

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

BRIEFLY...

Highlights of Report Number: 04-07-007-03 390, to the Assistant Secretary for Employment and Training.

WHY READ THE REPORT

In August and September, 2005, Hurricanes Katrina and Rita hit the Louisiana, Mississippi and Texas coasts. These storms caused estimated losses of more than \$100 billion. In response, President Bush declared a major disaster for each of these States under the authority of the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

To assist in the recovery efforts, the Employment and Training Administration awarded the Texas Workforce Commission (TWC) a \$75 million National Emergency Grant (NEG). The purpose of the NEG grant was to create temporary jobs to assist in disaster cleanup and restoration efforts, and to provide training opportunities that might lead to permanent employment.

WHY OIG DID THE AUDIT

The OIG conducted a performance audit to ensure that the TWC spent NEG funds in accordance with Federal requirements, and reported NEG activities and outcomes accurately. Our audit covered expenditures of \$20,924,190 and NEG activities and outcomes as of March 2006.

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/2007/04-07-007-03-390.pdf>

September 2007

Audit of the Texas National Emergency Grant

WHAT OIG FOUND

OIG found that with few exceptions, Texas spent its NEG funds in accordance with Federal requirements.

However, TWC did not report activities and outcomes accurately.

- Forty-eight percent of tested participants were not enrolled in the NEG program.
- Thirty-seven percent of participants who had exited the program or should have exited the program were not reported as having exited.
- Program eligibility was not sufficiently documented for 63 percent of tested participants. Additionally, local boards failed to document their decision to provide intensive services as required by program regulations.

WHAT OIG RECOMMENDED

We recommended that the Assistant Secretary for Employment and Training ensure that TWC:

- Not report individuals as participants for whom an eligibility determination has not been made or who only received self-help services through the WorkInTexas.com system.
- Report NEG program exits consistent with Federal policies and procedures.
- Adequately document participant eligibility and decisions to provide intensive services.

In response to the draft report, TWC stated that it believes the report does not adequately portray the scale of the statewide disasters. TWC also stated that it believes it properly reported the number of NEG program participants.