

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

BRIEFLY...

Highlights of Report Number 18-13-002-03-360, issued to the Assistant Secretary for Employment and Training.

WHY READ THE REPORT

The American Recovery and Reinvestment Act (ARRA) was signed into law by President Obama on February 17, 2009. The Act is intended to preserve and create jobs, promote the nation's economic recovery, and assist those most impacted by the recession. The Recovery Act provided an additional \$120 million for Senior Community Service Employment Program (SCSEP) grantees to supplement their Program Year (PY) 2009 funding. National and state grantees had until June 30, 2010, to spend these funds.

The Senior Community Service Employment Program (SCSEP) is a community service and work based training program for older workers. Authorized by the Older Americans Act, the program provides subsidized, service-based training for low-income persons 55 or older who are unemployed and have poor employment prospects. It is intended that community service training serves as a bridge to unsubsidized employment opportunities.

WHY OIG CONDUCTED THE AUDIT

We conducted a performance audit of the use of Recovery Act funds provided to SCSEP administered by the Department of Labor's (DOL) Employment and Training Administration (ETA). The audit objectives were to determine:

- (1) To what extent did ETA ensure grantees administered and awarded ARRA funds properly to eligible participants?
- (2) To what extent have participants been trained and placed under these grants and did they continue employment?
- (3) To what extent were employers who participated in On the Job Experience (OJE) properly and accurately reimbursed?

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/2013/18-13-002-03-360.pdf>.

November 2012

RECOVERY ACT: IN GENERAL, GRANTEES PROPERLY USED RECOVERY ACT SCSEP FUNDS TO TRAIN AND PLACE PARTICIPANTS.

WHAT OIG FOUND

With very few exceptions, ETA had sufficient controls to ensure that grantees administered and awarded ARRA SCSEP funds to eligible participants. Generally we found that grantees trained most of the participants and transferred them to the regular SCSEP or other subsidy programs on or before June 30, 2010, when ARRA funding ended. However, we could not determine the extent to which employers who participated in the On the Job Experience (OJE) program were properly and accurately reimbursed because the OJE universe furnished by grantees was unreliable.

WHAT OIG RECOMMENDED

The OIG recommended the Assistant Secretary of Employment and Training Administration:

1. Direct grantees to reimburse the government for ineligible participants.
2. Advise grantees and sub-grantees to comply with regulatory requirements, and develop and implement controls for verifying and documenting files, timely monitoring and accurate reporting of participant retention.
3. Develop a process to report and measure placement when funding is temporary.
4. Implement controls for validating management information.

ETA disagreed with the recommendation to develop a process to measure placement when funding is temporary, but agreed to implement the following OIG recommendations: recover costs for ineligible participants; advise sub-grantees to document and retain evidence of participant training, and follow-up on participant employment retention timely; and implement procedures to improve data accuracy.