



## Management's Response to the 2009 Top Management Challenges

The Department's responses and presentation of its progress on the Top Management Challenges are shown as actions and planned actions to address each challenge and are displayed below. The tables also include information from Government Accountability Office (GAO) audits and planned actions identified for FY 2009 from the FY 2008 PAR. The table's three columns break out the Management Challenges into specific issues (left column), actions taken in FY 2009 (center column), and actions remaining/expected completion date (right column). Throughout the past year, the Department closely tracked its progress in addressing the Top Management Challenges, with agencies reporting quarterly on their corrective actions. Also included is a progress assessment for FY 2009 using a stoplight system: ● Green – Actively Implementing All Remedial Actions; ● Yellow – Actively Implementing Most Remedial Actions; and, ● Red – Not Implementing Most Remedial Actions. Additional information on many of these management challenges and their specific issues is in the performance goal narratives. The Department aggressively pursues corrective action for all significant challenges, whether identified by the OIG, GAO, the Office of the Chief Financial Officer (OCFO), or other sources within the Department.

### CHALLENGE: Implementing the American Recovery and Reinvestment Act of 2009

**DEPARTMENT'S RESPONSE:** This challenge was first identified in FY 2009, and affects all Strategic Goals. Following are DOL FY 2009 actions, remaining actions, and expected completion dates for challenges identified by the OIG, GAO, and DOL.

**DOL's Assessment of Progress: ● Green.**

Management Challenge/ Significant Issue	Actions Taken in FY 2009	Actions Remaining and Expected Completion Date
<b>Implement Recovery Act Performance Reporting Requirements.</b> (OIG Report 06-09-003-07-001) Report on the number and percent of participants who receive industry-specific training and employment under the WIA Adult and Dislocated Worker programs.	Refer to "Actions Remaining and Expected Completion Dates."	Develop and issue report on Recovery Act funded WIA Adult and Dislocated worker programs, including the number and percent of participants by occupation of training – Sept 2010.  Report to be updated to provide entered employment numbers and rates – June 2011.
Establish and implement internal controls for conducting data quality reviews of recipient reporting in advance of the OMB October deadline.	Issued four Recovery Act Contract Recipient Reporting guidance memoranda to the DOL acquisition community as required by the Recovery Act.	Completed.
Update Risk Management Plans to ensure that program-specific risks are included.	Refer to "Actions Remaining and Expected Completion Dates."	Ensure that all final Recovery Act risk plans include program-specific risks and that the performance measures in program-specific Recovery Act plans are consistent with the Risk Management requirements in OMB's April 3, 2009 Recovery Act guidance. Coordinate changes to plans, as necessary, with OMB – Dec 2009.

Management Challenge/ Significant Issue	Actions Taken in FY 2009	Actions Remaining and Expected Completion Date
<b>Implement procedures for accounting and reporting financial activity under Recovery Act</b> (OIG Report 18-09-002-01-001)	Took the necessary steps to account for the \$44.9 billion received in Recovery Act funds. Issued ETA guidance letter on recipient reporting.	Completed.
<b>Administer the extension and subsidization of COBRA for certain groups of eligible laid off workers.</b> (OIG Report 18-09-003-12-001)	Conducted extensive outreach, education, participant and compliance assistance programs and promulgated, under very tight time frames, model notices and regulations covering changes in COBRA eligibility and the Recovery Act's new premium assistance provisions.	For the duration of the law, which will sunset on December 31, 2009, EBSA will continue its outreach and education programs – Dec 2009.
Ensure all local one-stop centers have COBRA premium assistance information available.	Refer to "Actions Remaining and Expected Completion Dates."	ETA will issue a change to their Training and Employment notice to clarify that One Stop Centers should display EBSA's COBRA/ARRA flyers and materials – Oct 2009.
Assess outreach effectiveness by using data from enforcement investigations.	On September 4, 2009, EBSA instructed Regional Directors to report any violations of the requirement to provide ARRA COBRA notices to eligible participants and beneficiaries.	Completed.
Develop a contingency plan with specific resource plans for meeting the 15-day requirement in case of system failure or undesirable events.	Regional Directors were instructed in a memorandum dated May 14, 2009, to adjust their allocation of personnel and other resources as necessary to meet the demand created by the COBRA premium reduction program.	Completed.
Improve controls in the EBSA Technical Assistance Information System (TAIS) determination dates to ensure that determination dates in the TAIS match with the dates on the determination letter received by applicants.	The TAIS system has been corrected so that the date on the letter is changed to the date that the letter was mailed or faxed.	Completed.
Revise the current version of the final determination letter by moving up the notification of the decision to the beginning of the appellant's letter.	EBSA revised the letters by amending the subject line to indicate the determination made.	Completed.
Hiring and training personnel necessary to process appeals in a timely manner.	EBSA developed and implemented a program that provides for expedited review of COBRA premium subsidy denials. EBSA followed a detailed hiring plan to ensure appropriate staffing levels for the program and is processing approximately 95 percent of expedited reviews in 14 days or less.	EBSA has demonstrated its ability to complete expedited reviews in a timely manner and will continue to do so. EBSA has sufficient levels of trained staff to handle inquiry volume, processing of expedited review applications and maintaining the program – FY 2010.

