

**U.S. Department of Labor
Office of Inspector General
Office of Audit**

BRIEFLY...

Highlights of Report Number: 09-06-005-01-370, to Esther R. Johnson, National Director, Office of Job Corps.

WHY READ THE REPORT

This report discusses the merits of a hotline complaint alleging the Young Women's Christian Association (YWCA), operator of the Los Angeles Job Corps Center (Center) misused Department of Labor funds and property and makes recommendations where appropriate.

WHY OIG DID THE AUDIT

The Office of Inspector General conducted an audit of the Center, which is operated by the YWCA of Greater Los Angeles. The audit was initiated to determine the merits of a hotline complaint alleging that the YWCA: (1) charged costs to develop a proposal to operate the Long Beach Center to the Job Corps contract; (2) allowed the CEO to use a government vehicle for private purposes; (3) charged unnecessary bank fees to the Job Corps contract; (4) charged the cost of a new accounting system to the Job Corps contract; (5) operated a child care center on contaminated land; and (6) required Center employees to join an illegal YWCA pension plan.

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/2006/09-06-005-01-370.pdf>

SEPTEMBER 2006

Los Angeles Job Corps Center: Allegations of Misuse of Department of Labor Funds and Property

WHAT OIG FOUND

Of the six allegations, one was substantiated, one could not be answered, and four were unsubstantiated:

1. The allegation the YWCA charged the Job Corps contract for the cost of a proposal for the Long Beach Center was substantiated. We also found the Center charged similar costs for the Los Angeles Center in 2005. We believe that these costs were unallowable direct costs and we are questioning \$300,870.
2. The allegation the YWCA Chief Executive Officer (CEO) used a government vehicle for personal use could not be answered. The CEO did have a government vehicle for 3 years, but detailed trip records were not kept. Therefore, we could not determine if the vehicle was used for personal purposes. However, the Center did not bill the YWCA for the annual insurance costs on the vehicle and we are questioning \$3,000.
3. The allegation the YWCA charged unnecessary bank fees of about \$3,000 to the Job Corps contract was not substantiated.
4. The allegation that costs of about \$100,000 for a YWCA accounting system were charged to the Job Corps contract was not substantiated.
5. The allegation the YWCA operated a child care center on contaminated land was not substantiated.
6. The allegation the YWCA required Center employees to join an illegal pension plan was not substantiated.

WHAT OIG RECOMMENDED

We recommended the National Director, Office of Job Corps recover \$300,870 for proposal development and \$3,000 for vehicle insurance costs, and direct the YWCA to comply with DOL regulations on vehicle use.

The National Director, Office of Job Corps, concurred with our recommendations.