

U.S. Department of Labor

Office of Inspector General—Office of Audit

**REPORT TO THE VETERANS'
EMPLOYMENT AND TRAINING
SERVICE AND TO THE
EMPLOYMENT AND TRAINING
ADMINISTRATION**



**DOL COULD HAVE DONE MORE TO IMPROVE
CONTROLS OVER ITS VRAP RESPONSIBILITIES**

Date Issued: September 2, 2015
Report Number: 06-15-001-02-001

BRIEFLY...

September 2, 2015

DOL COULD HAVE DONE MORE TO IMPROVE CONTROLS OVER ITS VRAP RESPONSIBILITIES

WHY OIG CONDUCTED THE AUDIT

In October 2011, the average unemployment rate among all veterans was 7.7 percent and 12.1 percent for veterans returning from Iraq and Afghanistan. Veterans between the ages of 35 and 64, the group with the highest financial obligations and the fewest available Veterans Affairs education and training options, continued to make up nearly two-thirds of all unemployed veterans. The Veterans Opportunity to Work to Hire Heroes Act (VOW) was enacted in November 2011 to assist unemployed veterans. The Veterans Retraining Assistance Program (VRAP) was included in VOW and offered unemployed veterans, aged 35-60, up to 12 months of training assistance in identified high-demand occupations leading to associate degrees or certificates of training. The program began on July 1, 2012, and was limited to 99,000 participants. Applications were accepted through September 30, 2013.

WHAT OIG DID

We conducted a performance audit to determine the following:

Did DOL manage its VRAP role in accordance with the Veterans Opportunity to Work to Hire Heroes Act?

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/2015/06-15-001-02-001.pdf>

WHAT OIG FOUND

While DOL met many of its obligations under the VOW, such as accepting applications by the mandated timeframe and providing VA a listing of high-demand occupations, DOL did not determine if: 1) only eligible applicants participated in VRAP; 2) states contacted all participants within 30 days of exiting the program; or 3) states accurately reported outreach numbers to DOL. Additionally, DOL reported incomplete VRAP employment data and reported the data nearly 4 months after the mandated July 1, 2014, deadline. As a result, DOL lacked assurance that VRAP funding was used only for eligible veterans and may have reported inaccurate outreach data to Congress. Further, because DOL only reported employment data for a subset of program participants served by the program, it could not provide Congress with meaningful and sufficient information needed to determine if VRAP succeeded in training veterans for employment in high-demand occupations.

WHAT OIG RECOMMENDED

We made three recommendations to the Assistant Secretary for Veterans Employment and Training and to the Assistant Secretary for Employment and Training to: 1) implement a control verifying attestations for any future training grants that rely on self-attestations; 2) disclose, when reporting to Congress, that DOL did not verify the accuracy of remaining VRAP participant outreach data; and 3) require states to confirm the type of job the VRAP participants obtained and if the job was related to their training.

Agency officials generally agreed with our recommendations.

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U.S. Department of Labor

Office of Inspector General
Washington, D.C. 20210



September 2, 2015

Inspector General's Report

Teresa W. Gerton
Acting Assistant Secretary
for Veterans' Employment and Training
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

Portia Y. Wu
Assistant Secretary
for Employment and Training
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

The Veterans Opportunity to Work to Hire Heroes Act (VOW) was enacted November 21, 2011. This law authorized the Veterans Retraining Assistance Program (VRAP), which offered unemployed veterans up to 12 months of training assistance in identified high-demand occupations leading to associate degrees or certificates of training. The program began on July 1, 2012, and was limited to 99,000 participants. VRAP applications were accepted through September 30, 2013. VRAP funding expired on March 31, 2014, but the program was extended until June 30, 2014, so veterans would not have to terminate their participation in the program during the middle of an academic semester.

