

MARCH 31, 2005

MEMORANDUM FOR: EMILY STOVER DeROCCO
Assistant Secretary for
Employment and Training

for Elizabeth Curtis

FROM: ELLIOT P. LEWIS
Assistant Inspector General
for Audit

SUBJECT: Complaint Involving the Citizen and Justice Academy
Gulfport, Mississippi
Report Number 04-05-003-03-390

The Office of Inspector General (OIG) audited a complaint made against the Citizen and Justice Academy (CJA) program through the OIG Hotline. The complaint alleged that ineligible participants were placed in the Workforce Investment Act (WIA) Program; participants determined to be incarcerated were maintained as "active" in the program; and there were possible improprieties by the CJA Director. After examining the available information, we conclude the allegations were not substantiated.

The Gulf Coast Business Services Corporation (GCBSC) awarded the University of Southern Mississippi (USM) a total of \$247,074 in WIA funds to administer the CJA Program for Program Years (PY) 2002 and 2003. The CJA Program targeted youth offenders ages 16 through 21, in the Gulfport, Mississippi Municipal Court system. CJA participants were required to complete a 3-week course that included 40 hours of civics and community building, plus 40 hours of community service. In addition, participants who wished to remain in the WIA Program were encouraged to finish their education, and/or obtain employment. Other participants were allowed to exit the program. Participants employed the first, third, and fifth quarters after being placed in employment were considered by GCBSC to have successfully completed the program.

The table below illustrates CJA’s performance goals and outcomes for PY 2002 and PY 2003.

CJA’s PERFORMANCE GOALS and OUTCOMES					
Program Year	Enrolled			Exited	
	Goal	Actual		Goal	Actual
2002	100	57		45	40
2003	100	25		112	5

None of the participants were considered to have successfully completed the program because they were not retained in employment as required.

OBJECTIVE, SCOPE, AND METHODOLOGY

We audited the CJA program to determine if the allegations made in the complaint against CJA could be substantiated.

To determine the merits of the allegations, we interviewed CJA, GCBSC, and USM officials and reviewed the following documentation: contract information, a list of participants who were in the program, expense reports, and local directives and applicable regulations for the program. We selected a judgmental sample of 15 from 82 (18 percent) files of participants who were in the CJA Program during PY 2002 and PY 2003 to determine if the participants were incarcerated while being maintained as active in the program. Our sample was selected with emphasis on participants identified as incarcerated. Other factors used to select the sample included activity status (non-exiters and exiters), and their employment status at various times after exiting the program. We conducted fieldwork from June 29, 2004, through August 16, 2004, at the CJA in Gulfport, Mississippi, and the OIG Regional Office in Atlanta. Our testing of internal controls focused only on those controls related to our audit objective of determining whether the allegations could be substantiated, and were not intended to form an opinion on the adequacy of internal controls overall, and we do not render such an opinion. Our audit was performed in accordance with Government Auditing Standards.

RESULTS

We conclude that the allegations could not be substantiated. The results of our audit are discussed below.

Allegation 1. Ineligible Participants Were Placed in the Program

The complaint alleged that participants convicted of a felony should not have been allowed to enroll in the CJA Program. We interviewed program officials and reviewed the applicable participant eligibility requirements for the CJA Program. According to GCBSC's Youth Manager and the CJA's Director, they did not impose additional eligibility requirements beyond those in the Federal regulations. Moreover, there were no policy or regulations that prohibited felons in the program. Therefore, we conclude the allegation was not substantiated.

Allegation 2. Participants Determined to be Incarcerated Were Maintained As "Active" in the Program

The complaint alleged that participants who had been arrested and/or convicted after placement were listed as "active" participants in the program. We judgmentally selected 15 participant files, which included 7 participants identified as incarcerated during our audit period.

Based on our review of the 15 participants' files, we determined that none of the participants were placed in unsubsidized employment by CJA. According to the seven participants' files that were identified as being "incarcerated," CJA learned of the participants' incarceration after the participants did not report to class or during follow-up evaluations. We found that CJA officials terminated the individuals after learning of their incarcerations. Additionally, we found no indication that any of the other eight participants selected were incarcerated while active. We conclude the allegation was not substantiated.

Allegation 3. Possible Improprieties by the CJA Director

The complaint alleged possible improprieties by the CJA Director, which included receiving indirect compensation as a result of the program, using his position to assure success of the program, failing to enforce the terms of sentencing orders in his capacity as Chief Judge, and controlling the staff who operated the program. We conclude that the allegation of possible improprieties was not substantiated.

- A. The complaint stated that the CJA Director, who was also the Chief Judge and a full time professor at USM, received indirect compensation from USM in the form of a reduced class load. Our review revealed that the CJA Director received a reduced class load from USM as a result of securing the contract for the CJA program.

According to USM officials, this is a common practice at the University for professors who secure contracts/grants on behalf of the University. The reduced class load allows these individuals time to administer the contracts/grants program.

- B. The complaint also stated that the CJA Director, while acting as Chief Judge, could assure success of the CJA Program as a result of his ability to refer individuals to CJA under the sentencing agreement or deciding if an individual violated the sentencing agreement. Although the CJA Director, in his capacity as Judge, was involved in youth referrals to the program, this did not relieve youth offender participants from meeting the WIA eligibility requirements. As noted earlier, our testing did not disclose any participants who failed to meet WIA requirements. On March 22, 2004, GCBSC notified USM that it would not receive funding for PY 2004 due to performance concerns.
- C. Additionally, the complaint contended the sentencing agreement states a participant in the CJA Program could not violate any local, state or Federal law while in the program. Our review of the sentencing agreement in the participant files revealed that the agreement was silent regarding violation of Federal, state, or local law while in the program. Furthermore, we did not find any written guidelines that addressed violating Federal, state, or local law while in the program.
- D. Finally, the complaint states that the CJA Director was wholly responsible for the participation in CJA, chose the entire staff of CJA, and that the staff functioned entirely under his direction. The USM contract with GCBSC outlines the duties of the Director, which included identifying eligible youth, and recruiting, assigning, and directing project staff. Therefore, the director was the responsible party for identifying and selecting participants in the program and selecting, managing and directing the CJA staff.

As the allegations are unsubstantiated, we are making no recommendations.

We provided a draft of this report to the State of Mississippi Department of Employment Security. The State did not respond to the draft report. Since this report does not contain any recommendations, no response is required.