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VETERANS EMPLOYMENT AND TRAINING SERVICE



TEXAS VETERANS COMMISSION COULD ENHANCE SERVICES TO VETERANS WITH BARRIERS TO EMPLOYMENT

Date Issued: May 28, 2010
Report Number: 06-10-001-02-201

BRIEFLY...

Highlights of Report Number 06-10-001-02-201, to the Assistant Secretary for Veterans' Employment and Training.

WHY READ THE REPORT

This report examines the Texas Veterans Commission's (TVC) efforts to provide employment, training, and placement services to veterans. Without intensive services, such as case management, resume assistance, referral to supportive services, and job search assistance, homeless veterans and/or veterans with disabilities may not be able to overcome their employment barriers and obtain and retain suitable employment.

The Jobs for Veterans State Grant Program (JVSG) is the Veterans' Employment and Training Services (VETS) primary program for serving veterans' training and employment needs. JVSG supports two principal positions at State Workforce Agencies — Disabled Veteran Outreach Program (DVOP) specialists and Local Veteran Employment Representatives (LVER). The DVOP provides employment and training services to meet the needs of disabled veterans; economically or educationally disadvantaged veterans; and veterans with other barriers to employment, especially homeless veterans. LVER staff provides and facilitates a range of employment, training, and placement services to meet the needs of veterans. These services include conducting job search workshops, as well as providing job development, vocational guidance, referrals to training, and supportive services. TVC spent \$2.9 million for DVOP and \$3.3 million for LVER from July 1, 2008, through December 31, 2008.

WHY OIG CONDUCTED THE AUDIT

The OIG conducted this audit to determine if TVC provided services to meet veterans' employment and training needs.

READ THE FULL REPORT

To view the report, including the scope, methodology, and full agency responses, go to:

<http://www.oig.dol.gov/public/reports/oa/2010/06-10-001-02-201>

May 2010

TEXAS VETERANS COMMISSION COULD ENHANCE SERVICES TO VETERANS WITH BARRIERS TO EMPLOYMENT

WHAT OIG FOUND

TVC provided services to meet veterans' employment and training needs for 84 percent of the veterans we reviewed; however, we estimate 6,331 homeless veterans and/or veterans with disabilities of the 42,983 veterans in our population were not always provided a full range of employment and training services to meet their needs. Specifically, only one of the 39 homeless veterans and/or veterans with disabilities in our sample received case management services to assist him or her to obtain employment.

We estimate that 6,331 veterans of the 42,983 veterans reported served by TVC were homeless and/or veterans with disabilities, but TVC adequately documented just 251 veterans who received intensive services. Given the low number of veterans that TVC reported as having received case management services, we believe the \$2.9 million in DVOP funding for the period July 1, 2008, through December 31, 2008, could have been better used.

WHAT OIG RECOMMENDED

We recommended that VETS ensure TVC provides training to all DVOP staff on accurately assessing veterans' needs and documenting intensive service activities. We also recommended that VETS implement a policy requiring states to enhance their existing oversight to ensure DVOP specialists provide case management services for homeless veterans and veterans with disabilities.

TVC disagreed with the report's conclusion, citing the DOL-OIG result that 84 percent of veterans were provided a full range of employment, training, and placement services as evidence that it is meeting the needs of veterans. TVC did agree that improvements could be made in the services provided to the hardest-to-serve disabled and homeless veterans. The Assistant Secretary for VETS committed to improving training and refocusing the DVOP program on providing intensive services.

Table of Contents

Assistant Inspector General’s Report	1
Results In Brief	2
Objective — Did TVC provide services to meet veterans’ employment and training needs?	4
Finding — TVC could enhance services to veterans with employment barriers	4
Recommendations	8
Exhibit	
Exhibit: Analysis of Case Management Services	11
Appendices	
Appendix A Background	15
Appendix B Objective, Scope, Methodology, and Criteria.....	17
Appendix C Acronyms and Abbreviations.....	21
Appendix D TVC Response to Draft Report.....	23
Appendix E VETS Response to Draft Report.....	27
Appendix F Acknowledgements.....	29

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U.S. Department of Labor

Office of Inspector General
Washington, D.C. 20210



May 28, 2010

Assistant Inspector General's Report

The Honorable Raymond M. Jefferson
Assistant Secretary for Veterans'
Employment and Training
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, D.C. 20210

The Jobs for Veterans State Grant Program (JVSG) is the Veterans' Employment and Training Services (VETS) primary program for serving veterans' training and employment needs. Under JVSG, funds are allocated to State Workforce Agencies in direct proportion to the number of veterans seeking employment within their state. JVSG supports two principal positions at State Workforce Agencies — Disabled Veteran Outreach Program (DVOP) specialists and Local Veteran Employment Representatives (LVER).

The DVOP provides employment and training services to meet the needs of disabled veterans; economically or educationally disadvantaged veterans; and veterans with other barriers to employment, especially homeless veterans. In part, DVOP specialists provide case management services that require the creation of an Individual Development Plan (IDP). The IDP includes key information relating to veterans' barriers to employment, such as short- and long-term goals to address barriers; actions and timeframes to achieve those goals; and educational, training, and military history. The DVOP specialist maintains case notes to monitor the IDP, modifying it as necessary. The DVOP specialist also provides monthly counseling and other intensive service activities such as resume assistance, referral to supportive services, job search assistance, and local market information.