The U.S. Department of Veterans Affairs (VA) and the U.S. Department of Labor (DOL) were responsible for implementing and administering VRAP. DOL was tasked with: (1) providing VA with a list of high-demand occupations to use in determining an applicant's eligibility for the program; (2) making initial eligibility determinations based on specified criteria; (3) contacting each VRAP participant within 30 days of their completion or termination from the program to facilitate employment or to provide information regarding the availability of employment placement services; and (4) reporting to Congress no later than July 1, 2014, data related to the employment status of veterans who participated in the program. The Secretary of Labor delegated VRAP responsibilities to DOL's Veterans' Employment and Training Service. To administer its responsibilities, Veterans' Employment and Training Service partnered with DOL's Employment and Training Administration.

We conducted an audit to answer the following question:

Did DOL manage its VRAP role in accordance with the Veterans Opportunity to Work to Hire Heroes Act?

While DOL met many of its obligations under VOW, such as accepting applications by the mandated timeframe and providing VA a listing of high-demand occupations, we found it did not determine whether only eligible applicants participated in VRAP, or whether states contacted all participants within 30 days of exiting the program to offer employment services and accurately reported outreach numbers to DOL. Additionally, DOL reported incomplete VRAP employment data to Congress and reported the data nearly 4 months after the mandated July 1, 2014, deadline. As a result, DOL lacked assurance that VRAP funding was used only for eligible veterans, and could not provide Congress with meaningful and sufficient information needed to determine if VRAP succeeded in training veterans for employment in high-demand occupations.

RESULTS

Without program funding, DOL worked with VA to implement VRAP within the timeframes specified by the VOW. To meet the July 1, 2012, implementation deadline, DOL worked with the VA to identify high-demand occupations for training, develop and obtain approval of a Paperwork Reduction package for collecting participant information, modify existing applications systems, develop an appeals process, train front-line staff, and conduct outreach to veterans. States and local service providers also devoted staff time and information technology resources to carry out VRAP activities without any additional funding being provided by VOW for outreach and employment services. More than 120,000 veterans were approved for benefits and more than 75,000 received training assistance.

DOL relied on applicants' self-attestations to determine eligibility, and did not determine if states contacted all participants within 30 days of exiting the program and accurately reported outreach information. As a result, DOL lacked assurance that VRAP funding was used only for eligible veterans and may have reported inaccurate outreach data to Congress. Further, because DOL only reported employment data for a subset of the participants served by the program, it could not provide Congress with meaningful and sufficient information needed to determine if the program was successful and provided training that resulted in veterans obtaining employment related to the high-demand training they received.

DOL Relied on Participants' Self-Certification of Eligibility

Section 211 (e)(2)(A)(i) of VOW required DOL to determine a veteran's initial VRAP eligibility by making sure an applicant was between the ages of 35 and 60, unemployed at the time of application, and not enrolled in any federal or state job-training programs within 180 days prior to application. DOL relied on veteran self-attestation regarding unemployment status and enrollment status in any federal or state-job training programs within 180 days prior to applying for VRAP. DOL did not subsequently audit these self-attestations, even though the VRAP application contained a statement saying the provided information could be audited for accuracy.

DOL officials stated they were unable to verify VRAP applicants' self-attestations because no database existed that could provide an applicant's employment status at the time of application or that could provide an applicant's participation status in federal or state-funded training during the 180 days prior to application. Because DOL did not verify self-attestations, DOL's assurance that only eligible veterans participated in VRAP was diminished.

Further, because VOW required DOL and VA to implement the program and begin accepting applications within 7 months of VOW's enactment, DOL and VA officials chose to have applicants apply through VA's electronic Veterans On-line Application system. The VA system began accepting applications less than 7 months after the passage of VOW. However, DOL did not have access to VA's on-line application system and was unable to view the applications and determine VRAP applicants' initial eligibility.

Using the on-line application, applicants entered their name, date of birth, and date of application, and then answered questions addressing their employment status at the time of application and certified they had not been enrolled in any federal or state job-training programs within 180 days prior to the application date. The applicant would then self-attest that their statements were true and correct. After self-attesting to the information, the applicant would submit the application. If the applicant answered "yes" to the two questions indicating they were unemployed and not in a job-training program, the on-line system forwarded the application to VA. If the applicant answered "no" to any of the two questions, the on-line system presented the applicant with a screenshot of a DOL letter of denial, including the denial reason and appeal rights.