Management Challenge/ Significant Issue	Actions Taken in FY 2009	Actions Remaining and Expected Completion Date
<p><b>Ensure that the Federal Additional Compensation (FAC) benefits are accounted for correctly.</b> (OIG Report 18-09-004-03-315)</p>	<p>Enhanced the system for State monthly reporting on Federal Additional Compensation Benefit payments (ETA 2112 report). Compared the weekly funds drawn-down by States for the \$25 supplement shown in Treasury's Federal Additional Unemployment Compensation account with the ETA report.</p>	<p>Continue to review and address any accounting and reporting discrepancies – FY 2010.</p>
	<p>Conducted comprehensive reviews of States' Federal Additional Compensation implementation.</p>	<p>Collect and discuss review findings with the States to determine appropriate action(s) – FY 2010.</p>
		<p>Follow up with each of the applicable states to ensure that they complete the required programming for income tax withholding and identify recover and report FAC overpayments – FY 2010.</p>
		<p>Issue guidance to all states to reaffirm FAC requirements – FY 2010.</p>
<p><b>Demonstrate that grants are properly awarded, funds are properly spent, and these investments achieve their intended outcomes.</b> (reference OIG letter above)</p>	<p>Announced Solicitations for Grant Applications for Green Jobs Training and Healthcare, High Growth and Emerging Industries.</p>	<p>Facilitate award of Green Jobs grants and Healthcare, High Growth and Emerging Industries grants after the solicitation closing dates of Sept 2009 and Oct 2009, respectively – FY 2010.</p>
	<p>Awarded 75 YouthBuild grant awards funded by Recovery Act.</p>	<p>Completed.</p>
	<p>Obligated all WIA, Wagner-Peyser Act, Dislocated Worker National Reserve, Senior Community Service Employment Program, and Indian and Native American Program grants in March 2009.</p>	<p>Completed.</p>
	<p>Incorporated precise contracting language in initial award of grants to ensure proper execution of funds awarded.</p>	<p>Implement a rigorous Recipient Reporting System to collect data on the use of Recovery Act funds at the program service level for online public review – FY 2010.</p>
	<p>Using regional readiness reports, created training modules for Federal Project Officers to increase their effectiveness in providing Recovery Act services and collecting Recovery Act data.</p>	<p>Monitor the progress of these investments to ensure they yield intended outcomes – FY 2010.</p>

**CHALLENGE: Protecting the Safety and Health of Workers**

**DEPARTMENT'S RESPONSE:** This challenge, which was first identified in FY 2005, affects Strategic Goal 3 – Safe and Secure Workplaces. The following are DOL FY 2009 actions, remaining actions, and expected completion dates to challenges identified by the OIG, GAO, and DOL.

**DOL's Assessment of Progress: ● Yellow.**

<b>Management Challenge/ Significant Issue</b>	<b>Actions Taken in FY 2009</b>	<b>Actions Remaining and Expected Completion Date</b>
<b>Provide guidance on performance-based criteria for acceptable alternatives to underground wireless communications.</b> (Significant issue from previous PAR)	Issued Program Policy Letter No. P09-V-01, <i>Guidance for Compliance with Post-Accident Two-Way Communications and Electronic Tracking Requirements of the Mine Improvement and New Emergency Response Act (MINER Act)</i> , on January 16, 2009.	Completed.
<b>Publish final rules on refuge alternatives and fire retardant properties of belt material.</b> (Significant issue from previous PAR)	On December 31, 2008, published final rules on refuge alternatives and fire retardant properties of belt material.	Completed.
<b>Review Emergency Response Plans (ERPs) every six months.</b> (Significant issue from previous PAR)	Completed evaluations of all ERPs, ventilation, and roof control plans that were due for six-month review.	Ongoing.
<b>Strengthen MSHA accountability program and Office of Accountability to monitor the implementation of management controls.</b> (Significant issue from previous PAR)	Continued to strengthen the Office of Accountability to provide focused oversight and examination of existing enforcement programs, as well as to ensure that management and employees are accountable for performance. Issued revised Accountability Handbook.	Implement the Revised Handbook and Program – FY 2010.
<b>Ensure the consistency and rigor of the process to review and approve roof control plans.</b> Re-evaluate roof control plans for all mines. (Significant issue from previous PAR)	Documentation on an improved roof control plan approval process has been provided to the OIG to close the recommendation.	Completed pending OIG review.
<b>Issue revised Metal and Nonmetal General Inspection Procedures Handbook.</b> (Significant issue from previous PAR)	Published the <i>Metal and Nonmetal General Inspection Procedures Handbook</i> in March 2009.	Completed.
<b>Replace retiring mine inspectors. Implement localized and targeted recruiting to increase the applicant pool.</b> Implement Human Resources Strategic Plan FY 2006 -2011 for hiring new mine inspectors. (Significant issue from previous PAR)	MSHA conducted 23 job fairs (12 for Coal and 11 for M/NM) for hiring of inspectors in targeted localities.	Continue to implement MSHA staffing plan for addressing efforts to attract and retain specialists – FY 2010.