LVER staff provides and facilitates a range of employment, training, and placement services to meet the needs of veterans. These services may include conducting job search workshops, as well as providing job development, vocational guidance, referrals to training, and supportive services.

The Texas Veterans Commission (TVC) spent \$3.3 million for LVER and \$2.9 million for DVOP during the period July 1, 2008, through December 31, 2008.

Our audit objective was to determine if TVC provided services to meet veterans' employment and training needs.

To achieve our audit objective, we reviewed VETS and TVC policies and procedures pertaining to services provided to veterans through March 2010. We reviewed a statistical sample of 245 out of 42,983 veterans for whom TVC reported services were provided between July 1, 2008, and December 31, 2008, at 8 of the 28 Workforce Development Areas (WDA) in Texas. We interviewed 147 of the sampled veterans to determine if they received services that met their employment and/or training needs. Within the sample of 245, 39 veterans were identified as homeless and/or with disabilities. We reviewed wage records for 25 these 39 veterans to determine if they obtained employment. We also reviewed a judgmental sample of 24 veterans from 8 WDAs who received case management services to determine the adequacy of the services.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our finding and conclusions based on our audit objective. Our objective, scope, methodology, and criteria are detailed in Appendix B.

Results In Brief

TVC provided services to meet veterans' employment and training needs for 84 percent of the veterans we reviewed. However, we estimate 6,331 of the 42,983 veterans in our population were homeless veterans and/or veterans with disabilities and TVC did not always provide a full range of employment and training services to meet their needs.

Specifically, only one of the 39 homeless veterans and/or veterans with disabilities in our sample received case management services to assist him/her in achieving employment. In addition, of the 25¹ homeless veterans and/or veterans with disabilities we were able to locate and interview, 19, or 76 percent, told us they either did not receive any services or they received only some of the services that were reported. Twenty-three of the 25 veterans, or 92 percent, told us they did not obtain employment from the services provided. Fourteen, or 56 percent, of these 25 veterans told us the services they received did not meet their needs or only partially met their needs. Based on our review of veterans' wage data, the supporting documentation for the services

¹ Two were homeless, 6 were service connected less than 30 percent disabled, 2 were service connected special disabled, 10 were non-service connected disabled and 5 were disabled but the Work-In-Texas electronic job matching system did not identify whether they had a service connected or non-service connected disability.

reported, and interviews of veterans, 13 of the 25 veterans, or 52 percent, did not receive services that met their employment and training needs.

TVC management attributed these deficiencies to a lack of adequate training necessary for DVOP staff to accurately assess the veterans' needs and/or document intensive service activities. We believe that, while the lack of training cited by TVC may have contributed to the program deficiencies, VETS lacked effective oversight of the DVOP to ensure that the employment and training needs of homeless veterans and/or veterans with disabilities were met.

In response to our draft report, TVC stated its conclusion that it is meeting the employment needs of veterans, based on "the DOL-OIG result that 84 percent of veterans were provided a full range of employment, training and placement services." TVC stated there is room for improvement, particularly with services provided to the hardest-to-serve disabled and homeless veterans, and noted that it has taken significant steps to enhance those services.

TVC's response to the draft report also stated that 1,263 veterans received case management services rather than the 251 veterans that our report shows as receiving case management services. However, TVC did not provide supporting documentation, such as names and participant reference information, in support of the 1,263 veterans it identified as received case management services. During the audit, TVC provided OIG with a listing 414 veterans it represented as veterans who entered case management services for the period under audit. Our review of the listing identified 163 veterans who had not entered or received case management services during our period. As a result, we reduced the number of veterans who received case management services to 251.

TVC further responded that it believed the report to be flawed, as it does not distinguish the results between service-connected disabled and non-service connected disabled veterans. While we disagree with TVC that the report is flawed, we recognize that "disabled veteran," as defined in Title 38 refers specifically to those veterans with a service connected disability. To clarify the report, we have revised our terminology to use the term "veterans with disabilities," where appropriate. VETS management has confirmed that veterans with non-service connected disabilities have special employment needs and barriers to employment that the DVOP should address by providing intensive services (case management).

TVC stated that the wage data used in the report was incomplete because wages reported from states other than Texas, federal wages, and wages from non-reporting employers were likely not considered. The Texas wage data record was provided by TVC and is considered adequate for the purpose of meeting the audit objective. The wage data was not the only source of information used in forming our conclusion, but was used in conjunction with other evidence from veterans' case files and our interviews of the veterans. None of the veterans we interviewed reported having received federal employment. Two veterans interviewed stated they had obtained employment. The wage data provided by TVC showed no reported wages for these two veterans;

nonetheless, based on the veterans' statements, we classified both as having had their employment needs met.

TVC provided additional information for other areas of the draft report they believed needed clarification or correction. We considered this information and made changes to the report, as appropriate. However, this information did not cause us to revise our conclusion that TVC did not always provide the full range of services to address the employment needs of homeless veterans and/or veterans with disabilities. We estimate that 6,331 of the 42,983 veterans reported served by TVC were homeless veterans and/or with veterans with disabilities. Given the low number of veterans (251) that TVC adequately documented as having received case management services, we believe the \$2.9 million in DVOP funding for the period July 1, 2008, through December 31, 2008, could have been better used.

