

Job Corps Response

U.S. Department of Labor

Office of Job Corps  
Washington, D.C. 20210



APR 3 - 2009

MEMORANDUM FOR: ELLIOT P. LEWIS  
Assistant Inspector General  
for Audit

FROM: ESTHER R. JOHNSON, Ed.D.  
Administrator

A handwritten signature in cursive script, reading "Esther R. Johnson".

SUBJECT: Response to the OIG Revised Draft Report on the Performance  
Audit of Dynamic Educational Systems, Incorporated Job  
Corps Centers, Report No. 26-09-002-01-370

Thank you for the opportunity to review the Office of Inspector General (OIG) revised draft report on the Performance Audit of Dynamic Educational Systems, Incorporated (DESI) Job Corps Center, received on March 19, 2009. The Office of Job Corps (OJC) concurs with all of the findings and recommendations included in the report. Listed below are the OIG's recommendations including the OJC response:

**The OIG recommended that the National Director of Job Corps require DESI to increase its emphasis on compliance with Job Corps requirements by implementing the program management responsibilities specified in the Job Corps PRH and DESI Center Operating Procedures (COPs). Specifically, the OIG recommended that the National Director of Job Corps require DESI to:**

**OIG Recommendation 1**

- Develop and implement COPs for leave and AWOL students and parent contact attempts that are consistent with the PRH.

**OJC Response**

Concurs. The Office of Job Corps will continue to require the development and implementation of COPs for leave, AWOL students, and parent contact attempts.

On Wednesday, April 1, 2009, the National Director of Job Corps forwarded a memorandum addressed to the Philadelphia and Atlanta Job Corps Regional Directors to continue to require DESI to develop and implement COPs for leave, AWOL students and parent contact attempts that are consistent with the PRH for the Carl D. Perkins, Bamberg, and Montgomery Job Corps Centers. A copy of COPs should be maintained on file for a minimum of 3 years at the DESI Headquarters in Phoenix, AZ. (Attachment 1, Memorandum Addressed to the Philadelphia and Atlanta Job Corps Regional Directors from the National Director, dated April 1, 2009)

**OIG Recommendation 2**

- Provide continued training and supervisory oversight to responsible staff for complying with Job Corps documentation and reporting requirements for student leave, contacting AWOL students or their parents, Work-Based Learning (WBL), timesheet verification, and the use of government vehicles.

**OJC Response**

Concurs. The Office of Job Corps supports the idea for improvement in the areas of continued training and supervisory oversight.

On Wednesday, April 1, 2009, the National Director of Job Corps, forwarded a memorandum addressed to the Philadelphia and Atlanta Job Corps Regional Directors to instruct DESI to continue to provide training and supervisory oversight to responsible staff for complying with Job Corps documentation and reporting requirements for student leave, contacting AWOL students or their parents, WBL, timesheet verification, and the use of government vehicles. All documentation referencing training in these areas must be maintained on file for a minimum of 3 years for record-keeping purposes at the DESI Headquarters in Phoenix, AZ. (Attachment 1, Memorandum Addressed to the Philadelphia and Atlanta Job Corps Regional Directors from the National Director, dated April 1, 2009)

**OIG Recommendation 3**

- Conduct assessments at each center to effectively identify non-compliance with Job Corps documentation and reporting requirements for student leave, contacting AWOL students or their parents, WBL, timesheet verification, and the use of government vehicles.

**OJC Response**

Concurs. The Office of Job Corps will continue to facilitate the requirement for conducting corporate assessments at the Carl D. Perkins, Bamberg, and Montgomery Job Corps Centers operated by DESI to identify non-compliance with Job Corps documentation and reporting requirements as identified in the OIG revised draft report.

On Wednesday, April 1, 2009, the National Director of Job Corps, forwarded a memorandum addressed to the Philadelphia and Atlanta Job Corps Regional Directors to instruct them to facilitate the requirement as specified in the PRH for DESI to conduct assessments at each center to effectively identify non-compliance with Job Corps documentation and reporting requirements for student leave, contacting AWOL students

or their parents, WBL, timesheet verification, and the use of government vehicles. The PRH, Chapter 5.1, R.2, C, contends that, “Centers operated by contractors and agencies, and OA/CTS contractors, shall: Conduct annual comprehensive assessments of center or OA/CTS operations.” A copy of these reports must be maintained on file for a minimum of 3 years. (Attachment 1, Memorandum Addressed to the Philadelphia and Atlanta Job Corps Regional Directors from the National Director, dated April 1, 2009)

**OIG Recommendation 4**

- Implement corrective action plans when non-compliance with Job Corps requirements is identified and follow-up previous recommendations during corporate center assessments.

**OJC Response**

Concurs. The Office of Job Corps will continue to facilitate implementing corrective action plans when non-compliance with Job Corps requirements exist and following up with previous unresolved recommendations from other corporate center assessments for the Carl D. Perkins, Bamberg, and Montgomery Job Corps Centers as identified in the OIG revised draft report.