Management Challenge/ Significant Issue	Actions Taken in FY 2009	Actions Remaining and Expected Completion Date
<p><b>Address the concern that MSHA has improved its efforts in inspecting mines at the cost of not fulfilling other statutory responsibilities.</b> (Reference OIG Letter above)</p>	<p>The Administrator for Coal Mine Safety and Health issued a memo on June 2, 2009 to ensure timely mine plan reviews, including a staffing plan addressing hiring and efforts to attract and retain specialists. In addition, an effort is underway to increase the speed in which mine plans are reviewed by using an electronic uniform mine file.</p>	<p>Increase the speed of mine plan reviews by using an electronic uniform mine file – FY 2010.</p>
<p><b>Establish a written plan for eliminating the current backlog of overdue mine plan reviews and maintaining timely reviews in the future.</b> (OIG Report No. 05-09-002-06-001)</p>	<p>Provided documentation on overdue mine plan reviews to the OIG to close the recommendation.</p>	<p>Completed pending OIG review.</p>
<p><b>Form an OSHA Enhanced Enforcement Program (EEP) Task Force to make recommendations to improve program efficiency and effectiveness.</b> (OIG report No. 02-09-203-10-105).</p>	<p>Created task force in April 2009.</p>	<p>Completed.</p>
<p><b>Revise the EEP directive to address issues with prior qualifying history and designation and to provide specific criteria when National Office EEP Alert Memoranda are to be issued.</b> (OIG report No. 02-09-203-10-105)</p>	<p>Revised EEP directive, now referred to as the Severe Violators Enforcement Program.</p>	<p>Completed.</p>
<p><b>Develop and distribute a crosswalk to Federal OSHA citations for State standards that have different coding than Federal OSHA Standards.</b> (OIG report No. 02-09-203-10-105)</p>	<p>Refer to "Actions Remaining and Expected Completion Dates."</p>	<p>Develop and distribute crosswalk, conditional on priorities and funding – Oct 2011.</p>
<p><b>Develop a documentation policy for information on actions taken by OSHA's regions in response to fatalities and serious injuries at Voluntary Protection Programs (VPP) sites.</b> (GAO-09-395)</p>	<p>Agency head issued memorandum August 3, 2009 on <i>Improving the Administration of VPP</i>, which detailed a documentation policy for information on actions taken by OSHA's regions in response to fatalities and serious injuries at VPP sites.</p>	<p>Completed.</p>
<p><b>Establish internal controls that ensure consistent compliance by OSHA Regions with VPP policies.</b> (GAO-09-395)</p>	<p>The August 3 memorandum directed all personnel to follow the policies and procedures published in the <i>VPP Policies and Procedures Manual</i>, CSP 03-01-003, April 18, 2008, and the <i>VPP Federal Register Notice</i>, 74 FR 927, January 9, 2009.</p>	<p>Modifications to current VPP procedures are being reviewed and will be modified as necessary – Sept 2010.</p>
<p><b>Develop goals and performance measures for the VPP.</b> (GAO-09-395)</p>	<p>The August 3 agency head memorandum will enhance consistency in implementing VPP policy and procedures and help provide sound information as a basis for considering appropriate goals and measurements for VPP.</p>	<p>Explore additional ways to measure participant performance and program impact – Sept 2010.</p>

**CHALLENGE: Improving Performance Accountability of Grants**

**DEPARTMENT'S RESPONSE:** This challenge, first identified in FY 2007, affects Strategic Goal 1: A Prepared Workforce and Goal 2: A Competitive Workforce. The following are DOL FY 2009 actions, remaining actions, and expected completion dates to challenges identified by the OIG, GAO, and DOL.

**DOL's Assessment of Progress: ● Yellow.**

<b>Management Challenge/ Significant Issue</b>	<b>Actions Taken in FY 2009</b>	<b>Actions Remaining and Expected Completion Date</b>
<b>Evaluate the usefulness of individual grant products or the overall effectiveness of ETA discretionary grant initiatives.</b> (Reference OIG letter above)	Commissioned independent evaluations of demonstrations and initiatives as funding allowed. Three High Growth Job Training Initiative (HGJTI) grant evaluations are underway. Required HGJTI grantees to demonstrate clear and specific outcomes.	Conduct evaluations of newer high growth awards for Science, Technology, Engineering and Math skills and Older Workers. These evaluations will provide continual assessment of these grants— Sept 2010.
	Ensured that grant products were reviewed and disseminated as appropriate; products are not useable by audiences other than the grantee were sent send back to the grantees for modification.	Continue to ensure that results are distributed to other grantees and the workforce system – Ongoing.
	Required all grant applicants to include outcome projections. Grantees report progress on meeting outcomes quarterly.	Continue to require all grant applicants to include outcome projection – Ongoing.
<b>Monitor third party evaluations of High Growth Job Training Initiative (HGJTI), Community Based Job Training Grants (CBJTG), and Workforce Innovation in Regional Economic Development (WIRED) training grants and identify any interim successes and findings.</b> (Significant issue from previous PAR)	Monitored third-party evaluation of implementation and net impacts of activities at five selected HGJTI sites.	Issue evaluation report on activities at five selected HGJTI sites – Nov 2009.
	Monitored third-party evaluation of CBJTGs, describing characteristics of grants awarded through the end of FY or PY 2008.	Issue evaluation report on CBJTGs – Oct 2009.  Complete evaluation of other aspects of CBJTGs – Dec 2010.
	Monitored third-party evaluations of the WIRED Generation I and II.	Release interim reports from the WIRED evaluation – Feb 2010.  Evaluate other aspects of WIRED grants – Dec 2011.
<b>Provide adequate oversight and monitor grants.</b> ETA lacks reliable and timely performance data that would allow identification of problems in time to correct them. (Significant issue from previous PAR)	The Workforce Investment Streamlined Performance Reporting (WISPR) system, for the Workforce Investment Act title I, Wagner-Peyser Act, and the Trade Adjustment Assistance Act, which was approved by OMB for implementation in July 1, 2009, was not implemented.	Resolved pending decision on whether to implement WISPR, in light of concerns about priorities and budgeting – Sept 2010.
<b>Collect Common Measures data and compute results.</b> (Significant issue from previous PAR)	Collected and computed Common Measure results for High Growth and Community and began collecting and computing results for WIRED grantees.	Require all grant applicants to report progress on meeting Common Measures outcomes quarterly – Ongoing.

