



BRIEFLY...

COVID-19: THE EMPLOYMENT AND TRAINING ADMINISTRATION NEEDS TO IMPROVE GRANT OVERSIGHT IN NEW JERSEY

September 28, 2023

WHY OIG CONDUCTED THE AUDIT

The Employment and Training Administration (ETA) awards grants to states, local governments, and other entities to provide opportunities to individuals with significant barriers to employment to enter into high-quality jobs and careers, as well as to help employers hire and retain skilled workers.

From October 2018 through September 2021, ETA awarded 2,093 grants, totaling approximately \$16 billion, to grantees in all 50 states, the District of Columbia, and the U.S. territories. During this time, the COVID-19 pandemic created many challenges for ETA job training programs across the nation, such as stay-at-home orders, which impacted its ability to provide services to the public. We focused our audit efforts on grant recipients and sub-recipients located in the state of New Jersey.

WHAT OIG DID

We conducted this performance audit to answer the following question regarding employment and training grant funds awarded within New Jersey:

Did ETA grantees and sub-recipients utilize grant funds for the intended purposes during the COVID-19 pandemic?

To answer this question, we analyzed ETA and grant recipient data; reviewed ETA guidance, policies and procedures; and interviewed personnel from ETA as well as the grantees and sub-recipients.

WHAT OIG FOUND

We found ETA grantees in New Jersey received statutory and discretionary grant funds to provide training and supportive services; however, ETA did not ensure grantees and sub-recipients utilized grant funds for the intended purposes during the COVID-19 pandemic.

Specifically, ETA did not ensure recipients effectively: (1) used over \$100 million to serve the intended population; (2) enrolled eligible individuals in the grant programs, costing \$96,580 in training services; and (3) complied with federal requirements when paying for \$168,460 in services. In addition, Workforce Innovation and Opportunity Act formula grant sub-recipients did not have a system in place to account for the \$6.9 million in grant funding, to include how it was spent. Therefore, we questioned this entire award amount.

Given these grant funds did not serve their intended purpose, potential eligible job seekers were not provided the services to succeed in the labor market and potential employers were not matched with the skilled workers needed before, during, and subsequent to the COVID-19 pandemic.

WHAT OIG RECOMMENDED

We made seven recommendations to ETA to resolve questioned costs and unspent funds, update guidance to better identify and account for risks associated with grant fund use, and improve assistance to and monitoring of grant recipients to ensure they can account for and report on federal awards, as well as understand how to properly award contracts. ETA did not fully agree with our recommendations but indicated it would take appropriate actions for six of the seven recommendations. ETA disagreed with one recommendation.

READ THE FULL REPORT

<https://www.oig.dol.gov/public/reports/oa/2023/19-23-016-03-391.pdf>