

Department of Labor
Office of Inspector General
Office of Audit

BRIEFLY...

Highlights of Report Number: 09-05-001-03-370, a report to Emily Stover DeRocco, Assistant Secretary for Employment and Training.

WHY READ THE REPORT

This report discusses why performance data reported for the Kittrell Job Corps Center (Kittrell) were not reliable and contains recommendations to improve that reliability.

WHY OIG DID THE AUDIT

The Office of Inspector General conducted an audit at Kittrell to determine the merits of a hotline complaint alleging that center managers falsified student attendance and training records to improve reported performance. This audit was also one in a series of planned audits to assess Job Corps' processes for ensuring the reliability of performance outcomes reported by center operators and career transition services (CTS) providers.

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/2005/09-05-001-03-370.pdf>

March 2005

KITRELL JOB CORPS CENTER: MANIPULATION OF STUDENT ATTENDANCE AND TRAINING RECORDS

WHAT OIG FOUND

We found that Kittrell managers manipulated student attendance and training records to improve the center's reported performance. Reported performance of high school diploma attainment and job placements (unrelated to the complaint) also was not reliable. These unreliable data affected Job Corps financially because reimbursed operating expenses and incentive fees paid to contracted center operators are based on reported performance. The Kittrell center operator's maximum potential refund of reimbursed operating expenses to the Government is \$664,000. We also question the validity of \$112,000 in incentive fees paid to the center operator.

WHAT OIG RECOMMENDED

We recommended that the Assistant Secretary ensure that Job Corps management takes corrective action. Our key recommendations are (1) review student attendance records and performance data that affected payments to the center operator; (2) defer the payment of future performance incentive fees until any overpayment has been repaid and center management weaknesses have been adequately addressed; and (3) monitor the Kittrell center and the CTS contractor to ensure that they comply with Job Corps' requirements related to documentation to support reported performance results.

Subsequent to the audit, Job Corps and the center operator performed analyses and obtained documentation that they believe refute some of the data irregularities identified in this report. Despite our disagreement on the specific data irregularities, ETA management has begun implementing all the recommendations. Additionally, Job Corps is implementing procedures to improve system-wide data validation.