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REPORT BY THE U.S.

General Accounting Office

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Information On Funding Commitments From Comprehensive Employment And Training Act Titles III And IV During Fiscal Year 1981

GAO identified 193 awards administered by Labor's Office of National Programs or Office of Youth Programs totaling $102.6 million from Comprehensive Employment and Training Act titles III and IV discretionary funds that had been executed or were being negotiated between September 1, 1980, and January 31, 1981. These awards are for employment, training, and related services to disadvantaged groups in labor markets. GAO reviewed 34 of these awards and generally found

-- few formal records of award negotiations,

-- a lack of comprehensive evaluations of awardees' past performance before award renewal, and

-- little evidence of site monitoring.

This report contains recommendations for improving Labor's selection, monitoring, and evaluation of its employment and training awards.

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HUMAN RESOURCES
DIVISION

B-203535

The Honorable Harrison H. Schmitt
Chairman, Subcommittee on Labor,
Health and Human Services,
Education, and Related Agencies
Committee on Appropriations
United States Senate

Dear Mr. Chairman:

This is our final report in response to your April 17, 1981, letter requesting answers to questions pertaining to grants and contracts awarded by the Department of Labor from September 1, 1980, to late January 1981, using Comprehensive Employment and Training Act (CETA) titles III and IV discretionary funds. Generally, you were concerned that awards from these funding sources were allegedly made in substantial numbers during the closing months of the past administration and that questionable actions took place during the award process. The information which follows updates and expands on our June 15, 1981, preliminary report. 1/

In discussions with your office, we agreed to obtain information on a sample of titles III and IV discretionary awards made during the period you were concerned about. Your office agreed that our work would be limited to reviewing title III awards administered by Labor's Office of National Programs (ONP) and title IV awards administered by its Office of Youth Programs (OYP). We also agreed that, because it was necessary to issue this report as soon as possible, site visits to awardees could not be undertaken at this time. As a result, we did not evaluate the adequacy of awardees' performance under the selected awards. We further agreed to consider only title III awards administered and monitored by ONP and not those from that title which ONP handles solely in a grant/contract approval capacity but does not administer. Information obtained on your questions and the sample awards reviewed is summarized below and detailed in the appendixes.

1/"Preliminary Information on Funding Commitments From Comprehensive Employment and Training Act Titles III and IV During Fiscal Year 1981" (HRD-81-109).

We previously identified 287 awards totaling an estimated $115.1 million, which represent the titles III and IV discretionary awards that were either executed or were being negotiated during the time frame of concern. This number included 88 title III awards totaling $48.7 million and 105 title IV awards totaling $53.9 million administered by either ONP or OYP officials. The other 94 awards, totaling $12.5 million, were from title III and administered by other Labor offices, such as the Veterans Employment Service, U.S. Employment Service, and Women's Bureau. As of August 13, 1981, Labor had reduced the awards administered by ONP or OYP officials by an estimated $4.2 million for title III and $7.9 million for title IV.

You expressed concern about the possible overcommitment of fiscal year 1981 titles III and IV discretionary funds. According to Labor officials, in January 1981 Labor's projected funding commitments for both titles exceeded the funds available for the fiscal year. However, the officials said that Labor had not incurred obligations in excess of its fiscal year 1981 budget authority for these titles. At the time of our last report, because of the potential overcommitments, Labor had reduced title III (by an estimated $27 million) and title IV (by an estimated $45 million) proposed and executed awards. Since that time Labor has increased funding for title III by $2 million and title IV by $3 million. Accordingly, as of August 13, 1981, Labor had reduced title III by $25 million and title IV by $42 million to bring planned fiscal year 1981 expenditures in line with its budget authority.

Data on the 34 awards reviewed 1/ showed that prudent grant/contract procedures were not always followed during the award process. During our review of the award files, we generally found

--few formal records of negotiations relating to the awards process (19 awards),

--a lack of comprehensive evaluations of awardees' past performance before award renewal (14 awards), and

--little evidence of site monitoring visits (19 awards).

The problems we found with the administration of the titles III and IV award activities in this review generally were

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1/The awards encompassed 16 awardees in that some received multiple awards. All the awards reviewed were made on a noncompetitive basis with 10 awards being modifications that extended prior awards for less than 6 months.

the same as those discussed in our draft report provided to you on June 16, 1981, on ONP's employment and training awards. 1/ Therefore, a number of our conclusions and recommendations in that report are also applicable to the problems discussed in this report. Our findings and recommendations and Labor's response to those recommendations for the issues germane to this report are summarized below.

We believe that Labor has responded positively to our recommendations and that its planned actions, if effectively implemented, should improve the administration of its award activities.

Lack of competition; awards renewed without performance being evaluated

In making and renewing awards, ONP relied heavily on sole source awards for special projects 2/ without demonstrating the need to use such awards to obtain employment and training services. Furthermore, the lack of justification in the files for specific sole source actions made it impossible to determine the bases for many of these decisions. ONP limited competition in other cases, when it decided to make sole source awards based on its administrative definition of "demonstrated effectiveness," and this did not always seem justified. ONP continued to fund awardees that performed poorly. In addition, most of ONP's awards were renewals of previous awards to the same organizations. However, formal assessments of the awardees' performance, which would contribute to more informed refunding decisions, were rarely made.

We recommended that the Secretary of Labor direct ONP to

--make greater use of competitive awards for its special projects,

--fully justify in writing all awards made on a noncompetitive basis, and

--prepare written assessments of an awardee's performance under prior awards before refunding the awardee.

1/This report, a copy of which will be released soon and sent to you, is entitled "Labor Needs to Better Select, Monitor, and Evaluate Its Employment and Training Awardees" (HRD-81-111).

2/Other than formula awards and awards for nationally competed farmworker projects.

In its response, Labor concurred with our recommendations and stated that it will carefully consider awarding competitively a substantial share of the anticipated funds available for special projects in fiscal year 1982. Labor stated that ONP has been instructed to develop more precise and thorough procedures that will prevent noncompetitive awards from being made unless a proper justification has been prepared and all necessary approvals have been obtained. Labor also stated that ONP will develop precise and thorough written procedures for this performance assessment.

Good grant and contract management practices seldom followed

Many of the problems with ONP's preaward activities occurred because these functions were not independent--ONP officials functioned both as grant and contracting officers and as the persons charged with accomplishing program objectives. Additionally, most ONP award management activities were handled by program staff, who placed little emphasis on following good grant and contract management practices. Labor offices with grant and contract expertise had little involvement with most awards in our sample universe.

In addition, ONP's preaward activities did not always insure that awardees' proposals contributed, as much as possible, to accomplishing program objectives and that the Government's interests were protected. In this regard, ONP needed to strengthen such areas as (1) evaluating proposals, (2) negotiating with applicants, and (3) authorizing preaward work.

Among the recommendations in our report were that the Secretary of Labor:

--Separate ONP's grant and contract management functions from its program management functions. The award management function, including grant and contracting officer authority, should be independent of ONP.

--Require that ONP's program officers fully carry out and document all evaluations of proposals and negotiations with applicants.

--Require that ONP preaward authorization letters specifically state what the Government and awardees have agreed upon to protect the Government's interests.

In its response, Labor concurred with these recommendations and stated that it was taking steps to implement them.

Limited monitoring of award activities

In some cases ONP officials actively monitored awardees' activities, but in many cases they did not. Overall, because of the limited monitoring of awardees' performance, ONP did not know whether awardees met the terms of their awards or whether they used Federal funds prudently. In addition, ONP did not always identify problems with awardees' performance, and when they did, ONP did not always act on and resolve those problems. ONP often failed to request required fiscal and performance reports, and it failed to visit many awardees.

In our report we recommended that the Secretary of Labor direct ONP to place a greater emphasis on its monitoring activities. This emphasis should include (1) increased site visits; (2) prompt identification, followup, and resolution of problems with awardee performance; (3) documentation in award files of substantive agreements, problems, resolutions, or outstanding issues; and (4) development of a system to ensure that awardees submit required reports.

Labor concurred with our recommendation, stating that ONP has been instructed to

--increase onsite monitoring to the extent permitted by staff and travel resources, with the goal of visiting each awardee once a year;

--develop written procedures to require staff to alert their supervisors to any significant issues or problems and maintain records on the problems and how they are resolved; and

--develop a reliable system for detecting and reacting to situations in which awardees do not submit required fiscal and performance reports.

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An ONP official told us that a task force is being set up to prepare materials for implementing our recommendations. The task force is expected to be composed of ONP and non-ONP officials with diverse skills, including specialists in contracting, financial management, management analysis, and program assessment. The task force's targeted completion date is fall 1981.

As your office requested, written comments were not obtained from Labor and organizations mentioned in the appendixes. As agreed with your office, we will restrict the release of this report for 10 days, after which time it will be released to all interested parties.

Sincerely yours,

Gregory J. Ahart
Director

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ABBREVIATIONS

CETA	Comprehensive Employment and Training Act of 1973, as amended
OIC/A	Opportunities Industrialization Centers of America, Inc.
OIG	Office of Inspector General
ONP	Office of National Programs
OYP	Office of Youth Programs
RTP, Inc.	Recruitment and Training Program, Inc.
SER	SER-Jobs for Progress, Inc.

RESPONSES TO CONCERNS ABOUT THE USE OF CETA TITLES III AND IV DISCRETIONARY FUNDS FROM SEPTEMBER 1, 1980, THROUGH JANUARY 31, 1981

BACKGROUND

The Comprehensive Employment and Training Act of 1973, as amended (CETA) (29 U.S.C. 801), is designed

> "* * * to provide job training and employment opportunities for economically disadvantaged, unemployed, or underemployed persons which will result in an increase in their earned income, and to assure that training and other services lead to maximum employment opportunities and enhance self-sufficiency * * *."

CETA title III authorizes the provision of services for employment and training programs that meet the employment-related needs of persons who are experiencing particular disadvantages in the labor market, such as offenders, handicapped individuals, women, older workers, etc. Specifically, sections 301, 306, 308, and 314 of title III authorize the Secretary of Labor to fund at his discretion projects for providing these services.

CETA title IV provides a broad range of employment and training programs for eligible youths. This title is to provide for comprehensive employment and training services to improve the future employability of youths and to explore and experiment with alternative methods for accomplishing these purposes. Specifically, section 438 of this title authorizes the Secretary of Labor to carry out innovative and experimental programs to test new approaches for dealing with the unemployment problems of youths through discretionary projects.

OBJECTIVE, SCOPE, AND METHODOLOGY

Our objective was to answer specific questions relating to (1) whether, and to what extent, procedures used by Labor for awarding grants and contracts with CETA titles III and IV discretionary funds violated Federal rules, regulations, and requirements and (2) how discretionary funds under CETA titles III and IV were and are used; i.e., the type and extent of awards. The detailed information obtained on these questions is contained in both appendixes.

In discussions with your office, we agreed to select for detailed analysis a sample of awards made from September 1, 1980, through January 31, 1981. We also agreed that the sample chosen would consist only of awards administered by the Office of National Programs (ONP) and the Office of Youth Programs (OYP) because they administered 89 percent of the titles III and IV discretionary funds during the specified time frame. After we identified the universe of 193 ONP (88) and OYP (105) administered awards, the awards were grouped using the following criteria: (1) multiple awards to the same organization during the specified time frame, (2) dollar amount awarded, (3) alleged problems, and (4) awards unplanned by the program staff. A sample of 15 ONP and 19 OYP awards was then selected during discussions with your office. (See exhibits A and B.) Appendix II contains data on the 34 awards we reviewed.

Our work, as mentioned previously, was limited to reviewing award files and related documents, as well as interviewing appropriate Labor officials in Washington, D.C. We also contacted the former members of Labor's CETA titles III and IV steering committee. (See p. 4.) As agreed with your office, no site visits to awardees selected for review were undertaken at this time.

AWARD PROCEDURES

The award of a CETA grant or contract is a complex process subject to numerous Federal laws, regulations, and requirements. The following procedures should be followed by Labor in making titles III and IV discretionary awards.

--Determining the need for a good or service.

--Determining the specifications for the good or service.

--Obtaining approvals to obtain the good or service.

--Determining the method of obtaining the good or service (either advertising or soliciting from one or more prospective suppliers) and obtaining proposals.

--Evaluating proposals to determine whether they meet the agency's needs.

--Negotiating, as appropriate, with a potential supplier(s) to obtain an agreement that is most advantageous to the Government.

--Finalizing the award documents and obtaining all necessary approvals.

Statutes, regulations, and Comptroller General decisions require that Federal agencies entrusted with appropriated funds obligate these funds only to fulfill current and valid needs. Labor's award policy requires that (1) awards be undertaken only after determining that they are necessary, (2) awarding a contract or grant to fulfill the need will be cost effective, and (3) proper planning and scheduling of award activities be practiced by program and management officials. Labor has a basic procurement policy that the selection of contractors shall be based on competition among responsible suppliers. Labor's policy also states that all grant programs involving discretionary recipients shall provide for competition whenever appropriate.

Both Federal and Labor procurement regulations require that any noncompetitive contract award shall be fully justified and approved at a high level. For Labor, the Assistant Secretary for Administration and Management generally approves noncompetitive awards. There are no similar Government-wide or Labor regulations concerning award approvals for grant awards.

Labor has established a Procurement Review Board to review proposed noncompetitive contracts, grants, agreements, or award modifications. Generally, the board must review all proposed noncompetitive awards or modifications of $10,000 or more. Notwithstanding Labor guidelines, certain kinds of awards are exempt from board review and approval by the Assistant Secretary for Administration and Management, including most of the CETA titles III and IV discretionary awards. In responding recently to our letter requesting clarification on this subject and others, Labor's Acting Solicitor explained the exemption relating to title III by stating that

> "The justification for exempting certain ONP awards from the general requirement of the prior approval for non-competitive contracts is contained in CETA § 123 (1), which provides:
>
> '* * * The Secretary and recipients of financial assistance under this Act shall give special consideration, in carrying out programs authorized by this Act, to community-based organizations, as defined in section 3, which have demonstrated effectiveness in the delivery of employment and training services.'* * *"

Labor's Acting Solicitor further said that Labor had administratively defined "demonstrated effectiveness" to mean that the services an awardee will provide relate specifically to competencies in (1) access to target groups, (2) capability of providing specific training, and (3) access to jobs.

OYP, which administers title IV youth discretionary funding awards, considers most of these awards as demonstration programs. Most of them are funded on a noncompetitive basis. Under Labor procedures and practices in effect at the time of our June 15, 1981, report, noncompetitive demonstration program awards did not need to be reviewed by the Procurement Review Board.

Labor, however, has since finalized and will soon implement revisions to the procurement policy which will require that noncompetitive titles III and IV awards in excess of $10,000 be subject to review by the board.

Procurement officials authorized to sign contracts are called contracting officers, and those authorized to sign grants are called grant officers. ONP officials who had been delegated authority to sign either grants and/or contracts, both for the titles III and IV discretionary awards, at the time our sample awards were made were the Administrator and Deputy Administrator of ONP. The director of ONP's Office of Special National Programs and Activities was also authorized to sign grants. These ONP officials signed all the titles III and IV discretionary awards included in our sample.

Another review process used within Labor regarding the titles III and IV discretionary funds involved the establishment of a steering committee by the Secretary of Labor. This committee was to approve or disapprove expenditures related to titles III and IV funding plans as discussed in the following section.

STEERING COMMITTTEE RECORDS ON THE TITLE III/IV AWARDS

You requested information concerning the operation of a special departmental committee established to review grant and contract proposals.. Our work has shown that, through a September 25, 1979, memorandum, the Secretary of Labor established a steering committee to oversee the use of CETA title III discretionary funds. In this memorandum the Secretary designated four individuals to sit as a committee to approve or disapprove expenditures related to the approved fiscal year 1980 title III funding plan. The funding plan is the document that ONP and OYP prepare that serves as a guide detailing the projects these offices hope to fund during the fiscal year. (See pp. 5 to 9.)

The four individuals designated to be the committee during the time frame you were concerned with were

--Paul Jensen, Executive Assistant and Counselor to the Secretary of Labor;

--Nik B. Edes, Deputy Under Secretary for Legislation and Intergovernmental Relations;

--Ernest G. Green, Assistant Secretary for Employment and Training; and

--Charles B. Knapp, Deputy Assistant Secretary for Employment and Training.

This committee also approved or disapproved awards from the CETA title IV discretionary funds, although there was no similar memorandum authorizing this action.

We contacted each of the four members of the committee to discuss their role and responsibilities as committee members. One member declined to talk to us. The other three members interviewed generally thought that their role and responsibilities were (1) to review the award proposals for merit from their respective organizational position and (2) to ensure some measure of accountability of the funds being spent. The decisions they made on the award proposals were done on a consensus basis and not by voting.

We found no written criteria to explain why these individuals were appointed, no dates for their terms of appointments, and no written operating procedures detailing how the committee was supposed to carry out its responsibilities. Neither an ONP program official nor the former committee members interviewed were generally aware of the existence of a similar committee within either the Department or other Federal agencies. Finally, the committee had no separate administrative budget that was used solely for committee actions.

Our review showed that determining if steering committee actions were appropriate was difficult because records of meetings were not well maintained. According to an ONP official, separate minutes were to be kept on titles III and IV award actions. The title III minutes do reflect what proposals were considered and what actions were taken on the proposals; however, the minutes do not show who was present, what was discussed about each proposal, or how the decisions were made. Meetings regarding title IV, on the other hand, had no recorded minutes at all. Only handwritten notes were kept on the proceedings which were subsequently destroyed, according to a former assistant to the committee, once the appropriate title IV program staff were notified of the committee's actions.

FUNDING ACTIVITIES FOR ONP AND OYP THAT WERE PLANNED OR UNPLANNED FOR FISCAL YEAR 1981

Your office expressed interest in how the awards made during fiscal year 1981 through January 31, 1981, related to those in the titles III and IV discretionary funding plans. We have obtained information on (1) when these plans were developed and

approved, (2) who approved them, and (3) which awards were made. Your office did not request that we review the fiscal year 1980 titles III and IV funding plans. However, since some of the awards we were asked to review were made in September 1980, we were told by ONP and OYP officials that all these awards were planned. There were 20 ONP awards totaling $6.1 million and 23 OYP awards totaling $2.7 million made during September 1980.

