

BRIEFLY...

Highlights of Report Number: 04-04-007-03-370,
A report to the Assistant Secretary, Employment
and Training Administration. November 28, 2003.

WHY READ THE REPORT

Job Corps is a national program that provides employment and training, primarily in a residential setting, to disadvantaged youth between the ages of 16 to 24. The U. S. Department of Labor (DOL) administers Job Corps. Originally established by the Economic Opportunity Act of 1964, Job Corps is currently authorized under the Workforce Investment Act of 1998. The objective of Job Corps is "to provide young people with the skills they need to obtain and hold a job, enter the Armed Forces, or enroll in advanced training or further education."

Since October 2000, Education Management Corporation (EMC) has served as the operator of the Whitney Young Job Corps Center in Simpsonville, Kentucky. The Center has the capacity to accommodate approximately 400 residential students. The initial contract amount was \$15.2 million for a 2-year period, with three 1-year options. According to EMC officials, Whitney Young is the first Job Corps center for which it has been the primary contractor. In the past, EMC provided services to other Job Corps centers as a subcontractor.

WHY OIG CONDUCTED THE EVALUATION

The OIG conducted an evaluation to determine the merits of a complaint made by a former Center staff member alleging mismanagement and misappropriation of Job Corps funds by EMC employees. The time period covered by the complaint was between July 1, 2001 and July 31, 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/2004/04-04-007-03-370.pdf>

NOVEMBER 2003

EVALUATION FINDS, THAT WITH ONE EXCEPTION, WHITNEY YOUNG JOB CORPS CENTER IN KENTUCKY DID NOT MISUSE JOB CORPS FUNDS AS HAD BEEN ALLEGED

WHAT OIG FOUND

Our evaluation found that EMC, the managing contractor for the Center:

1. Awarded and used student incentive funds appropriately.
2. Terminated employees appropriately.
3. Purchased furniture and equipment, as requested by Center staff.
4. Did not incur excessive travel expenses for the Acting Vocational Supervisor.
5. Terminated students properly.
6. Properly spent funds on a meeting attended by a local Congressman and other public officials.
7. Properly awarded bonuses and raises.
8. Did not pay off a DOL employee, as alleged.

However, we determined that EMC did not follow inventory control protocol during the transition from the previous center operator to EMC. Many items were transferred without proper documentation.

WHAT OIG RECOMMENDED

ETA is taking appropriate corrective action on the property issue. ETA has conducted two monitoring visits to confirm that EMC bought replacement items for the missing property and properly recorded them in the Center's inventory. Because we found no evidence to support other charges in the complaint, OIG did not make any recommendations and concluded that no further OIG involvement is required.