

U.S. Department of Labor

Office of Inspector General—Office of Audit

**VETERANS' EMPLOYMENT AND
TRAINING SERVICE**



VETS' OVERSIGHT OF FLORIDA'S JOBS FOR VETERANS STATE GRANTS PROGRAM NEEDS TO BE STRENGTHENED

Date Issued:
Report Number:

March 27, 2014
06-14-001-02-001

BRIEFLY...

Highlights of Report Number 06-14-001-02-001, issued to the Assistant Secretary for Veterans' Employment and Training.

WHY READ THE REPORT

The U.S. Department of Labor, Veterans' Employment and Training Service (VETS) offers employment and training services to eligible veterans through its Jobs for Veterans State Grants (JVSG) Program. Under this grant program, funds are allocated to State Workforce Agencies in direct proportion to the number of veterans seeking employment within their state. The grants support two principal staff positions: Disabled Veterans Outreach Program (DVOP) specialists and Local Veterans Employment Representatives (LVERs). DVOP specialists provide intensive services to meet the employment needs of disabled veterans and other eligible veterans, with an emphasis directed toward serving veterans with barriers to employment. LVERs conduct outreach to employers and engage in advocacy efforts with hiring executives to increase employment opportunities for veterans.

VETS estimates that the U.S. military discharges about 270,000 service members annually. Department of Labor programs will be challenged to meet the employment needs of this expected influx of veterans. For VETS specifically, the Department projects that approximately 90 percent of future JVSG participants will require intensive services, such as career planning and counseling, skill assessment, referral to training and support services, and post-transition follow-up, to overcome significant barriers to employment.

WHY OIG CONDUCTED THE AUDIT

OIG conducted the audit of the JVSG program operated by Florida's Department of Economic Opportunity (DEO) to answer the following questions:

1. Did VETS ensure Florida DEO's JVSG staff adequately provided intensive services to meet employment and training needs of veterans through its JVSG program?
2. Did VETS ensure Florida's DEO reported JVSG program measures accurately?

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/2014/06-14-001-02-001.pdf>.

March 27, 2014

VETS' OVERSIGHT OF FLORIDA'S JOBS FOR VETERANS STATE GRANTS PROGRAM NEEDS TO BE STRENGTHENED

AUDIT RESULTS

VETS did not ensure Florida DEO's JVSG staff adequately provided intensive services to eligible veterans. Florida DEO's JVSG program did not maintain documentation showing that it had assessed veterans' employment needs, identified barriers to employment, developed a plan to address identified barriers, or provided appropriate intensive services. Without such information, VETS could not determine whether the Florida DEO JVSG program was successfully meeting the employment needs of the veterans it served.

VETS policies contained conflicting guidance to the states operating the JVSG program on the provision of intensive services, did not define barriers to employment, and did not specify documentation requirements. Moreover, VETS' monitoring of the Florida DEO JVSG program did not include verifying the information the Florida DEO reported regarding the services provided through its JVSG program. Instead, VETS relied on the self-assessments of DVOP specialists, interviews of Florida DEO staff, and summary activity data. These guidance and monitoring issues further impeded VETS' ability to ensure that the JVSG program in Florida was operating as intended.

WHAT OIG RECOMMENDED

We recommended the Assistant Secretary for Veterans' Employment and Training develop new JVSG intensive service guidance for DVOP specialists and new JVSG monitoring procedures to review intensive service documentation and verify states' JVSG performance data.

The Assistant Secretary agreed with the recommendations and described planned actions and actions already in process to implement the recommendations.