On Wednesday, April 1, 2009, the National Director of Job Corps forwarded a memorandum addressed to the Philadelphia and Atlanta Job Corps Regional Directors to instruct them to inform DESI of the importance of implementing a corrective action plan when non-compliance with Job Corps requirements exists during corporate center assessments. Also, they were reminded to follow-up on previous unresolved recommendations from other corporate center assessments. All documentation associated with corporate center assessments corrective action plans and updates to follow-up unresolved recommendations, must be maintained on file for a minimum of 3 years for record-keeping purposes at the DESI Headquarters in Phoenix, AZ. (Attachment 1, Memorandum Addressed to the Philadelphia and Atlanta Job Corps Regional Directors from the National Director, dated April 1, 2009)

Attachment

U.S. Department of Labor

Office of Job Corps  
Washington, D.C. 20210



APR 1 - 2009

MEMORANDUM FOR: LYNN INTREPIDI  
Regional Director  
Philadelphia Regional Office

WALT HALL  
Regional Director  
Atlanta Regional Office

FROM: ESTHER R. JOHNSON, Ed.D.  
Administrator

Handwritten signature of Esther R. Johnson in cursive.

THROUGH: PATSY BAKER BLACKSHEAR, Ph.D.  
Deputy Director, Division of Regional Office Operations

Handwritten signature of Patsy Baker Blackshear in cursive.

SUBJECT: OIG Revised Draft Report on the Performance  
Audit of Dynamic Educational Systems, Incorporated Job  
Corps Centers, Report No. 26-09-002-01-370

This memorandum is in reference to the Office of Inspector General (OIG) revised draft report on the Performance Audit of Dynamic Educational Systems, Incorporated (DESI) Job Corps Centers, Report No. 26-09-002-01-370, received on March 19, 2009.

The OIG recommended that the National Director of Job Corps require DESI to increase its emphasis on compliance with Job Corps requirements by implementing the program management responsibilities specified in the Job Corps Policy and Requirements Handbook (PRH) and DESI Center Operating Procedures (COPs). Specifically, the OIG recommended that the National Director of Job Corps require DESI to:

- (1) Develop and implement COPs for leave and AWOL students and parent contact attempts that are consistent with the PRH;
- (2) Provide continued training and supervisory oversight to responsible staff for complying with Job Corps documentation and reporting requirements for student leave, contacting AWOL students or their parents, Work-Based Learning (WBL), timesheet verification, and the use of government vehicles;
- (3) Conduct assessments at each center to effectively identify non-compliance with Job Corps documentation and reporting requirements for student leave, contacting AWOL students or their parents, WBL, timesheet verification, and the use of government vehicles; and

(4) Implement corrective action plans when non-compliance with Job Corps requirements is identified and follow-up previous recommendations during corporate center assessments.

Based on the aforementioned recommendations, please communicate to DESI the following information:

- (1) The requirement to develop and implement COPs for leave, AWOL students and parent contact attempts that are consistent with the PRH for the Carl D. Perkins, Bamberg, and Montgomery Job Corps Centers. A copy of COPs should be maintained on file for a minimum of 3 years at the DESI Headquarters in Phoenix, AZ;
- (2) Continue to provide training and supervisory oversight to responsible staff for complying with Job Corps documentation and reporting requirements for student leave, contacting AWOL students or their parents, WBL, timesheet verification, and the use of government vehicles. All documentation referencing training in these areas must be maintained on file for a minimum of 3 years for record-keeping purposes at the DESI Headquarters in Phoenix, AZ;
- (3) The requirement as specified in the PRH for DESI to conduct assessments at each center to effectively identify non-compliance with Job Corps documentation and reporting requirements for student leave, contacting AWOL students or their parents, WBL, timesheet verification, and the use of government vehicles. The PRH, Chapter 5.1, R.2, C, contends that, “Centers operated by contractors and agencies, and OA/CTS) contractors, shall: Conduct annual comprehensive assessments of center or OA/CTS operations.” A copy of these reports must be maintained on file for a minimum of 3 years; and
- (4) The importance of implementing a corrective action plan when non-compliance with Job Corps requirements exists during corporate center assessments and to follow-up on previous unresolved recommendations from other corporate center assessments. All documentation associated with corporate center assessments corrective action plans and updates to follow-up unresolved recommendations, must be maintained on file for a minimum of 3 years for record-keeping purposes at the DESI Headquarters in Phoenix, AZ.

If you have any questions, please contact Ann F. Branch, OIG/GAO Audit Liaison, of my staff at (202) 693-3920.