TVC's entire response is contained in Appendix D.

The Assistant Secretary for VETS in response to our draft report recognized the need to improve intensive services and stated that VETS is coordinating with the National Veterans' Training Institute to determine ways to improve intensive service training. In addition, VETS provided TVC additional funding to establish an online case management system to document intensive services. Also, VETS committed to implementing a nationwide initiative to refocus the DVOP program on providing intensive services in FY 2010. The Assistant Secretary's entire response is contained in Appendix E.

Recommendations

We recommended that the Assistant Secretary for Veterans' Employment and Training ensure TVC provides training to all DVOP staff on accurately assessing veterans' needs and documenting intensive service activities, and that a policy be implemented requiring states to enhance their existing oversight to ensure DVOP specialists provide case management services for homeless veterans and veterans with disabilities.

RESULTS AND FINDING

Objective — Did TVC provide services to meet veterans' employment and training needs?

Finding — TVC could enhance services to veterans with employment barriers.

Overall, TVC provided services to meet veterans' employment and training needs for the veterans in our sample. We found TVC provided services to meet the employment and training needs of 206, or 84 percent, of the veterans in our sample. Of the 206 veterans, 122 were interviewed and results indicate 73, or 60 percent, reported employment after being provided services. For the 84 veterans we did not interview, we

found the employment and services activities reported for these veterans were consistent with those for the veterans interviewed.

For the 39 homeless veterans and/or veterans with disabilities identified within our sample of 245 veterans, TVC did not demonstrate it always provided a full range of services that addressed their barriers to employment. The DVOP program is designed to facilitate intensive services — using a case management approach — to veterans with special employment and training needs, including homeless and veterans with disabilities. Only one of the 39 homeless veterans and/or veterans with disabilities in our sample received case management services to assist him/her in achieving employment. For the remaining 38, TVC did not develop a written plan of action — also called Individual Development Plan (IDP) — to assist this population of veterans in achieving employment. TVC managers need to enhance their oversight of services provided to homeless veterans and veterans with disabilities to ensure services are adequately provided.

Veterans Program Letter (VPL)-07-05 states that veterans with barriers to employment such as homeless, disabled and veterans with other barriers should be targeted for intensive services (case management). The VPL also requires a documented plan of action for intensive services.

In addition, the Veteran Employment Representative (VER) guide incorporates VPL 07-05, requiring that the DVOP specialist conduct an assessment of the veteran's needs, and as needed, provide case management services that should include the creation of an IDP. The IDP should contain key information relating to veteran's barriers to employment, such as short- and long-term goals; actions and timeframes to achieve those goals; and educational, training, and military history. Furthermore, the VER guide states the DVOP case manager should maintain critical case notes to monitor the veteran's IDP and modify it as necessary to best serve the needs of the veteran. The case manager provides monthly counseling and other intensive service activities such as resume assistance, referral to supportive services, job search assistance, and local market information.

Based on our testing of a statistical sample of veterans, we estimate with a 90 percent confidence level that between 4,565 to 8,098, or 10.62 to 18.84 percent, of the 42,983 veterans reported served by TVC were homeless veterans and/or veterans with disabilities. The point estimate is 6,331, or 14.73 percent. We estimate 6,331 homeless veterans and/or veterans with disabilities of the 42,983 veterans in our population were not always provided a full range of employment, training, and placement services to meet their needs. For the 28 WDAs in Texas, TVC adequately documented only 251² veterans who received case management services. TVC's 2008/2009 State plans reflected that approximately 95 DVOP specialists annually were employed to provide specialized services for the targeted veterans with special employment needs. We

² TVC identified 414 veterans who entered case management services during the audit period. Of the 414 veterans, we determined 251 who entered and received case management services during the audit period.

consider the number of veterans who reportedly received case management services to be disproportionately low in relation to our projected population of homeless veterans and/or veterans with disabilities — only 251 in relation to 6,331. We also consider the number of DVOP specialists employed to be disproportionately high —95 DVOP specialists employed to provide case management services to 251 veterans during a 6-month period.

TVC stated that case management services are not provided simply because a veteran is homeless or disabled. According to TVC, the decision to provide case management services is based on a mutual agreement between the DVOP specialist and the veteran. This raises concern in that we found this mutual agreement to forego these specialized services is not documented. These concerns are reinforced in that 19 of 25, or 76 percent, of homeless veterans and/or veterans with disabilities interviewed said they either did not receive any, or received only some, of the services reported. For example, Work-In-Texas (WIT)³ reported providing counseling, labor market information, job-search assistance, and job referrals — provided to one veteran, as well as assistance in developing his resume. This veteran stated he discussed job training with the DVOP specialist and received job search assistance, but did not confirm the other services reported.

In addition, 23 of the 25 veterans, or 92 percent, told us they did not obtain employment from the services TVC reported as provided. The veterans interviewed stated they did not obtain employment due to the fact that they either did not receive the services, or the services they received were not helpful in their gaining employment. Overall, 14, or 56 percent, said the services they received did not meet their needs or only partially met their needs. For example, one disabled veteran said he was hoping to find employers who hire disabled veterans. He said the DVOP specialist did not discuss his skills/qualifications or his disability, but just gave him a list of five jobs for which to apply. The veteran stated that he was hoping the DVOP specialist would have been more prepared and would have familiarized himself with the veteran's disability. He said he did not get what he needed which was employment. Another veteran stated he needed job training and help finding a job but he did not receive the services to help him.