PAGE INTENTIONALLY LEFT BLANK

Table of Contents

Inspector General’s Report 1

RESULTS 2

Objective 1 — Did VETS ensure Florida DEO's JVSG staff adequately provided intensive services to meet employment and training needs of veterans through its JVSG program? 2

Florida DEO's JVSG program did not document the assessment of veterans' employment needs, barriers to employment, or employment plans. Without this information, VETS could not determine if Florida's JVSG program met veterans' employment needs...... 2

Objective 2 — Did VETS ensure Florida's DEO reported JVSG program measures accurately? 7

VETS cannot determine the validity of the performance information reported by Florida DEO and, as a result, lacks assurance that the JVSG program in Florida is operating as intended...... 7

Recommendations 8

Appendices

Appendix A Background 11

Appendix B Objectives, Scope, Methodology, and Criteria 13

Appendix C Acronyms and Abbreviations 17

Appendix D VETS Response to Draft Report 19

Appendix E Acknowledgements 21

PAGE INTENTIONALLY LEFT BLANK

U.S. Department of Labor

Office of Inspector General
Washington, D.C. 20210



March 27, 2014

Inspector General's Report

Keith Kelly
Assistant Secretary
for Veterans' Employment and Training
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, D.C. 20210

In 2002, Congress enacted Public Law 107-288, the Jobs for Veterans Act (JVA), amending Title 38, United States Code (38 U.S.C.), to revise and improve employment, training, and placement services for veterans. The Department of Labor's Veterans' Employment and Training Service (VETS) carries out the JVA by offering employment and training services to eligible veterans through its non-competitive Jobs for Veterans State Grants (JVSG) program.

The Florida Department of Economic Opportunity (DEO) received JVSG funds to help employ Florida's economically and educationally-disadvantaged veterans who faced employment barriers, such as disabilities. As required by the JVA, the Florida DEO used some of this funding to hire Disabled Veterans Outreach Program (DVOP) specialists to focus on providing intensive services to these veterans with barriers to employment. When DVOP specialists were unavailable, other JVSG staff members provided intensive services to the veterans.

We conducted a performance audit of the Florida DEO's JVSG program to answer the following questions:

1. Did VETS ensure Florida DEO's JVSG staff adequately provided intensive services to meet employment and training needs of veterans through its JVSG program?
2. Did VETS ensure Florida's DEO reported JVSG program measures accurately?

To conduct our audit, we interviewed VETS personnel and reviewed legislative requirements, policies, and directives regarding VETS' guidance and monitoring of JVSG activities at the state grantee level. We reviewed six JVSG technical assistance/monitoring reports, interviewed officials at the Florida DEO, and reviewed

DEO JVSG policy guidance, data collection for intensive services, and JVSG monitoring policies.

We statistically selected 179 of the 3,618 veterans that Florida DEO reported to VETS as having received intensive services and as having exited the JVSG program between April 1, 2010, and March 30, 2011. We evaluated the veterans' electronic case files contained in the Employ Florida Marketplace (EFM)¹ system and any related supporting hard copy documentation to determine if the documentation identified any barriers to employment, and if the provided intensive services addressed those barriers. We also reviewed the employment measures Florida DEO reported.

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 results and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our results and conclusions based on our audit objectives. Further background information appears in Appendix A. Our complete scope, methodology, and criteria appear in Appendix B.

RESULTS

VETS could not ensure Florida DEO's JVSG staff adequately provided intensive services to eligible veterans or reported JVSG program measures accurately. Florida DEO's JVSG program did not maintain documentation showing it assessed veterans' employment needs, identified barriers to employment, or provided appropriate intensive services. As a result, veterans may not have been getting the services they needed and reported program results may have been overstated.

The Assistant Secretary agreed with the recommendations and described planned actions and actions already in process to implement the recommendations. VETS response is contained in Appendix D.

Objective 1 — Did VETS ensure Florida DEO's JVSG staff adequately provided intensive services to meet employment and training needs of veterans through its JVSG program?

Florida DEO's JVSG program did not document the assessment of veterans' employment needs, barriers to employment, or employment plans. Without this information, VETS could not determine if Florida's JVSG program met veterans' employment needs.

¹ EFM is an internet-based site that is linked between all of Florida's state and local workforce services and resources. EFM is also used to collect JVSG performance data. The JVSG staff used the EFM system to document JVSG activities, such as activity codes for intensive service and targeted populations, and documents the provider of the services to the veteran. This data is used to prepare the VETS-200 reports.