For applicants who passed initial eligibility screening, VA would receive the application and make the final eligibility determination by verifying the applicant was discharged from the military under conditions other than dishonorable, was not eligible for other VA educational eligible assistance, was not receiving service-connected disability pay for total disability, and was requesting training in a high-demand occupation. Additionally, VA verified the applicant's age using records in its system.

Since DOL did not have access to the on-line application system, it could not fulfill all the requirements of Section 211 (e)(2)(A)(i) of VOW. Instead, VA provided DOL with

daily reports that showed the number of applications completed and the number of applications denied. The reports contained information such as the applicant's name, date of birth, and address. DOL never saw or reviewed the actual VRAP applications.

In addition to not having access to the on-line application system, DOL officials stated they could not verify VRAP participants' employment status or job training requirements because no database existed to verify these requirements at the time of the application's submission.¹ Given these impediments, DOL could have implemented a compensating control to verify some self-attestations. One option would have been sending states a sample of applicants and asking the states to check their databases to determine if applicants were participating in any DOL or state job training program at the time of application. Because DOL did not verify VRAP applicants' self-attestations, even on a sample basis, VRAP funding may have been spent on ineligible veterans.

DOL Did Not Verify the Accuracy of States' Outreach Efforts

Section 211 (f) of VOW required DOL to contact VRAP participants within 30 days of their exit from VRAP to offer employment assistance. When participants exited VRAP, DOL emailed the participants and provided websites to help them find jobs and locate their nearest Job Center. The email informed the exiters that a Job Center staff member would contact them to offer assistance and help them achieve their career goals.

DOL issued Training and Education Guidance Letter 8-12, Change 1, to ensure state staff offered VRAP exiters employment assistance as required by VOW. The guidance required state staff to make at least three contact attempts and permitted different methods for making those contact attempts, such as telephone, email, and postal mail.

To capture states' employment assistance efforts, DOL asked states to prepare quarterly outreach reports that contained a participant identifier and a code which indicated: (1) participant already found employment; (2) participant was not seeking further assistance; (3) participant could not be contacted; (4) participant requested job assistance; or (5) participant was contacted but outcome was different than scenarios listed. However, DOL did not include VRAP participants' exit dates in data sent to the states, did not require state outreach reports to include dates of contact attempts, and did not confirm the accuracy of the states totals. VOW did not require the outreach reports, and the reports did not provide the information DOL needed to determine if states contacted all participants that exited the program within 30 days of exit, or to determine if the states' reported outreach totals were accurate. DOL reported the unverified state outreach totals to Congress without disclosing that DOL did not check the totals for accuracy. As such, DOL may have reported inaccurate VRAP information to Congress, potentially impacting whether the program would be extended based on the results.

¹ DOL officials told us that there was a program design flaw with the unemployment requirement in that it was difficult to determine unemployment at the date of application, and this requirement only applied during the application. For example, a VRAP participant could have gotten a job two days after being approved and still be able to participate.

To assist the states with their outreach efforts, VA shared VRAP participant information with DOL for those who either completed or terminated the program via secure File Transfer Protocol. DOL filtered out unnecessary data prior to emailing it to the states in an encrypted spreadsheet; however, the data did not include dates of VRAP exit. Without the exit date, states could not determine the 30-day milestone for contacting participants. Each state sorted the participant data based on addresses and zip codes and sent this data electronically to their respective American Job Centers or provided outreach from the state office. DOL required each state to provide quarterly results of the outreach efforts in a spreadsheet. The spreadsheets states sent to DOL contained an identifier, such as telephone number or name and the outreach results.

We sent 10 states surveys containing questions regarding DOL's oversight and how the state operated VRAP. Nine of the 10 states responded to the survey. All nine said they documented the type and dates of contact with VRAP participants. However, DOL did not require the states' reported outreach results to include the date of contact with participants. As a result, DOL did not have the information to determine if all participants that exited the program were being contacted within 30 days of exit and offered job placement services as VOW required.