Based on our review of veterans' wage data reported, supporting documentation for the services reported, and veteran interviews, we concluded that 13 of the 25 veterans, or 52 percent, did not receive services to meet their employment and training needs.

To determine if TVC DVOPs properly conducted case management services, we reviewed a judgmental sample of 24 veterans' case management files from 8 WDAs. In 13 of 24, or 54 percent, the IDPs reviewed contained questionable employment barriers. (See Exhibit) For example, one veteran's employability issue or barrier was incorrectly shown as seeking warehouse employment. Another veteran's documentation included barriers such as punctuality, health care experience, and team player. The veteran's

³ WIT-Matches Texas employers with job seekers. It is a real-time, job matching information system for the state of Texas to help employers and job seekers connect electronically. Also, it is the primary tool for tracking individual performance of VER staff.

resume in the case file incorrectly listed his “employability issues” as employment skills, knowledge, and strengths.

TVC’s VER Guide states that VERs will consider providing intensive services to individuals who have one or more barriers to employment and lack the resources to overcome those barriers. The guide also states the barriers should be specific.

We also found that the goals/steps shown in the IDPs for 15 of the 24 veterans did not address their barriers. For example, one veteran’s IDP had barriers listed as being homeless, lack of transportation, lack of money, and limited job skills. The goals/steps listed to address these barriers were limited in that the veteran received a referral to the Salvation Army and a job referral. While these steps addressed the barriers of homelessness and lack of money, they did not adequately address the barriers of lack of transportation and limited job skills. Without adequate transportation and job-skill training, the veteran’s opportunity for meaningful and sustainable employment was limited. TVC officials stated the goals/steps listed do not need to address the barriers to employment; however, the TVC VER guide states the goals should address barriers.

We interviewed 5 of the 24 veterans whose files showed they received case management services. Two veterans stated they did not get the services they needed. The first veteran stated she had a Master’s degree and only needed job-search assistance. However, TVC encouraged her to agree to complete an IDP in order to help find her a job. She stated TVC did provide job-search assistance; however, she eventually found a job on her own. It is questionable why TVC provided this veteran with intensive services when she reported no barriers to employment. The second veteran said TVC provided him referrals to a homeless shelter and to Veterans Affairs for services. The veteran said he wanted to enter into job training because he had a hard time finding a permanent job. However, because TVC told him he needed to use the referrals provided, the veteran did not think there were training programs available to him. The veteran said he felt TVC only wanted to provide job matches to him.

Based on DVOP staff interviews and management responses to our inquiries, the deficiencies we identified are attributed to a lack of adequate staff training needed to enable DVOP specialists to accurately assess veterans’ needs and/or document intensive service activities. These findings also indicate VETS lacked effective oversight of the DVOP to ensure that employment and training needs of homeless veterans and/or veterans with disabilities were met, specifically through the DVOP specialists’ duties of providing them intensive services.

In conclusion, while TVC provided services to meet the needs of veterans served for 84 percent of our sample, TVC did not always provide the full range of services to address the employment needs of homeless and/or veterans with disabilities. The DVOP is primarily intended to provide intensive services to meet the employment needs of homeless and other eligible veterans. We estimate that 6,331 of the 42,983 veterans reported served by TVC were homeless veterans and/or veterans with disabilities, but TVC adequately documented just 251 veterans who received case management

services. Given the low number of veterans that TVC reported as having received case management services to address these veterans' barriers to employment, we believe the \$2.9 million in DVOP funding for the period July 1, 2008, through December 31, 2008, could have been better used.

Recommendations

We recommend that the Assistant Secretary for Veterans' Employment and Training require that TVC:

1. Provide training to all DVOP staff on accurately assessing veterans' needs and documenting intensive service activities.

We also recommend that the Assistant Secretary for Veterans' Employment and Training:

2. Implement a policy that requires states to enhance their existing oversight to ensure DVOP specialists provide case management services for homeless veterans and/or veterans with disabilities.

We appreciate the cooperation and courtesies that VETS and TVC personnel extended to the Office of Inspector General during this audit. OIG personnel who made major contributions to this report are listed in Appendix F.



Elliot P. Lewis
Assistant Inspector General
for Audit

Exhibit

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Exhibit

Analysis of Case Management Services

	TWIST ID NUMBER	Did the IDP contain questionable barriers?		Did the goals/steps address the veteran's barriers?	
		Yes	No	Yes	No
1	0000000	Yes			No
2	0038133	Yes		Yes	
3	0046365		No		No
4	0478612	Yes			No
5	0923379		No		No
6	1517440		No	Yes	
7	1710242		No		No
8	1850192		No		No
9	1870011	Yes			No
10	2561347		No		No
11	2707514	Yes		Yes	
12	3022977	Yes		Yes	
13	3825433		No		No
14	4522578	Yes			No
15	4759310		No	Yes	
16	4855943	Yes		Yes	
17	5933839		No	Yes	
18	6900121	Yes			No
19	7742020	Yes			No
20	7750158	Yes			No
21	8914912	Yes		Yes	
22	9225285		No		No
23	9318883	Yes			No
24	9405232		No	Yes	
	Total 13		11	9	15

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Appendices

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BACKGROUND

In 2002, Congress enacted Public Law 107-288, the Jobs for Veterans Act (JVA), to amend Title 38, United States Code, to revise and improve employment, training, and placement services furnished to veterans, and for other purposes. Pursuant to the JVA, the Veterans' Employment and Training Services (VETS) provides employment and training services through its Jobs for Veterans State Grants (JVSG) program. One of the improvements in veterans' employment and training included adding intensive services. The term intensive services means local employment and training services of the type described in Workforce Investment Act, Section 134(d)(3).