Management Challenge/ Significant Issue	Actions Taken in FY 2009	Actions Remaining and Expected Completion Date
<p><b>Monitor grantee compliance with OMB Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations", and enforce this requirement in grant packages.</b> (Significant issue from previous PAR)</p>	<p>Completed reviews and identified delinquent status findings.</p>	<p>Review audit status as part of the Core Monitoring process and include any delinquent status as a finding requiring follow-up and compliance by grantees – Ongoing.</p>
<p><b>Use electronic reports to track and evaluate grantees' actual cash needs.</b> (Significant issue from previous PAR)</p>	<p>Trained Federal Project Officers in the use of electronic reports in tracking and evaluating grantees' actual cash needs.</p>	<p>Continue to train Federal Project Officers in use of the SF-9130, used to report expenditures charged against grant awards made by ETA, as a management tool for evaluating grantee cash as needed – Ongoing.</p>
	<p>Used the SF9130 (electronic report) to evaluate the cash needs of CBJTGs and WIRED grantees.</p>	<p>Use electronic reports in evaluating grantees' cash needs – Ongoing.</p>
<p><b>Train Grant Officers on reviewing Statements of Work and other areas of grant operations.</b> (Significant issue from previous PAR)</p>	<p>Trained Grant Officers in reviewing Statements of Work and other areas of grant operations.</p>	<p>Train Grant Officers in reviewing Statements of Work and other areas of grant operation – Ongoing.</p>
<p><b>Issue plan for technical assistance to grantees and provide technical assistance to grantees.</b> (Significant issue from previous PAR)</p>	<p>Developed and implemented a technical assistance plan. Held 15 on-line classes and issued the Training and Employment notice in June.</p>	<p>Provide technical assistance to grantees as new grants are awarded – Ongoing.</p>
	<p>Provided indirect cost training classes to grantees in the Chicago, Atlanta, and Boston regions. Materials were posted to the workforce3one Web site.</p>	
<p><b>Conduct pilot test of 3½ Day Training Course and Web-based tutorial for Federal Project Officers (FPO) and conduct additional FPO training sessions.</b> (Significant issue from previous PAR)</p>	<p>Conducted FPO pilot test of 3½ Day Training Course in January.</p>	<p>Completed.</p>
	<p>Held seven 3½ day training sessions for approximately 210 grantees and posted Web-based tutorials.</p>	
<p><b>Conduct fiscal and program reviews of Generation II WIRED grantees.</b> (Significant issue from previous PAR)</p>	<p>Conducted fiscal and program reviews of Generation II and III WIRED grantees.</p>	<p>Complete fiscal monitoring reviews of all three generations of WIRED grantees – Dec 2009.</p>
	<p>Transferred monitoring authority for WIRED grants completely to the corresponding Regional Offices, consistent with other grant management efforts.</p>	<p>Programmatic monitoring is scheduled in each region throughout the fiscal year – Ongoing.</p>
<p><b>Conduct FPO training on grant monitoring, particularly documentation required of grantees.</b> (Significant issue from previous PAR)</p>	<p>3½ day training sessions and Web-based tutorials included Federal Project Officer training on grant monitoring and documentation required.</p>	<p>Completed.</p>
<p><b>Send follow-up letters to grantees who continue to be delinquent.</b> (Significant issue from previous PAR)</p>	<p>Put process in place to monitor delinquent grantees and send follow-up letters on a regular basis.</p>	<p>Completed.</p>

Management Challenge/ Significant Issue	Actions Taken in FY 2009	Actions Remaining and Expected Completion Date
<b>Codify standard operating procedures into Procedures Manuals.</b> (Significant issue from previous PAR)	Updated procedures in Procedures Manuals to include steps for sending delinquent notices to grantees once the list has been received from accounting.	Completed.

### CHALLENGE: Ensuring the Effectiveness of the Job Corps Program

**DEPARTMENT'S RESPONSE:** This challenge affects Strategic Goal 1 – A Prepared Workforce. The following are DOL FY 2009 Actions, remaining Actions, and expected completion dates to challenges identified by the OIG, GAO, and DOL.

**DOL's Assessment of Progress:** ●Green.

Management Challenge/ Significant Issue	Actions Taken in FY 2009	Actions Remaining and Expected Completion Date
<b>Promote effective regional monitoring, including ensuring that contractors provide accurate performance data.</b> (Significant issue from previous PAR)	Regional Offices conducted center assessments and monitoring. <i>Improve data integrity</i> was added to Regional Director performance standards. Conducted technical compliance and fiscal reviews of 66 Option Year Contracts for PY 2008.	Ongoing.
<b>Conduct rigorous data integrity audits concurrently with onsite compliance/quality assessments.</b> (Significant issue from previous PAR)	Performed data integrity audits of Outreach and Admission, Center, and Career Transition Service contractors at least once every 24 months, resulting in recovery of \$146,507 in liquidated damages for July 2008-June 2009.	Conduct rigorous data integrity audits concurrently with onsite compliance/quality assessments – Ongoing.
<b>Atlanta Regional Director will increase monitoring efforts at the Oconaluftee Job Corps Center operated by the USDA.</b> (Significant issue from previous PAR)	The Atlanta Regional Director personally conducted two monitoring visits to the Oconaluftee Job Corps Center, meeting with staff and students about operations and services.	Continue desktop monitoring – FY 2010.
<b>Ensure student safety and health.</b> (Significant issue from previous PAR)	Published numerous notices on safety and health, released the revised safety section for the Policy Requirements Handbook, and published Safety Circle newsletters. Conducted 87 Occupational Safety and Health Reviews, 33 Safety and Health Plan Reviews, and 15 pre-occupancy inspections. Assisted over 3,200 callers/emails and held a National Job Corps Safety Conference.	Ongoing.
<b>Enforce the Zero Tolerance Policy against violence and drugs.</b> (Significant issue from previous PAR)	In PY 2008, Job Corps terminated 7,369 students for Zero Tolerance policy infractions.	Ongoing.