To obtain a better understanding of VRAP participants who exited the program and states' efforts to provide job placement services to them, DOL asked states to collect data on their outreach efforts and provide quarterly results. After reviewing outreach data from 50 states and 5 territories, we determined 24,561 of 76,494 VRAP participants exited with the following reported results, as of December 31, 2013:

1. For 2,246 participants (9 percent), contact was made but the participants did not need assistance because they had found employment.
2. For 2,907 participants (12 percent), contact was made but the participants did not want assistance.
3. For 11,195 participants (46 percent), contact had not been made after 3 attempts.
4. For 4,886 participants (20 percent), contact was made and the participant requested job search assistance and was encouraged to register for Wagner-Peyser services.
5. For 3,327 participants (13 percent), contact was made but the outcome was different than one of the scenarios listed above. For example, the participant may have been seeking additional education to obtain a degree and did not need assistance at that time.

DOL reported results from 1, 2, 4, and 5 above to Congress without validating or confirming the accuracy of each state's outreach report. Moreover, DOL will continue to

record outreach efforts until the last VRAP participant has exited. However, DOL reported inaccurate outreach data to Congress because it omitted the number of participants who were not contacted after three attempts (11,195 participants, or 46 percent).

DOL Reported Incomplete VRAP Employment Data to Congress

DOL did not fully comply with its responsibility to report VRAP participants' employment data to Congress. DOL reported on October 29, 2014, nearly four months after the mandated July 1, 2014 deadline,² and DOL only reported employment data for participants who requested job placement services from DOL, were enrolled at an American Job Center, and were identified as a VRAP participant in the Labor Exchange Reporting System (LERS).³ If a participant did not enroll at an American Job Center or the participant was not identified as VRAP in LERS, DOL was unable to obtain their employment data. In addition, DOL counted participants who had jobs when the states contacted them after exiting. However, DOL could not determine if those jobs were training related. Additionally, DOL could not report the employment status of participants who could not be contacted or who refused job placement services. Without this data, Congress cannot fully determine the program's success.

Section 211(i)(2) of VOW required VA, in collaboration with DOL, to report to Congress no later than July 1, 2014. The report should have included:

- (1) total number of veterans who participated in VRAP;
- (2) total number of associates degrees or certificates awarded (or other similar evidence of the completion of the program of education or training earned); and
- (3) employment data for eligible veterans who participated.

LERS VRAP Data Collection Time Delay

DOL determined the primary method of obtaining employment data would come from the records of VRAP participants who were enrolled in the states' Wagner-Peyser programs,⁴ which were recorded in LERS. DOL reported VRAP employment data using the three common measures DOL used for other DOL-funded training programs: Entered Employment Rate; Employment Retention Rate; and Six-Months Average Earnings. DOL used these measures even though it was aware VRAP participants started at various times, the program could take up to 12 months to complete, and the common measures data for all participants would not be available when the report to

² DOL provided VA employment data in June, July, and September 2014, so VA could include the most current data in the report to Congress.

³ LERS is the performance reporting system for the Wagner-Peyser Employment Service and the Jobs for Veterans State grants.

Congress was due. In an example DOL provided, the Entered Employment outcome for a participant who started VRAP training in August 2012 and who completed training in May 2013, would not be available until July 2014 (when the report to Congress was due). The other two common measures, Employment Retention Rate and Six-Months Average Earnings, would not be available until 6 months later.

DOL notified Congress in December 2013 about the limited employment data. Further, DOL provided the House and Senate Veterans Affairs Committees a briefing report on December 2, 2013, and informed Congress that DOL would not be able to provide significant data related to VRAP participant employment until late 2015.

Outreach Employment Data Collection

The secondary method DOL used to collect employment data was the outreach effort totals for those who reported they had jobs when the states contacted them after exiting the program. Even though the states contacted the participant, the states did not follow up with the participant to determine if the job was related to the participant's high-demand training and DOL did not require the states to track the type of job the participant received. Additionally, DOL did not disclose in its report to Congress that it did not verify the accuracy of the outreach totals provided by the states. As of December 31, 2013, DOL's outreach data showed that 2,246 VRAP participants said they had obtained a job after exiting the program.