The Jobs for Veterans State Grant Program (JVSG) is the Veterans' Employment and Training Services (VETS) primary program for serving veterans' training and employment needs. Under this grant program, funds are allocated to State Workforce Agencies in direct proportion to the number of veterans seeking employment within their state. VETS' budget totaled \$228.1 million in FY 2008, of which the JVSG received \$161.9 million. The Grant supports two principal positions, Disabled Veteran Outreach Program (DVOP) specialists and Local Veteran Employment Representative Program (LVER). These programs provide funds exclusively to serve veterans, other eligible persons, transitioning service members, qualified spouses, and indirectly, employers.

The DVOP, which is the focus of this audit, provides employment and training services to meet the needs of disabled veterans, economically or educationally disadvantaged veterans, and veterans with other barriers to employment, especially homeless veterans. The Texas Veterans Commission (TVC) spent \$2.9 million for its DVOP between July 1, 2008, and December 31, 2008, for approximately 95 DVOP specialists.

In part, DVOP specialists provide case management services that require the creation of an Individual Development Plan (IDP). The IDP includes key information relating to veterans' barriers to employment, such as short- and long-term goals; actions and timeframes to achieve those goals; and educational, training, and military history. The DVOP specialist maintains case notes to monitor the IDP and modifies the IDP as necessary. The DVOP specialist also provides monthly counseling and other intensive service activities such as resume assistance, referral to supportive services, job search assistance, and local market information.

DVOP specialists facilitate intensive services to veterans with special employment and training needs. They are required to target special disabled veterans, disabled veterans, economically disadvantaged veterans and veterans with other barriers to employment, especially homeless veterans. The primary focus is meeting the needs of veterans and other eligible persons who are unable to obtain employment through core services.

LVER staff provides and facilitates a range of employment, training and placement services to meet the needs of veterans. These services may include conducting job search workshops; and providing job development, vocational guidance, referrals to training, and supportive services.

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Appendix B

OBJECTIVE, SCOPE, METHODOLOGY, AND CRITERIA

Objective

We initiated this audit because Congress and the public depend on the information Veterans' Employment and Training Services (VETS) provides regarding the services and outcomes related to the Jobs for Veterans State Grant. We designed the audit to answer the following question:

Did Texas Veterans Commission (TVC) provide services to meet veterans' employment and training needs?

Scope

Our scope included 42,983 veterans who were reported to have received services in the VETS program July 1, 2008, through December 31, 2008, in all 28 Workforce Development Areas (WDAs). We selected 8 of the 28 WDAs for testing South Plains, North Texas, Dallas, East Texas, Upper Rio Grande, Permian Basin, Rural Capital, and Gulf Coast. Within 8 WDAs we randomly selected a total of 245 veterans and performed audit work. We also conducted interviews with VETS' and TVC's staff in Austin, Texas. Of the 245 veterans sampled, 39 were identified as homeless veterans and/or veterans with disabilities. Of these 245 veterans sampled, we interviewed 147 veterans to determine if services were received and met their employment and/or training needs. We reviewed wage records for 39 homeless veterans and/or veterans with disabilities to determine employment.

TVC provided 414 veterans who entered case management services during the audit period. Of the 414 veterans we identified 251 who entered and received case management services during the audit period. We selected a judgmental sample of 24 veterans who received case management services. The sample was comprised of one case management file for each of the case managers in 8 WDAs who had case files. We analyzed the case management services to veterans to determine the adequacy of the services provided.

We conducted this performance audit in accordance with generally accepted government auditing standards for performance audits. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Methodology

To meet our objective we obtained an understanding of VETS and TVC oversight, policies and procedures through March 2010, and applicable laws and regulations. In addition, we met with VETS key personnel at the national and regional levels.

Reliability Assessment

We obtained a data file of participants who were reported by TVC to have entered and received services from January 1, 2008, through December 31, 2008, “OIG DVOP-LVER Data, WISPR 2008 quarter 4”, dated March 5, 2009. This data file provided by the Texas Workforce Commission (TWC) contained 129,408 records of participants who entered and received services during this period. We used ACL and the calculation logic in the Workforce Investment Streamlined Performance Reporting (WISPR) system’s reporting specifications to reconcile the data file to the December 31, 2008, cumulative quarterly report–9133 report. Using the WISPR specifications we were able to reconcile the numbers reported to the data file provided by TWC. We identified 123,005 veterans from the 129,408 records after removing non veterans. For our audit period of July 1, 2008, through December 31, 2008, from the 123,005 records we identified 42,983 veterans who had received services. Therefore, we concluded that the data file was complete as it relates to veterans who entered the program and therefore, was sufficiently reliable for meeting our audit objective.

