U.S. Department of Labor
Office of Inspector General
Office of Audit

BRIEFLY…

Highlights of Report Number 04-07-006-03-390, a report to the Assistant Secretary for Employment and Training.

WHY READ THE REPORT

On August 29, 2005, Hurricane Katrina came ashore along the Louisiana, Mississippi, and Alabama coasts, causing estimated losses of more than $100 billion. In response, President Bush declared a major disaster for each of these States under the authority of Robert T. Stafford Disaster Relief and Emergency Assistance Act. To assist in the recovery efforts, the Employment and Training Administration (ETA) awarded the Mississippi Department of Economic Security (MDES) a $50 million National Emergency Grant (NEG). The purpose of the NEG was to create temporary jobs to assist in disaster cleanup and restoration efforts, and to provide training opportunities that might lead to permanent employment.

WHY OIG DID THE AUDIT

The OIG conducted a performance audit to ensure that MDES spent NEG funds in accordance with Federal requirements, and reported NEG activities and outcomes accurately. The audit covered grant expenditures and performance data from September 1, 2005, through March 31, 2006.

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/2007/04-07-006-03-390.pdf

September 2007
Audit of Mississippi National Emergency Grant

WHAT OIG FOUND

Despite the extreme conditions in which the MDES was operating and the overwhelming need to provide immediate assistance to victims of the hurricane, we found that, with the exception of issues previously reported in an OIG Management Letter, tested NEG expenditures were allowable and reasonable, and program activities and outcomes were accurately reported, with few exceptions.

During fieldwork, we issued a management letter (Management Letter 04-06-008-03-390, dated September 28, 2006) to notify the Employment and Training Administration (ETA) of an issue that warranted immediate corrective actions. We found that five Workforce Investment Network (WIN) Job Centers had entered into Individual Training Agreements (ITAs) totaling $1.8 million to cover the educational expenses of 533 students who were already attending college at the time that they were enrolled under the NEG. This amount accounted for about 60 percent of the total $3.1 million in ITAs awarded by these WIN Job Centers.

MDES has taken corrective actions to address the issues identified in the management letter.

WHAT OIG RECOMMENDED

The OIG made no recommendations.