From October 1, 1980, through January 31, 1981, there were 68 ONP award actions totaling $42.6 million and 82 OYP award actions totaling $51.2 million. As of August 13, 1981, Labor has reduced these awards by $3.7 million and $6 million, respectively. Exhibits C and D list the planned titles III and IV awards made during our time frame. According to ONP and OYP officials, 4 ONP award actions totaling $0.8 million were unplanned by the ONP program staff, and 18 OYP award actions totaling $8.3 million were unplanned by the OYP program staff. As of August 13, 1981, Labor had reduced these unplanned awards by $0.5 million and $1.9 million, respectively. These unplanned awards are listed in exhibits E and F. Our work has also shown that both the fiscal year 1981 titles III and IV discretionary funding plans were developed but not officially approved by the former Assistant Secretary for Employment and Training.

Another concern was the funding of unplanned awards. There is no legal problem with funding unplanned awards. Funding plans are merely more detailed reflections of budget submissions prepared by agencies to aid in the administration of program funds. Occasionally these plans are presented to appropriations committees to support a particular program's budget requests. As such, these plans do not reflect congressional intent concerning restrictions on the expenditure of the appropriated funds. There is a clear distinction between the imposition of statutory restrictions or conditions which are intended to be legally binding and the technique of specifying restrictions or conditions in a nonstatutory context.

In this regard, the Congress has recognized that it is generally desirable to maintain executive flexibility to shift funds within a particular lump-sum appropriation account so that agencies can make necessary adjustments for unforeseen developments and changing requirements. Accordingly, it is our view that, when the Congress merely appropriates lump-sum amounts without statutorily restricting what can be done with those funds, as in the CETA appropriations, a clear inference arises that it does not intend to impose legally binding restrictions. Therefore, indications in funding plans as to how the funds should or are expected to be spent do not establish any legal requirements on Federal agencies. Our position in this regard is reflected in prior decisions (see 17 Comp. Gen. 147 (1937); B-149163, June 27, 1962; B-164031(3), April 16, 1975; 55 Comp. Gen. 307 (1976)).

The following information explains in more detail the circumstances involving each funding plan.

Fiscal year 1981 title III funding plan

The fiscal year 1981 title III funding plan was developed during late fiscal year 1980. An interim title III funding plan had been approved by the Deputy Assistant Secretary for Employment and Training on October 10, 1980, that was predicated on resource levels based on a title III budget that was higher than eventually appropriated. The reason for using an interim plan was that Labor was unsure until November 1980 about the total appropriation it was going to receive from the Congress. Since Labor was unsure about what title III was going to receive, this interim plan was considered to be conservative with respect to initial allocations imposed to keep the release of funds to a minimum during the first quarter of fiscal year 1981.

After Labor found out what the title III appropriation was, a revised funding plan was prepared by the Deputy Assistant Secretary for Employment and Training in November 1980. This revised plan was then sent to the Assistant Secretary for Employment and Training on December 1, 1980, but was never officially approved. We found no specific reasons why the final fiscal year 1981 funding plan was never approved.

As discussed previously with your office, the title III awards made could not be matched with the fiscal year funding plans. This is because the title III funding plan is broken out by categorical line item amounts--such as $15.8 million for the Targeted Outreach Program, $2.3 million for handicapped workers, and $5.7 million for older workers--and not by individual awardee. The plan lists offices within Labor's Employment and Training Administration with their planned title III expenditures for one or more categorical line items. As a result of not being able to identify individual awardees, an ONP official told us that almost all the awards made during our time frame were planned except for four awards totaling $802,042, which are shown in exhibit E. As of August 13, 1981, these unplanned awards had been reduced by $512,661.

Fiscal year 1981 title IV funding plan

On December 4, 1980, OYP prepared a comprehensive list of discretionary activities it planned to award during fiscal year 1981. This list contained 180 discretionary projects totaling $181 million. According to an OYP official, the list resulted from a series of meetings involving the former Assistant Secretary for Employment and Training, OYP project officers, and OYP program staff. Three awards on this original list were unplanned by the

OYP program staff but were added by either the Assistant Secretary for Employment and Training or his Deputy. These three awards were as follows:

Name of organization	Amount proposed
Gary Community School Corp. (note a)	$ 122,939
Southern Mutual Help	350,000
Watts Labor Community Action	1,500,000

a/Only this awardee was to be funded during our time frame and is shown in exhibit F. This awardee was subsequently not funded.

The Gary Community School Corporation is a nonprofit organization in Gary, Indiana, which has a project for exposing high school students to alternative careers, keeping educators informed of local labor market demands, and providing guidance and placement for graduating seniors. Southern Mutual Help Association is a nonprofit organization in Jeanerette, Louisiana, which provides recruitment, job training, and support services for farmworker youths, especially those living on Louisiana's sugar cane plantations. Watts Labor Community Action is a nonprofit organization in Los Angeles, California, which provides youth training and community development and maintains working relationships with the public and private sectors.

The list prepared on December 4, 1980, was then revised several times as the Assistant Secretary added new projects. This list then became the title IV funding plan, which was never officially approved by the Assistant Secretary. According to an OYP official, OYP funding plans were never approved in writing by the former Assistant Secretary. The official added there are no guidelines stating that their funding plan had to be approved in writing, although they did send a copy to the Assistant Secretary for comment.

On April 9, 1981, OYP prepared another comprehensive list of title IV discretionary projects. However, this list showed 223 planned discretionary projects totaling about $201.3 million, which represented an increase of 43 projects totaling $20.3 million more than what was indicated on December 4, 1980. An OYP official attributed these differences to projects that were either (1) added or deleted by the program staff or (2) unplanned by the program staff. Including the 3 unplanned projects mentioned earlier, this official identified 29 projects that were unplanned, 18 of which were funded totaling $8.3 million during our review time frame. As of August 13, 1981, these 18 unplanned awards had been reduced by $1.9 million. (See exhibit F.)

Since the April 9, 1981, list showed $201.3 million in planned title IV discretionary awards for fiscal year 1981 and the total

amount available was only $165.9 million, the OYP program office recommended new funding levels of $159.6 million on this list, representing a decrease of $41.7 million. An OYP official told us that further reductions may occur. These reductions are discussed further on page 12.

TITLES III AND IV
TELEGRAM COMMITMENTS

You indicated concern about the number of telegrams that were sent to contractors and grantees during the last months of the past administration authorizing them to incur costs before the actual awards were finalized. We have now identified 70 such telegrams sent during the first 4 months of fiscal year 1981, of which 18 were for awards to be administered by ONP totaling an estimated $15.3 million and 34 were for awards to be administered by OYP totaling an estimated $14.6 million. These amounts represent the funds Labor planned to award pending further negotiations. Our analysis since our preliminary report showed that only an estimated $3.1 million for title III and an estimated $2.7 million for title IV was actually authorized in the notices.

Your office asked that we compare the number of telegrams sent during January 1981 with the number sent during a normal period of operation. As agreed with your office, we compared the January 1981 title III award telegrams with those sent during all of fiscal year 1979 because we had data for that period in our report (noted on p. 2) on ONP's administration of its employment and training awards. In that report we estimated that only 20 telegrams were sent by ONP's Office of Special National Programs and Activities (which administers almost all of ONP's title III discretionary awards) for all of fiscal year 1979. Our review has shown that 39 telegrams were sent (9 of which were ONP administered) during January 1 to 19, 1981.

Labor's Acting Solicitor has told us previously that pre-award authorization letters (telegrams) constitute binding agreements between Labor and awardees and legally obligate Labor to reimburse awardees for allowable costs incurred before the awards are finalized. Labor's Acting Solicitor also told us that, if negotiations should fail to produce an award, Labor would be legally required to pay any program costs incurred by the awardee up to the point of denial.

Exhibits G and H show information on the telegrams sent during the first 4 months of fiscal year 1981.

RECRUITMENT AND TRAINING PROGRAM, INC.,
AWARDS RECEIVED OR BEING NEGOTIATED
DURING FISCAL YEARS 1975-81

You expressed interest in the awards that were made to the Recruitment and Training Program, Inc. (RTP, Inc.), during fiscal

years 1975-81. You also wanted to know which Labor officials were involved in making these awards. Our review of official award records has shown that 19 awards were made or were being negotiated during this time frame for about $40.7 million using CETA titles III and IV discretionary funds. This represents a decrease of $388,613 from our preliminary report. One award for $350,000 was canceled, while another for $435,000 was reduced by $38,613. All awards on the following list were made or were being negotiated during fiscal years 1975-81 (as of August 13, 1981) and were signed by either the Administrator or Deputy Administrator of ONP (who is now the Acting Administrator of ONP).

Award date (note a)	Period of performance	Amount Title III	Amount Title IV	
(b)	(b)	$ 3,165,000		
9-12-75	9-15-75 to 9-14-76	3,493,020		
8-27-76	9-01-76 to 8-31-77	4,108,722		
8-11-77	6-01-77 to 8-31-77	34,586		
8-16-77	9- 1-77 to 6-30-78	5,166,541		
10-28-77	9- 1-77 to 6-30-78	52,140		
7- 1-78	4-21-78 to 3-30-81		$1,497,488	
5- 9-79	3- 1-79 to 1-15-81		1,099,600	
9-21-79	9-29-79 to 11-28-80	1,680,661		
9-21-79	9-29-79 to 11-28-80	7,953,309		
2- 2-80	1- 1-80 to 11-28-80	500,000		
2-13-80	2- 1-80 to 11-28-80	330,000		
3-11-80	3-17-80 to 3-20-81		891,393	
9-24-80	5-15-80 to 6-30-81		1,179,317	
9-25-80	7-14-80 to 11-28-80	59,520		
10- 1-80	10- 1-80 to 11-28-80	c/35,306		
12-31-80	11-29-80 to 10-31-81	7,486,000	1,130,000	
1-19-81	1- 1-81 to 5-30-81		c/396,387	
1-19-81	1-19-81 to 6-30-81		c/470,000	
Subtotal		$34,064,805	$6,664,185	
Total for titles III and IV				$40,728,990

a/Reflects either the date the award was signed or the date Labor sent a telegram notifying the awardee of its intent to fund the award.

b/This award file was not available for review because it has been stored at the National Archives. We were able to get the amount awarded from the title III contract register, but not when it was signed, who signed it, or what the period of performance was.

c/This figure represents the amount Labor planned to award pending negotiations.

As discussed with your office, we plan to conduct a separate review of RTP, Inc., now that our work is complete on this assignment.

CARRYOVER FUNDS AVAILABLE FOR FISCAL YEAR 1981

According to information provided by Labor officials, $24.9 million of fiscal year 1980 funds was available for obligation during fiscal year 1981 for title III discretionary programs. Of this amount, $18.3 million was committed in fiscal year 1980 against the 1980 funding plan but was not converted into obligations by contracts or grants before the end of the fiscal year. Therefore, $6.6 million in carryover funds was available for fiscal year 1981 programing.

For title IV discretionary programs, an OYP official stated that the estimated fiscal year 1980 carryover that was available for obligation in fiscal year 1981 was $5.2 million. According to this official, the estimate is subject to change based upon reconciliation of prime sponsors' estimated fiscal year 1980 carryover amounts under their title IV youth formula awards.

ALLEGED OVERCOMMITMENT OF DISCRETIONARY FUNDS

The Antideficiency Act prohibits expenditures, contracts, or other obligations in excess of available appropriations. A status report provided by Labor officials shows that, as of January 30, 1981, the fiscal year 1981 title III discretionary funding plan was potentially overcommitted by $7.3 million. According to this status report, the funding plan totaled $163.4 million, while available funding was only $156.1 million. The report shows, however, that the total Federal obligation for the title III awards was only $51.2 million, or about 33 percent of the available funds.

Information provided by OYP officials indicates that planned commitments under the fiscal year 1981 title IV discretionary funding plan totaled $201.3 million. According to OYP officials, only $165.9 million was available for fiscal year 1981 discretionary funding. The funding plan, therefore, was potentially overcommitted by $35.4 million. According to the status report of Employment and Training Administration resources and other funding data furnished by Labor officials, as of January 30, 1981, only $52.2 million, or about 31 percent of the title IV discretionary funds, had been obligated by program officials.

As a result of Labor's activities in obligating titles III and IV funds, it avoided any potential violations of the Antideficiency Act.

CURRENT ADMINISTRATION ACTIONS TO REDUCE ALLEGED OVERCOMMITMENTS

Because of the potential overcommitments, Labor reduced the titles III and IV projects to bring the planned fiscal year 1981 expenditures more in line with its budget authority. At the time of our last report, unverified estimates obtained from Labor officials indicated potential reductions of $27 million and $45 million from planned fiscal year 1981 titles III and IV discretionary fund commitments, respectively. Since that time Labor has increased funding for title III by $2 million and title IV by $3 million. Accordingly, as of August 13, 1981, Labor had reduced title III by $25 million and title IV by $42 million to bring planned fiscal year 1981 expenditures in line with its budget authority. Little of the title III reductions, however, represent funds that are recoverable from actual obligations in that most of the reductions were from planned award expenditures. Labor officials could not estimate at this time what the obligated funds recovery might be for title III. Under title IV, one Labor official did estimate that $15 million of the reductions represent obligated awards, of which Labor hopes to recover $9.5 million.

Most of the money to be recovered from obligated awards is being recovered by Labor exercising a termination for convenience of the Government clause contained in its contracts. Your office expressed concern as to why this clause is in contracts and not in grants. We will shortly issue a report concerning the use of contracts, grants, and cooperative agreements which discusses the appropriate use of each instrument, including the different requirements of the procurement and assistance systems. This report will be sent to you upon its issuance and should provide the needed information.

NOTIFICATION OF LABOR'S OFFICE OF INSPECTOR GENERAL CONCERNING OVERCOMMITMENT OF TITLES III AND IV FUNDS

Your office expressed interest in what action Labor's Office of Inspector General (OIG) has taken regarding the alleged overcommitment of titles III and IV funds. The ONP program staff knew of their potential overcommitment around the end of January 1981 and immediately notified the Acting Deputy Assistant Secretary for Employment and Training. On March 4, 1981, the same day of a "Washington Post" article on this subject, OIG initiated a headquarters investigation of this matter. We have not identified any departmental rules that require OIG to be notified about any possible overcommitment of program funds.

On April 1, 1981, OIG began a field investigation of some of the award activities that had taken place during the closing months of the past administration. As previously discussed with your office, this investigation involves some of the same awards you requested us to review. However, OIG is focusing on investigating possible criminal violations and not on evaluating the award processes. As of August 17, 1981, this investigation was still ongoing.

APPENDIX II

INFORMATION ON THE 34 TITLES III AND IV AWARDS THAT WERE REVIEWED

INTRODUCTION

You requested that we review award files to determine if proper procedures were followed in making awards during the time frame you specified. As mentioned earlier, we reviewed 34 awards (encompasses 16 awardees in that some received multiple awards) to respond to your concerns. Information on the 34 awards reviewed 1/ showed that prudent grant/contract procedures were not always followed during the award process. During our review of the award files, we generally found (see exhibit I)

--few formal records of negotiations relating to the awards process (19 awards),

--a lack of comprehensive evaluations of awardees' past performance before award renewal (14 awards), and

--little evidence of site monitoring visits (19 awards).

The following presents more detailed information and observations in addition to those listed above for each of the awards we reviewed. Our observations are based on the review of the award files and discussions with Labor officials.

SER-JOBS FOR PROGRESS, INC.

SER-Jobs for Progress, Inc. (SER), is a national, nonprofit, community-based organization which has received Labor awards since 1966 to improve employment and training opportunities among Hispanic people. SER has its headquarters in Dallas, Texas, and maintains four field offices and has about 135 local affiliate organizations.

In our preliminary report, we listed nine awards to SER, totaling $6,113,254. Our analysis since that time has shown that this contractor received 10 awards for $4,183,547--of which 4 totaling $1,300,866 were finalized during the time frame September 1, 1980, to January 31, 1981, and 6 totaling $2,882,681 were planned during that time frame but formalized after January 31. Of these awards, three were title III for $2,467,738 and seven were title IV for

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1/All the awards reviewed were made on a noncompetitive basis with 10 awards being modifications that extended prior awards for less than 6 months.

$1,715,809. The difference in the number of awards (10 versus 9) occurred because one award was funded incrementally, resulting in two awards instead of one. Regarding the difference in the total amounts ($6,113,254 versus $4,183,547), Labor planned to award all but $645,000 of the difference to SER.

In addition to those observations pertaining to all awardees, our review showed that:

--Some progress reports were either never submitted or submitted months late.

--Several audits and inspections were conducted by or for Labor during the past 2 years which indicated possible financial and managerial problems, and Labor's OIG is sponsoring a certified public accounting firm's financial and compliance review of several SER awards.

The 10 awards funded all or part of five SER activities. A brief description of these activities and our observations are presented below.

School-to-Work Transition Demonstration Project (three awards)

This project received two title IV awards for $263,528 in the September 1980 to January 1981 time frame. A third award for $376,598 was planned for this period, but at the time of our review only $93,900 had been awarded on February 17, 1981. The purposes of this project were to explore the feasibility, and assess the effectiveness, of community-based organizations helping to provide special career development assistance to in-school youths. SER has supervised the project from its Dallas headquarters, and the actual services have been provided by a number of local affiliated organizations operating under subcontracts.

The Deputy Administrator of ONP signed two of the awards, one while serving as Acting Administrator. The former ONP Administrator signed one award. Regarding this project, we observed that:

--The OYP representative was unable to locate any progress reports on SER since October 1979.

--The project experienced cost overruns and other financial problems. As a result of the possible mismanagement of project funds, the awardee was placed on a stricter method of payment. Also, the OYP representative responsible for the contract requested an immediate audit of the award by OIG. However, the former OYP Administrator did not believe an audit was necessary at that time.

The contractor's financial difficulties were first identified in a September 1979 site visit report. OYP officials visited SER headquarters and identified cost overruns in several items, such as travel, equipment, supplies, space rental, and communications. The OYP representative questioned the need for some of these increased costs and/or their relevance to the project. However, the former OYP Administrator requested SER to submit a revised budget, which increased the line items already overspent and reduced payments to SER subcontractors who actually provided the employment and training service.

Summer Career Exploration Program (two awards)

The purpose of this project was to explore the feasibility and assess the effectiveness of a special summer career exploration program. SER's responsibilities include providing employment orientation, career information and counseling, job development and placement services, and support services to Hispanic youths.

On December 8, 1980, the Administrator of ONP signed one title IV award modification for this project, funding it through December 31, 1980, at an added cost of $259,600. Another title IV modification to this project for $1,155,790 was planned, but at the time of our review only $289,475 had been awarded on February 17, 1981. The Administrator of ONP telegraphed SER on January 19, 1981, authorizing it to continue work after January 1 for an indefinite time frame and cost level.