In addition, we requested and obtained lists of 414 veterans from TVC that were reported to include all veterans from the 28 WDAs who entered and received case management services during our audit period. The TVC data base does not provide information as to which veterans received specialized service; therefore, we relied on management’s process to gather and provide the list. Through a comparison of the list obtained to our universe of veterans, we determined that only 251 of the veterans received case management services during our audit period. We accepted the list of veteran’s who received case management services without verification of the completeness as the audit risk of overstatement for services provided was low.

Sampling

We determined a universe of 42,983 veterans served in 28 WDAs during July 1, 2008, through December 31, 2008. We used a stratified two-stage cluster random sampling plan for sample selection. WDAs were stratified separately into three different strata (high, medium, and low) according to the number of veterans at each WDA. Eight WDAs out of 28 were randomly selected. From the 8 WDAs, using ACL we selected random samples of 245 veterans. In 206 of the 245 veterans TVC’s data file did not identify that these veterans had barriers to gaining employment. We determined through review of the services reported that the 206 veterans in our sample were provided employment and intensive service activities to meet their employment needs. In addition, we found through interviewing 122 of the 206 veterans that 73 or 60 percent were employed subsequent to reporting services being provided. Given that TVC

provided services to meet the employment needs of all the 206 veterans we did not project our results for these veterans.

In addition, we identified 39 of the 245 veteran samples as homeless veterans and/or veterans with disabilities. TVC identified 3,659 homeless veterans and/or veterans with disabilities within the universe of 42,983. The results of our analysis indicated that 38 of the 39 veterans did not receive case management services that would have included an assessment of the veteran's needs and an IDP to assist the veteran in gaining employment.

Based on the high error rate in our sample (38 of 39) we did not project the error rate to the universe of homeless veterans and/or veterans with disabilities. However, to validate the number of homeless veterans and/or veterans with disabilities in the universe of veterans in our audit period, we statistically projected of the number of occurrences of this group of veterans in the universe of veterans. Accordingly, we are 90 percent confident that 4,565 to 8,098 (10.62 to 18.84 percent) homeless veterans and/or veterans with disabilities exist in the universe of the total veterans reported served. The unbiased point estimate is 6,331 (14.73%) homeless and/or veterans with disabilities.

From the list of veterans that TVC identified as veterans who received case management services in our audit period we selected a judgmental sample of 24 veterans to analyze. Our selection process involved choosing the most recent case management service provided for each of the case managers in 8 WDAs who had case management files. Given the few veterans overall who TVC reported to have provided case management services we did not select a statistical sample from which to project.

Analyses

To perform our audit we identified the various types of veteran services that are provided for in the WIA legislation and the additional level of required services for homeless veterans and veterans with other employment barriers provided for in the VETS Program Letter 07-05. To determine which veterans in our sample of 245 who had been identified with barriers to gaining employment and to determine what employment and intensive service activities all veterans in our sample had been provided, we reviewed the following sources:

- WIT documents,
- Case Management files (if available), and
- Data elements from the WISPR related to the veteran.

In addition, we interviewed 122 veterans from our sample who were not identified with a barrier to employment in TVC's database to obtain their assessment of services provided by TVC and to determine their employment status after receiving services. We did not rely on the interview results of the 122 veterans as it related to their assessment of the adequacy of the services provided by TVC, but did place greater weight on

whether they reported they were employed after receiving services to measure the effectiveness of services provided.

For the 39 veterans in our sample who had been identified with barriers to employment, we compared services provided to those described in VETS regulation and TVC policy, reviewed wage records and interviewed 25 of those veterans.

In addition, we analyzed a judgmental sample of 24 veterans to whom TVC identified as having provided intensive service (case management services). The judgmental factor in our selection included choosing several case files from each of the 8 WDAs selected in our statistical sample.

Internal Control

In planning and performing our audit we considered TVC's internal controls that were relevant to our audit objective by obtaining an understanding of those controls, and assessing control risk for the purpose of achieving our objective. The objective of our audit was not to provide assurance of the internal controls; therefore, we did not express an opinion on TVC's internal controls as a whole. Our consideration of TVC's internal controls relevant to our audit objective would not necessarily disclose all matters that might be significant deficiencies. Because of the inherent limitations on internal controls, noncompliance may nevertheless occur and not be detected.

Criteria

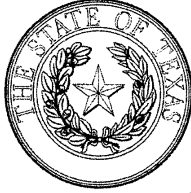
- VPL 07-05 dated July 27, 2005
- Special Grant Provisions for Jobs for Veterans Grant, dated October 1, 2004, through September 30, 2009
- Texas Jobs for Veterans Grant State Plan
- TVC's Veterans Employment and Representative Guide, dated June 2008
- Workforce Investment Act, (WIA)

ACRONYMS AND ABBREVIATIONS

ACL	Automated Control Language
DVOP	Disabled Veterans Outreach Program
FY	Fiscal Year
Grant	Jobs for Veterans' State Grant
IDP	Individual Development Plan
JVA	Jobs for Veterans Act
JVSG	Jobs for Veterans State Grant Program
LVER	Local Veteran Employment Representative
OIG	Office of Inspector General
TVC	Texas Veterans Commission
TWC	Texas Workforce Commission
VER	Veteran Employment Representative
VETS	Veterans' Employment and Training Services
VPL	Veteran Program Letter
WDA	Workforce Development Area
WISPR	Workforce Investment Streamlined Performance Reporting
WIT	WorkInTexas

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TVC Response to Draft Report



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March 29, 2010

Michael Yarbrough
Acting Audit Director for VETS/FLC Audits
U.S. Department of Labor
Office of Inspector General – Audit
525 Griffin Street, Room 415
Dallas, TX 75202

Dear Mr. Yarbrough:

This report's audit objective was to determine if TVC provided services to meet veterans' employment and training needs. Based on the DOL-OIG result that 84 percent of veterans were "provided a full range of employment, training and placement services to meet their needs," we conclude that TVC is meeting the employment needs of veterans.

