U.S. Department of Labor

Assistant Secretary for
Employment and Training
Washington, D.C. 20210

MAR 21 2005

MAR 16 2005

MEMORANDUM FOR: ELLIOT P. LEWIS
Assistant Inspector General
for Audit

FROM: EMILY STOVER DeROCCO

SUBJECT: Response to Draft Management Letter
Report No. 06-05-001-03-321

Thank you for the recent draft report of the Office of Inspector General (OIG) titled, "The San Francisco Regional Office May Be Certifying Inaccurate, Deficient, or Possibly Fraudulent Applications for Foreign Labor Certification." The Employment and Training Administration (ETA) appreciates the opportunity to comment on the draft report and, with respect to your three recommendations, we offer the following information.

First, you recommend we implement oversight at the San Francisco Regional Office to ensure foreign labor certification applications are processed in accordance with established rules and regulations, including the referral of potential fraud cases.

ETA has always required, and will continue to require, that foreign labor certification applications be processed in compliance with all applicable statutes, regulations, and policies. As part of ETA's national re-engineering of the foreign labor certification programs, the San Francisco Regional Certifying Officer now reports directly to the Program Manager of the Chicago National Processing Center. This is a change from the previous reporting to the ETA Regional Administrator. This direct program linkage will ensure a closer connection between national office policy guidance and direct implementation on the part of field staff. The San Francisco Regional Certifying Officer has been directed to ensure all foreign labor certification staff are familiar with fraud referral protocols and to require strict compliance.

Second, you recommend that we revise guidance as to what documentation must be retained in archived files. ETA's guidance on this matter was reviewed and cleared by the Solicitor's Office and meets statutory and regulatory guidelines. We will take under consideration your recommendation to revisit this requirement to include additional materials.

Third, you recommend we direct the immediate discontinuance of any quota or production goal system that may result in questionable applications being approved in order to meet such requirements.

The Chief of the Division of Foreign Labor Certification fully discussed with your staff that there are no such quotas in place or required by the national program office. Further, ETA does not agree that establishing a production environment equates to a loosening of review standards such that questionable applications may be approved. Rather, we believe this is a training and staff compliance issue which rests outside of a processing environment. The San Francisco Regional Certifying Officer has been formally apprised of this situation (at the time it was brought to the attention of the Chief of the Division of Foreign Labor Certification) and internal procedures re-confirmed that any "green sheets" or similar information received from a State Workforce Agency would be fully and completely acted upon.

We look forward to continuing our productive relationship. If you have any questions regarding our response, please do not hesitate to contact me at 693-2700.