Multicultural Career Intern Program (one award)

The title IV award modification which is part of our sample was signed by the Acting ONP Administrator on February 18, 1981, for $409,306. This modification extended the existing period of performance from July 15, 1980, through March 31, 1981. This action formalized an award originally planned for $345,000. The final amount was larger because it funded the project for a longer time frame than was planned. The purpose of this project is to provide a comprehensive bilingual educational program of individualized academic instruction, career awareness, and intensive counseling.

Our review showed that SER continued to implement the project between July 15, 1980 (the contract expiration date), and December 29, 1980, without formal authorization from Labor. In late December 1980 the ONP Administrator notified SER by telegram that the period of performance had been extended from July 15, 1980, through January 31, 1981, pending completion of negotiations and issuance of a formal contract modification.

Capacity Building Assistance (one award)

This title IV award was originally planned for $800,000 and authorized the contractor to begin work on January 12, 1981. The award was not finalized until May 22, 1981, when the Acting ONP Administrator signed a contract for $400,000. The current period of performance ends December 31, 1981. The purpose of this project is to provide capacity building assistance to youth program operators identified as experiencing difficulties (1) in competing for local funds and (2) in delivering youth programs effectively. This assistance will be provided through one-to-one contacts and in conferences and workshops.

At the time SER was awarded this noncompetitive contract, it was already operating a contract with Labor to provide technical assistance and training to its affiliated local organizations. That project is discussed below. Neither of the OYP representatives for these contracts were aware of the scope of the organization's other project, nor did they have assurance that the two projects were not overlapping.

Technical Assistance and Training (three awards)

Labor has awarded funds to SER since 1974 to provide its affiliates with technical assistance and training. A title III modification for $777,738 to the current contract was signed by the former ONP Administrator on December 12, 1980, which extended the performance period by 3 months. Regarding the second and third awards, Labor initially planned to award $2,135,000. However, this amount was not awarded. Labor subsequently funded two title III award modifications signed by the Acting Administrator of ONP for $356,000 and $1,334,000 on March 10 and May 18, 1981, respectively, extending the technical assistance and training contract through October 31, 1981.

OPPORTUNITIES INDUSTRIALIZATION CENTERS OF AMERICA, INC.

The Opportunities Industrialization Centers of America, Inc. (OIC/A), is a network of employment and training programs which began in 1964. The network consists of a national headquarters in Philadelphia, Pennsylvania, and about 132 local OICs throughout the country. A primary mission of the OIC/A national office is to provide technical assistance to improve the management and operations of local OICs as well as to foster interest groups that expect to become affiliated with OIC. Between September 1, 1980, and January 31, 1981, the OIC/A national office received seven fully executed or telegram awards totaling $5,996,651 from title III (three awards for $2,613,000) and title IV (four awards for

$3,383,651) discretionary funds. After this time frame, a title III award for $1,272,000 was being deobligated and a title IV award for $800,000 was reduced to $400,000. A brief description of these activities and our observations are presented below.

Miniversity Project (one award)

OIC/A's first award was a $125,000 title III contract approved by the ONP Deputy Administrator on September 24, 1980, for the period September 24, 1980, to August 31, 1981. The award, a modification to OIC/A's existing regular technical assistance contract, was to provide upgrade training to persons who are in entry-level positions and locked into dead-end low-paying jobs. The program is being conducted by the Philadelphia Miniversity, a nonprofit neighborhood educational program in Philadelphia, Pennsylvania. The program initially was to provide training services to 220 participants with 198 expected to complete the training. OIC/A later requested a modification to reduce its planned number of participants completing the program to 180. The request was based on a temporary freeze on promotions in the clerical and day care fields.

Youth Job Placement Program (two awards)

OIC/A received two awards under one contract for the period October 1, 1980, through October 31, 1981. The first award was from title III funds for $1,272,000 and was made on October 15, 1980, for placing 10,000 CETA graduates into Federal jobs. As part of this effort, the Office of Personnel Management was to identify and certify vacancies for these individuals. The second award, a modification for $1,000,000 to the first award using title IV funds, was awarded on January 16, 1981. This modification was for placing 5,200 youths into private sector jobs in 26 cities. The Administrator of ONP signed both award actions.

During the review we questioned Labor officials concerning the justification for continuing these awards because circumstances pertaining to them had changed significantly. Limitations had been placed on Federal hiring, and the Office of Personnel Management had not begun identifying potential job vacancies. Also, other CETA funds that were to be used in assisting the private sector effort had been phased down. On June 5, 1981, the Assistant Secretary for Employment and Training informed us that he agreed that the circumstances surrounding the awards' proposed method of operation had changed significantly. As a result, he was taking action to deobligate the $1,272,000 which was to be used for the public sector effort. He further stated that, since other CETA funds to assist the private sector effort were no longer available, Labor had decided to change the contract scope of work so that OIC/A can assist in Labor's priority effort to provide employment for public service employment terminees. He said that about $800,000 in title IV funds remaining on the $1,000,000 modification award will be redirected for this effort.

Technical Assistance Project (one award)

On December 12, 1980, OIC/A received a $1,216,000 renewal to its recurring technical assistance contract which is funded from title III funds each year to assist the local OICs. Initially, the technical assistance award for the period November 1, 1980, through October 31, 1981, was estimated to be $4,863,000. However, because ONP did not have appropriated funding available for the total award, it provided partial funding of $1,216,000 to carry OIC/A through January 1981. OIC/A received an $800,000 modification on March 23, 1981, and at the time of our file review, ONP was processing a second modification of $1,800,000, bringing the total contract cost to $3,816,000. According to the ONP representative, this reduction of $1,047,000 from the initial estimate was part of a general across-the-board cut made by the Office of Special National Programs and Activities. The contract was signed by the Deputy Administrator of ONP.

Youth Employment Technical Assistance Program (one award)

In a January 19, 1981, telegram, the Administrator of ONP notified OIC/A that it would be awarded an $800,000 contract effective January 12, 1981, for an 18-month youth employment technical assistance program covering capacity building assistance to affiliated and unaffiliated local and national youth program operators. The genesis for this title IV award was contained in OYP's 1980 program plan, which pointed out the need for pilot awards to help community-based organizations overcome the specific impediments and shortcomings they find in competing for local funds and in delivering programs effectively. Several other organizations received similar pilot awards.

The actual contract, approved on June 12, 1981, for the program was reduced to $400,000. According to the OYP representative, this reduction was the result of the current administration's actions to reduce the overall OYP funding overcommitment. The contract provided for a performance period of January 12 through December 31, 1981. The OYP representative for the award stated that OYP had set aside an additional $200,000 for a possible modification of the award based upon satisfactory performance during the initial performance period. The final contract was signed by the Acting Administrator of ONP.

Career Intern Program (two awards)

On January 16, 1981, OYP provided $1,583,651 to OIC/A to continue an experimental career intern program (an alternative high school to serve the academic, career, and personal needs of actual and potential student dropouts). Under this effort, OIC/A funded four demonstration sites established as a result of

an earlier interagency agreement between Labor and the National Institute of Education. The effort also supported the prototype career intern program in Philadelphia on which the experiment was based. The Philadelphia prototype, established by OIC/A in 1972, was previously funded directly by OYP. OIC/A's proposal for the prototype was included as an addendum to the funding proposal for the four demonstration sites, and the negotiations were handled separately. A second internal procurement authorization document had to be prepared to provide additional funds for the prototype. Therefore, it was included as a separate award for our sample purposes. According to OYP officials the purpose of the award was to provide the four demonstration projects a transition period to obtain non-OYP funding support to continue from the demonstration phase to operational status and to allow the Philadelphia prototype additional time to develop local funding support. The Federal representative said that OYP does not plan to provide additional funds to these projects.

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Our review of OIC/A award files and discussions with Labor officials generally disclosed contract procedural problems similar to those discussed previously relating to poor procedures we found in most of the awards reviewed. Exceptions include the career intern program, which was being evaluated by a private consulting firm during the period OYP was making this award, and the youth employment technical assistance program, which did not have site visits made because OIC/A had only recently begun work after receiving final contract approval. Also, the ONP representative made a 1-day visit to OIC/A after we completed reviewing some of the title III award files.

In addition to the problems generally found in all awards, we noted the following relating to specific OIC/A awards:

--ONP letters authorizing OIC/A to incur costs for its regular title III technical assistance contract and the private sector portion of the youth jobs placement program before the awards were signed did not contain adequate safeguards to protect the interests of both the Government and OIC/A.

--The original contract package for the regular title III technical assistance award did not contain a budget breakdown for salary and wage costs of $2.4 million for the full performance period.

--According to the ONP representative responsible for processing the Miniversity award, negotiations were not conducted because the funding commitment had been made during a meeting between OIC/A and the former Administrator of ONP. The representative was told just to process the proposal. The

representative said he believes the award was not needed because OIC/A should have been able to carry out the award functions without using the Miniversity.

--An OYP supervisor felt that the Philadelphia prototype career intern program project should not have been funded along with the four demonstration projects because the prototype had been in existence long enough to meet OYP's research needs. He said, however, that the former Administrator of OYP felt the prototype should be continued to allow it to develop local funding support.

NATIONAL COUNCIL OF LA RAZA

The National Council of La Raza purports to be one of the largest Hispanic technical assistance and advocacy organizations in the United States, having four missions:

--Providing technical assistance, training, and other support to Hispanic community-based organizations.

--Carrying out research and advocacy on behalf of Hispanics.

--Informing Hispanic communities and the broader American society about issues and problems of special concern to Hispanics.

--Developing catalytic special projects which benefit Hispanics and Hispanic communities.

As of May 1980, this 13-year-old organization had program offices in Chicago, Albuquerque, and Phoenix; a field office in the Rio Grande Valley of South Texas; and was establishing program offices in Dallas and San Francisco. La Raza offices provide technical assistance to Hispanic community-based organizations, including more than 120 affiliated local organizations serving a million persons in 22 States, Puerto Rico, and the District of Columbia.

Included in our sample of 34 awards were 4 awards to the National Council of La Raza totaling $765,742. One of the awards was funded with title III funds ($374,991), and the other awards were or are to be funded under CETA title IV ($390,751). These awards support four La Raza activities, which are described below. Our review of La Raza's files generally showed some of the same problems as indicated in all the awards. (See exhibit I.)

National Hispanic Youth
Employment Conference Project

This was a title IV contract modification awarded on September 19, 1980, for $11,545, which extended the performance period from June 30 through August 31, 1980. The original contract was

for $99,781 and was awarded on March 6, 1980. Two additional modifications to the contract performance period were executed during our period of interest, which involved no additional costs to the Government but extended the project performance period to December 31, 1980 (as of the last modification). This project was to plan and carry out a conference focusing on the universe of need for Hispanic youths on the whole, specific needs and issues of Hispanic subgroups, and cultural and educational needs. The conference was to provide a mix of papers presented by nationally known experts, model programs which highlight best practices, discussion forums, and general sessions in which policy recommendations could be put forward. Both the contract and the modification award made during our period of interest were signed by the Deputy Administrator of ONP.

Upward Mobility Demonstration Project

This was a title IV contract renewal for $79,206 awarded on October 21, 1980, for La Raza to plan, and later implement, the Hispanic Youth Employment Research Center. Although the project (including the planning and implementing phases) was to extend over an 18-month period, Labor decided to fund the project incrementally; thus, it established a 3-month contract performance period, from September 29 through December 29, 1980 (for the project planning phase only). When operational, the Center will have following objectives: (1) increase the amount and quality of employment-related research on Hispanic youths, as a basis for policy and program action, and (2) increase the number of trained researchers in the field of Hispanic youth employment research. In establishing the research center, La Raza's tasks were to include recruiting and selecting a technical advisory committee and selecting fellows and interns to carry out research, hold a Hispanic symposium, and develop and maintain a computerized bibliography of Hispanic youth employment research. The contract award was signed by the Deputy Administrator of ONP.

Employment Technical Assistance and Training Project

This was a title III contract renewal for $374,991 awarded on October 28, 1980, for the period September 1, 1980, through August 31, 1981. This contract was for the third funded year of implementation of La Raza's employment technical assistance and training project. La Raza's contractual responsibilities included assisting at least 10 Hispanic community-based organizations to seek CETA funding for the first time; assisting at least 20 Hispanic community-based organizations to accomplish measurable improvements in program management (including fiscal, personnel, and management information systems development, and/or refinements); and assisting at least 10 Hispanic community-based organizations to improve employment and training program service. The contract award was signed by the Deputy Administrator of ONP.

School-to-Work Transition Demonstration Project

The previous Assistant Secretary for Employment and Training on January 15, 1981, approved a requested authorization for modifying the work statement and increasing the budget by $300,000 of an existing contract, using title IV funds. As of August 13, 1981, this modification has not been executed pending further negotiations and contractor/Labor actions.

Under the original contract, La Raza was to provide technical assistance and guidance to two La Raza affiliates for implementing and administering a work program on each of their respective sites. La Raza's contract responsibilities also included developing procedures for the selection of in-school disadvantaged youths, the curriculum for a career development program, and support services; establishing at each site a project advisory council comprised of representatives from business, education, unions, and local youth agencies; and enrolling 240 high school seniors for part-time work during the school year and full-time summer work. La Raza was to provide a data base for an independent evaluation of the relative effectiveness of community-based organizations as compared to other delivery agents used in separate, similar projects.

SOLAR AMERICA, INC.

Solar America, Inc., is a design, engineering, and analysis firm specializing in solar environmental systems, energy technology studies, and product servicing and marketing. The company is a custom manufacturer/fabricator of energy systems and devices. There were two Solar America, Inc., contracts in our sample, and both were funded under title III and had different ONP representatives. The first contract for $785,217 was a renewal awarded on September 30, 1980, for the period September 30, 1980, to September 29, 1981. The purpose of this contract was to continue providing the employment and training system of State and local CETA prime sponsors and national contractors and grantees with information needed to plan and implement employment and training programs in alternate energy. The central feature of the project is an alternate energy and employment development clearinghouse, which relies upon a computerized information retrieval system to provide information on existing energy programs, funding sources, experts in alternate energy and employment development, literature in the field, and a range of newsletters and program files. This award was signed by the Administrator of ONP.

The second contract for $455,570 was awarded on December 9, 1980, for the period October 15, 1980, to October 14, 1981. The purpose of the award was to establish a Hispanic referral and recruitment system to increase the employment opportunities for professional Hispanics in the Federal Government. The awardee

was to develop a computerized recruitment and referral system to be used in recruiting Hispanics, tracking job vacancies for Federal service in GS-9 positions and above (pay range starting at $18,585), and referring a standard job application to the appropriate Federal agency for each applicant. This award was also signed by the Administrator of ONP.

Our review of the alternate energy clearinghouse award showed:

--The ONP representative stated he had no expertise in the computer field and did not call anyone in to examine the contractor's systems.

--Solar America was sent a telegram on April 6, 1981, stating that this award will not be renewed or refunded.

Our review of the second award to Solar America, Inc., for the Hispanic referral and recruitment system showed:

--In December 1980, the contractor claimed that its system was operational. According to the ONP representative, after examining the program a Labor computer specialist said that program could not possibly work as prepared.

--As a result of the December 1980 examination, the contractor was told in January 1981 to immediately upgrade its computer system and obtain the services of a technical person with considerable computer experience.

--According to the ONP representative, the project was funded at the insistence of the former Administrator of ONP.

--The ONP representative was concerned about the contractor's capability, so he had the project divided into two phases during the negotiations. The first phase, for which the contractor would receive a maximum of $150,000, consisted of developing the computer system, which had to be successfully completed before the remaining $305,570 would be disbursed for the second phase.

--According to the ONP representative, the negotiations took place on December 5, 1980, more than 2 months after the effective date.

--The ONP representative, accompanied by a Labor computer specialist, made a site visit in April 1981 and found that the computer system was operational.

--A telegram was sent to Solar America on July 10, 1981, informing them that the contract will not be refunded or extended when it expires in October 1981.

--According to the ONP representative, as of August 13, 1981, no one has received employment as a result of this award.

ONE AMERICA, INC.

One America, Inc., is a firm which provides consultant services for programs and projects directed to and originating in minority communities throughout the Nation. The firm received a title III contract modification for $114,069 awarded on January 16, 1981, for the period January 9 to December 31, 1981. The purpose of this award is to continue providing information to the CETA prime sponsors, State employment security agencies, and State employment and training councils and other parties concerning ONP-awarded grants and contracts. This is achieved through One America's computerized notification system, which was established by its original contract for $146,596. This award modification was signed by the Administrator of ONP. Our review showed:

--Invoices for two staff positions, which were computed on a daily rate, were not specific enough to show how much time the two persons actually spent on the project. The ONP representative said he did not review the invoices closely and was unaware of this.

--According to the ONP representative, no efforts were made to see if others were willing or able to provide such services because the Administrator of ONP wanted One America to do it.

--The ONP representative told us he had no expertise in the computer field and did not seek assistance from someone with such experience in negotiating the contractor's work statement and timetable.

--The ONP representative stated that, if the contract for providing these services is renewed, he will recommend that it be made on a competitive basis.

SOUTHERN VOCATIONAL COLLEGE

The Southern Vocational College was incorporated July 25, 1969, in Alabama as a nonprofit corporation. Its founding purpose was to enable public assistance recipients, potential public assistance recipients, underachievers, destitute, disadvantaged, unskilled, and unemployed persons to acquire useful and marketable skills in becoming employed and productive citizens.

The awardee received its first award for $870,799 made under title III and administered by ONP's Office of Farmworker and Rural Employment Programs during the period September 1, 1978, through March 31, 1980. The primary purpose of this award was to provide classroom training and services to migrant and seasonal

farmworkers in Alabama, Georgia, and Mississippi who suffered chronic seasonal unemployment and underemployment in the agricultural industry.

The awardee received a title IV contract on June 18, 1980, for $498,262 for the period of April 21, 1980, through April 20, 1981. This award, however, was administered by ONP's Office of Special National Programs and Activities. The purpose of the award was to provide (1) a quality training program in allied health occupations to economically disadvantaged youths, ages 16 to 21, and their families to assist them in becoming employed and (2) a program of service designed to improve the youths' well-being and lifestyle as they participate in the overall allied health employment and training program.

This second award was modified with title III funds on January 19, 1981 (the award made in our time frame), to increase the contract by $199,000 and to extend it from April 20 through September 30, 1981. This modification was signed by the Administrator of ONP. Our review showed:

--The second award was provided despite much concern by program staff regarding a Federal Bureau of Investigation inquiry and an assessment by Labor's OIG which concluded that Southern Vocational College had poor fiscal management and was incapable of administering the first award.

