



BRIEFLY...

ETA NEEDS TO IMPROVE OVERSIGHT OF DISASTER DISLOCATED WORKER GRANTS

WHY WE DID THE AUDIT

Public Law 116-20, Additional Supplemental Appropriations for Disaster Relief Act, 2019 (Act), provided the Employment and Training Administration (ETA) with \$50 million for the dislocated workers assistance national reserve for necessary expenses directly related to the consequences of multiple natural disasters occurring in 2018 and 2019. Of the \$50 million, \$500,000 was transferred to the OIG for oversight of activities responding to covered disasters or emergencies. ETA awarded the remaining \$49.5 million in Disaster National Dislocated Worker Grants (DWG) to 6 grant recipients.

Based on our concerns from prior DWG audits, and in accordance with the Act, we performed an audit to answer the following question:

To what extent did ETA properly administer Public Law 116-20, Additional Supplemental Appropriations for Disaster Relief Act, 2019, to provide dislocated worker assistance?

We judgmentally selected a sample of three grant recipients—Florida, Ohio, and North Carolina—and two sub-recipients from each grant recipient for review.

WHAT WE FOUND

We found ETA needs to improve its oversight of the DWG program. First,

DWG recipients generally did not coordinate with Federal Emergency Management Agency (FEMA), and ETA's failure to facilitate such coordination may have decreased the effectiveness and timeliness of DWG disaster recovery assistance. Specifically, ETA did not establish written interagency agreements with FEMA that defined how ETA and grant recipients were to coordinate with FEMA for disaster recovery.

Second, after awarding the DWG in March 2020, ETA issued guidance to update the documents grant recipients need to collect and maintain to support eligibility for DWG participants. We found, despite ETA updating its guidance, Ohio, a grant recipient, still failed to collect the required documentation to demonstrate participant eligibility. This occurred because: (1) sub-recipients relied on participant self-certifications for determining eligibility and did not have a system in place to eventually collect additional documentation necessary to demonstrate each participant's eligibility, and (2) ETA performed limited monitoring of participant eligibility. As a result, a grant recipient and its sub-recipients did not demonstrate they served eligible participants. We questioned costs of \$909,240 associated with 30 participants served in Ohio for whom the recipient lacked adequate documentation of eligibility.

Third, a two-week work stoppage at a Florida sub-recipient impacted disaster recovery efforts. The sub-recipient experienced funding delays due to a 41-day grant modification approval process, which was not in compliance with the Office of Management and Budget's 30-day requirement to approve or inform the recipient when they may expect the decision. Lastly, we questioned financial transactions of another Florida sub-recipient totaling \$17,273 charged to the DWG that did not comply with federal requirements.

These issues occurred, in part, because of ETA's lack of written interagency agreements with FEMA and lengthy DWG administration processes. Further, ETA had weak controls over DWG recipients': (1) coordination with FEMA, (2) documentation of participant eligibility, and (3) use of grant funds. As a result, we questioned \$926,513 in costs. Ensuring the effectiveness and efficiency of the DWG program is crucial to helping local areas recover from the aftermath of a disaster.

WHAT WE RECOMMENDED

We made eight recommendations to ETA to improve its DWG oversight. Specifically, we recommended ETA develop written interagency agreements with FEMA, enhance monitoring of and strengthen guidance for DWG recipients, recover \$926,513 in questioned costs, and improve DWG administration processes to prevent funding delays. ETA agreed or partially agreed with three recommendations. ETA disagreed with five of the eight recommendations but will take alternative action to address them.

READ THE FULL REPORT

For more information, go to:

<https://www.oig.dol.gov/public/reports/oa/2025/02-25-001-03-391.pdf>