

BRIEFLY...

Highlights of Report Number 26-11-005-03-370, issued to the Assistant Secretary for Employment and Training Administration.

WHY READ THE REPORT

The Office of Inspector General (OIG) determined that Job Corps did not ensure contracted Outreach and Admissions (OA) service providers enrolled only eligible students because of systemic control weaknesses at both the contractor and Job Corps levels. As a result, ineligible students took enrollment slots intended for at-risk and low-income youth.

In the report, we estimate the number of ineligible students enrolled in Job Corps and the potential costs to train these ineligible students. We also discuss specific control weaknesses that allowed the students to enroll and the changes Job Corps is making to strengthen its eligibility determination process.

WHY OIG CONDUCTED THE AUDIT

The Employment and Training Administration (ETA) found the intentional admission of ineligible students at a Job Corps center operated by a private contractor. As a result, Secretary Solis requested the audit to ensure the appropriate use of Federal taxpayer money and the fair enrollment opportunity for eligible students into Job Corps.

In response to the request, we conducted this audit to answer the following question:

Did Job Corps ensure outreach and admissions service providers enrolled only eligible students?

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/2011/26-11-005-03-370.pdf>.

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JOB CORPS MUST STRENGTHEN CONTROLS TO ENSURE LOW-INCOME ELIGIBILITY OF APPLICANTS

WHAT OIG FOUND

Job Corps policy allowing potential students to self-certify their family income levels was not effective. We estimated that 472 (10 percent) of the 4,718 active students enrolled in the program during March 2011 were ineligible; and that \$13.8 million would be spent over time to train them. Assuming the ineligibility rate remained constant, then funds spent on ineligible students over a 1-year period could total \$164.6 million.

Further testing showed that even when potential students self-certified income above the established thresholds, OA service providers still allowed ineligible students to enroll. We estimated that OA service providers did not comply with Job Corps enrollment requirements for as many as 1,527 (2.7 percent) of the 57,392 students enrolled during calendar year 2010, and that as much as \$45.4 million in DOL funds could be spent over time to train these students.

The enrollment of ineligible students occurred because of systemic control weaknesses at both the contractor and Job Corps levels. For example, some OA service providers disregarded or were not aware of the appropriate income eligibility thresholds; and Job Corps had not provided adequate procedures, training, and oversight to ensure compliance.

Job Corps has begun making changes to its student eligibility determination process, including modifying its automated system to no longer allow input of income amounts exceeding the established thresholds and requiring all potential students to provide income documentation.

WHAT OIG RECOMMENDED

The OIG recommended that the Assistant Secretary for ETA require Job Corps to determine the eligibility of all active students with recorded incomes over the established income thresholds and take appropriate action; recover from OA service providers the \$2.27 million in program funds spent on ineligible students identified during our testing; and develop procedures and oversight to ensure student eligibility. ETA accepted our recommendations but disagreed with our methodology to estimate the cost to train ineligible students.