--The former ONP representative stated that the Administrator of ONP instructed him to negotiate this award and told him that the alleged problems were not serious.

--The ONP representative responsible for the second award noted no problems in his November 1980 site visit report and indicated that the awardee had met all current Labor requirements concerning this contract. However, the representative told us that when he makes a site visit he does not look for problems unless the awardee tells him that problems exist. Since Southern Vocational College did not tell him of any problems, he limited his review to what the college provided. According to a recent OIG draft report on the awardee's performance for the period September 1, 1978, through March 31, 1980, the awardee had many financial management weaknesses and inappropriately used grant funds.

--On April 4, 1981, Labor officially notified the awardee that ONP will not be extending or refunding its contract upon its expiration. They also instructed the awardee to begin an orderly phasedown of its project activities because of Labor's significant reduction in the title III budget.

THE ROSSLYN FOUNDATION

The Rosslyn Foundation is a firm specializing in research and training. It received a title III contract for $200,000 awarded on November 17, 1980, for the period November 17, 1980, through November 16, 1981. The purpose of this award is to test, develop, and demonstrate a youth job development and demonstration program in public housing security in Boston. According to the ONP representative, 120 youths will be trained as security guards. The award follows a July 1979 Rosslyn Foundation feasibility study on entry-level employment in the security industry in Boston. The award was signed by the Deputy Administrator of ONP. Our review showed:

--Two ONP representatives were associated with this project. The representative who performed the negotiations said he had no problem with a subcontractor receiving $125,143 of the $200,000 contract and performing all of the essential work because many of the ONP contractors do not have the time to complete their projects so they subcontract. We could not determine what the contractor was to do.

--The representative who conducted the negotiations told us he has never seen the feasibility study on which the award was based. This information could have been helpful during the negotiations.

--On April 4, 1981, a telegram was sent to the awardee informing it that the contract will not be extended or refunded upon its expiration.

VIRGINIA CARES, INC.

The word "CARES" in the organization's title stands for Community Action Re-Entry System, which is a network of 20 community action agencies providing services including job development and placement to prisoners, ex-prisoners, and their families in Virginia. This was a title III grant for $300,000 awarded on January 19, 1981, for the period January 19, 1981, to January 18, 1982. The purpose of the demonstration project is to show how a statewide network of community action agencies can reduce the number of repeat criminal offenders by working with a State correctional system and providing the services needed by ex-prisoners to move into the mainstream of legitimate life when they return to the communities. The funding of this grant was the culmination of a 3-1/2-year effort by the Community Services Administration, beginning with a planning grant for $163,000, a marketing grant to sell the program's concept in 1979, and the contribution of $250,000 to establish an interagency agreement between the Community Services Administration and Labor, for which Labor contributed this $300,000 grant. The award was signed by the Director of ONP's Office of Special National Programs and Activities. Our review showed:

--The former ONP representative responsible for the award stated in a memorandum to the Administrator of ONP the pros and cons of making this award. The pros were that the Virginia CARES pilot program appeared to have been successful in lowering the number of repeat criminal offenders and that there was some congressional interest in more CETA-supported ex-offender programs. The cons were that the project would be too expensive to establish nationally and would not be easily transferable to other States and that Virginia rather than the Federal agencies should provide most of the support to institutionalize this statewide system. Another reason given for possibly rejecting the project was that the financial burden was too great in terms of amount and project duration.

--The former ONP representative forwarded the awardee's proposal to Labor's Office of Community and Economic Development in the Employment and Training Administration. That office rejected the proposal because the kinds of services to be provided under the project can be coordinated through the CETA prime sponsor system.

--A telegram was sent on March 31, 1981, to Virginia CARES to arrange a meeting to renegotiate the period of performance and funding level. We were told by an ONP official that discussions have been held, but as of July 30, 1981, no changes had been made to this award.

BOB TUCKER AND ASSOCIATES, INC.

Bob Tucker and Associates, Inc., is a management consultant firm providing such services as research and analysis, training and technical assistance, surveys, and data collection. The firm received a title III contract for $417,158 awarded on January 5, 1981, for the period December 29, 1980, to March 31, 1982. The purpose of the contract was to determine the overall effectiveness of an interagency project between Labor and the Environmental Protection Agency for recruiting, training, and placing rural disadvantaged persons in rural water/waste water systems occupations. The objective was to be achieved through an evaluation of the methods, processes, linkages, techniques, and results of the interagency project. The award was signed by the Administrator of ONP. Our review showed:

--Two ONP representatives were responsible for this award. Both representatives agreed there was a need to award an evaluation to look at the previous awards by the Environmental Protection Agency and Labor. An ONP representative said that about $3.5 million in CETA funds had been spent at the local level and the results were largely undetermined.

--The contract was terminated on April 1, 1981, because the scope of the evaluation did not appear to justify the level of resources included in the contract.

--One ONP representative believed the true reason that this evaluation contract had been canceled was that the two contractors providing the recruiting, training, and placement services did not wish to be evaluated. He added that, by canceling this evaluation contract, the two contractors will go unchecked.

LABORERS' INTERNATIONAL UNION OF NORTH AMERICA

The awardee, founded in 1903, is the ninth largest union in the AFL-CIO. It has 820 affiliates in the United States and Canada with about 550,000 members. Its first employment and training contract with Labor was awarded in 1967.

The awardee received a title III contract renewal for $694,500 awarded on September 11, 1980, for the period August 1, 1980, to July 31, 1981. The purpose of the award was to train 500 economically disadvantaged individuals for employers having exclusive collective bargaining agreements with the contractor. This training was primarily in prestress-precast concrete products, manufacturing plants, and modular home construction plants. The award was signed by the Deputy Administrator of ONP. Our review showed:

--The ONP representative responsible for the award was not well informed concerning the contract's specifics. For example, the representative was unaware (1) of the number of people being trained, (2) that a required report was missing, and (3) of the amount of money, location, or training arrangements that the contractor had with any of its subcontractors.

--The contract has been modified to extend the period of performance 4 months to November 30, 1981, with an additional $209,000 in funding.

--A site visit was made to two subcontractors in the Albuquerque, New Mexico, area after our review of the files.

TRADE UNION LEADERSHIP COUNCIL, INC.

This awardee is located in the Detroit area and has a joint venture with the Greater Detroit Building Trades Council to provide an ongoing tutorial preapprenticeship training program for preparing minority youths, ages 18 and over, for employment in the building and construction industry through entry-level apprenticeship.

On May 18, 1979, the organization was awarded a $168,540 title III contract for the period May 1, 1979, through October 31, 1980. The award was later modified three times. The third modification of this contract, which was made during our time frame, was awarded on November 6, 1980, for $87,000. This modification extended the period of performance from October 31, 1980, through March 31, 1981, and increased the contract's estimated cost from $276,540 to $363,540. This modification was signed by the Administrator of ONP. Our review showed:

--The ONP representative responsible for the award knew little of the specifics of how the modification amount was reached because this amount was decided by top Labor officials and was not negotiated with the awardee.

--A site visit was made on April 23, 1980, but the information provided lacks specific observations.

--The contract expired March 31, 1981. This program has subsequently been incorporated under an award to RTP, Inc.

NATIONAL ASSOCIATION FOR THE SOUTHERN POOR

This awardee is the executive arm of a network of 27 county- or city-wide existing community organizations in Virginia and North Carolina called assemblies. These assemblies are democratic organizations comprised of low-income persons which identify problems most directly affecting them.

On January 5, 1981, Labor sent this organization a telegram awarding a title IV contract renewal for $150,000 for the period December 31, 1980, through December 30, 1981. The purpose of this contract was to implement an assembly youth demonstration project designed to serve a dual purpose by increasing services to communities through the employment of economically disadvantaged youths, ages 16 to 21, as youth community development specialists. The objective was to test the approach of using community-developed jobs to fill existing local needs, while giving youths the opportunity to become employed in meaningful jobs in their communities. The award notice sent on January 5, 1981, was signed by the Administrator of ONP even though the funding source was title IV. Our review showed:

--The award was not planned by the OYP program staff.

--According to the ONP representative, the award was made at the insistence of the former Assistant Secretary for Employment and Training.

--Both the ONP representative currently assigned to the award and OYP representative assigned before the award was made stated that this contract should not have been renewed, but for different reasons. The OYP representative stated that the program had negligible impact on enhancing youth employability. The other representative stated that, since youths trained as community development specialists could not realistically be employed in their depressed area, the awardee was defeating its purpose.

--A July 1980 site visit noted that, while the project supervisors were quite skillful, they could not supervise project participants as closely as the awardee's proposal envisioned because of the large geographic area involved.

--The award telegram contained limited safeguard elements usually found in a fully executed Labor contract.

--The Acting Administrator of ONP recommended to the Acting Deputy Assistant Secretary for Employment and Training that the $150,000 be rescinded and $15,000 be awarded for an orderly phaseout of the project by March 31, 1981. This recommendation was made because the awardee had a history of poor performance and limited prospects for improvement. However, the recommendation was not acted on since the awardee submitted a budget for $30,064 reflecting actual and projected expenses through March 31, 1981, to provide for a voluntary and orderly phaseout. Therefore, since Labor had sent a telegram on January 5, 1981, advising the awardee that it had been awarded a $150,000 renewal contract, Labor agreed to pay the $30,064 instead of the $15,000.

DR. BENSON E. PENICK

This award originated in Labor's Women's Bureau because of prior consultant work provided by Dr. Benson Penick, who was both a researcher and practitioner in the technical training and school-to-work transition of women. However, the proposal was transferred to OYP and was planned to be funded under title IV for $175,790 for the period December 15, 1980, through March 15, 1982. On January 15, 1981, the awardee was sent a telegram authorizing him to incur starting costs of $20,000 pending further negotiations.

The purpose of the proposed award was to study alternatives for increasing the employability of disadvantaged adolescent mothers by identifying resources and developing resource directories to provide career information and guidance. The participants were to be young women who were being served by Women's Bureau adolescent pregnancy projects and CETA projects. Volunteers from these projects were to receive supplemental services provided by

existing organizations that are designed to stimulate their interest and facilitate their success in pursuing technical careers. Our review showed:

--The OYP representative responsible for this contract recommended against the award and never completed the negotiation because (1) the proposed statement of work failed to present a sufficiently understandable and defensible approach and (2) the objectives were "a mish mash of evaluation, technical assistance and direct provision of services."

--The Administrator of ONP forwarded a preaward authorization on January 15, 1981, to start incurring costs of $20,000 for the period January 19 through February 18, 1981, despite the OYP representative's recommendation against the award.

--The OYP representative stated there was no apparent reason for Labor to award this contract because of its limited impact upon the labor market.

--On April 2, 1981, Labor sent the awardee a telegram stating that the award was being terminated for the convenience of the Government. Therefore, a formal contract was never executed.

--In June 1981, the awardee submitted two invoices totaling $31,436.88 for the period January 19, 1981, through the termination notification, April 2, 1981.

--The OYP representative and a Women's Bureau official stated that the awardee's invoices were highly questionable.

--According to an ONP contracting services official, Labor paid the awardee $27,953 and closed out the award.

THE PROMETHEANS, INC.

This awardee is a national nonprofit organization which promotes civic betterment through participation in education, health, charity, and especially youth activities. Labor signed a title IV renewal contract for $400,000 on December 30, 1980, for the period November 1, 1980, to October 30, 1981. The purpose of the award was (1) to expand the Adopt-A-School project, which will constitute the service area of 63 junior and senior Washington, D.C., high schools, and (2) to implement a career awareness fair outreach program, which will provide technical and financial assistance to other districts across the Nation. The objective was to demonstrate the effectiveness of a community-based organization in providing career development assistance to in-school youths, ages 14 to 21. The primary methodology was to include role modeling,

career shadowing, group and one-to-one contact through the involvement and participation of business, government, civic, and higher education youth-serving agencies. The award was signed by the Deputy Administrator of ONP. Our review showed:

--Because (1) the former OYP representative who negotiated this contract was no longer working at Labor and (2) this contract was assigned to four different OYP representatives in less than 6 months, the OYP representative currently responsible for the award knew none of the specifics of the negotiation, the past performance, or the line items indicated in the budget.

--The authorization for preaward cost contained limited safeguard elements usually found in a fully executed Labor contract.

GREATER CLEVELAND GROWTH CORPORATION

The awardee is the minority business arm of the Greater Cleveland Growth Association, which is Cleveland's Chamber of Commerce. It received a 2-year title IV grant awarded on January 16, 1981, for $572,220 for the period January 16, 1981, through January 15, 1983. The purpose of this award was to develop and demonstrate a specialized training program designed for employing minority and female economically disadvantaged youths in the banking area which would lend itself to implementation by other banks in medium to large cities. The training program was to recruit 50 youths, thoroughly familiarize them with banking, and provide them with a general exposure to a variety of banking positions. The award was signed by the Director of ONP's Office of Special National Programs and Activities and administered by ONP even though the funding source was title IV. Our review showed:

--The award was not planned by the OYP program staff.

--Errors in the grantee's budget proposal were unknown to the ONP representative.

--A major portion of the award was subcontracted to another organization to handle the training.

--The ONP representative said that he was told by the Administrator of ONP to negotiate this award.

--The grantee's negotiator was also an officer of the subcontracting organization. This person was also on the PUSH for Excellence, Inc., board of directors and was the negotiator of the award which is discussed next.

--Labor sent a telegram to the grantee requesting a meeting to discuss the termination of the award. As of August 13, 1981, the grant was still in effect at the funded amount.

PUSH FOR EXCELLENCE, INC.

This organization is concerned with youth unemployment, especially for minority and low-income youths living in urban areas. It has a program whose goals are (1) providing opportunity for equal and quality education, (2) producing an atmosphere for youths that is conducive to positive learning and development, (3) motivating youths to excel, and (4) having youths assume the responsibility to accept life's challenges by growing in independence, self-awareness, and cooperative behavior.

This was a 2-year title IV renewal grant for $1,999,968 awarded on December 31, 1980, for the period January 1, 1981, to December 31, 1982. The purpose of the award was to (1) continue operations of demonstration career exploration projects and (2) establish a policy, training, and resource institute in Washington, D.C.

The awardee was to enroll at least 1,000 economically disadvantaged students in the career exploration projects. The services provided were to be designed to link key groups, institutions, agencies, and individuals to create a supportive environment for successfully introducing program participants into the world of work. The award was signed by the Director of ONP's Office of Special National Programs and Activities and was administered by ONP even though the funding source was title IV. Our review showed:

--This award was not planned by the OYP program staff.

--The ONP representative was not knowledgeable about the awardee's past performance.

--Accounting and administrative weaknesses were cited in December 1979 and September 1980 in internal Labor reports. We found no evidence in the file that the problems had been corrected.

--The files did not contain justification for making this award a noncompetitive procurement.

--On April 16, 1981, Labor met with the grantee to negotiate the termination of this award. As of August 13, 1981, the grant was still in effect at the funded amount.

EXHIBIT A

CETA TITLE III DISCRETIONARY AWARDS

SAMPLED FOR DETAILED REVIEW

	Name of awardee	Amount (note a)	Amount of increase/decrease since June 15, 1981, report (note b)
1.	Trade Union Leadership Council 3901 Grand River Avenue Detroit, MI 48208	$ 87,000	$ 0
2.	One America, Inc. 1625 Eye Street, NW., Suite 719 Washington, D.C. 20006	114,069	0
3.	Opportunities Industrialization Centers of America, Inc. (OIC/A) 100 West Coulter Street Philadelphia, PA 19144	125,000	0
4.	Southern Vocational College P.O. Box 688 Tuskegee, AL 36083	199,000	0
5.	Rosslyn Foundation 200 South Eads Street Arlington, VA 22202	200,000	0
6.	Virginia CARES, Inc. P.O. Box 2868 Roanoke, VA 24001	300,000	0
7.	National Council of La Raza 1725 Eye Street, NW. Washington, D.C. 20006	374,991	0
8.	Bob Tucker and Associates, Inc. 210 Baronne Street, Suite 904 New Orleans, LA 70122	417,158	(329,358)
9.	Solar America, Inc. 2020 Sun Mateo, NE. Albuquerque, NM 87710	455,570	0
10.	Laborers' International Union of North America 905 16th Street, NW. Washington, D.C. 20006	694,500	0
11.	SER-Jobs for Progress, Inc. 8585 Stemmons Freeway Dallas, TX 75247	777,738	0

EXHIBIT A

	Name of awardee	Amount (note a)	Amount of increase/decrease since June 15, 1981, report (note b)
12.	Solar America, Inc.	$ 785,217	$ 0
13.	OIC/A	1,216,000	0
14.	OIC/A	1,272,000	(1,272,000)
15.	SER-Jobs for Progress, Inc.	2,135,000	(445,000)

a/The amounts represent fully executed awards or the amount Labor planned to award pending negotiations as were shown in our June 15, 1981, preliminary report.

b/The amounts represent increases or (decreases) to fully executed awards or the amount Labor planned to award pending negotiations as of August 13, 1981.

EXHIBIT B

CETA TITLE IV DISCRETIONARY AWARDS

SAMPLED FOR DETAILED REVIEW

	Name of awardee	Amount (note a)	Amount of increase/decrease since June 15, 1981, report (note b)
1.	National Council of La Raza 1725 Eye Street, NW. Washington, D.C. 20006	$ 11,545	$ 0
2.	National Council of La Raza	79,206	0
3.	SER-Jobs for Progress, Inc. 8585 Stemmons Freeway Dallas, TX 75247	120,180	0
4.	SER-Jobs for Progress, Inc.	143,348	0
5.	National Association for the Southern Poor P.O. Box 13088 Chesapeake, VA 23325	150,000	(119,936)
6.	Dr. Benson E. Penick 1410 Swann Street, NW. Washington, D.C. 20009	175,790	(147,837)
7.	Opportunities Industrialization Centers of America, Inc. (OIC/A) 100 West Coulter Street Philadelphia, PA 19144	183,651	0
8.	SER-Jobs for Progress, Inc.	259,600	0
9.	National Council of La Raza	300,000	0
10.	SER-Jobs for Progress, Inc.	345,000	0
11.	SER-Jobs for Progress, Inc.	376,598	0
12.	The Prometheans, Inc. 1201 16th Street, NW. Washington, D.C. 20046	400,000	0
13.	Greater Cleveland Growth Corporation 690 Union Commerce Building Cleveland, OH 44115	572,220	0
14.	OIC/A	800,000	(200,000)
15.	SER-Jobs for Progress, Inc.	800,000	(200,000)

EXHIBIT B

	Name of awardee	Amount (note a)	Amount of increase/decrease since June 15, 1981, report (note b)
16.	OIC/A	$1,000,000	$(200,000)
17.	SER-Jobs for Progress, Inc.	1,155,790	0
18.	OIC/A	1,400,000	0
19.	PUSH for Excellence, Inc. 930 East 50th Street Chicago, IL 60615	1,999,968	0

a/The amounts represent fully executed awards or the amount Labor planned to award pending negotiations as were shown in our June 15, 1981, preliminary report.

b/The amounts represent increases or (decreases) to fully executed awards or the amount Labor planned to award pending negotiations as of August 13, 1981.

