Labor received an estimated \$47 billion under the ARRA to expand unemployment benefits, increase employment and training opportunities, build and rehabilitate Job Corps Centers, enforce worker protection laws, and coordinate activities related to the infrastructure and unemployment insurance investments under the Act. Both the ARRA and OMB guidance contain provisions requiring Federal agencies to account separately for ARRA funds. The DOL has also issued instructions to its agencies on how to account for and report on ARRA-related obligations and expenditures.	Have DOL agencies receiving ARRA funds implemented or do they have plans to implement controls to account for and report ARRA financial activity as required by Federal law and the OMB guidance?	Q2FY09	Q3FY09	1
ETA, EBSA, OSHA	Reporting Performance Measures under ARRA	47,120,976,000	Performance Review	OIG Staff	Reporting Performance Under the American Recovery and Reinvestment Act of 2009	ARRA requires agencies and other recipients of ARRA funds, as well as Federal agencies with non-monetary responsibilities (e.g., enforcement of worker protection laws), to report regularly on their financial and non-financial activities. Both the ARRA and OMB guidance require agencies to establish accountability measures and report publicly on related outcomes.	What performance measures has DOL established for its ARRA activities? Do agencies' risk management plans comply with OMB guidance? Has DOL provided adequate guidance to agencies, States, and other recipients on how to report outcomes for these measures? Does DOL have an adequate plan to ensure the accuracy of reported data?	Q2FY09	Q3FY09	1
ETA -Office of Workforce Security	Unemployment Insurance Program	\$9,300,000,000 (estimate)	Administrative/Financial	Contractor	Federal Additional Compensation (FAC) Benefits under the American Recovery and Reinvestment Act of 2009	Title II, Section 202 of the ARRA authorizes a new temporary Federal Additional Compensation (FAC) program, which increases the Weekly Benefit Allowance (WBA) for unemployment benefits by \$25 per week through December 31, 2009—estimated to cost \$9.3 billion. The increase in benefits applies to persons receiving Trade Readjustment Allowances, Disaster Unemployment Benefits, regular Unemployment Compensation, Extended Benefits, or Emergency Unemployment Compensation.	Did States increase the weekly benefit amount by \$25, as required by ARRA? How did States choose to make the FAC payments? Have States designed systems to comply with FAC-related provisions in ARRA and guidance issued by OMB and DOL's Employment and Training Administration? Are States' systems adequate to separately account for and accurately report the required FAC data to DOL?	Q3FY09	Q1FY10	1
EBSA - Office of Participant Assistance	COBRA	\$7,405,000,000	Performance Review	OIG Staff	Outreach on COBRA Provisions in the American Recovery and Reinvestment Act of 2009	The ARRA provides eligible unemployed workers premium reductions and other options for health benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, also known as COBRA. Eligible individuals pay only 35 percent of their COBRA premiums; the remaining 65 percent is reimbursed to the provider through a tax credit. DOL's Employee Benefits Standards Administration (EBSA) has responsibility for ensuring compliance with COBRA. As of May 1, 2009, EBSA has responded to more than 61,000, inquiries about the changes.	Has EBSA adequately planned and implemented COBRA provisions under ARRA?	Q2FY09	Q4FY09	1

## OIG FY 2009 Recovery Act Work Plan

Agency	Program Area	Agency Recovery Act Funds Associated w/Program Area	Type of Review (Administrative / Financial, Eligibility, Performance, Other)	Entity Performing Review (OIG Staff, Contractor, Other)	Project Title	Background	Objective	Expected Quarter in Which Work will Start	Expected Quarter in which Final Report will be Issued	Expected Number of Reports
ETA-Office of Workforce Investment	Workforce Investment Act (WIA Adult, Youth and Dislocated Workers); Competitive Grants; YouthBuild; National Emergency Grants; Reemployment Services Grants)	\$4,440,000,000	Administrative/Financial	Contractor	Flexibility to Provide Training to Priority Populations Under the American Recovery and Reinvestment Act of 2009	Title VIII of the ARRA gives local workforce areas and discretionary grantees special contracting authority to expedite the ability to provide quality training services. ARRA authorizes local Workforce Investment Boards (WIBs) to contract with community colleges and other institutions of higher education, or other eligible training providers—including those that offer registered apprenticeship training—for a class size (or set number of students) so long as participants can continue to choose the skill training that works best for them (i.e., customer choice). Congress's intent was to "accelerate the ability of the public workforce investment system to provide training in high-demand occupations" to "priority populations most heavily impacted by the recession." These targeted groups include: the unemployed, underemployed, ex-offenders, and older workers with "particular challenges in regaining employment."	What are States' plans to use the special contracting authority under ARRA to provide training to priority populations, as Congress intended? Has DOL provided States, local WIBs, and discretionary grantees with timely and adequate guidance on how to use this contracting flexibility, as provided by Congress? Has DOL established adequate oversight procedures to monitor whether local WIBs used this contracting flexibility to ensure priority populations had access to skills training which met their needs?	Q4FY09	Q2FY10	1
ETA-Office of Workforce Investment	WIA-Youth	\$1,200,000,000	Administrative/Financial	Contractor	Paid Work Experience for Youth in Workforce Investment Act Programs	The ARRA provided the Department of Labor with \$1.2 billion for Workforce Investment Act (WIA) grants to States for youth activities, including summer employment for youth. The additional funds can also be used for year-round employment programs that reflect work and education (including remediation) across emerging industries, such as energy efficiency, environmental protection, and other sectors which promise good jobs. Youth employment programs under WIA may be either paid or unpaid. A key priority for Congress under ARRA was that States and local workforce areas use a significant portion of the \$1.2 billion to create "a robust" summer jobs program for youth in 2009 and year-round employment programs. To expand the number of unemployed youth who could obtain summer jobs, Congress increased eligibility up to 24 years of age	Do State and local workforce areas' plans for WIA youth programs under ARRA include paid summer and year-round employment? To what extent are local workforce areas using additional WIA funds under ARRA to create year-round paid employment opportunities for eligible youth? Has DOL provided sufficient guidance and technical assistance to ensure the funds were used mainly to create paid work experiences for youth participants in the summer of 2009?	Q3FY09	Q1FY10	1

