

BRIEFLY...

Highlights of Report Number 26-10-002-01-370, to the Interim National Director, Office of Job Corps.

WHY READ THE REPORT

This report discusses weaknesses related to managing and reporting financial activity, managing safety and health programs, and reporting performance at two Job Corps Centers operated by ResCare, Incorporated (ResCare).

WHY OIG CONDUCTED THE AUDIT

Our audit objectives were to answer the following questions:

1. Did ResCare ensure compliance with Job Corps requirements for managing and reporting financial activity?
2. Did ResCare ensure compliance with Job Corps requirements for managing center safety and health programs?
3. Did ResCare ensure compliance with Job Corps requirements for reporting performance?

In addition, in response to hotline complaints, we added an objective:

4. Did the hotline complaints alleging improper practices related to student misconduct, Career Technical Training (CTT) completions, student attendance, student On-Board Strength (OBS) and Outcomes Measurement System (OMS) separations at the Treasure Island Job Corps center have merit?

Our audit work was conducted at ResCare headquarters in Louisville, Kentucky; Treasure Island Job Corps Center (Treasure Island) in San Francisco, California; and Miami Job Corps Center (Miami) in Miami Gardens, Florida.

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/2010/26-10-002-01-370.pdf>

March 2010

PERFORMANCE AUDIT FOR RESCARE, INC., JOB CORPS CENTERS

WHAT OIG FOUND

ResCare did not always ensure compliance with Job Corps requirements for managing and reporting financial activity for one of three areas tested – non-personnel expenses. At Treasure Island, ResCare charged unallowable costs to Job Corps for the center director's personal housing and travel expenses. Treasure Island and Miami also did not always provide reasonable assurance that other center expenses were appropriate. Consequently, unallowable costs were charged to Job Corps.

ResCare did not always ensure compliance with Job Corps requirements for safety and health programs in each of the three areas reviewed – student misconduct, safety inspections, and safety committee meetings. Treasure Island and Miami did not always convene required fact-finding boards (FFB) for students suspected of serious misconduct. Miami also did not have documentation to show all required health and safety inspections and committee meetings were conducted.

Additionally, ResCare did not always ensure compliance with Job Corps requirements for reporting performance for two of three areas reviewed – student CTT completions and student OBS. For CTT completions, ResCare did not ensure completions were consistent with Job Corps requirements. For student OBS, ResCare did not ensure students were separated as required.

The hotline complaint allegations related to improperly completed training records and unsupported leave categories used to prevent students from separating and inflate student OBS had some merit.

WHAT OIG RECOMMENDED

We made nine recommendations to the National Director, Office of Job Corps. In summary, we recommended Job Corps direct ResCare to improve corporate-level controls and monitoring over all centers for financial managing and reporting, improve corporate oversight procedures and training to ensure compliance with FFBs and significant incident reporting requirements, and implement corrective action plans when PRH non-compliance is identified during data integrity audits.

The Interim National Director, Office of Job Corps fully concurred with six recommendations and concurred-in-part with three recommendations.