

Appendix D

Employment and Training Administration's Response

U.S. Department of Labor

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

SEP 23 2010

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

FROM: JANE OATES *Jane Oates*
Assistant Secretary

SUBJECT: Response to Draft Report No. 18-10-002-03-390
"Recovery Act: Data Quality in Recipient Reporting"

Thank you for the opportunity to respond to your draft report cited above. The Employment and Training Administration (ETA) has prepared responses to two recommendations noted in the audit report.

- **Recommendation 1:** *Instruct EDD to make full use of the correction period to ensure the reasonableness of data reported to FederalReporting.gov.*

ETA Response: Staff at the ETA Region 6 office contacted all of the American Recovery and Reinvestment Act (Recovery Act) grantees, including the California Employment Development Department (EDD). Grantees were contacted by e-mail on August 3, 2010, to acknowledge the timely submission of their Recovery Act Section 1512 Reports and to provide instructions on how to take full advantage of the opportunity to ensure reasonableness of data reported to FederalReporting.gov. In addition, ETA Region 6 staff had telephone conversations with many of its Section 1512 Recovery Act reporters, including the California EDD, to discuss actions to be taken during the continuous quality assurance period. On September 20, 2010, ETA Region 6 staff sent another e-mail to the California EDD to remind them about taking full advantage of the opportunity to ensure reasonableness of data reported to FederalReporting.gov.

- **Recommendation 2:** *Consult with OMB on the issuance of definitive guidance for a) sub-recipient and lower-tier sub-recipient reporting of jobs created or retained resulting from sub-awards; and b) the meaning of current OMB guidance that directs sub-recipients to report such data "to the maximum extent practicable."*

ETA Response: Through extensive discussions between ETA and the OIG on the issues of lower-tier reporting of jobs created and data, ETA has no further comment on this recommendation. We look forward to consulting with the Office of Management and Budget to seek the issuance of more definitive guidance to eliminate any ambiguity by recipients of Recovery Act funds in submitting required data.

Again, thank you for the opportunity to comment on the draft report prior to the OIG issuing the final report. If you have any questions, please contact Laura P. Watson at (202) 693-3961.