Management Challenge/ Significant Issue	Actions Taken in FY 2009	Actions Remaining and Expected Completion Date
<p><b>Assess training options to offer more career training that is both attractive to females and that could lead to careers that will enable them to become self-sufficient.</b> (GAO-09-470, June 2009)</p>	<p>Aligned training programs with industry-endorsed standards and certifications so students, including females, have the skills employers require across eleven high-growth industry sectors.</p>	<p>Research new and emerging industries more responsive to changes in global and local labor markets for the entire Job Corps Student population including females – Sept 2010.</p>
<p><b>Continue to explore innovative ways of informing applicants and their families/guardians about the services and expectations regarding the Job Corps program at each center.</b> Explore cost-effective options to creating a center-specific video for all Job Corps centers. Develop a DVD that will combine center video footage and center-specific still photography. (GAO-09-470, June 2009)</p>	<p>Developed information sheets for each Career Technical Training area to inform students about what they can expect to learn, certifications available, length of training, and earnings potential. The sheets also include center rules and regulations.</p>	<p>Continue to explore innovative ways of informing applicants and their families about the services and expectations regarding the Job Corps programs at each Center – FY 2010.</p>
	<p>Determined most cost-effective methods to create Center specific videos on a program overview, Career Pathways, and life at the centers.</p>	<p>Create Center-specific outreach materials – Sept 2010.</p>

**CHALLENGE: Safeguarding Unemployment Insurance**

**DEPARTMENT'S RESPONSE:** This challenge was first identified in FY 2000 and it affects Strategic Goal 4 – Strengthened Economic Protections. The following are DOL FY 2009 actions, remaining actions, and expected completion dates to challenges identified by the OIG, GAO, and DOL.

**DOL's Assessment of Progress: ● Green.**

Management Challenge/ Significant Issue	Actions Taken in FY 2009	Actions Remaining and Expected Completion Date
<p><b>States not already implementing National Directory of New Hires (NDNH) cross-matching should include Corrective Action Plans in their FY 2009 State Quality Service Plans.</b> (Significant issue from previous PAR)</p>	<p>Requested Corrective Action Plans from the two States not completing cross-matching agreements with DHS.</p>	<p>Agencies that have not fully implemented Benefit Accuracy Measurement matching with NDNH will be required to submit a Corrective Action Plan as part of their FY 2010 State Quality Service Plan – FY 2010.</p>
<p><b>Develop web services architecture and test plan documentation for the Separation Information Data Exchange System (SIDES) and initiate system testing and user training in the six consortium States.</b> (Significant issue from previous PAR)</p>	<p>Worked with the six-state consortium and employers to develop protocols and procedures required for implementation and began SIDES testing.</p>	<p>Implement SIDES – Dec 2010.</p>
<p><b>Promote State use of a variety of databases – UI Interstate Benefits Inquiry application, Social Security, Alien Verification for Entitlement, Department of Motor Vehicles, and Department of Corrections – to prevent and detect improper UI benefit payments.</b> (Significant issue from previous PAR)</p>	<p>National and Regional Office staff promoted the use of databases during on site Benefit Payment Reviews.</p>	<p>Conduct a Webinar to provide technical assistance and promote use of a variety of databases to initiate the use of the cross matches – Sept 2010.</p>

Management Challenge/ Significant Issue	Actions Taken in FY 2009	Actions Remaining and Expected Completion Date	
<p><b>Develop policy and legislative language for 2009 integrity proposals and conduct an Integrity Conference for State UI agencies.</b> (Significant issue from previous PAR)</p>	Planned UI Integrity Conference.	Conduct UI Integrity Conference – May 2010.	
	Proposed legislative changes to provide States with new tools to collect benefit overpayments and boost their resources to address overpayments and UI tax evasion.	Completed.	
<p><b>Conduct annual verifications of State Workforce Agencies' (SWAs) IT contingency plans for existence and reliability using risk-based approaches that consider the SWAs' contingency planning maturity and likelihood of disasters.</b> (OIG Report No. 23-09-002-03-315)</p>	Obtained estimates that annual verifications would require about \$19M in the initial year with lower on-going annual costs for updating, maintaining and testing.	Review State requests for additional funds to improve their IT Contingency Plans and provide funding if warranted – FY 2010.	
	Issued Unemployment Insurance Program Letter 24-04, Change 3 providing IT security guidance. A CD and Executive Manager's paper were included.		
	Sent letters to 10 high-risk States with incomplete IT contingency plans to encourage them to request supplemental funds to improve their IT contingency preparedness. Several submitted requests for funding that are being reviewed.		
	Updated Employment and Training Handbook No. 336 to incorporate IT Contingency Planning.		
<p><b>Update the current Review Guide to include specific review steps addressing the States' use of NDNH for the Benefit Payment Control cross match process to include an assessment of the filtering process for the NDNH crossmatch and validate the data reported by the States.</b> (OIG Report 06-09-002-03-315)</p>	Updated the Review Guide, including procedures for reviewing States' use of NDNH, assessment of the filtering process, and validation of data reported for NDNH and other data matching tools.	Issue updated Review Guide – FY 2010.	
<p><b>Require SWAs to submit quarterly ETA 227 Reports that include a line item for NDNH cross match results.</b> (OIG Report 06-09-002-03-315)</p>	The ETA 227 Report, Overpayment Detection and Recovery Activities, captures data matching results from both State Directory of New Hires as well as the NDNH results in a single line item. Changes to existing reporting requirements require OMB clearance and would impose new costs on States.	Assess the cost-benefit of modifying this report to include a separate line item to report the NDNH cross match results – FY 2010.	
<p><b>Continue to pursue legislation to define the "Date of Hire" and mandate its reporting by employers.</b> (OIG Report 06-09-002-03-315)</p>	The Department supports the inclusion of Date of Hire language in UI Integrity or other appropriate legislation.	Ongoing.	

**CHALLENGE: Improving Workers' Compensation Programs**

**DEPARTMENT'S RESPONSE:** This challenge, which affects Strategic Goal 4 – Strengthened Economic Protections, was first identified in FY 2005. Following are DOL FY 2009 Actions, Remaining Actions, and Expected Completion Dates to Challenges Identified by the OIG, GAO, and DOL.