While there is room for improvement, particularly with the hardest-to-serve disabled and homeless veterans, TVC has taken significant steps to enhance those services and were recognized by numerous national level veteran service organizations and workforce organizations for Texas' exceptional service to veterans.

The list of Awards and Recognitions from 2008 and 2009 include:

- 1. Mark Sanders Award for Exceptional Service to Disabled Veterans from the National Association of State Workforce Agencies, 2008.
2. National Employment Office of the Year from the Veterans of Foreign Wars (VFW), 2008.
3. National Employment Office of the Year from the American Legion, 2008.
4. National DVOP of the Year from the American Legion, 2008.
5. National DVOP of the Year from the Disabled American Veterans (DAV), 2008
6. National DVOP of the Year from the DAV, 2009.
7. National LVER of the Year from the DAV, 2009.

As declared in our current State Plan, "one of the key elements in maintaining these high standards is staff training." This training starts with our own TVC Initial Training for all new DVOP and LVER staff. We conducted the first of these training sessions in April 2008, which included significant time for Intensive Services. We continue to perform Initial Training on a regular basis. Our Annual Training Conference in September 2009 also focused considerable time on the proper delivery and documentation of Intensive Services, which included four hours of mandatory Intensive Services training for all DVOP specialists.

The Texas Veterans Commission does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or providing services.

Mr. Yarbrough

Page 2

The TVC's training is designed to compliment the instruction received at the National Veterans' Training Institute (NVTI) which offers two courses in case management. The introductory Case Management course provides DVOP and LVER with the core requirements for Intensive Services based on federal law and DOL-VETS policy guidance. Additionally, Texas has funded two Advanced Case Management courses provided in-state in April 2008 and March 2010. Since 2006, TVC has filled 540 training seats at NVTI and will continue to aggressively pursue NVTI training.

In 2009 TVC raised standards for the quantity and quality of case management files. On September 9, 2009 TVC issued Veterans Employment Services Letter (VESL) 2009-03 increasing performance standards for all staff, with specific direction to increase the number of veterans receiving Intensive Services. The VESL also implemented statewide a standard for the quality of Intensive Services files by requiring a checklist for each file.

With the DOL-VETS release of VPL 05-09, which allotted additional FY2009 funding to States, TVC immediately prepared a plan to further improve Intensive Services by developing an on-line Case Management System (CMS) to replace the current hard copy method. The CMS will automate the IDP and case notes and provide reporting on current and past veterans enrolled in Intensive Services. Further, the CMS will enhance the quality of services by ensuring IDPs are complete and easily reviewed by TVC management. The TVC expects the CMS to be piloted in April and anticipates statewide implementation in June 2010.

In the area of homeless veterans, TVC makes every effort to assist this population with their employment needs. However, the very nature of homelessness makes it difficult to maintain contact with them for job referrals, Intensive Services and other employment assistance. The TVC employment staff participate in Homeless Standown events across the state and outstations DVOP specialists at various homeless assistance organizations such as the American GI Forum in San Antonio.

Despite TVC's employment expertise, due to limited resources, DVOPs must often refer homeless veterans to agencies and organizations with specific resources to assist them in overcoming the cause of their homelessness. Currently, two organizations receive grants from DOL-VETS under the Homeless Veterans Reintegration Program (HVRP). These grantees are an ideal example of organizations that are dedicated to assisting homeless veterans and have the resources to address their particular needs.

The TVC disagrees strongly with the language that \$2.9 million in DVOP funding "may not have been spent as intended and the funds could have been put to better use." There is no suggestion in this report what a "better use" of the DVOP funds might be. Put simply, there is no compelling support for this statement.

Furthermore, the DOL-OIG confirmed that more than 84 percent of veterans received a full range of employment service to meet their needs. This report fails to identify any violations of federal law, regulation or guidance, revealed no questioned or disallowed costs (as they did prior to TVC taking over the Jobs for Veterans Grant) and found no inconsistencies in TVC's State Plan, training curriculum or state policy guidance to DVOP specialists regarding Intensive Services.

Mr. Yarbrough

Page 3

The following information in this report needs clarification or correction and may have led DOL-OIG to make the statement regarding TVC's use of \$2.9 million in DVOP funding.

