

FY 2011 OIG Recovery Act Plan Overview

OIG Name:	U.S. Department of Labor Office of Inspector General
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OIG Broad Recovery Act Goals:	<p>OIG's goals for oversight of DOL's use of ARRA funds are to:</p> <ol style="list-style-type: none"> 1. Implement an audit plan to ensure DOL and its agencies: <ul style="list-style-type: none"> • Adequately plan for administration and oversight of ARRA funds; • Award grants and contracts based on merit and evidence of responsible spending; • Report in a timely and transparent manner on recipients' performance; • Implement provisions of the ARRA, as required; and • Spend ARRA funds timely and appropriately. 2. Prevent and immediately address fraud, waste, and abuse of ARRA funds. 3. Be pro-active. OIG will issue alert memos or other correspondence to the appropriate agency when auditors identify problems requiring corrective action. 4. Target resources to high-risk programs. <p>OIG is auditing DOL's implementation of ARRA provisions and use of ARRA funds in three phases — (1) how DOL is planning its administration and oversight, (2) how DOL awards funds to grantees and contractors, and (3) how grantees and contractors performed and what was accomplished with Recovery Act funding.</p>
OIG Broad Training and Outreach Recovery Act Goals:	<p>The OIG's outreach ARRA goals include work by the Office of Audit (OA), Office of Labor Racketeering and Fraud Investigations (OLRFI) and Office of Legal Services (OLS). The OA coordinates work and shares information on the status of ARRA audits with other Federal agencies through regular meetings and conference calls with Government Accountability Office and the Recovery Accountability and Transparency Board. The OLS, which operates OIG's hotline, has posted information about ARRA's whistleblower protection provisions on the OIG's Recovery Act web site at http://www.oig.dol.gov/recovery/. The web site describes various ways (e.g., phone, e-mail, mail) of reporting whistleblower and other ARRA-related complaints to the hotline. OLS will direct OIG staff who receive an ARRA-related complaint to forward it immediately to the OIG hotline for review. OLRFI, through coordination with Department of Labor agencies, other law enforcement entities, and non-law enforcement organizations with whom OLRFI interacts will provide training and instruction to OLRFI employees, states, ARRA recipients, and the general public on best practices for detecting and reporting potential fraud, waste, and abuse relating to ARRA funding.</p> <p>As requested, DOL-OIG will make presentations and provide training about its oversight work to other DOL and Federal agencies, as well as non-governmental associations and stakeholder groups.</p>

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OIG Recovery Act Risk Assessment Process:	<p>DOL OIG reviewed the Recovery Act legislation to determine the distribution of funds across DOL agencies and to identify initiatives which require new or additional reporting and administrative responsibilities. Additionally, OIG analyzed information from multiple sources to identify high-risk programs. These sources include prior risk assessments used to develop the annual Office of Audit workplan, findings and recommendations from previous OIG and GAO reports, testimony at Congressional hearings, and data from the annual Department of Labor Performance and Accountability Report. In FY 2010, OIG anticipates auditing the following DOL Recovery Act programs: YouthBuild grants, Workforce Investment Act (WIA) training and services to adults and dislocated workers, Job Corps contracts, plans to ensure data quality for recipient reporting (Section 1512 of ARRA), National Emergency Grants for Health Coverage Assistance, competitive grants for worker training in high growth and emerging industry sectors, DOL coordination of Federal infrastructure and unemployment insurance investments, WIA year-round youth program, reauthorization of Trade Adjustment Assistance, state grants for unemployment insurance modernization, enforcement of worker protection laws such as Davis Bacon, and grants for Reemployment Services for UI claimants. OIG's risk assessment of these programs is ongoing.</p> <p>As OIG obtains and reviews new information about Recovery Act implementation from audit field work, related hotline complaints, Congressional hearings, meetings with DOL executive staff, and other events, DOL OIG may initiate audit work, as needed.</p>
OIG Recovery Act Funds:	\$6,000,000
Expiration Date of OIG Recovery Act Funds:	September 30, 2012
OIG Recovery Act Funds Allocated to Contracts:	Yes
Purpose of Recovery Act Contracts:	Contractors will perform audit work on various DOL programs and operations that have received ARRA funds or have responsibilities for ARRA implementation. To date, OIG has awarded contracts to audit the following DOL programs: Federal Additional Compensation (FAC) Benefits under the American Recovery and Reinvestment Act of 2009 and WIA Training and Services to Adults and Dislocated Workers.
Types of Recovery Act Contracts Awarded to Date:	The contract type for these competitions is firm-fixed price, plus actual travel costs. OIG only plans to use this type of contract for future contract work related to the Recovery Act.
Link to OIG Recovery Act Work Plan:	http://www.oig.dol.gov/recovery/