VRAP Participant Employment Results

As of December 31, 2013, LERS identified 1,939 VRAP participants who had entered employment, and states identified 2,246 participants who had a job when contacted, resulting in an entered employment rate of 13 percent⁵ for VRAP participants. However, DOL could not determine if these jobs were related to the high-demand occupation training the participants received.

Furthermore, if VRAP participants requested job placement services, but did not say they received VRAP training, these participants would not have been included in the employment data because they were not coded as VRAP in LERS. DOL officials stated they have been working with 17 states to ensure participants were identified as VRAP when served, and some states reported VRAP participants through another DOL system⁶ rather than LERS. However, DOL officials said they have not analyzed the data from the other system. Additionally, DOL will not have employment data for participants who, based on outreach results, could not be contacted (11,195 participants) or declined offers of employment services (6,234 participants).⁷

⁴ Wagner-Peyser is a federally-funded program that provides employment services to job seekers and employers.

⁵ Total made up of 4,185 (1,939 from LERS plus 2,246 outreach result #1) entered employment divided by 32,879 participants who exited VRAP, based on VA data, as of December 31, 2013.

⁶ The other DOL system is the Workforce Investment Act Standard Record Data.

⁷ Based on outreach totals from numbers 2 and 5 on page 5 of this report.

Due to these limitations, DOL reported incomplete employment data to Congress that made it difficult to determine the extent to which VRAP helped eligible veterans obtain and retain a job in a high-demand occupation.

RECOMMENDATIONS

We recommend the Assistant Secretary for Veterans Employment and Training, in collaboration with the Assistant Secretary for Employment and Training:

1. For any future training programs that rely on applicant self-attestations, select a sample of applicants and verify attestations.
2. For any remaining VRAP participants whose outreach data still needs to be reported to Congress, disclose that DOL did not verify the accuracy of this data.
3. Require states to confirm the type of job the VRAP participants who entered employment obtained to determine if the job was related to their high-demand training.

Our audit generally covered the period July 1, 2012, to September 30, 2013. We expanded our scope to December 31, 2013, to assess outreach and participant placement 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 findings and conclusions based on our audit objective. Our objective, scope, methodology, and criteria are discussed in Appendix A.

AGENCY RESPONSE

DOL generally agreed with our recommendations. DOL agreed with recommendation 2 and stated it will ensure that future reports to Congress will disclose that DOL did not verify the data's accuracy. DOL generally agreed with recommendations 1 and 3, but stated implementation requires additional funding, a cost-effective system to verify application attestations, and a cost-effective source of data to determine if jobs were related to training. DOL's full response is located in Appendix C.

We appreciate the cooperation and courtesies that DOL 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

Objective, Scope, and Methodology, and Criteria

Objective

We performed this audit to answer the following question:

Did DOL manage its VRAP role in accordance with VOW?

Scope

Our work generally covered the time period July 1, 2012, to September 30, 2013. For instances of reviewing outreach and VRAP participant employment data, we expanded our scope to include data through December 31, 2013.

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

Methodology

To accomplish our audit objective, we interviewed DOL officials and staff. We also reviewed: applicable laws; VRAP policies and guidance; DOL’s Memorandum of Understanding with VA; the DOL Bureau of Labor Statistics listing of high-demand occupations; VRAP webinars and guidance; and survey questionnaires sent to the states with the 5 most and 5 least VRAP participants. We considered the internal control elements of control environment, risk assessment, control activities, information and communication, and monitoring during our planning and substantive audit phases and evaluated relevant controls.

We analyzed the listing of all VRAP participant data DOL sent to the states, and the VRAP participants outreach efforts each state sent to DOL for the period July 1, 2012, through September 30, 2013. We prepared Excel spreadsheets for each state. Based on the results of our review, we requested the state outreach data for the quarter ending December 31, 2013. We analyzed the data and included this total with the previous quarter ending September 30, 2013.