VETS could not ensure Florida DEO's JVSG staff identified and addressed barriers to employment for eligible veterans. Without documenting the identification of employment barriers, Florida DEO's JVSG staff could not demonstrate that veterans actually needed intensive services or that the intensive services provided met veterans' employment needs. These conditions occurred because VETS did not have clear policies for states to follow regarding the provision of intensive services and did not adequately monitor Florida DEO's JVSG program.

Inadequate Identification of Employment Barriers by Florida DEO

According to 38 U.S.C. § 4103A, DVOP specialists should provide intensive services to meet the employment needs of eligible veterans, such as special disabled and other disabled veterans.² In accordance with this subsection, DVOP specialists should also place maximum emphasis on meeting the employment needs of veterans who are economically or educationally disadvantaged.

VETS issued guidance to state grantees on this requirement through Veterans' Program Letters (VPL). VPL 07-10, effective June 29, 2010 stated DVOP specialists should primarily provide intensive services to targeted veterans as listed in 38 U.S.C. § 4103A. As such, the VPL allows states to tailor the delivery of DVOP specialists' intensive services to meet the needs of individual veterans with barriers to employment.

Additionally, VETS issued Special Grant Provisions for the JVSG program that provided states instructions on how to prepare their state plans and operate the JVSG program, including DVOP specialists' responsibilities in providing intensive services. In compliance with the Special Grant Provisions, Florida's state JVSG plan required DVOP specialists to use the case management approach when assisting eligible veterans. The case management approach required identification of barriers to employment through assessment, development of a plan of action, and documentation of the services provided.

Our review of 179 Florida DEO veteran cases in the EFM system and related supporting documents revealed that 135 (75 percent) lacked documentation identifying barriers to employment. When projecting our sample to the universe of 3,618 cases, we concluded 2,953 (82 percent) veteran cases lacked adequate information to determine if the veteran had an employment barrier.³ Therefore, Florida DEO could not demonstrate if the veterans needed intensive services or if the services JVSG staff provided overcame the veterans' employment barriers.

We identified 18 cases where notes, including relevant supporting documents, stated the veterans had no barriers to employment, yet Florida DEO reported the veterans as receiving intensive services anyway. For example, in one case, a JVSG staff member

² In cases where DVOP specialists are unavailable, other JVSG staff may provide services to the veteran.

³ We are 95 percent confident that the number of exceptions is between 2,699 and 3,208 with a midpoint of 2,953.

documented that he provided a veteran with Individual Counseling,⁴ which is an intensive service. The supporting case note stated the specialist sent the veteran an email telling him to shorten his resume to two pages. However, prior to this occurring, another case note documented the veteran received orientation and an assessment (stating to shorten the length of his resume) from another American Job Center employee who determined the veteran had no barriers to employment and was job ready.⁵ Because there were no barriers to employment identified, the veteran should not have been provided intensive services. Florida's DEO still counted this veteran as receiving intensive services and obtaining employment after exiting the JVSG program.

We also determined that in 47 of the 179 cases (26 percent) there were either case notes or an activity code stating the veterans had an Employability Development Plan (EDP). An EDP lists challenges (barriers) to employment and the strategies needed to overcome each identified barrier. Florida's DEO could only provide us with 44 of the 47 EDPs, and of those, just 13 identified barriers to employment.

VETS' Policies Unclear

VETS policies provided conflicting guidance to the states on what constituted the provision of intensive services, did not define barriers to employment, and did not require documentation of intensive service activities, as follows:

1) Conflicting Intensive Service Guidance

VPL 07-10 required DVOP specialists to attend case management training at the National Veterans' Training Institute (NVTI). The NVTI case management training course required identification of barriers to employment through assessment, development of a plan of action to address the barriers, and documentation of services provided. While VPL 07-10 requires DVOP specialists to be trained in case management, it did not require DVOP specialists to use the case management approach when providing intensive services. However, VETS Special Grant Provisions for the JVSG, Section II.F.2, require DVOP specialists to use the case management approach as taught by NVTI to deliver staff-assisted intensive services.

2) No Definition of Barriers to Employment

Both VPL 07-10 and VETS Special Grant Provisions, Section II.F.1, mention providing services to meet the needs of veterans with barriers to employment. However, neither provides examples or a definition of

⁴ Individual Counseling is the process where an American Job Center associate and job seeker work together so that the person may gain a better understanding and knowledge of the world of work and choose, change, or adopt a vocation.

