



February 18, 2015

MEMORANDUM FOR: PORTIA WU
Assistant Secretary
for Employment and Training

Elliot P. Lewis

FROM: ELLIOT P. LEWIS
Assistant Inspector General
for Audit

SUBJECT: Audit of ETA's Use of Job Corps Funds for
Compliance with the *Bona Fide* Needs Rule

In response to a referral from the Government Accountability Office, the Office of Inspector General is initiating an audit to determine if ETA's use of unexpended Job Corps funds made available for program years 2011, 2012, and 2013, complied with section 1502(a) of title 31, United States Code, which is commonly known as the *bona fide* needs rule.

We will contact your audit liaison to schedule an entrance conference to discuss the audit's objective, scope, and methodology. We plan to begin work immediately after the entrance conference and would appreciate your notifying the appropriate agency officials of our plans.

To facilitate the start of the audit, we have attached an initial document and data request. We would appreciate these items being available to us no later than the entrance conference. If you have any questions, please contact Ray Armada, Audit Director, at (415) 625-2713, or Jon Ling, Audit Manager, at (415) 902-3833.

Attachment

cc: Lenita Jacobs-Simmons, Administrator, Job Corps
Linda Marshall, Audit Liaison, Job Corps
Julie Cerruti, Audit Liaison, ETA

Document and Information Request

Item number and description

1. For program years 2011- 2014 (if different), list the DOL positions, along with the specific offices (e.g., OFA, OCM) responsible for managing Job Corps operations funds and ensuring compliance with various fiscal laws pertaining to the control and use of public funds, such as the *bona fide* needs rule (31 U.S.C. § 1502(a)) and the Antideficiency Act. Describe the responsibilities and duties of each position as they relate to these activities. Provide the names of the persons in these positions, time periods held, and relevant contact information.
2. For program years 2011- 2014 (if different), please describe the process for planning, budgeting, and managing the use of Job Corps operations funds (including obligating/deobligating and expending) throughout the year, along supporting documentation (e.g., approved policies and written procedures). Also:
 - a) Identify the individuals responsible for developing the budget spending plans, approving the budget spending plans, and reviewing the quarterly apportionment requests to ensure that actual costs are within the appropriated levels?
 - b) Describe the quarterly apportionment request process (e.g., who is involved, what information is reviewed, etc.).
3. Is Job Corps aware of any violations of the *bona fide* rule during program years 2011 – 2014? Please describe.
4. For Job Corps' operations funds, provide:
 - a) Details of the amounts appropriated, amounts transferred from Construction, Rehabilitation, and Acquisition (CRA) funds, amounts obligated, amounts expended, and amounts unexpended for program years 2011, 2012, and 2013, along with supporting documentation.
 - b) Details of the amounts for program years 2011, 2012, and 2013 that were obligated and unexpended and used in program years 2012, 2013, and 2014, respectively. Also:
 - Specify how these funds were spent, including the names of the individual contracts, any modifications, and amounts used for each.
 - Describe the steps taken to ensure these actions were consistent with the applicable fiscal laws or any of the statutory exceptions.

- List persons responsible for tracking and spending these unexpended funds, along with contact information.
- c) (If applicable) An explanation of why Job Corps had obligated but unexpended funds at the end of each program year.
- d) (If applicable) Evidence that any unused funds were returned to the U.S. Treasury.