**DOL's Assessment of Progress:** ●Green.

Management Challenge/ Significant Issue	Actions Taken in FY 2009	Actions Remaining and Expected Completion Date
<p><b>Implement a Unified Energy Case Management System (UECMS) that will allow more effective monitoring of case progress and timely outcomes.</b> (OIG Report No. 04-09-002-04-437)</p>	<p>Development of UECMS continued on schedule, concurrently with enhancements to the current system.</p>	<p>Obtain additional contracts to complete implementation of the Unified Energy Case Management System – FY 2010.</p>
<p><b>Explore the potential for developing formal Memorandum of Understanding (MOU) with the other agencies which have EEOICPA responsibility.</b> (OIG Report No. 04-09-002-04-437)</p>	<p>Carried out discussions to develop formal agreements with partner Agencies with a shared goal of improving efficiency.</p>	<p>Continue to work with partner agencies to identify opportunities for improvement and implement a formal MOU for this – Sept 2010.</p>
<p><b>Establish an overall performance measure for the timeliness of claims processing</b> as well as delineating more milestones and goals for the initial processing phase. (OIG Report No. 04-09-002-04-437)</p>	<p>Added <i>timelines for claims processing for different types of claims (specific medical conditions, NIOSH time, etc.)</i> to the Energy Program Web site and updated these performance measures quarterly – including time from receipt of a claim to final adjudication.</p>	<p>Update the Energy Program FY 2010 operational plan to add additional goals and milestones for the initial processing phase – Oct 2010.</p>
<p><b>Pursue multiple sources of information to develop evidence to establish an EEOICPA claim simultaneously, rather than one source at a time.</b> (OIG Report No. 04-09-002-04-437)</p>	<p>Issued policy guidance on March 1, 2009 detailing procedures for expedited collection of employment information from SSA.</p>	<p>Begin requesting National Institute for Occupational Safety and Health (NIOSH) records and employment verification at the same time when possible, avoiding delays caused when NIOSH has to gather information from DOE after receipt of a claim from DOL – Dec 2010.</p>
<p><b>Deploy UECMS to provide a platform that will support more substantial electronic communications,</b> such as case imaging and internet access to case status.</p>	<p>Development of UECMS continued on schedule, concurrently with additions to the current system.</p>	<p>Deploy UECMS – FY 2010.  UECMS imaging begins – FY 2011.</p>
<p><b>Give the Resource Centers increased access to UECMS information to allow them to provide more detailed case status information to all claimants.</b> (OIG Report No. 04-09-002-04-437)</p>	<p>Developed a modified UECMS interface for the Resource Centers to allow them to provide more detailed case status information. Procedures were released and training conducted January 5, 2009.</p>	<p>Completed.</p>
<p><b>Reduce improper FECA payments.</b> Ensure that medical information for claimants is current so payments are not made to those who are no longer disabled. Monitor and adjust the Integrated Federal Employees Compensation System (iFECS) as necessary. (Significant issue from previous PAR)</p>	<p>Developed and deployed a series of e-Learning training modules to emphasize appropriate case actions necessary to conduct periodic entitlement reviews.</p>	<p>Completed.</p>

Management Challenge/ Significant Issue	Actions Taken in FY 2009	Actions Remaining and Expected Completion Date
<b>Create a FECA electronic form to quickly report the return to work without a paper form and mailing.</b> (Significant issue from previous PAR)	Implemented electronic form in June 2009.	Completed.
<b>Collect information in iFECS to analyze potential FECA erroneous payments, including reason codes.</b> (Significant issue from previous PAR)	Completed iFECS modifications to include information to analyze potential erroneous payments including reason codes.	Analyze potential erroneous payments using information from iFECS – FY 2010.
<b>Analyze FECA underpayments and overpayments to identify training needs and consider establishing corresponding performance goals.</b> (Significant issue from previous PAR)	Analyzed underpayments and overpayments to identify training to improve performance.	Establish new performance goals – March 2010.
<b>Revise FECA program performance measures to emphasize payment accuracy, internal controls, and overpayment recoveries and collect more detailed information on improper payments to better identify improper payment risks and to address areas of high risk.</b> (Significant issue from previous PAR)	Revised FECA performance indicators to emphasize payment accuracy, internal controls, and overpayment recoveries.  Collected more detailed information on improper payments to better identify improper payment risks and to address areas of high risk.	Completed.
<b>Create a FECA training module addressing pay rates and initial payments to improve accuracy.</b> (Significant issue from previous PAR)	Developed and deployed an e-Learning training module addressing pay rates and initial payments.	Completed.
<b>Enhance iFECS to notify the user when FECA payment is being made on a claim with an existing overpayment or if the claimant has an overpayment in another case.</b> (Significant issue from previous PAR)	Requirements and analysis for software modifications have been completed and are scheduled for deployment as part of iFECS Release 27.0.	Completed.
<b>Seek legislative reforms to discourage unsubstantiated claims and make other improvements, including matching of FECA payment records with SSA records. Work with Congress to adopt FECA legislative reform proposal.</b> (Significant issue from previous PAR)	The FECA legislative reform package was proposed in the FY 2009 President's Budget but not adopted by Congress. The proposal is not included in the FY 2010 Budget.	Ongoing.

### CHALLENGE: Improving Procurement Integrity

**DEPARTMENT'S RESPONSE:** This challenge was first identified in FY 2005 and affects all four Strategic Goals. Following are DOL FY 2009 actions, remaining actions, and expected completion dates to challenges identified by the OIG, GAO, and DOL.

