

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

BRIEFLY...

Highlights of Report Number: 26-10-007-01-370, to the Assistant Secretary, Employment and Training Administration.

WHY READ THE REPORT

The Office of Inspector General (OIG) conducted a performance audit in response to a hotline complaint concerning improprieties at the Sierra Nevada Job Corps Center in Reno, Nevada. Sierra Nevada is 1 of 24 Job Corps centers operated by the contractor Management and Training Corporation (MTC).

The complaint described eight incidents for which the complainant alleged Sierra Nevada did not take appropriate action for student and staff misconduct, or paid staff for hours not worked.

WHY OIG CONDUCTED THE AUDIT

We conducted the audit to determine the merit of the eight specific complaint allegations. Specifically, we sought to answer the following questions:

Is there evidence that center personnel did not take appropriate actions for student or staff misconduct?

Is there evidence that hours reported by center personnel did not represent actual hours worked?

Our audit work was conducted at Sierra Nevada Job Corps Center, Reno, Nevada.

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/2010/26-10-007-01-370.pdf>

September 2010

Hotline Complaint Against the Sierra Nevada Job Corps Center

WHAT OIG FOUND

Two of eight allegations had some merit, and we could not conclude on one allegation. We found no evidence that Sierra Nevada engaged in the improper practices noted in five other allegations.

For the two allegations having some merit, the center took appropriate disciplinary action. The staff involved with the adult student voluntarily resigned, and the students whose case logs were changed to eliminate specific references to alcohol use nonetheless received appropriate disciplinary action for the use of alcohol. Our testing of Sierra Nevada's overall management of student misconduct showed that the center conducted investigations, held Fact Finding Boards to determine innocence or guilt, and took appropriate disciplinary action. However, the center did not always report student misconduct and other significant incidents to Job Corps as required.

We could not conclude on the merit of the allegation that a security supervisor compensated staff for hours not worked because daily reports that document security staff activities were missing or incomplete. Additionally, during our review of payroll controls, we could not verify the hours reported for exempt employees represented actual hours worked because the center did not require documentation and supervisory approval of the hours worked.

For five allegations relating to Sierra Nevada not taking appropriate action for student or staff misconduct, we found no evidence that Sierra Nevada engaged in any improper practices.

WHAT OIG RECOMMENDED

The OIG recommended that ETA direct Job Corps to require Sierra Nevada to establish procedures that verify the center's compliance with Job Corps requirements for reporting significant incidents; verify the center's compliance with its own requirements for Activity Reports and Dispatch Logs; and provide adequate assurance and maintain documentation that reported hours worked for exempt employees represent actual hours worked. The Assistant Secretary for ETA concurred with two recommendations and concurred in part with one, and will take corrective actions. MTC stated it took corrective action for two of our recommendations. For the third, MTC believes the center's existing supervisory oversight over hours worked by exempt employees is sufficient.