⁵ An American Job Center provides a full range of assistance to job seekers under one roof. The centers offer training referrals, career counseling, job listings, and similar employment-related services. DVOP specialists and JVSG staff are located in the centers, along with other staff funded by DOL.

barriers to employment nor did VETS provide any guidance to DVOP specialists regarding identification of veteran barriers to employment.

3) No Requirement to Document Intensive Service Activity

VPL 07-10 clarified intensive services to include:

- Comprehensive assessment of education, skills, and abilities;
- In-depth interviewing and evaluation to identify employment barriers and appropriate employment goals;
- Group and individual career coaching;
- Short-term pre-vocational services that may include development of learning and communication skills, interviewing skills, personal maintenance skills, and professional conduct to prepare individuals for career goals; and
- Development of an individual employment plan that identifies employment goals, interim objectives, and appropriate services that will enable the veteran to meet his or her employment goals.

However, VPL 07-10 is silent on whether intensive services activities should be documented and implies that only one of the intensive service activities has to be provided to count as providing intensive services. VETS National Office and regional staff confirmed only one service is necessary to be considered intensive services and that VETS did not require documentation of these services. VETS relied on states to determine what documentation, if any, was required to support intensive service activities. Florida's DEO JVSG guidance did not stipulate what documentation JVSG staff must maintain to demonstrate what intensive services they provided to veterans.

VETS previous guidance, VPL 07-05, dated July 27, 2005, required DVOP specialists to assess the veteran and develop a documented plan of action. However, VPL 07-10 did not address the requirement of an assessment to identify barriers to employment and a plan of action addressing the employment barriers. Without such an assessment to identify employment barriers and action plan to address identified barriers, VETS was unable to determine whether the Florida DEO provided veterans the services they needed to overcome their employment barrier and help them find a job.

VETS' Monitoring Inadequate

VETS' monitoring of Florida DEO's JVSG program did not include verifying whether veterans that the Florida DEO reported as receiving intensive services had barriers to employment and that the services provided addressed the barriers. Instead, VETS relied on self-assessments of DVOP specialists, summary activity data (number of veterans served), and interviews of Florida DEO staff during on-site reviews.

38 U.S.C. § 4102A (b) (6), requires VETS to monitor and supervise the use of JVSG funds, and 38 U.S.C. § 4102A (b) (7), requires VETS to carry out annual performance

reviews of the veterans employment, training and placement services provided through employment delivery systems, including through DVOP specialists and through Local Veterans Employment Representatives.

VETS Director's Memorandum 13-04 contains the Technical Assistance Guide (TAG) on the Assessment of the State Workforce Agency used to monitor the JVSG program. The TAG provides guidance to each state's federal Director for Veterans' Employment and Training (DVET) regarding the performance of monitoring responsibilities.⁶ While the oversight is the responsibility of VETS, DVETs are strongly encouraged to work with their respective state representatives throughout the entire monitoring process.

In Florida, the DVET met with state officials to customize the questions for the DVOP specialists and JVSG staff self-assessment forms. The DVET and her staff reviewed self-assessments from 50 percent of the American Job Centers and conducted a desk review. During the desk review, they reviewed Florida's data from the EFM system and intensive service activity data, such as how many veterans were provided intensive services. The DVET then selected 5 to 7 American Job Centers for on-site reviews. The on-site review consisted of an entrance conference that provided the results of the desk review and any potential issues, based on the review of performance numbers from the EFM system.

We reviewed six Florida DVET monitoring reports, four on-site reviews, and two desk reviews from the regions where we selected our sampled veteran case files. The reports stated all American Job Centers were in compliance with federal law, even though the DVET team did not review supporting intensive service documentation (such as EDPs) or case notes to verify intensive services were actually provided to veterans or if the veteran needed intensive services. Our review of sampled veterans from the six regions revealed 135 of 179 case files lacked documentation to determine if the veteran had an employment barrier.

