



SEP 30 2003

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

FROM: EMILY STOVER DeROCCO *Mason M Bishop*
Assistant Secretary
Employment and Training Administration

SUBJECT: Audit of Services Provided and Outcomes Obtained for
Participants Enrolled in the WIA Dislocated Worker
Program During Program Year (PY) 2000
Draft Audit Report No. 02-03-204-03-390

The Employment and Training Administration appreciates the opportunity to comment on the Office of Inspector General (OIG) draft report on the WIA dislocated worker program in PY 2000. We have incorporated all of our thoughts into suggested language for OIG's final version, providing important context and clarification for several aspects of your draft audit report (No. 02-03-204-03-390) on Dislocated Workers. We hope you will include this important information. The suggested language is as follows:

- In the Executive Summary on page 1, we suggest that the opening paragraph provide greater background, perhaps reading (edits are included in *italics*):

"This report summarizes the results of a nationwide audit of 360 participants enrolled in the Dislocated Worker Program of the Workforce Investment Act of 1998 (WIA) during PY 2000. *PY 2000 was the first year of WIA operation and was considered a start-up and transition year from the long-standing Job Training Partnership Act program which preceded it.* The audit provides a snapshot of individuals served, services provided, program performance and participant satisfaction *during that transition year.*"

- We believe that this same, important clarification needs to be included in the background section of the report introduction on pages 4 and 5.
- Also in the Executive Summary, on page 1, we suggest that the first key finding be placed into a proper context perhaps reading as follows (edits are included in *italics*):



WIA Title 1, Subtitle A, Section 101(9) stipulates that a dislocated worker is, in-part, defined as an individual 'unlikely to return to a previous industry or occupation.' *While sufficient evidence existed documenting other required criteria for eligibility, states and local boards left the documentation of the 'unlikely to return to a previous industry or occupation' criterion to local discretion. As a result, One-Stop Career Centers were unable to demonstrate to our satisfaction, adherence to this one requirement.* Documentation to fulfill this particular eligibility requirement was not present in 65% of the participant files we sampled, and 42 percent of those lacking such documentation, and 50% of those who were profiled by the Unemployment Insurance program, did, in fact, return to their previous industries or occupations. This issue was identified in a prior OIG report on the Dislocated Worker program under JTPA.

We believe that this preserves the integrity of the finding without using language that can easily be misinterpreted. We suggest that the full explanation of the finding in the body of the report on page 8 also remove the sentence "As a result, the program may be serving individuals it was not intended to serve under WIA."

- Regarding finding II on outcomes, we believe that both the Executive Summary and the body of the report as currently worded improperly stray from and exceed the specific audit sub-objective which was "What Outcomes Were Obtained in **Terms of the Program's Official Performance Measures** Regarding Entered Employment, Earnings Change and Job Retention?" [emphasis added] We suggest that the finding read simply that:

All outcomes specified by official program performance standards under the law were met.

The reviewers are most certainly entitled to the opinion that official WIA performance measures can be improved and on the ways by which that might be accomplished, but judging on the adequacy of the measures was not part of the objective of the review as stated by the IG itself (see quote and emphasis added above). If the report must contain such an opinion, it should be clearly identified as an opinion about the need to change official program measures and should not be included in a finding or in a recommendation to address a finding. Given the objective of the audit, we believe that it is rather unfair to claim as a finding that "by limiting performance measures to exited participants, the reported entered employment rate is incomplete and misleading."

Again, to be clear about our concern, we suggest that the opinion does not belong in the report at all, given the stated objectives. But if included, it should be clearly identified as an opinion outside the scope of the report objectives.

- In addition, we suggest that the response to the audit objective to determine “Were Participants Satisfied with the Program and Reemployment?” (on page 3 of the Executive Summary and pages 21-26 of the report) is incomplete. We suggest that the finding include the following language:

It is important to note that the review looked at participant satisfaction during the transition year from JTPA to WIA as the new program was getting off the ground and that the economy under JTPA in PY 1991 (to which the new WIA experience is compared) was quite different. Even so, the results of the WIA customer satisfaction survey during PY 2000 exceeded the negotiated levels. The participant satisfaction level was 77.9% and the employer level was 70%. The negotiated levels were 67.2% and 64.8% respectively.

We hope these comments and suggested edits are useful. We believe they include important clarifications. Thanks again for the opportunity to comment. If you have any questions, please feel free to contact Dennis Lieberman at 693-3375.