



May 19, 2020

MEMORANDUM FOR: JOHN P. PALLASCH  
Assistant Secretary  
for Employment and Training

*Elliot P. Lewis*

FROM: ELLIOT P. LEWIS  
Assistant Inspector General  
for Audit

SUBJECT: Alert Memorandum: ETA Needs to Improve its Plans  
for Providing Administrative, Financial Management,  
and Audit Requirements Relief to Grant Recipients  
Impacted by the Novel Coronavirus (COVID-19);  
Report No. 19-20-003-03-001

On March 19, 2020, the Office of Management and Budget (OMB) issued Memorandum M-20-17, *Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly Impacted by the Novel Coronavirus (COVID-19) due to Loss of Operations*, to provide administrative relief exceptions for grant recipients impacted by COVID-19.

These exceptions provided short-term relief for administrative, financial management, and audit requirements under 2 CFR 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*. The exceptions are time limited and will be reassessed by OMB within 90 days of the memorandum, or June 17, 2020.

ETA needs to improve its communication with grant recipients regarding the availability of flexibilities provided in the OMB memorandum, including any subsequent updates and ETA's related implementation plans. Given the time limit imposed on these flexibilities, it is imperative ETA communicate this information quickly and through the most effective means possible, such as DOL's public facing websites or direct communication with grant recipients.

As of the date of this memorandum, there was no information on such flexibilities on the following ETA or DOL websites:

ETA's Homepage <https://www.dol.gov/agencies/eta>

ETA's Grant Website <https://www.dol.gov/agencies/eta/feature-grants>

ETA's Advisories Website <https://wdr.doleta.gov/directives/>

DOL's Covid-19 Website <https://www.dol.gov/coronavirus>

DOL's Grants Website <https://www.dol.gov/general/grants/howto>

ETA officials informed us they discussed internally the flexibilities and have taken several actions; however, no formal plan has been developed or implemented. Even so, ETA officials stated they are either implementing, implementing on a limited basis, or not implementing the various flexibilities identified in OMB's memorandum. Further, although ETA officials stated they had communicated these flexibilities to grant recipients, such communication was through a non-DOL website and did not specify the plans ETA intends to implement.

The website ETA has been using is sponsored by DOL and provides resource information to State Workforce Agencies, but should be used in conjunction with more formal DOL communication forms, such as the main DOL website or ETA's website. Moreover, nothing on DOL's website indicated that this time-sensitive information was available externally. While ETA may provide the information to be posted to the website externally, the use of the non-DOL website creates a risk as ETA is not in full control of what is posted, and limits the audience to whom the information is made available.

We recommend ETA take immediate action to improve its communication with grant recipients regarding the time-limited flexibilities provided by OMB in Memorandum M-20-17. We request a response to this memorandum within 3 business days.

cc: Matthew Hunter, Deputy Assistant Secretary for Employment and Training

Nancy Rooney, Deputy Assistant Secretary for Employment and Training

Laura Watson, Administrator for the Office of Grants Management, ETA


Greg Hitchcock, Special Assistant for the Office of Grants Management, ETA

Julie Cerruti, ETA Audit Liaison



May 20, 2020

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

FROM: JOHN PALLASCH   
Assistant Secretary for Employment and Training

SUBJECT: Response to Office of Inspector General (OIG) Alert  
Memorandum: *ETA Needs to Improve its Plans for Providing  
Administrative, Financial Management, and Audit Requirements  
Relief to Grant Recipients Impacted by the Novel Coronavirus  
(COVID-19)*

Thank you for the opportunity to respond to the OIG's May 19, 2020, alert memorandum regarding the Employment and Training Administration's (ETA) plans for administrative relief for grant recipients impacted by COVID-19, pursuant to Office of Management and Budget (OMB) Memorandum M-20-17.

Since the issuance of OMB M-20-17, ETA has worked diligently to capture and address questions from the grant community related to COVID-19. Additionally, ETA identified which flexibilities contained in OMB M-20-17 to implement entirely, on a limited basis, or not all. ETA communicated the available flexibilities to ETA grant recipients via phone calls, webinars, emails to grant recipients, and Frequently Asked Questions (FAQs) on WorkforceGPS' Grant Application and Management Community of Practice.

ETA offers the following in response to the recommendation contained in the OIG's alert memorandum.

**OIG Recommendation: Take immediate action to improve its communication with grant recipients regarding the time-limited flexibilities provided by OMB in Memorandum M-20-17.**

ETA Response: ETA agrees with this recommendation. As an additional measure of communication, ETA is working with the Office of Public Affairs to establish an ETA grants-specific FAQ page on the Department's website.

ETA appreciates the opportunity to respond to your memorandum and its recommendation. If you have any questions, please contact Laura Watson, Administrator, Office of Grants Management, at (202) 693-3333.