

# BRIEFLY...

Highlights of Report Number: 03-03-004-03-370, a report to the Assistant Secretary, Employment and Training Administration. August 7, 2003.

## WHY READ THE REPORT

Job Corps, established by Congress in 1964, is recognized today as the nation's largest and most comprehensive residential education and job training program for at-risk youth, ages 16 through 24. More than 60,000 students participate annually. Job Corps emphasizes intensive education, vocational training, youth development, counseling, job placement and follow-up.

Contractors manage the 118, primarily residential, Job Corps centers on behalf of DOL. Global Associates won a \$19.2 million contract from the Employment and Training Administration (ETA) to operate the Turner Job Corps Center (TJCC), in Albany, Georgia. The Center also subcontracted with CUBE, a firm to provide security services.

## WHY OIG CONDUCTED THE AUDIT

We audited the TJCC Schedule of Job Corps expenses for the program year that ended on June 30, 2001. Section 159 of the Workforce Investment Act (WIA) requires the Department of Labor to conduct audits, surveys, or evaluations of Job Corps Center operators at least once every three years. Our objective was to determine if expenses reported for the TJCC were accurate and adequately documented. The audit also looked at whether or not TJCC complied with certain laws, regulations, and contracts.

## READ THE FULL REPORT

<http://www.oig.dol.gov/public/reports/oa/2003/03-03-004-03-370.pdf>

The full report, including the scope, methodology, and full agency response, is also available on the Internet (click on the link above).

AUGUST 2003

# \$645,945 QUESTIONED IN AUDIT OF TURNER JOB CORPS CENTER

## WHAT OIG FOUND

We questioned \$645,945 in costs charged by CUBE, the subcontractor that provided security services to the center. The firm's invoices for certain time periods lacked adequate documentation. The subcontractor also reported expenses that did not appear in the original budget proposal. In addition, we found several weaknesses in the center's fiscal operations. We found:

- Inadequate controls over payroll processing, that included hiring two instructors without proper credentials and keeping inaccurate records of leave.
- Lack of accountability over inventories of consumable supplies.
- Evidence that the center underreported medical and dental expenses.
- Purchase of property and equipment that DOL did not approve prior to acquisition.

## WHAT OIG RECOMMENDED

We recommended that the Assistant Secretary for Employment and Training require the contractor to take several corrective actions that include:

- Refund \$645,945 spent on security services.
- Ensure that invoices show adequate support for the amounts billed.
- Improve procedures for keeping adequate records in support of payroll transactions
- Consistently file and maintain records over inventories of consumable supplies.
- Identify the exact value of medical and dental expenses and make adjustments on the general ledger and inventory report to ETA.
- Improve internal controls over purchase and use of non-expendable property and equipment.

The contractor generally agreed with the audit findings.