EXHIBIT C

TITLE III DISCRETIONARY AWARDS FUNDED OR FOR WHICH NEGOTIATIONS BEGAN DURING SEPTEMBER 1, 1980, THROUGH JANUARY 31, 1981 (PLANNED BY THE ONP PROGRAM STAFF)

Name of awardee	Amount (note a)	Amount of increase/decrease since June 15, 1981, report (note b)
National Governors' Association	$ 6,200	$ 0
Delaware Plan	18,500	0
American Management Association	22,000	0
West Michigan Area Agency on Aging	25,000	0
WETA Channel 26	33,000	0
Federation of Southern Cooperatives	33,375	0
United Progress	35,000	0
Recruitment and Training Program, Inc. (RTP, Inc.)	35,306	0
Northwest Rural Opportunities	36,238	0
PREP, Inc.	38,033	0
Graphic Arts International Union	48,000	14,000
National Federation of the Blind	49,000	0
National Council of Young Israel	49,901	0
Indiana Office on Aging	50,000	0
RTP, Inc.	59,520	0
New Jersey Department of Labor and Industry	68,000	0
Amigos Del Valle	75,000	0
Mark Battle Associates	75,134	0
George Meany Center for Labor Studies	82,699	0

EXHIBIT C

Name of awardee	Amount (note a)	Amount of increase/decrease since June 15, 1981, report (note b)
Careers in Community Outreach	$ 83,931	$ 0
Trade Union Leadership Council	87,000	0
Marine Job Training, Inc.	103,160	0
One America, Inc.	114,069	0
National Center on Black Aged	125,000	0
United States Office of Consumer Affairs	125,000	0
Opportunities Industrialization Centers of America, Inc. (OIC/A)	125,000	0
Center for Community Change	128,000	0
Focus on Children, Inc.	133,874	0
National Federation of the Blind	142,200	0
Center for Employment and Training	150,000	0
Great Lakes Inter-Tribal Council	150,000	0
National Puerto Rican Forum	150,000	0
Illinois Office on Aging	155,000	(57,000)
Idaho Inter-Tribal Policy Board	165,000	0
Women's Enterprise of Boston	190,424	0
West Virginia Labor Federation of AFL-CIO	191,704	0
YWCA of Oklahoma City	192,151	0
Boston YWCA	192,191	(1,767)
Southern Vocational College	199,000	0
National Council on Aging	210,000	0
West Michigan Area Agency on Aging	220,000	0
National Concilio of America	250,000	0

EXHIBIT C

Name of awardee	Amount (note a)	Amount of increase/decrease since June 15, 1981, report (note b)
Southern Railway System	$250,000	$ (21,000)
AFL-CIO Human Resources Development Institute	279,465	0
National Urban Indian Coalition	285,000	0
AETNA Casualty and Surety Company	298,000	(56,000)
Virginia CARES, Inc.	300,000	0
United Food and Commercial Workers	300,000	0
AFSCME	320,608	0
Center for Community Change	344,000	(191,556)
National Council on Aging	352,000	0
University of Texas Center for the Study of Human Resources	369,960	0
National Council of La Raza	374,991	0
United Furniture Workers	411,000	0
National Puerto Rican Forum	422,000	0
Bob Tucker and Associates, Inc.	417,158	(329,358)
United Food and Commercial Workers	450,000	0
Solar America, Inc.	455,570	0
Joint Job Training and Research, Inc.	468,000	0
Goodwill Industries	486,900	0
National Council on Aging	500,000	0
National Steelworkers Oldtimers Foundation	500,000	0
Green Thumb, Inc.	500,000	0
National Urban League	500,000	0

EXHIBIT C

Name of awardee	Amount (note a)	Amount of increase/decrease since June 15, 1981, report (note b)
National Retired Teachers Association	$ 535,000	$ (35,000)
American Management Association	649,849	0
Epilepsy Foundation	656,100	(100)
Laborers' International Union of North America	694,500	0
United Negro College Fund	738,971	0
SER-Jobs for Progress, Inc.	777,738	0
Solar America, Inc.	785,217	0
National Association for Retarded Citizens	967,500	0
Garrett-Sullivan, Inc.	1,000,000	0
International Union of Operating Engineers	1,200,000	0
OIC/A	1,216,000	0
OIC/A	1,272,000	(1,272,000)
United Auto Workers	1,320,000	0
National Puerto Rican Forum	1,500,000	(400,905)
AFL-CIO Appalachian Council	1,664,000	(600,000)
AFL-CIO Human Resources Development Institute	1,913,331	(300,000)
SER-Jobs for Progress, Inc.	2,135,000	(445,000)
National Urban League	3,614,000	0

EXHIBIT C

Name of awardee	Amount (note a)	Amount of increase/decrease since June 15, 1981, report (note b)
New York City Department of the Aging	$ 4,815,000	$ 0
RTP, Inc.	7,486,000	0
Total (84 awards)	$47,947,468	$(3,695,686)

a/The amounts represent fully executed awards or the amount Labor planned to award pending negotiations as were shown in our June 15, 1981, preliminary report.

b/The amounts represent increases or (decreases) to fully executed awards or the amount Labor planned to award pending negotiations as of August 13, 1981.

EXHIBIT D

TITLE IV DISCRETIONARY AWARDS FUNDED OR FOR WHICH NEGOTIATIONS BEGAN DURING SEPTEMBER 1, 1980, THROUGH JANUARY 31, 1981 (PLANNED BY THE OYP PROGRAM STAFF)

Name of awardee	Amount (note a)	Amount of increase/decrease since June 15, 1981, report (note b)
Washington State Building and Construction Trades Council	$ 231	$ 0
Cumberland County CETA of Portland, Maine	5,175	0
Cumberland County CETA of Portland, Maine	6,531	0
A. L. Nellum and Associates	9,822	0
Small Business Administration	9,850	0
National Urban Coalition	9,950	0
Syracuse Research Corporation	9,990	0
National Council of La Raza	11,545	0
Antioch University	11,806	0
Head Rest, Inc.	24,530	0
Karen Johnson and Associates	24,661	0
Clark, Phipps, Clark, Harris	25,092	0
Corporation for Youth Enterprises	31,200	0
Osora Associates	34,228	0
Middlesex County Economic Opportunity Corporation	42,000	0
Youth Employment Services--Wilkes-Barre	45,000	157,500
Northwest Regional Education Laboratory	49,944	0
National Institute for Work and Learning	50,000	0

EXHIBIT D

Name of awardee	Amount (note a)	Amount of increase/decrease since June 15, 1981, report (note b)
Region IV--Project Alive	$ 53,449	$ 0
City of Cambridge, Massachusetts	55,000	0
NAID Center for Human Development, Inc.	58,206	0
Cathedral Church of St. John the Divine	70,000	0
National Council of La Raza	79,206	0
National Vocational Guidance Association	81,696	0
Washington State Building and Construction Trades Council	87,000	0
National Council of Negro Women	94,475	0
YWCA of Miami and Dade County, Inc.	100,000	0
Girls Clubs of America, Inc.	100,000	0
Northern California Women for Apprenticeship	100,000	0
Minneapolis Public Schools	100,000	0
National Council of Negro Women	100,000	0
James Lowery and Associates	102,379	0
Cleveland Public Schools	103,340	0
TEAM Associates, Inc.	103,376	0
National Football League Players Association	116,873	0
SER-Jobs for Progress, Inc.	120,180	0
New York Institute of Technology	124,936	0
SER-Jobs for Progress, Inc.	143,348	0
Youth Opportunities Unlimited	150,000	0
United Negro College Fund	150,000	0

EXHIBIT D

EXHIBIT D

Name of awardee	Amount (note a)	Amount of increase/decrease since June 15, 1981, report (note b)
National Alliance of Business	$153,650	$ 0
National Puerto Rican Forum	163,316	0
Brandeis University	176,135	0
Opportunities Industrialization Centers of America, Inc. (OIC/A)	183,651	0
Corporation for Public/Private Ventures	217,942	37,912
National Puerto Rican Forum	234,106	0
Council of Great City Schools	244,161	0
Youth Employment Services--Wilkes-Barre	247,500	0
Far West Laboratory	249,000	0
Cuban National Planning Council	250,000	0
U.S. Department of Health and Human Services	250,000	0
SER-Jobs for Progress, Inc.	259,600	0
New Transcentury Foundation	274,802	0
James Lowery and Associates	299,044	0
National Council of La Raza	300,000	0
SER-Jobs for Progress, Inc.	345,000	0
TEAM Associates, Inc.	372,175	0
SER-Jobs for Progress, Inc.	376,598	0
The Prometheans, Inc.	400,000	0
Center for Community Change	400,000	0
National Council of Negro Women	420,000	0
Head Rest, Inc.	423,767	(200,000)
Recruitment and Training Program, Inc. (RTP, Inc.)	435,000	(38,613)

EXHIBIT D

Name of awardee	Amount (note a)	Amount of increase/decrease since June 15, 1981, report (note b)
Camp Fire, Inc.	$ 448,669	$ 0
National Child Labor Committee	469,298	0
RTP, Inc.	470,000	0
TEAM Associates, Inc.	498,086	(498,086)
Watts Labor Community Action	500,000	0
National Urban League	500,000	0
National Puerto Rican Forum	517,877	0
Pacific Economic Resources League	549,614	0
National Urban Coalition	650,000	(100,000)
Corporation for Public/Private Ventures	675,986	0
National Urban League	800,000	(200,000)
OIC/A	800,000	(200,000)
St. Louis University	800,000	100,000
SER-Jobs for Progress, Inc.	800,000	(200,000)
Office of Juvenile Justice and Delinquency Prevention	1,000,000	0
National Assembly of Voluntary Health and Welfare Organizations	1,024,000	0
SER-Jobs for Progress, Inc.	1,155,790	0
OIC/A	1,400,000	0
National Office for Social Responsibility	1,401,055	0
Jobs for Arizona Graduates	1,500,000	(500,000)
National Football League Players Association	1,635,300	(385,300)

EXHIBIT D

Name of awardee	Amount (note a)	Amount of increase/decrease since June 15, 1981, report (note b)
Office of Juvenile Justice and Delinquency Prevention	$ 2,000,000	$ 0
National Assembly of Volunteer Health and Welfare Organizations	7,529,279	(2,000,000)
National Alliance of Business	9,200,000	(2,000,000)
Total (87 awards)	$45,595,420	$(6,026,587)

a/The amounts represent fully executed awards or the amount Labor planned to award pending negotiations as were shown in our June 15, 1981, preliminary report.

b/The amounts represent increases or (decreases) to fully executed awards or the amount Labor planned to award pending negotiations as of August 13, 1981.

EXHIBIT E

TITLE III DISCRETIONARY AWARDS FUNDED OR FOR WHICH NEGOTIATIONS BEGAN DURING SEPTEMBER 1, 1980, THROUGH JANUARY 31, 1981 (NOT IN ONP FUNDING PLAN)

Name of awardee	Amount (note a)	Amount of increase/decrease since June 15, 1981, report (note b)
Community Services Administration	$ 75,000	$ (75,000)
Rosslyn Foundation	200,000	0
Pacifica Services	227,042	(137,661)
New York City Department for the Aging	300,000	(300,000)
Total (4 awards)	$802,042	$(512,661)

a/The amounts represent fully executed awards or the amount Labor planned to award pending negotiations as were shown in our June 15, 1981, preliminary report.

b/The amounts represent increases or (decreases) to fully executed awards or the amount Labor planned to award pending negotiations as of August 13, 1981.

EXHIBIT F

TITLE IV DISCRETIONARY AWARDS FUNDED OR FOR WHICH NEGOTIATIONS BEGAN DURING SEPTEMBER 1, 1980, THROUGH JANUARY 31, 1981

(NOT IN OYP FUNDING PLAN)

Name of awardee	Amount (note a)	Amount of increase/decrease since June 15, 1981, report (note b)
Smokey House Project	$ 90,000	$ 0
Delta Sigma Theta Sorority	99,903	(99,903)
University of the District of Columbia	100,893	c/
Black Music Association	102,000	c/
Gary Community School Corporation	122,939	(122,939)
National Association for the Southern Poor	150,000	(119,936)
Dr. Benson E. Penick	175,790	(147,837)
Athletes for Better Education	199,200	0
Atlanta Junior College	200,000	c/
Martin Luther King, Jr., Center for Social Change	200,000	0
National Council of Negro Women	304,775	(304,775)
Recruitment and Training Program, Inc. (RTP, Inc.)	350,000	(350,000)
Marquette University	375,000	0
Greater Cleveland Growth Corporation	572,220	0
Opportunities Industrialization Centers of America, Inc.	1,000,000	(200,000)
A. Philip Randolph Fund	1,100,000	(520,000)
RTP, Inc.	1,130,000	0
PUSH for Excellence, Inc.	1,999,968	0
Total (18 awards)	$8,272,688	$(1,865,390)

a/The amounts represent fully executed awards or the amount Labor planned to award pending negotiations as were shown in our June 15, 1981, preliminary report.

b/The amounts represent increases or (decreases) to fully executed awards or the amount Labor planned to award pending negotiations as of August 13, 1981.

c/These awards have been terminated and Labor is currently trying to settle final payment amounts.

SUMMARY OF TITLE III ONP-ADMINISTERED TELEGRAMS SENT

DURING THE FIRST 4 MONTHS OF FISCAL YEAR 1981 (note a)

	Name of awardee	Amount (note b)	Type of award	Date of telegram	Description of project
1.	Recruitment and Training Program, Inc. (New York, NY)	$ 7,340	Modification	11/26/80	The amount of $7,340 was to authorize a full time consultant for 20 days to assist the Project Area Councils of five rural demonstration projects in monitoring the projects' progress and to assist the White House and Working Groups for Small Communities and Rural Development in enunciating the rural policy to Federal, State, and local agencies and private organizations. (Although this telegram and the one below were separate, Labor had planned to fund these activities as one award which is how we have counted it elsewhere in this report.)
2.	Recruitment and Training Program, Inc. (New York, NY)	c/ 27,966	Modification	10/01/80	The amount of $27,966 was to hire two staff persons to the Project Area Councils for two rural initiative projects to funnel jobs generated to CETA eligible persons in the Tennessee-Tombigbee Waterway and Red River areas.
3.	Graphic Arts International Union (Washington, D.C.)	48,000 d/ (20,000)	Modification	11/28/80	The contractor will subcontract with its locals country-wide to recruit, train, and upgrade skills of 75 women in nontraditional printing industry jobs.
4.	Indiana Commission on Aging and the Aged (Indianapolis, IN)	50,000 d/ (57,500)	Renewal	12/19/80	Jobs for the Elderly Program's purpose is to provide useful subsidized employment for elderly poor people over age 50.

EXHIBIT G

	Name of awardee	Amount (note b)	Type of award	Date of telegram	Description of project
5.	Great Lakes Inter-Tribal Council (Odanah, WI)	$150,000	Renewal	01/19/81	Same as #3.
6.	Illinois Department on Aging, (Springfield, IL)	155,000 d/(140,000)	Renewal	12/22/80	Same as #3.
7.	Southern Railway System, (Washington, D.C.)	250,000 d/ (20,800)	Renewal	01/16/81	This program's purpose is to provide craft training in the Southern Training Facility which will increase the employment and advancement opportunities for disadvantaged minorities, females, and veterans.
8.	AETNA Casualty and Surety Company (Washington, D.C.)	298,000 d/ (49,667)	Renewal	01/14/81	The Federal Bonding Program is a means by which Labor, through the cooperation of a qualified Casualty and Surety Company, offers fidelity bonding coverage to qualified job applicants who cannot otherwise obtain it. This bonding coverage is available to a targeted group of individuals with police or bad credit records who cannot obtain regular commercial bonding and therefore cannot be hired in the job for which they are qualified.
9.	Department for the Aging (New York, NY)	300,000	Modification	01/15/81	The purpose of this agreement was to ensure that the Department for the Aging did not suffer a cost overrun as a consequence of having operated a Jobs for the Elderly Program.

EXHIBIT G

	Name of awardee	Amount (note b)	Type of award	Date of telegram	Description of project
10.	Center for Community Change (Washington, D.C.)	$ 344,000 d/ (76,444)	Renewal	01/12/81	The contractor provides technical assistance to 2,600+ nonaffiliated community-based organizations in 48 States to assist them in (1) developing programs, obtaining local funding, and running local CETA programs under titles II, IV, VI, and VII; (2) maintaining working relationships with local prime sponsors; and (3) forming coalitions and functions as a clearinghouse for CETA legislation and information analysis through their newsletter. It also provides onsite and workshop technical assistance in staff training program management and fiscal control and develops program ideas that are put into proposal form.
11.	Joint Job Training and Research, Inc. (Boston, MA)	468,000	Modification	11/28/80	The contract's purpose is to train and place 2,000 unemployed, economically disadvantaged persons in sewing machine occupations.
12.	National Retired Teachers Association (Washington, D.C.)	535,000 d/ (500,000)	Modification	12/30/80	Same as #3.
13.	Epilepsy Foundation of America (Washington, D.C.)	656,100 d/ (60,000)	Renewal	12/31/80	This project provides prevocational assistance, client identification, referral, and job placement of persons with epilepsy in the public and private sectors.
14.	National Puerto Rican Forum (New York, NY)	1,500,000 d/ (272,727)	Renewal	01/06/81	The contractor provides services to assist Puerto Rican and other Spanish speaking communities in gaining employment by dealing in specific employment obstacles mainly through basic occupational English-language training.