We presented these issues to VETS during our fieldwork. VETS officials told us they generally concurred with our conclusions regarding lack of guidance and monitoring. VETS stated it is developing new guidance that will:

- ensure DVOP specialists provide veterans who have significant barriers to employment with the array of intensive services they need to succeed;
- define "significant barriers to employment" to implement the priority and maximum emphasis requirements of 38 U.S.C. § 4103A(a); and
- ensure the case management approach is utilized by DVOP specialists in carrying out the provision of intensive services.

In addition, VETS told us it is developing new audit protocols that will replace its current monitoring guidelines. The new protocols will address compliance issues and will

⁶ Each state has a DVET, a VETS employee, who is responsible for monitoring and oversight of the JVSG program.

provide regular validation of the quality of services provided to veterans with significant barriers to employment.

Objective 2 — Did VETS ensure Florida's DEO reported JVSG program measures accurately?

VETS cannot determine the validity of the performance information reported by Florida DEO and, as a result, lacks assurance that the JVSG program in Florida is operating as intended.

VETS did not ensure Florida DEO's JVSG staff reported accurate JVSG intensive services program measures. Based on available documentation, it could not be determined if Florida DEO accurately reported its JVSG intensive services program measures to VETS because Florida DEO did not document the identification of veterans' barriers to employment and VETS did not adequately monitor Florida DEO's JVSG program. Only 44 (25 percent) of the 179 sampled veteran cases identified veterans' barriers to employment, and just 30 of the 44 cases documented the intensive services provided to address the identified barriers.

Florida's DEO JVSG process did not require staff to document veterans' barriers to employment. However, as discussed previously, the Special Grant Provisions and Florida's State Plan required DVOP specialists to use the case management approach, which required identification of barriers to employment through assessment, development of a plan of action, and documentation of intensive services provided. For the 30 veteran cases where Florida's DEO properly identified barriers to employment and intensive services to address the barriers, only 13 of 30 (43 percent) veterans entered employment after exiting the program. However, the Florida DEO reported all 179 (100 percent) veterans received intensive services and 83 (46 percent) veterans entered employment after receiving intensive services.

In VETS' annual report to Congress, it stated that DVOP program measures take into account the difficulty of serving veterans with particular barriers to employment by "weighting" those measured outcomes.⁷ Two of the three measures VETS used that assess the efforts of DVOP specialists when serving veterans with barriers to employment are the number of veterans who received intensive services, and the number of veterans who entered employment after receiving intensive services.

VETS used VETS-200 C Report data to prepare the weighted outcomes in its report to Congress. The VETS-200 reports contained JVSG performance data, including intensive service activities. Florida's DEO used its EFM system data to populate the VETS-200 reports. The EFM system contained data such as veteran registration date, military status, employment history, skills, training, and exit date. The JVSG staff used the EFM system to document intensive service activities (via case notes), targeted population, service providers, and exit date.

⁷ Each veteran who enters employment after receiving intensive services is assigned a value or weight that is equal to 1.25, the value or weight attributed to each veteran who enters employment without receiving intensive services.

As discussed on pages 5 and 6, VETS did not verify whether veterans that the Florida DEO reported as receiving intensive services had barriers to employment or if the services provided addressed any identified barriers. VETS' monitoring did not require reviewing veterans' electronic case files in EFM or interviewing veterans to ascertain that the intensive services JVSG staff provided met the employment needs of the veterans.

38 U.S.C. § 4102A (b) (6) and (7), requires VETS to monitor and supervise the use of JVSG funds and carry out annual performance reviews of the veterans' employment, training, and placement services provided through employment delivery systems, including through DVOP specialists and through Local Veterans Employment Representatives.

If VETS does not verify the accuracy of the JVSG intensive services program measures data, it cannot assure Congress that the JVSG is operating as intended and meeting the employment assistance needs of veterans.

RECOMMENDATIONS

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

1. Develop new JVSG guidance to ensure DVOP specialists provide and document intensive services for eligible veterans who have significant barriers to employment by requiring DVOP specialists to identify and document the veterans' barriers, and use the case management approach when providing intensive services.
2. Develop new JVSG monitoring procedures for reviewing intensive services documentation maintained by DVOP specialists. These new procedures should require the review of case notes and supporting intensive services documentation as part of DVETS' monitoring activities.
3. Develop new JVSG procedures that verify state JVSG performance data.