## OIG FY 2009 Recovery Act Work Plan

Agency	Program Area	Agency Recovery Act Funds Associated w/Program Area	Type of Review (Administrative / Financial, Eligibility, Performance, Other)	Entity Performing Review (OIG Staff, Contractor, Other)	Project Title	Background	Objective	Expected Quarter in Which Work will Start	Expected Quarter in which Final Report will be Issued	Expected Number of Reports
ETA- Office of Workforce Investment	WIA-Adults and Dislocated Workers	\$1,750,000,000	Administrative/Financial	Contractor	Expenditures for WIA Services under the American Recovery and Reinvestment Act of 2009	The ARRA includes \$1.75 billion for DOL to award additional WIA funds to states for the WIA adult (\$500 million) and dislocated worker programs (\$1.25 billion). In enacting the ARRA, Congress intended that additional funding for WIA adults and dislocated workers be used to provide direct delivery of services to priority populations that include the unemployed, underemployed, ex-offenders, and “older workers who often have particular challenges in regaining employment.” WIA adult and dislocated workers funds may also be used to provide adult basic or English language education through community colleges, community-based organizations, and other “high quality” public programs so long as they are in connection with skills training to prepare workers for a job.	How do States and local workforce areas plan to spend their allocation of WIA adult and WIA dislocated worker formula funds? Does DOL have an adequate monitoring plan for expenditures to ensure funds were spent primarily on direct training and employment services to adults and dislocated workers who belong to the priority populations identified by Congress?	Q3FY09	Q1FY10	1
ETA-Office of Workforce Investment	WIA-Competitive Grants for Worker Training	\$750,000,000	Administrative/Financial	Contractor	Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors	Under the ARRA, DOL received \$750 million for training workers and placing them in high growth and emerging industry sectors. The majority of the funds (\$500 million) are targeted to activities to prepare workers for “green jobs”—careers in renewable energy industries and the remaining funds are supposed to target training for careers in health care. Congress intends for grantees to serve priority populations—the unemployed, underemployed, ex-offenders, and “older workers who often have particular challenges in regaining employment.” Grantees are also expected to engage in strategic partnerships involving business and labor, community colleges, state and local workforce boards, elected officials, economic development groups, and related stakeholders; and industry sector-based approaches to developing workforce training and career pathway initiatives. The DOL OIG previously reported weaknesses in DOL’s process for awarding grants under the \$235 million High Growth Job Training Initiative. OIG found grantees failed to achieve major performance goals; success could not be determined because goals were so unclear; and DOL dissemina	Did ETA select grantees on the basis of merit-based criteria, as required by OMB’s guidance on responsible spending under ARRA? Did grantees include serving priority populations, as Congress intended? Did grantees engage in strategic partnerships and sector-based approaches to skills training, including career path initiatives? Did the grant agreements include measurable objectives and outcomes so ETA and the public can determine the “value” of the investments?	Q4FY09	Q2FY10	1

## OIG FY 2009 Recovery Act Work Plan

Agency	Program Area	Agency Recovery Act Funds Associated w/Program Area	Type of Review (Administrative / Financial, Eligibility, Performance, Other)	Entity Performing Review (OIG Staff, Contractor, Other)	Project Title	Background	Objective	Expected Quarter in Which Work will Start	Expected Quarter in which Final Report will be Issued	Expected Number of Reports
Office of Job Corps	Job Corps Construction	\$250,000,000	Administrative/Financial	OIG Staff	Job Corps Contracts	Under the ARRA, the Office of Job Corps (OJC) received \$250 million which must be used primarily for construction of new Job Corps centers and rehabilitation of existing ones. The OJC works with DOL's Office of the Assistant Secretary for Administration and Management (OASAM) in awarding contracts since OASAM has procurement authority for OJC. However, OJC monitors the financial and performance activities of contractors. A March 20, 2009 Presidential Memorandum includes several requirements to ensure transparency and accountability in how Federal departments and agencies award contracts and grants with ARRA funds. For example, agencies must use merit-based decision making in making awards and communicate in writing with registered lobbyists.	Did DOL select contractors on the basis of merit-based criteria, as required by the March 20, 2009, Presidential Memorandum on responsible spending under ARRA? Did the contracts include measurable objectives, time lines, and outcomes so DOL and the public can determine the "value" of the investments?	Q3FY09	Q1FY10	1
<b>Type of Reviews</b>										
<b>Administrative/Financial Reviews</b> - reviews of management administrative issues, management internal controls, or financial systems/processes										
<b>Eligibility Reviews</b> - reviews to determine if eligibility requirements were met for a given program										
<b>Performance Reviews</b> - reviews to determine the effectiveness of a given program										
<b>Other Reviews</b> - reviews that do not fit within the above categories										