

BRIEFLY...

Highlights of Report Number 03-14-003-03-315, issued to the Assistant Secretary for Employment and Training.

WHY READ THE REPORT

The Assistant Secretary for Employment and Training requested the Office of Inspector General (OIG) to conduct an investigation of allegations concerning fraudulent Unemployment Insurance (UI) benefit payment issues at the District of Columbia (DC) Department of Employment Services (DC DOES). At the time of the request, DC OIG was in the process of planning and conducting reviews to specifically address the allegations regarding UI benefits. Also, in 2012, DC DOES requested the National Association of State Workforce Agencies (NASWA) to perform a comprehensive review of its UI operations. Therefore, we decided to start this audit after DC DOES and NASWA completed their reviews, and to focus on the corrective actions that DC DOES took, or planned to take, to address the reviews' recommendations. Our audit covered 69 recommendations made by DC OIG and NASWA related to DC DOES' processing of UI claims and detecting and recovering improper payments.

WHY OIG CONDUCTED THE AUDIT

Our audit objective was to answer the following question:

Did DC DOES implement corrective actions to address the findings and recommendations identified in the DC OIG evaluations and NASWA analysis regarding problems found in its UI claims process?

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/2014/03-14-003-03-315>.

September 30, 2014

THE DISTRICT OF COLUMBIA'S DEPARTMENT OF EMPLOYMENT SERVICES HAS NOT IMPLEMENTED KEY RECOMMENDATIONS THAT ADDRESSED CAUSES OF IMPROPER PAYMENTS AND FRAUD

WHAT OIG FOUND

DC DOES implemented corrective actions for 62 of the 69 recommendations that covered various program integrity mechanisms, such as use of the State Information Data Exchange System, Treasury Offset Program, and National Directory of New Hires. However, it did not take sufficient action to completely address and implement seven key recommendations, and we were not able to evaluate the corrective actions taken for two recommendations because they were implemented after the completion of our audit work. Corrective actions for these recommendations are needed to address problems found in DC DOES' UI claims process, including its ability to detect and recover improper UI benefit payments, and prevent fraudulent UI claims from occurring.

WHAT OIG RECOMMENDED

We recommended that the Assistant Secretary for Employment and Training require DC DOES to develop and implement policies and procedures to track the status of all audit report recommendations. These policies and procedures should prioritize the corrective actions to be taken, set milestones, and assign responsibility to the appropriate senior DC DOES official to ensure the recommendations are implemented timely and functioning as intended.