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



Elliot P. Lewis
Assistant Inspector General
for Audit

Appendices

PAGE INTENTIONALLY LEFT BLANK

Appendix A**Background**

In 2002, Congress enacted Public Law 107-288, Jobs for Veterans Act (JVA), amending Title 38 U.S.C. to revise and improve employment, training, and placement services furnished to veterans. VETS provides employment and training services through its JVSG program. JVSG is a noncompetitive grant awarded to each State Workforce Agency (SWA). SWAs operate American Job Centers and are responsible for providing employment and workforce information services in local communities. The American Job Center delivery system is designed to provide seamless services to customers using a variety of American Job Center system partners. The JVSG program is a mandatory partner in the American Job Center system. Other partners include agencies providing services such as the Employment Services, Workforce Investment Act (WIA) Adult program, WIA Dislocated Worker program, and the Senior Community Services Employment Program.

Under the JVSG program, funds are allocated to states in direct proportion to the number of veterans seeking employment within their state. VETS' budget totaled \$256.1 million in Fiscal Year (FY) 2010, of which the JVSG program received \$165.4 million. In FY 2010, the Florida DEO received \$10 million for the JVSG program to fund two principal positions, DVOP specialists and Local Veteran Employment Representatives. For our audit period, Florida DEO allocated \$5.6 million to the DVOP specialists.

DVOP specialists provide employment and training services to meet the needs of veterans with barriers to employment. To accomplish this, DVOP specialists provide intensive services to veterans with special employment and training needs. The specialists are required to target special disabled veterans, disabled veterans, and other veterans identified by VETS as needing intensive services.⁸ DVOP specialists provide direct services to veterans in the form of intensive services, or they can refer veterans to other services within or outside the American Job Center system. In June 2010, VETS policy guidance changed the roles and responsibilities of the JVSG staff. As a result, staff were no longer required to perform an assessment and document a plan of action for veterans receiving intensive services. Examples of intensive services now include activities such as an evaluation to identify employment barriers; development of an individual employment plan; and assessment of skills, education, and abilities.

Veterans can register and access services online or visit an American Job Center. DVOP specialists will then work with the veterans, either electronically (e-mail), verbally (phone call), or in-person to provide any intensive services. After providing intensive services, the DVOP specialists will enter a case note and an intensive service activity code in the EFM. DVOP specialists can also be located at other facilities, such as a Military Medical Treatment Facility or a Department of Veterans Affairs Vocational Rehabilitation and Employment office.

⁸ Special disabled veterans are veterans who are entitled to compensation for a disability rated at 30 percent or more; or, rated at 10 or 20 percent, if it has been determined that the individual has a serious employment disability; or, a person who was discharged or released from active duty because of a service-connected disability.

PAGE INTENTIONALLY LEFT BLANK

Appendix B

Objectives, Scope, Methodology, and Criteria

Objectives

We performed this audit of Florida's JSVG program to answer the following questions:

1. Did VETS ensure Florida DEO's JSVG staff adequately provided intensive services to meet employment and training needs of veterans through its JSVG program?
2. Did VETS ensure Florida's DEO reported JSVG program measures accurately?

Scope

Our performance audit focused on VETS' oversight and monitoring of the Florida JSVG program, specifically, veterans who received intensive services and exited during the period of April 1, 2010, through March 31, 2011. Our audit work was conducted at the VETS National Office in Washington, DC, VETS Regional Offices in Atlanta, GA, and Dallas, TX, and VETS Florida state office and Florida's DEO headquarters in Tallahassee, FL.

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 results and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our results and conclusions based on our audit objectives.

Methodology

We interviewed VETS national office staff and reviewed legislative requirements, policies, and directives. We conducted interviews with the Dallas and Atlanta acting VETS regional administrators regarding guidance to SWAs and monitoring of the JSVG activities at the state grantee level. We interviewed the DVET for the state of Florida regarding the monitoring of the JSVG program and reviewed six DVET monitoring reports. In addition, we interviewed an Employment and Training Administration (ETA) official about data validation of the Labor Exchange Data System and ETA's monitoring efforts.