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Agency	Program Area	Recovery Act Funds Associated w/Program Area	Type of Review	Entity Performing Review	Project Title	Background	Objective	Review Included on Prior Recovery Act Plan (Y/N)	Expected Quarter Work Begins	Expected Quarter(s) Reports Issued	Expected Number of Reports
Employment and Training Administration - Office of Workforce Investment	Competitive Grants for High Growth Worker Training	\$500,000,000	Combination	OIG Staff	Recovery Act: Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors ... Phase II	The Recovery Act provided ETA with \$500 million in discretionary grant funds to prepare workers for jobs in high-growth and emerging sectors including efficiency and renewable energy sectors, e.g. "green jobs." Effective administration of these grants is critical in light of Congressional intent in the Recovery Act. According to the President's Council of Economic Advisers (CEA), the growth of the "green job" market is anticipated to continue to outstrip the growth of other markets. However, statistics about jobs in the energy sector are not currently available as jobs cross standard industry and occupation definitions. In FY 2010, the BLS launched an initiative to begin to measure and classify such jobs.	How are grantees spending and planning to spend Recovery Act funds for energy efficiency and renewable energy industries? Who are the participants? Are participants securing training in the health and energy sectors and securing job placements in these sectors; if so, at what level of skill and compensation?	No	Q1 FY11	Q2 FY 11	1
ETA - Office of Workforce Investment	WIA Youth Formula Grants Non Tax Benefit	\$1,200,000,000	Combination	Contractor	Recovery Act: Services and Outcomes under Year-Round WIA Youth Program	The Recovery Act provided the Department of Labor with \$1.2 billion for Workforce Investment Act grants to states for youth activities. As of June 2010, the Employment and Training Administration reported that more than 379,000 young people had participated in Recovery Act-funded programs. The Recovery Act extended eligibility for WIA youth services to age 24 so local programs could serve "young adults who have become disconnected from both education and the labor market." ETA's TEGL No. 14-08 dated March 18, 2009, provides guidance on Recovery Act funding for activities authorized under WIA. The TEGL urges workforce boards to develop sector strategies for creating training and employment opportunities for WIA participants, including youth, in such sectors as renewable energy, broadband and telecommunications, health care, and high-demand industry sectors identified by local areas.	How have local areas spent or how are they planning to spend their allocation of WIA youth formula funds? Who are the participants in year-round programs? What services are participants in the year-round program receiving? What are the outcomes for participants in the year-round program? To what extent are employers using the Work Opportunity Tax Credit to hire disconnected youth," ages 16 to 24, as provided by the Recovery Act?	Yes	Q4 FY10	Q2 FY 11	1
Employment Standards Administration - Wage and Hour Division	Davis-Bacon Act	\$0	Administrative / Financial	Contractor	Recovery Act: Enforcement of Davis-Bacon Prevailing Wage Determinations Under the Recovery Act	Section 1606 in Title XVI (General provisions) of the Recovery Act requires that workers on Recovery Act-funded construction projects, including those for weatherization, must be paid at least the prevailing wage, as determined under the Davis-Bacon Act (DBA). Because the Recovery Act may increase the Federal share of infrastructure spending as much as \$104 billion (double the current level), The Employment Standards Administration/ Wage and Hour Division (ESA/WHD) expects to double the number of DBA complaint investigations over the next 2 years — increasing from approximately 400 investigations to 800.	Did Wage and Hour issue timely and reliable prevailing wage determinations? Did Wage and Hour conduct timely complaint investigations, and were those investigations conducted in accordance with applicable policy and regulations? Did Wage and Hour take the necessary actions (enforcement and compliance assistance/outreach) to adequately ensure Recovery Act-funded contractors and sub-contractors complied with the Davis-Bacon Act? What has been the impact of Wage and Hour's increased workload due to the Recovery Act on the program's ability to meet its other enforcement, compliance assistance, and outreach responsibilities?	Yes	Q1 FY11	Q2 FY 11	1