For VRAP employment status, DOL provided us with a summary of a December 2, 2013, Congressional briefing regarding VRAP employment data. Additionally, we reviewed VRAP employment outcomes DOL provided. We compared the outreach total used in the outcomes with our outreach data analysis.

Criteria

- Public Law 112-56, section 211, *Veterans Retraining Assistance Program (VRAP)*.
- Memorandum of Agreement Among DOL and VA, signed April 2012
- DOL and VA VRAP Concept of Operations, March 2012
- Training and Employment Guidance Letter No. 8-12, Change 1, *Summary of the Roles and Responsibilities of the Public Workforce System in Tracking, Offering Employment Services and Reporting Outcomes of Veterans Retraining Assistance Program (VRAP) Participants*.

Appendix B

Acronyms and Abbreviations

DOL	Department of Labor
LEERS	Labor Exchange Reporting System
OIG	Office of Inspector General
VA	Veterans Affairs
VOW	Veterans Opportunity to Work to Hire Heroes Act
VRAP	Veterans Retraining Assistance Program

DOL Response to Draft Report


U.S. Department of Labor


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



JUL 31 2015

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

FROM: PORTIA WU 
Assistant Secretary
Employment and Training Administration

TERESA W. GERTON 
Acting Assistant Secretary for Veterans' Employment and
Training Service

SUBJECT: Response to the Office of Inspector General Audit Report
No. 06-15-001-02-001—Management of DOL's Responsibilities
in the Veterans' Retraining Assistance Program Needed to be
Improved

We thank you for the opportunity to review the audit report cited above. The Department of Labor (DOL or Department) takes its responsibilities to veterans seriously and we view the Veterans Retraining Assistance Program (VRAP) as an example of our commitment to provide veterans with the workforce services and resources they need to advance in their civilian careers. We appreciate the Office of the Inspector General's (OIG) acknowledgement of DOL's efforts to implement VRAP within short timeframes and without dedicated program funding.

In the report the OIG makes the following recommendations:

OIG Recommendation 1: For any future training programs that rely on applicant self-attestations, select a sample of applicants and verify attestations.

OIG Recommendation 2: For any remaining VRAP participants outreach data reported to Congress, disclose that DOL did not verify the accuracy of this data.

OIG Recommendation 3: Require states to confirm the type of job that VRAP participant who entered employment obtained to determine if the job was related to their high-demand training.

DOL agrees with recommendation 2 and will take steps to ensure that future reports and updates to Congress will address this explicitly. DOL also generally agrees with recommendations 1 and 3 but cautions that at least three conditions must be present for implementation. First, recognizing that even the validation of a sample of applicants requires significant resources, sufficient funding to carry out these activities must be available. Second, there must be a system or process that can be applied using a reasonable level of effort to carry out applicant verifications. Third, determining whether the type of job obtained is related to the training provided requires an accessible, cost-effective source of data or sufficient funding to implement

survey work. As described in further detail below, none of these conditions are currently in place, making implementation of these recommendations impossible at this time.

Additionally, while we agree that the OIG's other conclusions are factually accurate, we are concerned that the report omits important contextual information about the limitations and obstacles encountered at the federal, state, and local levels of the public workforce system that necessitated DOL's chosen strategy for managing VRAP. We are also concerned that the OIG's interpretation of DOL's responsibilities exceeds VRAP's statutory requirements. Specific responses to the OIG's results are provided below.

OIG: DOL Relied on Participants' Self-Certification of Eligibility

Response: DOL used available VA automated data to verify age eligibility and veteran self-attestation for unemployment status and enrollment status in any federal or state job training program within 180 days prior to applying for VRAP. We assert that the approach used met the short timeframe for VRAP implementation, was resource-efficient, reliable, and reduced burden on the veteran. Relevant information was exchanged between DOL and VA through ad hoc reporting and direct staff communication.

