U.S. Department of Labor

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

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

FROM: EMILY STOVER DeROCCO

SUBJECT: Draft Management Letter No. 04-06-003-03-390
National Emergency Grant No. EM-15065-05-60, Awarded to the Alabama Department of Economic and Community Affairs for Hurricane Katrina Relief

This is in response to the referenced OIG Draft Management Letter regarding issues that have been identified by your office related to a review of the Hurricane Katrina National Emergency Grant (NEG) awarded to Alabama. We appreciate the information provided and will work with the Regional Office in Atlanta and the State to find solutions to the issues raised in your memorandum.

A Katrina Team has been organized by the Office of National Response to assist regional offices and states resolve questions or concerns as they arise. Members of this team will also be members of the Employment and Training Administration (ETA) monitoring teams going to states with NEG Katrina grants. This has occurred in Mississippi, is now occurring in Louisiana, and will be scheduled for Alabama and other states with Katrina NEG projects. The following are some preliminary comments on the issues raised by the OIG--

- **Implementation Plan did not identify temporary jobs.** The Atlanta Regional Office has advised that the State provided job descriptions for 29 temporary jobs on November 7, 2005. They covered the following positions: clerical, debris removal worker, landfill driver/helper, equipment operator, building custodian, general laborer, maintenance workers, warehouse workers, and humanitarian assistance workers. During the monitoring review of Alabama's NEG disaster project, worksites and jobs being performed will be reviewed in the context of requirements under WIA and the Flexibility for Dislocated Workers Act and TEGL No. 16-03, Change 3.

- **Participants performed work activities outside the scope of the grant.** ETA will work with the grantee to ensure that its contract with the City of Pritchard is amended to authorize Disaster Relief Employment, as well as Public Sector Employment, as authorized under the Flexibility for Dislocated Workers Act (P.L. 109-72). TEGL No. 16-03, Change 3, further explains the use of NEG grant funds outside the disaster area where Hurricane Katrina evacuees relocated.

- **Participant placement list did not contain all participants at worksites.** The Atlanta Regional Office is working with the grantee to ensure that a system is in place so that timesheets accepted by the LWIA Finance Section are from authorized worksites and that participants issued checks are verified to be consistent with participant placement list. If a participant is authorized to work at more than one worksite, the system will accommodate that design.

- **Participants who were shown on the participant placement list as active were no longer employed.** See previous response.

- **Participants were ineligible.** The Atlanta Regional Office is working with the grantee to resolve the issue of the three participants identified by the OIG as "not eligible." These individuals were described as working as participants because they had critical bilingual skills needed for the project. The grant authorizes the hiring of individuals as project staff to carry out the project; therefore, it may be that the individuals identified are incorrectly classified, given the OIG report that they had returned to their pre-disaster employment prior to working on the NEG disaster project.

- **Timecards could not be reconciled with timesheets submitted for payment or timecards were not available for review.** The ETA monitoring team will include a review of the OIG information related to this issue to ensure that corrective action has been taken by the grantee and that systems are in place to have information available, including time card records that are consistent with the time sheets submitted by the appropriate official for payment.

Thank you again for your letter. We look forward to receiving your report. If there are additional questions or clarification is required, please contact Douglas F. Small, Administrator, Office of National Response at 202-693-3876.