DESI Response



March 27, 2009

Mr. Ray Armada  
Audit Director  
U. S. Department of Labor  
OIG – Office of Audit  
90 7th Street, Suite 02-750  
San Francisco, CA 94103

*Sent via email and overnight delivery*

RE: DESI's responses to the Discussion Draft – Report No. 26-09-002-01-370

Dear Mr. Armada:

We appreciate the opportunity to review and respond to the Office of Inspector General's (OIG's) Discussion Draft report on the Performance Audit of Dynamic Educational Systems, Inc. and the Montgomery Job Corps Center (OIG report Number 26-09-002-01-370).

On the enclosed report, please find Dynamic Educational Systems Inc.'s (DESI's) response to each negative finding on the OIG's Discussion Draft, received in final form from your office via email on March 25, 2009.

As shown on the enclosed, DESI's written concurrence, non-concurrence or concurrence-in-part for each negative finding is noted together an explanation or comment.

Please let me know if you have any questions on the enclosed. Thank you.

Sincerely,

Chris Herro  
Vice President, Finance & Administration

CC: Steve Chiang, OIG Audit Supervisor  
Ralph Rockow, President  
Theresa Joseph, Director of Job Corps Operations  
Frank Coiro, Center Director

Enclosures

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**Objective 1 – Did DESI ensure compliance with Job Corps requirements for reporting performance?**

**Finding 1 – DESI did not ensure compliance with Job Corps reporting requirements for student attendance and accountability.**

**Student Leave Was Not Properly Documented or Approved**

DESI Response:

Concur-in-part.

We concur with the exceptions where the finding was a missing leave request form, and the leave occurred before 4/5/08. Prior to the audit, and in response to the inconsistent filing of leave forms, staff changes were made in the Student Records department, and DESI brought the filing back into compliance with the PRH. However, shortly after the staff changes were made, the PRH was changed and filing of hard-copy leave forms in the student file was no longer required.

We do not concur with OIG's statement that student leave was not properly approved. While there was a filing requirement prior to 4/5/08, maintenance of the leave request form in the student's personnel file does not, in and of itself, constitute whether a student's leave has been approved or not approved. To validate that student leaves were submitted and approved in CIS, DESI sent copies of the leave request forms to the OIG on January 20, 2009.

**AWOL Students or Their Parents Were Not Always Contacted**

DESI Response:

Concur.

While we believe AWOL contacts and efforts were occurring, Center Counselors were previously inconsistent in submitting hard-copy documentation for AWOL parental contact and retrieval efforts.

Additional training and changes to the counseling staff have now ensured that all AWOL contacts are documented in Case Notes and hard-copies of the case notes are forwarded daily to the student support office for filing in the student personnel folder. Audits are conducted monthly to ensure compliance with this documentation.

Enclosure Page 1 of 3

Work-Based Learning

DESI Response:

Concur.

We concur with the Present for Duty Off Center exceptions.

We concur with the finding of student specific provisions missing on the WBL MOUs. DESI is redesigning our WBL MOUs to include the required student specific provisions.

We concur with the finding of six of the twelve students not having weekly timesheets / evaluations on file. To prevent further occurrences of missing timesheets / evaluations, the center's CDS Director is performing weekly audits on WBL sites and records for all students participating in WBL assignments to ensure that all requirements are met and the WBL files are appropriately maintained.

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**Objective 2 – Did DESI ensure compliance with Job Corps requirements for managing and reporting financial activity?**

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**Finding 2 – DESI did not ensure compliance with Job Corps requirements for verifying timesheets and use of government vehicles.**

Timesheet Verifications Were Not Effective

DESI Response:

Concur-in-part.

DESI concurs with this finding, and DESI immediately put corrective measures in place starting with a November 6, 2008 email sent by DESI's Corporate VP of Finance and Administration to all Center Directors reinforcing DESI's long-standing timekeeping policy. A copy of this email was given to the OIG Audit Supervisor the same day.

We do not concur with the OIG's contention that "Montgomery did not adequately ensure that the work hours input by staff and reported by the center were appropriate". Of the 29,920 hours worked in these 3 pay periods tested, the supervisor signed ahead of time on 169 hours, which represented .0056 (.56%) of all hours worked. Accordingly, given the 99.44% compliance, there was adequate assurance that the time reported was appropriate.

Enclosure Page 2 of 3



Controls Over The Use Of Government Vehicles Were Not Effective

DESI Response:

Concur.

We concur with the noted exceptions. In coordination with DESI's corporate office, the Center's Finance & Administration, Security and Maintenance departments are working together to streamline this process and to ensure the vehicle trip and inspection forms contain essential vehicle information that provide adequate assurance that the vehicle is appropriately being used, the information on the forms is not redundant, and all fields on the forms are populated at the time of vehicle usage.

Enclosure Page 3 of 3

**TO REPORT FRAUD, WASTE OR ABUSE, PLEASE CONTACT:**

Online: <http://www.oig.dol.gov/hotlineform.htm>

Email: [hotline@oig.dol.gov](mailto:hotline@oig.dol.gov)

Telephone: 1-800-347-3756  
202-693-6999

Fax: 202-693-7020

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