**DOL's Assessment Progress: ●Yellow.**

<b>Management Challenge/ Significant Issue</b>	<b>Actions Taken in FY 2009</b>	<b>Actions Remaining and Expected Completion Date</b>
<b>Strengthen oversight of the Purchase Card Program.</b> Issue guidance in relation to recent OIG findings (OIG Report 06-09-003-07-001, Significant issue from previous PAR)	Issued guidance that includes a purchase card checklist to be used to conduct assessments of a sampling of purchase card transactions. Guidance to all DOL purchase card holders, approving officials and Agency Administrative Officers also reminded them of requirements to complete training, properly input information into the property management system, and in recovering unauthorized purchases.	Completed.
<b>Complete the comprehensive review of the Department of Labor Management Series (DLMS) section for contracts and grants for required updates.</b> (Significant issue from previous PAR)	In progress.	Rescheduled for Q2 FY 2010 due to complexity and new priorities.
<b>Complete comprehensive review of Department of Labor Acquisition Regulations for required updates.</b> (Significant issue from previous PAR)	In progress.	Rescheduled for Q3 FY 2010 due to complexity and new priorities.
<b>Conduct procurement reviews of BLS and MSHA procurement offices.</b> (Significant issue from previous PAR)	Completed in Q4 FY 2009.	Completed.
<b>Implement a mandatory training and monitoring program for the acquisition workforce.</b> (Significant issue from previous PAR)	Federal Acquisition Certification for Program/Project Management completed. Federal Acquisition Certifications for Contracting and for Contracting Officers' Technical Representatives in progress.	Complete Federal Acquisition Certifications for Contracting and for Contracting Officers' Technical Representatives – Q1 FY 2010.
<b>Draft regulations and implement a new mandatory oversight procedure for telecommunications orders.</b> (Significant issue from previous PAR)	Procedures drafted and being piloted.	Full implementation scheduled for Q1 FY 2010.
<b>Continue to provide overall procurement policy support, training and guidance.</b> (Significant issue from previous PAR)	Completed in Q4 FY 2009.	Completed.
<b>Resolve the "unresolved and open" OIG procurement recommendation.</b> (OIG 2007-8, 2006-7 DOL) Appoint a Chief Acquisition Officer (CAO) whose primary duty is acquisition management. (Significant issue from previous PAR)	Considering options for meeting the Services Acquisition Reform Act of 2003 (SARA) objectives.	Recommendation resolved per OIG.

## CHALLENGE: Maintaining the Integrity of Foreign Labor Certification Programs

**DEPARTMENT'S RESPONSE:** This challenge was first identified in FY 2001 and affects Strategic Goal 2 – A Competitive Workforce. Following are DOL FY 2009 actions, remaining actions, and expected completion dates to challenges identified by the OIG, GAO, and DOL.

**DOL's Assessment of Progress:** ● Green.

Management Challenge/ Significant Issue	Actions Taken in FY 2009	Actions Remaining and Expected Completion Date
<b>Monitor the impact of the actions taken in FY 2008 and make adjustments as necessary to enhance detection of fraud.</b> (Significant issue from previous PAR)	Monitored the impact of Supervised Recruitment and made adjustments as necessary. The pilot was effective at detecting fraud and eliminating non-meritorious applications.	Completed.
<b>Redesign the Labor Condition Application online filing system to include data validation edits and logic checks to help detect fraud.</b> (Significant issue from previous PAR)	Launched the ICERT electronic portal on April 16, 2009, improving integrity by implementing mandatory registration checks and numerous data validation edits. Preliminary results very positive.	Monitor impact of ICERT implementation and adjust as necessary to enhance integrity – Ongoing.
<b>Revise regulations implementing the H-2A program and institute changes.</b> (Significant issue from previous PAR)	On September 4, 2009, the Department issued a proposed rule to amend the regulations governing the employment of aliens under the H-2A program. Key provisions of the enhancement of the recruitment process and the elimination of the existing attestation-based applications. The proposed rule is accessible at <a href="http://www.dol.gov/federalregister/">http://www.dol.gov/federalregister/</a> .	Completed.
<b>Develop plans for an online filing system.</b> (Significant issue from previous PAR)	Conducted initial planning work for the online filing system.	Complete development plans for online filing system, test and implement – July 2010.
<b>Monitor the impact of actions taken in FY 2008 and make adjustments to prevent backlogs.</b> (Significant issue from previous PAR)	Increased integrity at the Chicago National Processing Center, which is monitoring workload for potential backlog issues.	Monitor impact of actions taken and make adjustments as necessary to enhance integrity – Ongoing.

## CHALLENGE: Securing Information Technology Systems and Protecting Related Information Assets

**DEPARTMENT'S RESPONSE:** This challenge, which affects all four Strategic Goals, was first identified in FY 2001. Following are DOL FY 2009 actions, remaining actions, and expected completion dates to challenges identified by the OIG, GAO, and DOL.

**DOL's Assessment of Progress:** ● Yellow.

Management Challenge/ Significant Issue	Actions Taken in FY 2009	Actions Remaining and Expected Completion Date
<b>Continue Security Controls Test and Evaluation (SCT&amp;E) Program on access controls.</b> (Significant issue from previous PAR)	Completed quarterly FY 2009 SCT&E for all DOL major information systems which are part of the Department's Continuous Monitoring program.	Completed.