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Employment Standards Administration - Office of Federal Contract Compliance Programs	EEO Enforcement	\$0	Administrative / Financial	Contractor	Recovery Act: Enforcement of Federal Equal Employment Opportunity Laws	The Office of Federal Contract Compliance Programs (OFCCP) enforces Federal laws that ban discrimination and require Federal contractors and subcontractors to take affirmative action to ensure equal opportunity for employment, regardless of race, gender, disability, color, religion, national origin, or status as a Vietnam era or special disabled veteran. Due to infrastructure investments under the Recovery Act, OFCCP expects to conduct an additional 450 compliance evaluations of supply and service and construction contracts. To provide OFCCP with supplemental resources to carry out this monitoring, DOL transferred \$7.2 million from its Departmental Management funds under the Recovery Act to the program.	What compliance evaluations has OFCCP conducted of contractors with Recovery Act funding, what were the results of those evaluations, and what enforcement actions have resulted? What pre-award reviews of supply and service contractors with Recovery Act funding has OFCCP conducted, and what were the results of those reviews? What outreach activities has OFCCP conducted for companies seeking government contracts and recent contract recipients under the Recovery Act, and what were the results of those outreach activities? What has been the impact of OFCCP's increased workload due to the Recovery Act on the program's ability to meet its regularly scheduled enforcement, compliance assistance, and outreach activities?	Yes	Q1 FY11	Q2 FY 11	1
Employment and Training Administration - Office of Workforce Investment	Reemployment Services Non Tax Benefit	\$250,000,000	Combination	Contractor	Recovery Act: Reemployment Services to UI Claimants	The Recovery Act provided \$400 million to States from the Employment Security Administration Account in the Unemployment Trust Fund. The Recovery Act requires, however, that States use \$250 million to provide reemployment services to Unemployment Insurance claimants. The legislation also requires the Department of Labor to establish planning and reporting procedures "necessary to provide oversight of funds used for the services."	Did the Department establish sufficient and timely planning and reporting procedures to assure adequate oversight of how reemployment services funds are used? Did States use reemployment services funds, as intended? What were the outcomes?	Yes	Q1 FY11	Q2 FY 11	1
ETA - Office of Workforce Investment - Office of Youth Services	YouthBuild	\$50 million	Combination	OIG Staff	Effectiveness of the YouthBuild Program	The Recovery Act provided the ETA with \$50 million to award competitive grants for the YouthBuild Program (YouthBuild). YouthBuild helps economically disadvantaged high school drop-outs, ages 16 through 24, to earn their high school diplomas or GEDs while they learn skills related to the construction industry. The Recovery Act expanded the population to be served by allowing YouthBuild grantees to continue to serve those youth who subsequently re-enrolled in an alternative school, if that re-enrollment is part of a sequential service strategy.	Did YouthBuild grantees serve eligible participants? What training and services did grantees provide; and what were the outcomes?	Yes	Q2 FY10	Q2 FY 11	1
Employment and Training Administration	Workforce Investment Act	Unknown	Other	OIG Staff	Single Audit Quality Control Review New Mexico	The Single Audit Act established consistent and uniform entity-wide audit requirements for state and local governments receiving Federal financial assistance. The Single Audit is the primary mechanism used by Federal agencies to ensure accountability for Federal awards. Quality Control Reviews are performed to provide evidence of the reliability of Single Audits to the auditors of Federal agency financial statements, such as those required by the Chief Financial Officers Act, and those responsible for the programs, and others. The Single Audit involved regular Workforce Investment Act (WIA) funds as well as \$7,000,000,000 in WIA Recovery Act funds. Therefore, our review will also cover the Recovery Act funds.	Was the Single Audit conducted in accordance with applicable standards and meets the single audit requirements? Did the Audit identify any follow-up work needed? Did the Audit identify issues that may require management attention?	Yes	Q1 FY11	Q2 FY11	1

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<p>Employment and Training Administration - Office of Workforce Investment</p>	<p>Workforce Investment Act</p>	<p>\$0</p>	<p>Administrative / Financial</p>	<p>Contractor</p>	<p>Recovery Act: DOL Coordination with Federal Infrastructure and Unemployment Insurance Investments</p>	<p>The Recovery Act (RA) provided the Department of Labor with \$80 million for "Departmental Management" (DM) to support a range of enforcement, oversight and coordination activities to support achievement of the Recovery Act's goals. Specifically, the Recovery Act mentions "coordination activities related to the infrastructure and unemployment insurance investments in this Act." ETA issued Training and Employment Guidance Letter (TEGL) No. 14-08, encouraging states to align their WIA Recovery Act funds with other Recovery Act investments targeting key industries "such as construction, transportation, healthcare, and other industries with emerging 'green' jobs."</p>	<p>What planning efforts have the DOL, states, and local workforce investment areas undertaken to coordinate RA activities with federal infrastructure investments elsewhere in the RA? What projects have the states and local workforce investment areas undertaken in terms of spending DOL RA funds for workforce investments in support of federal infrastructure investments elsewhere in the RA?</p>	<p>Yes</p>	<p>Q1 FY11</p>	<p>Q3 FY11</p>	<p>1</p>
<p>ETA - Office of Workforce Investment</p>	<p>Trade Adjustment Assistance</p>	<p>\$0</p>	<p>Combination</p>	<p>Contractor</p>	<p>Recovery Act: Required Employment and Case Management Services under Trade and Globalization Adjustment Assistance Act of 2009</p>	<p>The Recovery Act reauthorized the Trade Adjustment Assistance (TAA) Act as the Trade and Globalization Adjustment Assistance Act (TGAAA). Since 1974, the TAA has provided training and benefits to eligible workers who lost jobs due to imports, outsourcing, and other trade policies. TGAAA requires States to provide eight specific employment and case management services to eligible workers, and authorizes additional funds to pay for these activities. Because States previously received no TAA program funds for case management, they had to cover costs for those services out of administrative funds or other sources such as Workforce Investment Act formula funds. In June 2009, the ETA provided States with a supplemental distribution of more than \$455 million to implement new employment and case management services requirements in the TGAAA. However, implementation may pose challenges. When ETA conducted its Recovery Act "readiness" reviews, States and local areas specifically requested technical assistance on how to effectively implement the required case management services.</p>	<p>Did States provide eligible workers with employment and case management services, as required by the Trade and Globalization Adjustment Assistance Act of 2009? Did ETA conduct adequate technical assistance and oversight of States' implementation of the TGAAA to provide assurance eligible workers received employment and case management services, as required?</p>	<p>Yes</p>	<p>Q4 FY11</p>	<p>Q1 FY12</p>	<p>1</p>