For our work at the Florida DEO, we interviewed officials and obtained information related to DEO policy guidance and data collection for JSVG activities. We interviewed DEO officials about their monitoring policies. We obtained and reviewed technical assistance/monitoring reports for six JSVG sites.

To accomplish our audit objectives, we considered VETS' relevant internal controls and confirmed our understanding of these controls and procedures through interviews and review of policies and procedures. However, our consideration of internal controls relevant to our audit objectives would not necessarily disclose other matters that might be significant deficiencies. Because of inherent limitations in internal controls, misstatements or noncompliance may nevertheless occur and not be detected.

Data Reliability

We obtained an EFM data file containing Florida DEO's JVSG performance data, including intensive services. The EFM data was used to populate VETS-200 reports. From the EFM data, we identified veterans who were reported as exiting the JVSG program for the period of April 1, 2010, through March 31, 2011. We used this time period to include those who exited and could have obtained Entered Employment outcomes for the reporting periods available at the time we obtained the universe.

We performed a data reliability assessment to ensure we obtained a complete and accurate data file in order to obtain a sample. To determine whether the data was reliable, we performed various testing of the data elements, interviewed VETS, Florida DEO, and ETA staff knowledgeable about the data, reviewed VETS 200 reports and documentations for information about the EFM data and the system, including relevant general and application controls, and compared the EFM data with the VETS-200 reports. We concluded the EFM data to be sufficiently reliable to be used in selecting our sample of veterans who exited the JVSG program.

Sampling

From the EFM database, we extracted the veterans who exited between April 1, 2010, and March 31, 2011, and received intensive services to develop a universe. We identified our universe and sampling frame as the 3,618 veterans.

We used a stratified three-stage cluster random sampling plan to select our veterans. There were 24 Regional Workforce Boards (RWB). Each RWB contains American Job Centers (the numbers of Job Centers vary by RWB). In the first stage, 6 RWBs out of 24 were randomly selected. In the second stage, 20 American Job Centers were selected from 6 RWBs. In the third stage, we randomly selected 179 veterans from the 20 American Job Centers.

To determine if the Florida DEO DVOP and JVSG staff identified the 179 veterans' barriers to employment, we reviewed each veteran's electronic case file contained in the EFM system. The primary documentation showing intensive services were provided were in the EFM case notes. If the case note or activity code identified the veteran had an EDP, we requested that documentation from DEO. We evaluated the case notes and/or EDP documentation for the sampled veterans' files to determine whether the JVSG staff identified the barriers to employment, identified the services necessary to address the barriers and provided the needed services. In addition, for program

measures, we determined, if the 179 veterans had JVSG staff identify barriers to employment and had wages in the first quarter after exiting the program. We compared our program measures with the VETS-200 report.

Criteria

- JVA of 2002
- 38 U.S.C. Chapter 41
- VPL 07-05, dated July 27, 2005
- VPL 07-10, dated June 29, 2010
- VETS Special Grant Provisions, dated April 1, 2009, revised May 2011
- VETS Director’s Memorandum 13-04, dated May 24, 2004
- OMB Circular A-123, Management’s Responsibility for Internal Control

PAGE INTENTIONALLY LEFT BLANK

Appendix C

Acronyms and Abbreviations

DEO	Department of Economic Opportunity
DOL	Department of Labor
DVET	Director for Veterans' Employment and Training Service
DVOP	Disabled Veterans' Outreach Program
EDP	Employability Development Plan
ETA	Employment and Training Administration
EFM	Employ Florida Marketplace
FY	Fiscal Year
JVA	Jobs for Veterans Act
JVSG	Jobs for Veterans State Grants
NVTI	National Veterans Training Institute
OIG	Office of Inspector General
RWB	Regional Workforce Board
SWA	State Workforce Agency
TAG	Technical Assistance Guidance
U.S.C.	United States Code
VETS	Veterans' Employment and Training Service
VPL	Veterans' Program Letter
WIA	Workforce Investment Act