Management Challenge/ Significant Issue	Actions Taken in FY 2009	Actions Remaining and Expected Completion Date
<p><b>Implement solution for logging computer readable data extracts.</b> (Significant issue from previous PAR)</p>	<p>Upon receipt of OMB guidance, develop Departmental guidance and implementation plan for logging computer readable extracts.</p>	<p>To be determined based on date OMB guidance is released.</p>
<p><b>Complete DOL Computer Security Handbook update.</b> (Significant issue from previous PAR)</p>	<p>Completed updates to the Computer Security Handbook to incorporate NIST 800-53 revision 2 <i>Requirements for Access Controls and Configuration Management</i> in March.</p>	<p>Completed.</p>
<p><b>Review certification and accreditation documentation to ensure adequacy as it is revised and updated.</b> (Significant issue from previous PAR)</p>	<p>Reviewed agency certification and accreditation documentation as an ongoing effort as a part of the Department's Continuous Monitoring program.</p>	<p>Ongoing.</p>
<p><b>Collaborate with agencies on long-term Social Security Number (SSN) reduction issues.</b> (Significant issue from previous PAR)</p>	<p>Agencies successfully eliminated 10 SSN collections as of March 31, 2009.</p>	<p>The SSN Task Force will determine if there are additional opportunities for reduction in the remainder of DOL SSN collections – Ongoing.</p>
<p><b>Create an independent Chief Information Officer (CIO) to provide exclusive oversight of IT issues.</b> Implement a reorganization to require the Chief Information Security Officer (CISO) and the Component Program Information Security Officers (CPISO) to report directly to both the CIO and an Executive in the Secretary's Office dealing with major security matters, including progress on maintaining an effective Department-wide information security program. The CPISOs would continue to report directly to their respective component program Assistant Secretary while also reporting to DOL's CISO. (Significant issue from previous PAR)</p>	<p>With legislative changes to FISMA under consideration, including legislation creating a Chief Information Security Officer (CISO) in each agency, action on this issue was held in abeyance.</p>	<p>Ongoing.</p>

**CHALLENGE: Ensuring the Security of Employee Benefit Plan Assets**

**DEPARTMENT'S RESPONSE:** This challenge affects Strategic Goal 4 – Strengthened Economic Protections; it was first identified in FY 2000. Following are DOL FY 2009 actions, remaining actions, and expected completion dates to challenges identified by the OIG, GAO, and DOL.

## DOL's Assessment of Progress: ● Green.

Management Challenge/ Significant Issue	Actions Taken in FY 2009	Actions Remaining and Expected Completion Date
<p><b>Expand the public description of the national enforcement projects.</b> (OIG Audit Report No. 05-09-003-12-001)</p>	<p>Expanded the public description of the national enforcement projects. Further information may be found at <a href="http://www.dol.gov/ebsa/erisa_enforcement.html">http://www.dol.gov/ebsa/erisa_enforcement.html</a>.</p>	<p>Completed.</p>
<p><b>Strengthen policies and procedures for the Rapid Employee Retirement Income Security Act (ERISA) Action Team (REACT).</b> (OIG Audit Report No. 05-09-005-12-001)</p>	<p>Refer to "Actions Remaining and Expected Completion Dates."</p>	<p>Establish a list of criteria that regions should consider when determining whether a company is experiencing "severe financial hardship" – FY 2010. Conduct an overall REACT project assessment – FY 2010.</p>
<p><b>Implement the Pension Protection Act of 2006.</b> (Significant issue from previous PAR)</p>	<p>Issued or undertook multiple PPA-related regulatory or guidance actions and worked closely with the other ERISA agencies (Treasury/IRS and PBGC) to coordinate regulatory and guidance efforts to implement the PPA. Further information may be found at <a href="http://www.dol.gov/ebsa/pensionreform.html">http://www.dol.gov/ebsa/pensionreform.html</a>.</p>	<p>Continue to promulgate and implement regulations – FY 2010.</p>
<p><b>Strengthen oversight authority over plan auditors and ensure that auditors with poor records do not perform additional plan audits.</b> (Significant issue from previous PAR)</p>	<p>Continued to implement CPA firm inspection program, focusing on firms who conduct a significant number of employee benefit plan audits. Reviewed 241 sets of audit work papers from CPA firms with smaller employee benefit plan audit practices. Referred five CPA firms to the Professional Ethics Division of the American Institute of Certified Public Accountants (AICPA) or a State board of public accountancy.</p>	<p>Continue to focus on CPA firms that perform a significant amount of plan audit work and to selectively target those that have smaller audit practices for ongoing enforcement – FY 2010. Explore regulatory and legislative initiatives to improve audit quality – FY 2010.</p>
<p><b>Decrease the number of fraudulent Multiple Employer Welfare Arrangements (MEWAs).</b> Work closely with State insurance commissioners, the Department of Justice, and the National Association of Insurance Carriers (NAIC) to identify and prosecute fraudulent MEWAs. (Significant issue from previous PAR)</p>	<p>Worked with DOJ to prosecute these complex white-collar crimes. Closed 45 civil and criminal MEWA cases. Initiated monitoring of health fraud recidivists by listing on EBSA's intranet individuals and entities against whom the agency obtained a health fraud or MEWA-injunction. Proposed providing State insurance departments with a list of individuals and entities against whom EBSA obtained a health fraud or MEWA-related injunction.</p>	<p>Continue to coordinate closely with DOJ and NAIC officials – FY 2010. Share information on health fraud recidivists with State departments of insurance – FY 2010.</p>
<p><b>Implement program improvements based on the independent evaluations that have been completed or are currently underway.</b> Conduct</p>	<p>Conducted a Health Disclosure and Claims Issues (HDCI) evaluation using a statistically valid sample of over 1,700 group health plans to determine</p>	<p>Follow-up the HDCI evaluation and use the findings to refine compliance assistance and enforcement strategies – FY 2010.</p>



Management Challenge/ Significant Issue	Actions Taken in FY 2009	Actions Remaining and Expected Completion Date
independent program evaluations to identify additional opportunities for improvement. (OMB Program Assessment)	compliance with the health care laws in Part 7 of ERISA.	Work with the Office of the Assistant Secretary for Policy to identify potential areas for program evaluations – FY 2010.
<b>Develop ways to quantify and reduce the burden imposed by its regulations.</b> (OMB Program Assessment)	Contracted regulatory analysis determined that EBSA is publishing regulations where benefits outweigh costs. Conducted in-house training sessions regarding economic analysis of regulatory initiatives and initiated plans to hire additional staff to conduct regulatory analysis.	Conduct a robust research program that provides timely statistical/economic information and assesses the economic cost and benefit of regulations – FY 2010.