1. This report claims TVC provided a list 414 veterans who received Intensive Services between July 1 and December 31, 2008. Actually, DOL-OIG requested and was provided a list of veterans who entered Intensive Services during the given dates. As a result of this draft report, TVC reviewed all veterans who received Intensive Services from a DVOP from July 1 – December 31, 2008 and found that 1,263 veterans is the correct figure.
2. The DOL-OIG report incorrectly links barriers to employment with goals in an IDP. As taught by NVTI and printed in Section Six of TVC's Veterans Employment Representative Guide, identifying barriers and setting long- and short-term goals are two distinct and separate functions.
3. The provision of Intensive Services is not automatic for service-connected disabled or homeless veterans. Trained DVOP specialists identify a veteran's barrier(s) to employment through the assessment process. Those barriers make an individual veteran a good candidate for Intensive Services. Additionally, the veteran job seeker must agree to participate in Intensive Services. This agreement and the commitment to participate in Intensive Services is particularly difficult for homeless veterans who often lack a permanent address, phone number, email address or other reliable method of contact.
4. Wage data used in this report may have been incomplete. For instance, wages reported from states other than Texas, federal wages and wages from non-reporting employers were likely not considered. On March 12, 2010, the DOL, Bureau of Labor Statistics (BLS) released their annual Employment Situation of Veterans for 2009. In that BLS report, they identified that "1 in 5 disabled veterans was employed by the federal government." The result is that DOL-OIG was likely unable to capture 20 percent of the wages for the disabled veterans sampled.
5. This report suggests that some services were recorded but not provided. It is very probable that veteran job seekers interviewed by DOL-OIG staff misunderstood the technical jargon used to describe WorkinTexas services. All TVC Veterans Employment Representatives are thoroughly trained in the use of WorkinTexas. This training includes a detailed understanding of WorkinTexas service definitions. The TVC would not expect a veteran job seeker receiving services to know the distinction between a Counseling service and a Labor Market Information service or Job Search Assistance. The TVC is confident that services were recorded correctly, consistent with WorkinTexas definitions.
6. This report does not distinguish between service-connected disabled veterans and non-service-connected disabled veterans. The United States Code in Title 38, §4211(3) defines disabled veteran as service-connected. The sample for this report did not follow this definition and resulted in a flawed report title and conclusions.

Beyond the DOL-OIG review of Veterans Employment Services, it's important to recognize the integrated nature and importance of consolidated services available to veterans from the Texas Veterans Commission. In 2005, Governor Rick Perry and the State Legislature agreed that consolidating Employment, Education, and VA Claims Counseling within the State's veteran advocacy agency was the best model for veterans to access the services and benefits they have earned. Three years after the consolidation, the Governor and Legislature recognized the record-setting success of TVC's work and expanded our ability to assist veterans with the addition of the Fund for Veterans' Assistance in 2009. The Veterans Employment Services program is fully integrated with the agency's other programs of Claims Counseling, Education, the Fund for Veterans' Assistance and Marketing efforts. A constant flow of internal referrals and communication ensures that veterans in Texas have one-stop to receive the broadest range of services and benefits information available in the county.

Mr. Yarbrough

Page 4

The recent addition of a Business Outreach Coordinator has enabled TVC to improve on the traditional model of veterans employment services and truly act on behalf of the employer to recruit qualified veterans for specific jobs. In less than six months of activity, our business outreach efforts have yielded 78 jobs dedicated for exclusively for veterans from 23 employers.

Consolidating Veterans Employment Services, Claims Counseling and Veterans Education within the State's veteran advocacy agency and adding the resources of the Fund for Veterans Assistance is an undeniable success for Texas.

If you have any questions or would like to discuss our response to the draft audit report, please don't hesitate to contact me.

Sincerely,




JAMES E. NIER
Executive Director

CC: Mary Stepney, DOL-OIG
John McKinny, DOL-VETS
Larry Temple, TWC

VETS Response to Draft Report

U.S. Department of Labor

Assistant Secretary for
Veteran's Employment and Training
Washington, D.C. 20210



APR 09 2010

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

FROM: RAYMOND M. JEFFERSON *Raymond M. Jefferson*
Assistant Secretary
Veterans' Employment and Training Service

SUBJECT: Texas Veterans Commission Draft Audit Report #06-10-001-02-201

This memorandum responds to U.S. Department of Labor Inspector General Report on the Texas Veterans Commission Draft Audit Report #60-10-001-02-201. Your recommendations in the Report are as follows:

- that the Assistant Secretary for Veterans' Employment and Training require the Texas Veterans Commission to provide training to all Disabled Veterans' Outreach Program (DVOP) specialists on accurately assessing veterans needs and documenting intensive service activities; and,
- that the Assistant Secretary for Veterans' Employment and Training implement a policy that requires states to enhance their existing oversight to ensure DVOP specialists conduct case management services for homeless and disabled veterans.

Veterans' Employment and Training Service (VETS) currently provides training on assessing veterans needs and documenting intensive service activities. This training is conducted at the National Veterans' Training Institute (NVTI). VETS has recognized the need to improve intensive services by DVOP specialists and is coordinating with NVTI to determine ways to improve intensive service training. In addition, VETS provided the State of Texas additional funding to establish an online case management system to document intensive services provided by DVOP specialists.

Over the course of this past year, VETS has identified the need for DVOP specialists to provide more intensive services and to better document those services. This year a Nationwide initiative to refocus the DVOP program on providing intensive services will be implemented.

I would like to take this opportunity to thank the Inspector General team for their work on this report. I look forward to using it to assist in improving employment and training services to Veterans.

Appendix F

Acknowledgements

Key contributors to the report were Michael Yarbrough, Mary Stepney, Marsha Secuskie, Dorothy Dorsey, Samantha Cash-Johnson, and Melissa Young.

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