PAGE INTENTIONALLY LEFT BLANK

VETS Response to Draft Report

U.S. Department of Labor

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



OCT 22 2013

OCT 22 2013

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

FROM: KEITH KELLY 

SUBJECT: VETS Oversight of Florida JVSG Program Report No.
06-13-001-02-001

Thank you for the opportunity to comment on the draft report, "*Veterans' Employment and Training Service (VETS) Oversight of Florida's Jobs for Veterans State Grant (JVSG) Program Needs to Be Strengthened*" (06-13-001-02-001). Your recommendations in the report (**in bold**) are as follows:

- **Develop new JVSG guidance to ensure DVOP specialists provide and document intensive services for eligible veterans who have significant barriers to employment by requiring DVOP specialists to identify and document the veterans' barriers, and use the case management approach when providing intensive services.**

VETS concurs with this recommendation. Disabled Veterans' Outreach Program (DVOP) specialists should provide and document intensive services to veterans with significant barriers to employment. Although all barriers to employment are not easily recognized or previously documented in a record, an in-depth assessment should be made early in the evaluation process. The barrier to employment that is being addressed through intensive services should also be documented and the case record updated if more barriers manifest during case management. Since the period covered by the audit, steps have been taken consistent with this recommendation. Guidance is being developed for implementation in FY 2014 and training on assessing veterans' needs and documenting intensive service activities is currently conducted at the National Veterans' Training Institute.

- **Develop new JVSG monitoring procedures for reviewing intensive services documentation maintained by DVOP specialists. During on-site reviews, ensure DVETs review case notes and supporting intensive services documentation.**

VETS concurs with this recommendation and the need for an effective monitoring protocol that allows the agency to assess the delivery of intensive services. During FY 2013, VETS published Director's Memorandum 03-13 (attached), which provides guidance outlining the audit process

to be carried out at the state and local levels to determine a state's adherence to the statutory roles and responsibilities of JVSG staff. Section 241 of the VOW to Hire Heroes Act of 2011 requires VETS to perform these audits. The audit guidance instructs the VETS staff person to review an appropriate sampling of case files of veterans who were provided case management as part of the provision of intensive services within the last four completed calendar quarters. The guidance also instructs VETS staff to ensure DVOP specialists are documenting services provided, and if that documentation reflects appropriately in the State Workforce Agency's Management Information System.

- **Develop new JVSG procedures that verify state JVSG performance data.**

VETS concurs that JVSG performance data should be verified for accuracy. In FY 2014, VETS anticipates the release of joint guidance with ETA, which clarifies the roles and responsibilities of JVSG staff, and proper referral of participants to the JVSG program. Specifically, this guidance will provide a definition of significant barriers to employment and emphasize the importance of providing increasing rates of intensive services to participants with these barriers.

Upon release of that guidance, and as a part of regular monitoring and oversight VETS will instruct its staff to ensure that states:

1. Have provided appropriate guidance to DVOP specialists regarding their responsibilities in providing intensive services to program participants;
2. Have properly coded service levels in their management information system to capture the types of services provided to program participants; and
3. Have properly documented the provision of services to participants in individual participant files.

If there are questions regarding this memorandum please address them to the VETS point of contact, Gordon Burke, at (202) 693-4707.

Attachment: Director's Memorandum 03-13, issued 06/21/2013 (with 2 attachments)

Appendix E

Acknowledgements

Key contributors to this report were Richard A. Pena (Audit Director), Michael Kostrzewa (Audit Manager), Samantha Cash-Johnson, Dorothy Dorsey, Enrique Lozano, Marsha Secuskie, Barry Winnicki, Ajit Buttar, Christine Allen, and Steve Witherspoon.

PAGE INTENTIONALLY LEFT BLANK

TO REPORT FRAUD, WASTE OR ABUSE, PLEASE CONTACT:

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

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

Fax: 202-693-7020

Address: Office of Inspector General
U.S. Department of Labor
200 Constitution Avenue, N.W.
Room S-5506
Washington, D.C. 20210