



MAR 31 2003

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

FROM: EMILY STOVER DEROCOCO *Emily Stover Derococo*

SUBJECT: Response to Draft Audit Report No. 06-03-005-03-315

The Employment and Training Administration concurs with the recommendations in the referenced audit report. We will proceed with negotiations with the Internal Revenue Service (IRS) to adopt a methodology for allocating administrative costs to the Unemployment Trust Fund and to develop a Memorandum of Agreement documenting that methodology. We will also request reimbursement for past overcharges. It would be very helpful if you would provide us with the appropriate contacts at IRS.

If you have any questions regarding this response, please contact Ron Wilus at 202-693-2931.



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