DOL and VA collaboratively agreed to leverage VA's Veterans On-Line Application (VONAPP) system, housed on VA's e-Benefits website, for implementation of VRAP for several reasons. First, VONAPP was an available system that could be modified quickly with minimal resources or reprogramming. Second, front-line staff members that serve veterans and many veterans were already familiar with VONAPP, making it a more reliable and user-friendly approach than attempting to develop a new system. Third, the approach allowed interconnectivity to other VA data which was used to verify some eligibility requirements, including age.

DOL staff consulted across DOL agencies and with several states to identify whether any data source capable of verifying unemployment on a specific day was available. No such system was identified, and there is no central database that captured all federal, state and municipal job training program participants. Thus, self-attestation was used.

OIG: DOL did not verify the accuracy of state's outreach reports

Response: DOL followed the advice of its Solicitor's Office and created an innovative approach to ensure veterans who were in need of employment services were notified of their availability at no cost to the veteran. As part of the application process, veterans provided their email addresses so there could be electronic correspondence among each veteran, DOL and the VA. DOL utilized a dedicated e-mail account and contract support that was secured by repurposing limited available resources from other DOL projects to offer veterans employment assistance. DOL collaborated with VA and contacted VRAP participants about the availability of employment services at their local American Job Center (AJC) at three different stages: (1) upon notification of a veteran's acceptance into VRAP; (2) periodic reminders during enrollment in VRAP, including information about the expiration of benefits for the many who had not yet enrolled in training; and (3) an "Exit Email" upon termination or completion of the VRAP program. The "Exit Email" encouraged the veteran to visit an AJC to begin their career search, provided

instructions on how to find the nearest AJC, provided information on the Department's electronic career tools, and notified them of their right to priority of service in all AJCs.

In addition to this email correspondence, DOL provided states with participants' contact information as they completed or terminated VRAP. DOL issued guidance for states to disseminate the contact information to local AJCs so the veteran could be offered employment assistance in his/her local area. DOL encouraged local AJC staff to attempt contact a minimum of three times and to use multiple means of contact such as phone and email. DOL also sought and received PRA approval to collect reports on the results of this local outreach. DOL was unable to verify the state outreach reports due to a lack of available resources. All future reports and updates that include state outreach data will disclose that DOL was unable to verify the data's accuracy.

OIG: DOL reported incomplete VRAP Employment Data to Congress.

Response: OIG correctly points out that the joint VA and DOL VRAP report to Congress was due on July 1, 2014 and that it was not received by Congress until October 29, 2014. DOL also relied on pre-existing data systems due to funding limitations and legal limitations related to privacy and the use of wage records to capture re-employment data. This data collection approach limited DOL's ability to capture employment outcomes to only those VRAP participants that seek reemployment assistance from DOL funded programs. However, DOL provided Congress with frequent briefings and updates, including available data and an explanation of the data collection strategies, well in advance of the required July report date. While the VOW Act defined the VRAP program end date as March 31, 2014, the VA extended the benefit administratively until June 30, 2014, so that participants would not be forced to terminate participation during the middle of an academic semester. This administrative change resulted in a situation where the VRAP final report was expected to be provided to Congress one day after the VRAP program actually terminated and many participants were still in training or just beginning their job search. Congress was fully informed about the limitations of the available data collection strategies and DOL continues to provide updates on the employment status of former VRAP participants.

OIG also criticizes DOL's lack of information about employment related to training. DOL agrees that this information would be beneficial to have, but notes that this was not a specific data element required by the VOW Act. Further, the collection of this information cannot be automated using current systems and would require extensive resources to pursue surveys or in-person follow-up to collect this information. Without an influx of additional resources, this data collection is not currently possible.

Again, we appreciate this opportunity to respond to the audit report. If you have additional questions, please contact Diane Easterling, OIG Liaison for the Employment and Training Administration, at (202) 693-2625 or Gordon Burke, OIG Liaison for Veterans Employment and Training Service at (202) 693-4700.

Appendix D

Acknowledgements

Key contributors to this report were Michael Kostrzewa (Audit Director), Dorothy Dorsey, Enrique Lozano, Fernando Paredes, Marsha Secuskie, Barry Winnicki, and Steve Witherspoon.

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