EXHIBIT G

	Name of awardee	Amount (note b)	Type of award	Date of telegram	Description of project
15.	AFL-CIO Appalachian Council (Charleston, WV)	$ 1,664,000 d/ (140,000)	Renewal	12/13/80	This program's purpose is to provide training and placement for 1,000 unemployed and underemployed persons. The contractor will continue to utilize the working relationship of collective bargaining agreements to develop employment and training opportunities in 13 Southeastern States.
16.	Human Resources Development Institute (Washington, D.C.)	e/ 1,913,331	Modification	01/07/81	This program's purpose is to develop jobs for 14,000 disadvantaged individuals over a 12-month period. The program provides technical assistance and training for organized labor at the local, regional, and national levels.
17.	SER-Jobs for Progress, Inc. (Dallas, TX)	2,135,000 d/ (475,000)	Renewal	01/15/81	This contract's primary purpose is to continue provision of technical assistance to local SER affiliates by their national and field office staffs.
18.	Department for the Aging (New York, NY)	4,815,000 d/ (400,000)	Renewal	01/08/81	Same as #3.
	Total	$15,316,737 d/ (3,137,478)			

a/This information was obtained from Labor documents which summarized these telegrams and has been verified to the extent possible.

b/The amounts shown represent fully executed awards or the amount Labor planned to award pending negotiations.

c/No specific amount authorized.

d/Any number in parentheses indicates the amount actually authorized by the telegram and not the fully executed or planned amount.

EXHIBIT G

EXHIBIT H

SUMMARY OF TITLE IV OYP-ADMINISTERED TELEGRAMS SENT

DURING THE FIRST 4 MONTHS OF FISCAL YEAR 1981 (note a)

	Name of awardee	Amount (note b)	Type of award	Date of telegram	Description of project
1.	Northwest Regional Educational Laboratory (Portland, OR)	$ 49,944 c/ (30,000)	Modification	01/19/81	The demonstration project's objectives are to (1) explore the feasibility and assess the effectiveness of having varied organizations link with the private sector and public secondary schools; (2) assess the project's impact on the youths served and their transition from school to work; and (3) provide a data base for an independent evaluation to assess the relative effectiveness among various community-based organizations as compared to other delivery agents.
2.	City of Atlanta, CETA Director (Atlanta, GA)	53,449 c/ (30,000)	Renewal	01/19/81	Same as #1.
3.	NAID Center for Human Development, Inc. (Mason City, IA)	58,206 c/ (30,000)	Modification	01/19/81	Same as #1.
4.	Smokey House Project (Danby, VT)	90,000 d/	New	01/05/81	The contractor's objectives are to provide school-to-work transition activities to economically disadvantaged youths in rural Vermont by imparting vocational skills in the agricultural and construction industries.
5.	Delta Sigma Theta Sorority, Inc. (Washington, D.C.)	99,903 c/ (7,134)	New	01/19/81	This effort represents an additional site for the Solo Parents project in Florida. Each Solo Parent site project is contracted to provide (1) an educational and training component, (2) child care, and (3) skills training.

EXHIBIT H

	Name of awardee	Amount (note b)	Type of award	Date of telegram	Description of project
6.	Black Music Association c/ (Philadelphia, PA)	$ 102,000 (20,000)	New	01/19/81	This project, targeted towards out-of-school youths seeking or enrolled in post secondary educational training, is to conduct an internship and preapprenticeship program for women and minorities in the recording industry.
7.	Gary Community School Corporation c/ (Gary, IN)	122,939 (25,000)	New	12/18/80	This project proposes to demonstrate the effectiveness of career development linkages with the work world and other learning institutions by (1) exposing students to alternative careers and lifestyles, (2) keeping educators abreast of local labor market demands, and (3) providing guidance and placement services for graduating students in Gary, Indiana.
8.	National Association for the Southern Poor (Norfolk, VA)	150,000	Renewal	01/06/81	The contractor was funded to implement an Assembly Youth Demonstration project that is designed to serve a dual purpose by increasing services to communities through the employment of economically disadvantaged youths, aged 16-21, as youth community development specialists.
9.	Youth Opportunities Unlimited c/ (Los Angeles, CA)	150,000 (10,000)	New	01/19/81	This project will provide 50 Hispanic youths with preapprenticeship and on-the-job training and place them in a 3-year aviation apprenticeship program.
10.	Dr. Benson E. Penick c/ (Washington, D.C.)	175,790 (20,000)	New	01/19/81	The Non-Traditional Technical Careers Exposure Through Volunteers and Organizational Delivery Mechanism Project proposes to increase employability of disadvantaged adolescent mothers.

EXHIBIT H

	Name of awardee	Amount (note b)	Type of award	Date of telegram	Description of project
11.	Athletes for Better Education (Chicago, IL)	$199,200 c/ (16,600)	New	01/16/81	The contractor proposes to operate a residential summer camp, school-year followup seminars, and college placement activities to a minimum of 1,200 high school student-athletes at three different sites. In addition, it intends to develop an extensive college and corporate network to provide meaningful summer job experiences that assist in defining career awareness and objectives for youths in the program.
12.	Atlanta Junior College (Atlanta, GA)	200,000	New	01/19/81	The contractor will set up a basic skills program designed to improve the functional capacity of pretrial released youths in reading, writing, and mathematics.
13.	Martin Luther King, Jr. Center for Social Change (Atlanta, GA)	200,000 c/ (40,000)	New	01/12/81	The contractor will provide (1) a demonstration project designed for joint agency funding to reduce crime and attacks against the elderly through the provision of youth escort and medical/social errand services, and (2) a project designed to improve the community through beautification and a residential numbering system.
14.	National Council of La Raza (Washington, D.C.)	300,000 c/ (30,000)	Renewal	01/19/81	Same as #1.
15.	National Council of Negro Women (Washington, D.C.)	304,775 c/ (30,000)	New	01/19/81	This project will provide management assistance in capacity building for the community-based organizations that are affiliated with this contractor.

EXHIBIT H

	Name of awardee	Amount (note b)	Type of award	Date of telegram	Description of project
16.	SER-Jobs for Progress, Inc. (Dallas, TX) d/	$345,000	Modification	12/30/80	The program's objective is to break the cycle of lack of education, unemployment, and poverty which afflicts many bilingual/ bicultural minority youths, through a comprehensive bilingual educational program of individualized academic instruction, career awareness, and intensive counseling.
17.	Recruitment and Training Program, Inc. (New York, NY)	350,000	New	01/19/81	The contractor proposes to operate 3 sites in San Francisco, each serving 100 youths in a school-to-work transition program and 100 youths in a summer Career Exploration Program.
18.	Marquette University (Milwaukee, WI) c/	375,000 (50,000)	Modification	01/19/81	This modification will allow the contractor to (1) provide technical assistance to Upward Bound (UB)/CETA programs and other UB sites; (2) promote the replication of UB/CETA models; (3) assist prime sponsors and prime sponsor subcontractors in incorporating components utilized in the UB/CETA; (4) provide technical assistance efforts on a region-by-region basis; (5) provide individual work with corporate leaders, and prime sponsors' and UB staffs to promote models; (6) publicize and disseminate quarterly newsletters; and (7) train 550 staff members from prime sponsors and 300 staff members UB/CETA and regular UB projects.
19.	Center for Community Change (Washington, D.C.) c/	400,000 (90,000)	New	01/19/81	Same as #15.

EXHIBIT H

	Name of awardee	Amount (note b)	Type of award	Date of telegram	Description of project
20.	National Council of Negro Women (New York, NY)	$420,000 c/ (20,000)	Modification	01/19/81	Same as #1.
21.	Head Rest, Inc. (Modesto, CA)	d/ 423,767	New	01/19/81	Project is to produce an agency self-evaluation guide focused on the host agency's goals, programs, management, and administration.
22.	Recruitment and Training Program, Inc. (New York, NY)	435,000 c/ (30,000)	Modification	01/19/81	Same as #1.
23.	Recruitment and Training Program, Inc. (New York, NY)	470,000	Renewal	01/19/81	The Career Exploration Program is designed to assist 480 youths that are economically disadvantaged high school graduates or dropouts, aged 16 to 21, by providing special career education, counseling, job referral, and placement services.
24.	TEAM Associates, Inc. (Washington, D.C.)	d/ 498,086	New	01/19/81	Project is to survey prime sponsors to determine major occupations for which sponsors provide skills training. After which, competency-based curriculum with performance criteria assessment devices would be developed for each of these occupations.
25.	National Urban League (New York, NY)	500,000 c/ (30,000)	Modification	01/19/81	Same as #1.

EXHIBIT H

	Name of awardee	Amount (note b)	Type of award	Date of telegram	Description of project
26.	National Urban Coalition (Washington, D.C.)	$ 650,000 c/ (156,000)	Modification	01/19/81	The Alternative Volunteer Project is a volunteer assistance project testing the utilization of volunteer one-to-one experience in leveraging resources for youths in gaining employment and other positive outcomes (school retention, higher education, and technical or skill training).
27.	National Urban League (New York, NY)	800,000 c/ (90,000)	New	01/19/81	The contractor has proposed to provide capacity building assistance to local program operators of community-based organizations' and national organizations' affiliates identified as experiencing difficulties in competing for local funds and in delivering programs effectively.
28.	Opportunities Industrial-ization Centers of America, Inc. (Philadelphia, PA)	800,000 c/ (90,000)	New	01/19/81	Same as #27.
29.	SER-Jobs for Progress, Inc. (Dallas, TX)	800,000 c/ (90,000)	New	01/19/81	Same as #15.
30.	St. Louis University Center for Urban Programs (St. Louis, MO)	800,000 c/ (250,000)	Renewal	01/15/81	This modification will result in research activities focusing on the assessment and evaluation of program operations at 13 sites.
31.	SER-Jobs for Progress, Inc. (Dallas, TX)	d/ 1,155,790	Renewal	01/19/81	Project provides career awareness and vocational counseling to 1,080 Hispanic youths over 8 sites nationally during the summer.

EXHIBIT H

	Name of awardee	Amount (note b)	Type of award	Date of telegram	Description of project
32.	Jobs for Arizona Graduates (Phoenix, AZ)	$ 125,000	New	12/02/80	The contractor's demonstration project is designed to identify, screen, select, train, and place 3,000 high school students. Students will (1) be provided basic skill training, career guidance, counseling, and transitional services to prepare them for private sector employment; and (2) participate and compete in a youth development club. (Although this telegram and the one below were separate, Labor had planned to fund these activities as one award which is how we have counted it elsewhere in this report.)
33.	Jobs for Arizona Graduates (Phoenix, AZ)	1,375,000 c/ (250,000)	New	12/24/80	Same as #32.
34.	National Football League Players Association (Washington, D.C.)	d/ 1,635,300	Renewal	01/15/81	The contractor proposes a continuation of its summer vocational exploration program in 10 cities nationwide during July and August 1981.
	Total	$14,614,149 (2,729,734)			

a/This information was obtained from Labor documents which summarized these telegrams and has been verified to the extent possible.

b/The amounts shown represent fully executed awards or the amount Labor planned to award pending negotiations.

c/Any number in parentheses indicates the amount actually authorized by the telegram and not the fully executed or planned amount.

d/No specific amount authorized.

EXHIBIT H

EXHIBIT 1

SUMMARY OF VARIOUS FACTORS CONCERNING THE DISCRETIONARY AWARDS SELECTED FOR DETAILED REVIEW

Name of awardee (note a)	Few formal records of negotiation	No comprehensive evaluation of past performance	Little evidence of site monitoring visits when files were reviewed	Award amount reduced	Award not to be renewed	Award terminated
SER-Jobs for Progress, Inc.						
School-to-Work Transition Demonstration Project						
$120,180 (renewal)	X		X			
$143,348 (modification)	X					
$376,538 (modification)			X			
Summer Career Exploration Program						
$259,600 (modification)		X				
$1,155,790 (modification)		X	X	X		
Multicultural Career Intern Program						
$345,000 (modification)	X	X	X			
Capacity Building Assistance						
$800,000 (new award)	X	X		X		

EXHIBIT I

Name of awardee (note a)	Few formal records of negotiation	No comprehensive evaluation of past performance	Little evidence of site monitoring visits when files were reviewed	Award amount reduced	Award not to be renewed	Award terminated
Technical Assistance and Training						
$777,738 (modification)		X	X			
$2,135,000 (modification) b/		X	X	X		
Opportunities Industrialization Centers of America, Inc.						
University Project						
$125,000 (modification)	X		X			
Youth Job Placement Program						
$1,272,000 (new award)	X		X			X
$1,000,000 (modification)	X		X			
Technical Assistance Project						
$1,216,000 (renewal)		X	X			
Youth Employment Technical Assistance Program						
$800,000 (new award)	X	X		X		

EXHIBIT I

EXHIBIT I

Name of awardee (note a)	Few formal records of negotiation	No comprehensive evaluation of past performance	Little evidence of site monitoring visits when files were reviewed	Award amount reduced	Award not to be renewed	Award terminated
Career Intern Program $1,400,000 c/ and $183,651 (renewal)	X		X		X	
National Council of La Raza						
National Hispanic Youth Employment Project $11,545 (modification)	X					
Upward Mobility Demonstration Project $79,206 (renewal)	X	X				
Employment Technical Assistance and Training Project $374,991 (renewal)		X				
School-to-Work Transition Demonstration Project $300,000 d/						
Solar America, Inc.						
Alternate Energy Clearinghouse $785,217 (renewal)	X	X	X		X	

EXHIBIT I

EXHIBIT I

Name of awardee (note a)	Few formal records of negotiation	No comprehensive evaluation of past performance	Little evidence of site monitoring visits when files were reviewed	Award amount reduced	Award not to be renewed	Award terminated
Hispanic Referral and Recruitment System $455,570 (new award)					X	
One America, Inc. $114,069 (modification)	X	X	X			
Southern Vocational College $199,000 (modification)					X	
Rosslyn Foundation $200,000 (new award)	X		X		X	
Virginia CARES, Inc. $300,000 (new award)	X		X			
Bob Tucker and Associates, Inc. $417,158 (new award)	X		X			X
Laborers' International Union of North America $694,500 (renewal)		X	X			
Trade Union Leadership Council, Inc. $87,000 (modification)						X

EXHIBIT I

Name of awardee (note a)	Few formal records of negotiation	No comprehensive evaluation of past performance	Little evidence of site monitoring visits when files were reviewed	Award amount reduced	Award not to be renewed	Award terminated
National Association for the Southern Poor $150,000 (modification)						X
Dr. Benson E. Penick $175,790 e/						X
The Prometheans, Inc. $400,000 (renewal)	X	X	X			
Greater Cleveland Growth Corporation $572,220 (new award)	X		X			
PUSH for Excellence, Inc. $1,999,968 (renewal)	X	—	—	—	—	
Totals	19	14	19	4	5	5

a/All the numbers represent fully executed awards or the amount Labor planned to make pending negotiations, as were shown in our June 15, 1981, preliminary report.

b/This award when fully executed was funded incrementally.

c/These awards when funded were actually funded as one award.

d/This award was still pending.

e/This award was never fully executed.

EXHIBIT I

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HRD 81-109



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HUMAN RESOURCES
DIVISION

June 15, 1981

B-203535

The Honorable Harrison H. Schmitt
Chairman, Subcommittee on Labor,
Health and Human Services,
Education, and Related Agencies
Committee on Appropriations
United States Senate

Dear Mr. Chairman:

Subject: Preliminary Information on Funding Commitments From Comprehensive Employment and Training Act Titles III and IV During Fiscal Year 1981 (HRD-81-109)

This preliminary report relates to your April 17, 1981, letter requesting answers to questions pertaining to grants and contracts awarded by the Department of Labor from September 1, 1980, to late January 1981, using Comprehensive Employment and Training Act (CETA) titles III and IV discretionary funds. Generally, you were concerned that awards from these funding sources were allegedly made in substantial numbers during the closing months of the past administration and that questionable actions took place during the award process.

In later discussions with your office, we agreed to obtain information on a sample of titles III and IV discretionary awards made during the period you were concerned about. Your office agreed that our work would be limited to reviewing title III awards administered by Labor's Office of National Programs (ONP) and title IV awards administered by the Office of Youth Programs (OYP), and that site visits to awardees would not be necessary. We further agreed to consider only title III awards administered and monitored by ONP and not those from that title which the Office handles solely in a grant/contract approval capacity. Information obtained on your questions and the sample awards reviewed to date is summarized below and detailed in the enclosures.

(204795)

We identified 287 awards totaling an estimated $115.1 million, which represent the titles III and IV discretionary awards that were either fully executed or were being negotiated during the time frame of concern. This number includes 88 title III awards totaling $48.7 million and 105 title IV awards totaling $53.9 million administered either by ONP or OYP officials. The other 94 awards, totaling $12.5 million, were from title III and administered by other Labor offices, such as the Veterans Employment Service, U.S. Employment Service, and Women's Bureau.

You expressed concern about the possible overcommitment of fiscal year 1981 titles III and IV discretionary funds. According to Labor officials, in January 1981 Labor's projected funding commitments for both titles exceeded the funds available for the fiscal year. However, the officials said that Labor had not incurred obligations in excess of its fiscal year 1981 budget authority for these CETA titles. Because of the potential overcommitments, Labor reduced titles III (by an estimated $27 million) and IV (by an estimated $45 million) proposed and executed awards to bring the planned fiscal year 1981 expenditures more in line with its budget authority. In addition, Labor officials say they plan to make further reductions in titles III and IV awards in response to budget actions taken by the congressional appropriations committees. These reductions may affect some of the awards that your office asked us to review.

Preliminary data on the six awards reviewed to date show that reasonable grant/contract procedures were not always followed during the award process. During our review of the award files, we found

--few formal records of negotiations relating to the awards process,

--an evaluation of awardee past performance before an award renewal was not present,

--little evidence of site monitoring visits, and

--all six awards were made noncompetitively and several were subcontracted.

Many of these situations are also discussed in our current draft report on ONP's administration of its employment and training awards which will be sent to you in the near future and to Labor for official agency comments.

This report is preliminary and does not contain conclusions or recommendations. As such, the information is subject to change as we continue work on the sample of awards. As your office requested, written comments were not obtained from Labor and organizations mentioned in the enclosures. We plan to issue a final report on this matter in about 30 days from the date of this preliminary information. If we do not conclude our detailed work on the award files by the time of that report, a subsequent report will be issued.

Sincerely yours,

Gregory J. Ahart
Director

Enclosures - 2

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ABBREVIATIONS

CETA	Comprehensive Employment and Training Act of 1973, as amended
ONP	Office of National Programs
OYP	Office of Youth Programs

RESPONSES TO CONCERNS ABOUT THE USE OF CETA TITLES III AND IV DISCRETIONARY FUNDS FROM SEPTEMBER 1, 1980, THROUGH JANUARY 31, 1981

BACKGROUND

The Comprehensive Employment and Training Act of 1973, as amended (CETA) (29 U.S.C. 801), is designed

> "* * * to provide job training and employment opportunities for economically disadvantaged, unemployed, or underemployed persons which will result in an increase in their earned income, and to assure that training and other services lead to maximum employment opportunities and enhance self-sufficiency * * *."

