

BRIEFLY...

Highlights of Report Number O4-04-066-03-355, a report to the Assistant Secretary, Employment and Training Administration (ETA). September 30, 2004.

WHY READ THE REPORT

The Intertribal Council (ITC), a nonprofit organization located centrally in Millbrook, Alabama, manages the Workforce Investment Act (WIA) program for Native Americans in the state. The agency receives all of its funding from the Department of Labor (DOL) to provide a range of employment training and supportive services. In PY 2000, DOL awarded ITC a 2-year \$462,120 grant under the WIA's Title I Indian and Native American (INA) programs. By PY 2003, the grant had increased to over \$933,000. ETA's Division of Indian and Native American Programs (DINAP), which administers INA grants, had not done a program review of ITC since 1997. DINAP said that they did not consider ITC a "high risk" grantee.

WHY OIG DID THE AUDIT

The OIG evaluated a Hotline complaint to determine if allegations made against the ITC by a former board member had merit. Several allegations involved wage and hour violations, misuse of funds, conflict of interest, discrimination acts, and other issues that occurred from November 1999 through March 2003.

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/2004/04-04-006-03-355.pdf>

September 2004

MOST ALLEGATIONS AGAINST INTER-TRIBAL COUNCIL OF ALABAMA HAD NO MERIT, BUT AGENCY SHOULD IMPROVE FINANCIAL MANAGEMENT and RECRUITMENT

WHAT OIG FOUND

We concluded that 7 of the 13 allegations were not substantiated. However, we found the following financial and programmatic issues:

- a lack of participation by some tribes;
- inconsistent reporting of program expenses;
- inadequate support for participants' eligibility determinations;
- a lack of support for the education credits listed on the ITC Director's resume;
- weak internal controls over payroll disbursements; and
- no access to ITC's office building for people with disabilities.

WHAT OIG RECOMMENDED

We recommended to the Assistant Secretary for ETA that the agency provide technical assistance to the ITC to help it increase participation from some tribes and ensure that ITC:

- Accurately reports program costs.
- Verifies and supports participant eligibility.
- [The Board] takes action to either affirm or remove the Director.
- Complies with existing internal controls so that financial transactions are properly authorized.
- Compensates its Director for the unauthorized salary reduction of \$4,680.

ITC agreed with most of our findings, but disagreed with our questioning the eligibility of seven sampled participants. Before OIG's fieldwork ended, ITC provided documentation of building renovations to make their office accessible. Therefore, we made no recommendation on this finding.