



BRIEFLY...

ETA NEEDS TO IMPROVE ITS DISASTER NATIONAL DISLOCATED WORKER PROGRAM

January 29, 2021

WHY OIG CONDUCTED THE AUDIT

Prior OIG audits have raised concerns about ETA's grant investments not achieving performance goals and ETA needing to provide better oversight of its disaster grants.

In the aftermath of 2017 hurricanes Harvey, Irma, and Maria, and the 2017 wildfires in California, Congress passed the Bipartisan Budget Act of 2018. The Act provided \$100 million in additional funding for cleanup and restoration, and for career and supportive services for people affected by these disasters. California, Florida, and Puerto Rico were approved for up to \$83 million of the \$100 million appropriation for hurricane and wildfire cleanup and evacuee assistance.

WHAT OIG DID

We conducted an audit to answer the following question:

Did ETA properly administer its Disaster National Dislocated Worker Grants (DWG) Program under the Bipartisan Budget Act of 2018?

To answer this question, we reviewed the grant award process and analyzed grantees' performance data as of December 31, 2019. We focused on California, Florida, and Puerto Rico to gauge eligibility, and for financial testing.

WHAT OIG FOUND

ETA provided minimal oversight of its state grantees, and needs to do more to: 1) ensure grantees help local areas restore communities timely; 2) ensure out-of-work participants receive expeditious disaster relief assistance; 3) maximize the number of participants who obtain employment as intended by the grants; and 4) ensure disaster relief funds are used efficiently and effectively.

It took some grantee subrecipients up to approximately 6 months to begin cleanup services and up to approximately 13 months for some evacuee assistance to begin after the disaster declarations. Additionally, there were incomplete recovery efforts because grantees did not allocate funds to local areas most in need of disaster relief services.

Grantees underperformed on all their goals and significantly underperformed on enrolling participants in training and returning them to full-time employment, as intended by some of the grants. Overall, grantees only provided training services to about one-third of participants and only returned 39 percent of unemployed participants back to full-time employment.

Additionally, about \$4.5 million in grantee obligations and costs were either not necessary for disaster relief or were not supported by adequate documentation.

WHAT OIG RECOMMENDED

We made 6 recommendations to ETA regarding timeliness, eligibility, and allowable costs. ETA generally agreed with our recommendations and stated it has already taken corrective actions on the issues identified.

READ THE FULL REPORT

<https://www.oig.dol.gov/public/reports/oa/2021/02-21-002-03-391.pdf>