CETA title III authorizes the provision of services for employment and training programs that meet the employment-related needs of persons who are experiencing particular disadvantages in the labor market, such as offenders, handicapped individuals, women, older workers, etc. Specifically, sections 301, 306, 308, and 314 of title III authorize the Secretary of Labor to fund at his discretion projects for providing these services.

CETA title IV provides a broad range of employment and training programs for eligible youths. This title is to provide for comprehensive employment and training services to improve the future employability of youths and to explore and experiment with alternative methods for accomplishing these purposes. Specifically, section 438 of this title authorizes the Secretary of Labor to carry out innovative and experimental programs to test new approaches for dealing with the unemployment problems of youths through discretionary projects.

OBJECTIVE, SCOPE, AND METHODOLOGY

Our objective was to answer specific questions relating to (1) whether, and to what extent, procedures used by Labor for awarding grants and contracts with CETA titles III and IV discretionary funds violated Federal rules, regulations, and requirements, and (2) how discretionary funds under CETA titles III and IV were and are used, i.e., the type and extent of awards. The detailed information obtained to date on these questions is contained in this enclosure.

ENCLOSURE I

In discussions with your office, we agreed to select for detailed analysis a sample of awards made from September 1, 1980, through January 31, 1981. We also agreed that the sample chosen would consist only of awards administered by the Office of National Programs (ONP) and the Office of Youth Programs (OYP) because they administered 89 percent of the titles III and IV discretionary funds during the specified time frame. After we identified the universe of 193 ONP (88) and OYP (105) administered awards, the awards were grouped using the following criteria: (1) multiple awards to the same organization during the specified time frame, (2) dollar amount awarded, (3) alleged problems, and (4) awards that were unplanned by the program staff. A sample of 15 ONP and 19 OYP awards was then selected during discussions with your office. (See exhibits A and B.) Enclosure II contains preliminary data on the six awards that we are currently reviewing.

Our work, as mentioned previously, was and will be limited to reviewing award files and related documents, as well as interviewing appropriate Labor officials in Washington, D.C. As agreed with your office, no site visits will be made to awardees selected for review. Because our review work is still ongoing, we will not present any overall conclusions or recommendations, but will provide them, if appropriate, in our next report to you. Our draft report that is currently being prepared on ONP's administration of its employment and training awards contains many recommendations for strengthening weaknesses in the awards process that are also identified as weaknesses in this preliminary report.

AWARD PROCEDURES

The award of a CETA grant or contract is a complex process subject to numerous Federal laws, regulations, and requirements. The following procedures should be followed by Labor in making titles III and IV discretionary awards.

--Determining the need for a good or service.

--Determining the specifications for the good or service.

--Obtaining approvals to obtain the good or service.

--Determining the method of obtaining the good or service (either advertising or soliciting from one or more prospective supplier) and obtaining proposals.

--Evaluating proposals to determine whether they meet the agency's needs.

--Negotiating, as appropriate, with a potential supplier(s) to obtain an agreement that is most advantageous to the Government.

--Finalizing the award documents and obtaining all necessary approvals.

Statutes, regulations, and Comptroller General decisions require that Federal agencies entrusted with appropriated funds obligate these funds only to fulfill current and valid needs. Labor's procurement policy requires that (1) procurements be undertaken only after determining that they are necessary, (2) awarding a contract or grant to fulfill the need will be cost effective, and (3) proper planning and scheduling of procurement activities be practiced by program and management officials. Labor has a basic procurement policy that the selection of contractors shall be based on competition among responsible suppliers. Labor's policy also states that all grant programs involving discretionary recipients shall provide for competition whenever appropriate.

Both Federal and Labor procurement regulations require that any noncompetitive contract award shall be fully justified and approved at a high level. For Labor, the Assistant Secretary for Administration and Management generally approves noncompetitive awards.

Labor has established a Procurement Review Board to review proposed noncompetitive contracts, grants, agreements, or award modifications. Generally, all proposed noncompetitive awards or modifications of $10,000 or more must be reviewed by the board. Notwithstanding Labor guidelines, certain kinds of awards are exempt from board review and approval by the Assistant Secretary for Administration and Management, including most of the CETA titles III and IV discretionary awards. In responding recently to our letter requesting clarification on this subject and others, Labor's Acting Solicitor explained the exemption relating to title III by stating that

> "The justification for exempting certain ONP awards from the general requirement of the prior approval for non-competitive contracts is contained in CETA § 123 (1), which provides:
>
> '* * * The Secretary and recipients of financial assistance under this Act shall give special consideration, in carrying out programs authorized by this Act, to community-based organizations, as defined in section 3, which have demonstrated effectiveness in the delivery of employment and training services.'* * *"

Labor's Acting Solicitor further said that Labor had administratively defined "demonstrated effectiveness" to mean that the services an awardee will provide relate specifically to competencies in (1) access to target groups, (2) capability of providing specific training, and (3) access to jobs.

OYP, which administers title IV youth discretionary funding awards, considers most of these awards as demonstration programs. Most of them are funded on a noncompetitive basis. Under current Labor procedures and practices, noncompetitive demonstration program awards need not be reviewed by the Procurement Review Board.

Procurement officials authorized to sign contracts are called contracting officers, and those authorized to sign grants are called grant officers. ONP officials who had been delegated authority to sign either grants and/or contracts, both for the titles III and IV discretionary awards, at the time these awards were made were the Administrator and Deputy Administrator of ONP. The director of ONP's Office of Special National Programs and Activities was also authorized to sign grants. These ONP officials signed all the titles III and IV discretionary awards that we are currently reviewing.

Another review process used within Labor regarding the titles III and IV discretionary funds involved the establishment of a steering committee by the Secretary of Labor. This committee was to approve or disapprove expenditures related to titles III and IV funding plans as discussed in the following section.

STEERING COMMITTEE RECORDS ON THE TITLE III/IV AWARDS

You requested information concerning the operation of a special departmental committee established to review grant and contract proposals. Our work has shown that, through a September 25, 1979, memorandum, the Secretary of Labor established a steering committee to oversee the use of CETA title III discretionary funds. In this memorandum the Secretary designated four individuals to sit as a committee to approve or disapprove expenditures related to the approved fiscal year 1980 title III funding plan. The funding plan is the document that ONP and OYP prepare that serves as a guide detailing the projects these offices hope to fund during the fiscal year. (See pp. 5 to 7.)

The four individuals designated to be the committee during the time frame you were concerned with were

--Paul Jensen, Executive Assistant and Courselor to the Secretary of Labor;

--Nik B. Edes, Deputy Under Secretary for Legislation and Intergovernmental Relations;

--Ernest G. Green, Assistant Secretary for Employment and Training; and

--Charles B. Knapp, Deputy Assistant Secretary for Employment and Training.

This committee also had authority to approve or disapprove awards from the CETA title IV discretionary funds, although there was no similar memorandum which authorized this action. We plan on interviewing each of the committee members concerning their roles for inclusion in our final report.

We found no written criteria to explain why these individuals were appointed, no dates for their terms of appointments, and no written operating procedures detailing how the committee was supposed to carry out its responsibilities. A Labor official was unaware of the existence of a similar committee either within the Department or other Federal agencies. Finally, the committee had no separate administrative budget that was used solely for committee actions.

Our review showed that determining if steering committee actions were appropriate was difficult because records of meetings were not well maintained. According to an ONP official, separate minutes were to be kept on titles III and IV award actions. The title III minutes do reflect the proposals that were considered and what actions were taken on the proposals; however, the minutes do not show who was present, what was discussed about each proposal, or how each member voted. Meetings regarding title IV, on the other hand, had no recorded minutes at all. Only handwritten notes were kept on the proceedings which were subsequently destroyed, according to a former assistant to the committee, once the appropriate title IV program staff were notified of the committee's actions.

FUNDING ACTIVITIES FOR ONP AND OYP THAT WERE PLANNED OR UNPLANNED FOR FISCAL YEAR 1981

Your office expressed interest in how the awards made during fiscal year 1981 through January 31, 1981, related to those in the titles III and IV discretionary funding plans. We have obtained information on (1) when these plans were developed and approved, (2) who approved them, and (3) which awards were made. Your office did not request that we review the fiscal year 1980 titles III and IV funding plans. However, since some of the awards we were asked to review were made in September 1980, we were told by ONP and OYP officials that all these awards were planned. There were 20 ONP awards totaling $6.1 million and 23 OYP awards totaling $2.7 million made during September 1980.

From October 1, 1980, through January 31, 1981, there were 68 ONP award actions totaling $42.6 million made and 82 OYP award actions totaling $51.2 million made. Exhibits C and D list the planned titles III and IV awards made during our time frame. According to ONP and OYP officials, 4 ONP award actions totaling $0.8 million were unplanned by the ONP program staff and 18 OYP

award actions totaling $8.3 million were unplanned by the OYP program staff. These unplanned awards are listed in exhibits E and F. Our work has also shown that both the fiscal year 1981 titles III and IV discretionary funding plans were developed but not officially approved by the former Assistant Secretary for Employment and Training.

The following information explains in more detail the circumstances involving each funding plan.

Fiscal year 1981 title III funding plan

The fiscal year 1981 title III funding plan was developed during late fiscal year 1980. An interim title III funding plan had been approved by the Deputy Assistant Secretary for Employment and Training on October 10, 1980, that was predicated on resource levels based on a higher anticipated title III budget than was eventually appropriated. The reason for using an interim plan was that Labor was unsure until November 1980 about the total appropriation it was going to receive from the Congress. Since Labor was unsure about what title III was going to receive, this interim plan was considered to be conservative with respect to initial allocations imposed to keep the release of funds to a minimum during the first quarter of fiscal year 1981.

After Labor found out what the title III appropriation was, a revised funding plan was prepared by the Deputy Assistant Secretary for Employment and Training in November 1980. This revised plan was then sent to the Assistant Secretary for Employment and Training on December 1, 1980, but was never officially approved. We found no specific reasons why the final fiscal year 1981 funding plan was never approved.

As discussed previously with your office, the title III awards made could not be matched with the fiscal year funding plans. This is because the title III funding plan is broken out by categorical line item amounts--such as $15.8 million for the Targeted Outreach Program--and not by individual awardee. As a result, an ONP official told us that almost all the awards made during our time frame were planned except for four awards totaling $802,042 which are shown in exhibit E.

Fiscal year 1981 title IV funding plan

On December 4, 1980, OYP prepared a comprehensive list of discretionary activities it planned to award during fiscal year 1981. This list contained 180 discretionary projects totaling $181 million. According to an OYP official, the list resulted from a series of meetings involving the former Assistant Secretary

for Employment and Training, OYP project officers, and OYP program staff. Three awards on this original list were unplanned by the OYP program staff but were added by either the Assistant Secretary for Employment and Training or his Deputy. These three awards were as follows:

Name of organization	Amount proposed
Gary Community School Corp. (note a)	$ 122,939
Southern Mutual Help	350,000
Watts Labor Community Action	1,500,000

a/Only this awardee was funded during our time frame and is shown in exhibit F.

The list prepared on December 4, 1980, was then revised several times as the Assistant Secretary added new projects. This list then became the title IV funding plan, which was never officially approved by the Assistant Secretary. According to an OYP official, OYP funding plans were never approved in writing by the former Assistant Secretary.

On April 9, 1981, OYP prepared another comprehensive list of title IV discretionary projects. However, this list showed 223 planned discretionary projects totaling about $201.3 million, which represented an increase of 43 projects totaling $20.3 million more than what was indicated on December 4, 1980. An OYP official attributed these differences to projects that were either (1) added or deleted by the program staff or (2) unplanned by the program staff. Including the 3 unplanned projects mentioned earlier, this official identified 29 projects that were unplanned, 18 of which were funded totaling $8.3 million during our review time frame. (See exhibit F.)

Since the April 9, 1981, list showed $201.3 million in planned title IV discretionary awards for fiscal year 1981 and the total amount available was only $165.9 million, the OYP program office recommended new funding levels of $159.6 million on this list, representing a decrease of $41.7 million. An OYP official told us that further reductions may occur. These reductions are discussed further on pages 10 and 11 of this enclosure.

TITLES III AND IV
TELEGRAM COMMITMENTS

You indicated concern about the number of telegrams that were sent to contractors and grantees during the last months of the past administration authorizing them to incur costs before the actual awards were finalized. We have identified 68 such telegrams sent during the first 4 months of fiscal year 1981,

of which 17 were for awards to be administered by ONP totaling an estimated $15.3 million and 33 were for awards to be administered by OYP totaling an estimated $14.6 million. Your office asked that we compare the number of telegrams sent during January 1981 with the number sent during a normal period of operation. As agreed with your office, we compared the January 1981 title III award telegrams with those sent during all of fiscal year 1979 because we had data for that period in our draft report (noted on p. 2 of this enclosure) on ONP's administration of its employment and training awards. In that report we estimated that only 20 telegrams were sent by ONP's Office of Special National Programs and Activities (which administers almost all of ONP's title III discretionary awards) for all of fiscal year 1979. Our review has shown that 39 telegrams were sent (9 of which were ONP administered) during January 1 to 19, 1981.

Labor's Acting Solicitor has told us previously that preaward authorization letters (telegrams) constitute binding agreements between Labor and awardees and legally obligate Labor to reimburse awardees for allowable costs incurred before the awards are finalized. Labor's Acting Solicitor also told us that, if negotiations should fail to produce an award, Labor would be legally required to pay any program costs incurred by the awardee up to the point of denial.

Exhibits G and H show information on the telegrams sent during the first 4 months of fiscal year 1981.

RECRUITMENT AND TRAINING PROGRAM, INC., AWARDS RECEIVED OR BEING NEGOTIATED DURING FISCAL YEARS 1975-81

You expressed interest in the awards that were made to the Recruitment and Training Program, Inc., otherwise known as RTP, Inc., during fiscal years 1975-81. You also wanted to know which Labor officials were involved in making these awards. Our review of official award records has shown that 20 awards were made or were being negotiated during this time frame for about $41.1 million using CETA titles III and IV discretionary funds. All awards on the following list were made or were being negotiated during fiscal years 1975 through 1981 (as of Jan. 19, 1981) and were signed by either the Administrator or Deputy Administrator of ONP.

ENCLOSURE I

Award date (note a)	Period of performance		Amount Title III	Amount Title IV	
(b)	(b)		$ 3,165,000		
9-12-75	9-15-75 to	9-14-76	3,493,020		
8-27-76	9- 1-76 to	8-31-77	4,108,722		
8-11-77	6- 1-77 to	8-31-77	34,586		
8-16-77	9- 1-77 to	6-30-78	5,166,541		
10-28-77	9- 1-77 to	6-30-78	52,140		
7- 1-78	4-21-78 to	3-30-81		$1,497,488	
5- 9-79	3- 1-79 to	1-15-81		1,099,600	
9-21-79	9-29-79 to	11-28-80	1,680,661		
9-21-79	9-29-79 to	11-28-80	7,953,309		
2- 2-80	1- 1-80 to	11-28-80	500,000		
2-13-80	2- 1-80 to	11-28-80	330,000		
3-11-80	3-17-80 to	3-20-81		891,393	
9-24-80	5-15-80 to	6-30-81		1,179,317	
9-25-80	7-14-80 to	11-28-80	59,520		
10- 1-80	10- 1-80 to	11-28-80	c/ 35,306		
12-31-80	11-29-80 to	10-31-81	7,486,000	1,130,000	
1-19-81	1- 1-81 to	5-30-81		c/ 435,000	
1-19-81	1-19-81 to	6-30-81		c/ 470,000	
1-19-81	2- 1-81 to	(d)		c/ 350,000	
Subtotal			$34,064,805	$7,052,798	
Total for titles III and IV					$41,117,603

a/Reflects either the date the award was signed or the date Labor sent a telegram notifying the awardee of its intent to fund the award.

b/This award file was not available for review because it has been stored at the National Archives. We were able to get the amount awarded from the title III contract register, but not when it was signed, who signed it, or what the period of performance was.

c/This figure represents the amount Labor planned to award pending negotiations.

d/Not decided.

As discussed with your office, we plan to conduct a separate review of RTP, Inc., once we complete work on this assignment.

CARRYOVER FUNDS AVAILABLE
FOR FISCAL YEAR 1981

According to information provided by Labor officials, $24.9 million of fiscal year 1980 funds was available for obligation during fiscal year 1981 for title III discretionary programs. Of this amount, $18.3 million was committed in fiscal year 1980 against the 1980 funding plan but was not converted into obligations by contracts or grants before the end of the fiscal year. Therefore, $6.6 million in carryover funds was available for fiscal year 1981 programing.

For title IV discretionary programs, an OYP official stated that the estimated fiscal year 1980 carryover that was available for obligation in fiscal year 1981 was $5.2 million. According to this official, the estimate is subject to change based upon reconciliation of prime sponsors' estimated fiscal year 1980 carryover amounts under their title IV youth formula awards.

ALLEGED OVERCOMMITMENT
OF DISCRETIONARY FUNDS

The Antideficiency Act prohibits expenditures or contract obligations in excess of available appropriations. A status report provided by Labor officials shows that, as of January 30, 1981, the fiscal year 1981 title III discretionary funding plan was potentially overcommitted by $7.3 million. According to this status report, the funding plan totaled $163.4 million, while available funding was only $156.1 million. The report shows, however, that the total Federal obligation for the title III awards was only $51.2 million, or about 33 percent of the available funds.

Information provided by OYP officials indicates that planned commitments under the fiscal year 1981 title IV discretionary funding plan totaled $201.3 million. According to OYP officials, only $165.9 million was available for fiscal year 1981 discretionary funding. The funding plan, therefore, was potentially overcommitted by $35.4 million. According to the status report of Employment and Training Administration resources and other funding data furnished by Labor officials, as of January 30, 1981, only $52.2 million, or about 31 percent of the title IV discretionary funds, had been obligated by program officials.

CURRENT ADMINISTRATION ACTIONS TO
REDUCE ALLEGED OVERCOMMITMENTS

Because of the potential overcommitments, Labor reduced the titles III and IV projects to bring the planned fiscal year 1981 expenditures more in line with its budget authority. Unverified estimates obtained from Labor officials indicate potential

reductions of $27 million and $45 million from planned fiscal year 1981 titles III and IV discretionary fund commitments, respectively. Little of the title III reductions, however, represent funds that are recoverable from actual obligations in that most of the reductions were from planned award expenditures. Labor officials could not estimate at this time what the obligated funds recovery might be for title III. Under title IV, one Labor official did estimate that about $9.5 million might be recovered from obligated awards.

