



## BRIEFLY...

### ETA HAD NO REASONABLE ASSURANCE THAT \$183 MILLION IN TST GRANT FUNDS HELPED GET H-1B JOBS

September 27, 2019

#### WHY OIG CONDUCTED THE AUDIT

Past audits from both the Government Accountability Office (GAO) and OIG have identified instances where Technical Skills Training (TST) participants were not trained in the same skills that employers had solicited from foreign workers in the H-1B program.

TST grants were funded from H-1B program user fees paid by employers who hired temporary foreign workers for jobs in highly skilled occupations. TST grants were intended to raise the technical skills of American workers and help businesses reduce their need for the H-1B program.

#### WHAT OIG DID

Given these previously identified issues, we conducted an audit to determine the following:

Did ETA provide reasonable assurance TST grantees provided training that resulted in participants obtaining and retaining jobs in H-1B occupations?

To answer this question, we reviewed 79 TST grantees worth \$343 million, with periods of performance from November 2011 to June 2016. We reviewed the training proposed by all 79 TST grantees and identified 42 grantees whose training plans involved some training in non H-1B occupations. We visited 3 grantees to determine the training provided and whether participants obtained employment in H-1B occupations.

#### READ THE FULL REPORT

<http://www.oig.dol.gov/public/reports/oa/2019/06-19-001-03-391.pdf>

#### WHAT OIG FOUND

ETA did not provide reasonable assurance TST grantees provided training that resulted in participants obtaining and retaining jobs in H-1B occupations. Systemic weaknesses in the grant award processes, oversight, and performance measurement indicated ETA did not design the program to ensure non H-1B training provided had a clear pathway to H-1B jobs as required by the grant solicitation. Forty-two (53 percent) of the 79 TST grants were awarded to grantees providing non-H-1B training. The 42 grants, totaling \$183 million, were at risk of not meeting the intent of the program.

We reviewed 3 of 42 grantees and found ETA awarded them TST grants although they had no clear plan for how the non H-1B training they proposed would lead to H-1B occupations. Furthermore, despite ETA's oversight, only 7 percent of the 400 sampled participants received H-1B training and only 5 percent obtained and retained H-1B jobs. However, ETA was unaware of these outcomes because they used generic performance measures. Our review of the three grantees confirmed the systemic weaknesses we identified.

This occurred because ETA's primary focus was not on training participants along career pathways to H-1B jobs. Instead, ETA focused on increasing the number of applicants to create a more competitive applicant pool, and getting participants jobs. As a result, 42 (53 percent) of ETA's 79 TST grants risked not meeting the program's intent during their periods of performance.

#### WHAT OIG RECOMMENDED

We recommend the Assistant Secretary for Employment and Training ensure future H-1B training grants are evaluated and awarded to grantees who clearly demonstrate how participants will transition into H-1B jobs; ensure future grantees provide the proposed training to help participants obtain H-1B jobs or advance along the career pathway; and develop performance measures to report H-1B training-related placement outcomes.

ETA agreed with 2 of our 3 recommendations and has already started taking some action.