Labor officials said they plan to make further reductions in titles III and IV awards in response to budget actions taken by the congressional appropriations committees. These reductions may affect some of the awards that your office asked us to review.

NOTIFICATION OF LABOR'S OFFICE OF INSPECTOR GENERAL CONCERNING OVERCOMMITMENT OF TITLES III AND IV FUNDS

Your office expressed interest in what action Labor's Office of Inspector General has taken regarding the alleged overcommitment of titles III and IV funds. The ONP program staff knew of their potential overcommitment around the end of January 1981. On March 4, 1981, the same day of a "Washington Post" article on this subject, the Inspector General's Office initiated a headquarters investigation of this matter. To date we have not identified any departmental rules that require the Office of Inspector General to be notified about any possible overcommitment of program funds.

On April 1, 1981, the Inspector General's Office began a field investigation of some of the award activities that had taken place during the closing months of the past administration. As previously discussed with your office, this investigation involves some of the same awards you requested us to review. However, the Inspector General's Office is focusing on investigating possible criminal violations and not on evaluating the award processes.

ENCLOSURE II

PRELIMINARY INFORMATION

ON SIX TITLES III AND IV AWARDS

CURRENTLY BEING REVIEWED

INTRODUCTION

You requested that we review award files to determine if proper procedures were followed in making any awards during the time frame you specified. As mentioned earlier, we are going to review 34 award files (encompasses 16 awardees in that some received multiple awards) to respond to your concerns. Preliminary information on the six awards involving five awardees we are currently reviewing shows that good grant/contract procedures were not always followed during the awards process. Our review of the award files showed

--few formal records of negotiations relating to the awards process,

--an evaluation of awardee past performance before an award renewal was not present,

--little evidence of site monitoring visits, and

--all six awards were made noncompetitively and several were subcontracted.

The following is a more detailed analysis of each of the six awards we are currently reviewing.

BOB TUCKER AND ASSOCIATES, INC.

This was a title III contract for $417,158 awarded on December 29, 1980, for the period December 29, 1980, to March 28, 1982. The purpose of the award was to evaluate the effectiveness of an interagency project for the recruitment, training, and placement of rural disadvantaged persons in rural water/waste water systems occupations. The objective was to be achieved through an evaluation of the methods, processes, linkages, techniques, and results of the interagency project. The award was signed by the Administrator of ONP.

Our review of the award file and discussions with ONP officials showed:

--The award was made on a noncompetitive basis.

--The ONP representative responsible for the award knew little of the specifics of the negotiations, such as the dates, time, or parties involved.

--The ONP representative felt that the contract was needed but questioned the process of awarding the contract to that contractor/subcontractor for that amount and scope.

--The contractor subcontracted the work to another organization and budgeted $150,000 for its part of the total work.

--No prior evaluation of the contractor's performance was needed because this was a new award and no site visits had been made.

--On April 1, 1981, this contract was terminated because the scope of the evaluation did not appear to justify the level of resources included in the contract.

LABORERS' INTERNATIONAL
UNION OF NORTH AMERICA

This was a title III contract renewal for $694,500 awarded on September 11, 1980, for the period August 1, 1980, to July 31, 1981. The purpose of the award was to train 500 economically disadvantaged individuals for employers having collective bargaining agreements with the contractor. This training was primarily in prestress-precast concrete products, manufacturing plants, and modular home construction plants. The award was signed by the Deputy Administrator of ONP.

Our review of the award file and discussions with ONP officials showed:

--The award was made on a noncompetitive basis.

--The ONP representative responsible for the award was not that well informed concerning the contract's specifics. For example, the representative was unaware (1) of the number of people being trained, (2) that a required report was overdue or missing, and (3) of the amount of money, location, or training arrangements that the contractor had with any of its subcontractors.

--No past evaluation data were available on the awardee even though it was a renewal award.

--No site visits had been made to the awardee during the past 2 years.

--Some information existed regarding the negotiations held on this award, but some of the specifics were absent, such as why there was a 50-percent increase in the cost of training slots over the previous year.

--The contract has been modified to extend the period of performance 4 months to November 30, 1981, with an additional $209,000 in funding.

OPPORTUNITIES INDUSTRIALIZATION CENTERS OF AMERICA, INC.

This awardee received two awards under one contract for the period October 1, 1980, through October 31, 1981. The first award was from title III funds for $1,272,000 and was made on October 15, 1980, for the purpose of placing 10,000 CETA graduates into Federal jobs. As part of this effort, the Office of Personnel Management was to identify and certify vacancies for these individuals. The second award, a modification for $1,000,000 to the first award using title IV funds, was awarded on January 16, 1981. This modification was for placing 5,200 youths into private sector jobs in 26 cities. The Administrator of ONP signed both award actions.

Our review of the award file and discussions with Labor officials showed:

--The award and subseqent modification were made on a noncompetitive basis.

--The $1 million title IV modification was unplanned by the OYP program staff.

--No formal records of negotiation were present.

--No site visits had been made.

--Since these awards were made, circumstances pertaining to the award have changed significantly. Limitations have been placed on Federal hiring, and we have been told that the Office of Personnel Management has not yet begun identifying potential Federal job vacancies. Also, other CETA funds that were to be used in assisting the private sector effort have been phased down.

PUSH FOR EXCELLENCE, INC.

This was a 2-year title IV renewal grant for $1,999,968 awarded on December 31, 1980, for the period January 1, 1981, to December 31, 1982. The purpose of the award was to (1) continue operations of demonstration career exploration projects and (2) establish a policy, training, and resource institute in Washington, D.C.

The awardee was to enroll at least 1,000 economically disadvantaged students in the career exploration projects. The services provided were to be designed to link key groups,

institutions, agencies, and individuals to create a supportive environment for the successful introduction of program participants into the world of work. The award was signed by the Director of ONP's Office of Special National Programs and Activities and was administered by ONP even though the funding source was title IV.

Our review of the award file and discussions with Labor officials showed:

--This award was made on a noncompetitive basis and not planned by the OYP program staff.

--The ONP representative was not knowledgeable about the awardee's past performance.

--Accounting and administrative weaknesses were cited in December 1979 and September 1980 in internal Labor reports. We found no evidence in the file that the problems had been corrected.

--The files did not contain justification for making this award a sole-source procurement.

--On April 16, 1981, Labor met with the grantee to negotiate the termination of this award.

GREATER CLEVELAND GROWTH CORPORATION

This was a 2-year title IV grant awarded on January 16, 1981, for $572,220 for the period January 16, 1981, through January 15, 1983. The purpose of this award was to develop and demonstrate a specialized training program designed for employing minority and female economically disadvantaged youths in the banking area which would lend itself to implementation by other banks in medium to large cities. The training program was to recruit 50 youths, thoroughly familiarize them with banking, and provide them with a general exposure to a variety of banking positions. The award was signed by the Director of ONP's Office of Special National Programs and Activities and administered by ONP even though the funding source was title IV.

Our review of the award file and discussions with Labor officials showed:

--The award was made on a noncompetitive basis and not planned by the OYP program staff.

--No formal record of negotiations was in the file. The ONP representative for this award said that he had not had time to prepare the document.

--Errors existed in the grantee's budget proposal but were unknown to the ONP representative.

--A major portion of the award was subcontracted to another organization to handle the training.

--The ONP representative said that he was told by the Administrator of ONP to negotiate this award.

--The grantee's negotiator was also an officer of the subcontracting organization. This person was also on the PUSH for Excellence, Inc., board of directors and was the negotiator of the previously discussed award to that organization.

--Labor sent a telegram to the grantee requesting a meeting to discuss the termination of the award. As of June 5, 1981, we found no evidence that a meeting was held.

EXHIBIT A

CETA TITLE III DISCRETIONARY AWARDS

TO BE SAMPLED FOR DETAILED REVIEW

	Name of awardee	Amount (note a)
1.	Trade Union Leadership Council	$ 87,000
2.	One America, Inc.	114,069
3.	Opportunities Industrialization Centers of America, Inc. (OIC/A)	125,000
4.	Southern Vocational College	199,000
5.	Rosslyn Foundation	200,000
6.	Virginia CARES	300,000
7.	National Council of La Raza	374,991
8.	Bob Tucker and Associates, Inc.	417,158
9.	Solar America, Inc.	455,570
10.	Laborers' International Union of North America	694,500
11.	SER-Jobs for Progress, Inc.	777,738
12.	Solar America, Inc.	785,217
13.	OIC/A	1,216,000
14.	OIC/A	1,272,000
15.	SER-Jobs for Progress, Inc.	2,135,000

a/The amounts shown represent fully executed awards or the amount Labor planned to award pending negotiations.

EXHIBIT B

CETA TITLE IV DISCRETIONARY AWARDS

TO BE SAMPLED FOR DETAILED REVIEW

	Name of awardee	Amount (note a)
1.	National Council of La Raza	$ 11,545
2.	National Council of La Raza	79,206
3.	SER-Jobs for Progress, Inc.	120,180
4.	SER-Jobs for Progress, Inc.	143,348
5.	National Association for Southern Poor	150,000
6.	Dr. Benson Penick	175,000
7.	Opportunities Industrialization Centers of America, Inc. (OIC/A)	183,651
8.	SER-Jobs for Progress, Inc.	259,600
9.	National Council of La Raza	300,000
10.	SER-Jobs for Progress, Inc.	345,000
11.	SER-Jobs for Progress, Inc.	376,598
12.	The Prometheans, Inc.	400,000
13.	Greater Cleveland Growth Corporation	572,220
14.	OIC/A	800,000
15.	SER-Jobs for Progress, Inc.	800,000
16.	OIC/A	1,000,000
17.	SER-Jobs for Progress, Inc.	1,155,790
18.	OIC/A	1,400,000
19.	PUSH for Excellence, Inc.	1,999,968

a/The amounts shown represent fully executed awards or the amount Labor planned to award pending negotiations.

EXHIBIT C

TITLE III DISCRETIONARY AWARDS FUNDED OR FOR WHICH NEGOTIATIONS BEGAN DURING SEPTEMBER 1, 1980, THROUGH JANUARY 31, 1981 (PLANNED BY THE ONP PROGRAM STAFF)

Name of awardee	Amount (note a)
National Governors' Association	$ 6,200
Delaware Plan	18,500
American Management Association	22,000
West Michigan Area Agency on Aging	25,000
WETA Channel 26	33,000
Federation of Southern Cooperatives	33,375
United Progress	35,000
Recruitment and Training Program, Inc. (RTP, Inc.)	35,306
Northwest Rural Opportunities	36,238
PREP, Inc.	38,033
Graphic Arts Union	48,000
National Federation of the Blind	49,000
National Council of Young Israel	49,901
Indiana Office on Aging	50,000
RTP, Inc.	59,520
New Jersey Department of Labor and Industry	68,000
Amigos Del Valle	75,000
Mark Battle Associates	75,134
George Meany Center for Labor Studies	82,699
Careers in Community Outreach	83,931
Trade Union Leadership Council	87,000
Marine Job Training, Inc.	103,160
One America, Inc.	114,069
National Center on Black Aged	125,000
United States Office of Consumer Affairs	125,000
Opportunities Industrialization Centers of America, Inc. (OIC/A)	125,000
Center for Community Change	128,000
Focus on Children, Inc.	133,874
National Federation of the Blind	142,200
Center for Employment and Training	150,000
Great Lakes Inter-Tribal Council	150,000
National Puerto Rican Forum	150,000
Illinois Office on Aging	155,000
Idaho Inter-Tribal Policy Board	165,000
Women's Enterprise of Boston	190,424
West Virginia Labor Federation of AFL-CIO	191,704
YWCA of Oklahoma City	192,151
Boston YWCA	192,191

EXHIBIT C

EXHIBIT C

Name of awardee	Amount (note a)
Southern Vocational College	$ 199,000
National Council on Aging	210,000
West Michigan Area Agency on Aging	220,000
National Concilio of America	250,000
Southern Railway System	250,000
AFL-CIO Human Resources Development Institute	279,465
National Urban Indian Coalition	285,000
AETNA Casualty and Surety Company	298,000
Virginia CARES	300,000
United Food and Commercial Workers	300,000
AFSCME	320,608
Center for Community Change	344,000
National Council on Aging	352,000
University of Texas Center for the Study of Human Resources	369,960
National Council of La Raza	374,991
United Furniture Workers	411,000
National Puerto Rican Forum	422,000
Bob Tucker and Associates, Inc.	417,158
United Food and Commercial Workers	430,000
Solar America, Inc.	455,570
Joint Job Training and Research, Inc.	468,000
Goodwill Industries	486,900
National Council on Aging	500,000
National Steelworkers Oldtimers Foundation	500,000
Green Thumb, Inc.	500,000
National Urban League	500,000
National Retired Teachers Association	535,000
American Management Association	649,849
Epilepsy Foundation	656,100
Laborers' International Union of North America	694,500
United Negro College Fund	738,971
SER-Jobs for Progress, Inc.	777,738
Solar America, Inc.	785,217
National Association for Retarded Citizens	967,500
Garrett-Sullivan, Inc.	1,000,000
International Union of Operating Engineers	1,200,000
OIC/A	1,216,000
OIC/A	1,272,000
United Auto Workers	1,320,000
National Puerto Rican Forum	1,500,000
AFL-CIO Appalachian Council	1,664,000
AFL-CIO Human Resources Development Institute	1,913,331

EXHIBIT C

Name of awardee	Amount (note a)
SER-Jobs for Progress, Inc.	$ 2,135,000
National Urban League	3,614,000
New York City Department of the Aging	4,815,000
RTP, Inc.	7,486,000
Total (84 awards)	$47,947,468

a/The amounts shown represent fully executed awards or the amount Labor planned to award pending negotiations.

EXHIBIT D

TITLE IV DISCRETIONARY AWARDS FUNDED OR FOR WHICH NEGOTIATIONS BEGAN DURING SEPTEMBER 1, 1980, THROUGH JANUARY 31, 1981

(PLANNED BY THE OYP PROGRAM STAFF)

Name of awardee	Amount (note a)
Washington State Building and Construction Trades Council	$ 231
Cumberland County CETA of Portland, Maine	5,175
Cumberland County CETA of Portland, Maine	6,531
A. L. Nellum and Associates	9,822
Small Business Administration	9,850
National Urban Coalition	9,950
Syracuse Research Corporation	9,990
National Council of La Raza	11,545
Antioch University	11,806
Head Rest, Inc.	24,530
Karen Johnson and Associates	24,661
Clark, Phipps, Clark, Harris	25,092
Corporation for Youth Enterprises	31,200
Osora Associates	34,228
Middlesex County Economic Opportunity Corporation	42,000
Youth Employment Services--Wilkes-Barre	45,000
Northwest Regional Education Laboratory	49,944
National Institute for Work and Learning	50,000
Region IV--Project Alive	53,449
City of Cambridge	55,000
NAID Center for Human Development, Inc.	58,206
Cathedral Church of St. John the Divine	70,000
National Council of La Raza	79,206
National Vocational Guidance Association	81,696
Washington State Building and Construction Trades Council	87,000
National Council of Negro Women	94,475
YWCA of Miami and Dade County, Inc.	100,000
Girls Clubs of America, Inc.	100,000
Northern California Women for Apprenticeship	100,000
Minneapolis Public Schools	100,000
National Council of Negro Women	100,000
James Lowery and Associates	102,379
Cleveland Public Schools	103,340
Team Associates, Inc.	103,376
National Football League Players Association	116,873
SER-Jobs for Progress, Inc.	120,180
New York Institute of Technology	124,936

EXHIBIT D

Name of awardee	Amount (note a)
SER-Jobs for Progress, Inc.	$ 143,348
Youth Opportunities Unlimited	150,000
United Negro College Fund	150,000
National Alliance of Business	153,650
National Puerto Rican Forum	163,316
Brandeis University	176,135
Opportunities Industrialization Centers of America, Inc. (OIC/A)	183,651
Corporation for Public/Private Ventures	217,942
National Puerto Rican Forum	234,106
Council of Great City Schools	244,161
Youth Employment Services--Wilkes-Barre	247,500
Far West Laboratory	249,000
Cuban National Planning Council	250,000
U.S. Department of Health and Human Services	250,000
SER-Jobs for Progress, Inc.	259,600
New Transcentury Foundation	274,802
James Lowery and Associates	299,044
National Council of La Raza	300,000
SER-Jobs for Progress, Inc.	345,000
Team Associates, Inc.	372,175
SER-Jobs for Progress, Inc.	376,598
The Prometheans, Inc.	400,000
Center for Community Change	400,000
National Council of Negro Women	420,000
Head Rest, Inc.	423,767
Recruitment and Training Program, Inc. (RTP, Inc.)	435,000
Camp Fire, Inc.	448,669
National Child Labor Committee	469,298
RTP, Inc.	470,000
Team Associates, Inc.	498,086
Watts Labor Community Action	500,000
National Urban League	500,000
National Puerto Rican Forum	517,877
Pacific Economic Resources League	549,614
National Urban Coalition	650,000
Corporation for Public/Private Ventures	675,986
National Urban League	800,000
OIC/A	800,000
St. Louis University	800,000
SER-Jobs for Progress, Inc.	800,000
Office of Juvenile Justice and Delinquency Prevention	1,000,000
National Assembly of Voluntary Health and Welfare Organizations	1,024,000
SER-Jobs for Progress, Inc.	1,155,790
OIC/A	1,400,000

EXHIBIT D

Name of awardee	Amount (note a)
National Office for Social Responsibility	$ 1,401,055
Jobs for Arizona Graduates	1,500,000
National Football League Players Association	1,635,300
Office of Juvenile Justice and Delinquency Prevention	2,000,000
National Assembly of Volunteer Health and Welfare Organizations	7,529,279
National Alliance for Business	9,200,000
Total (87 awards)	$45,595,420

a/The amounts shown represent fully executed awards or the amount Labor planned to award pending negotiations.

EXHIBIT E

TITLE III DISCRETIONARY AWARDS FUNDED OR FOR WHICH NEGOTIATIONS BEGAN DURING SEPTEMBER 1, 1980, THROUGH JANUARY 31, 1981 (NOT IN ONP FUNDING PLAN)

Awardee	Amount (note a)
Community Services Administration	$ 75,000
Rosslyn Foundation	200,000
Pacifica Services	227,042
New York City Department for the Aging	300,000
Total	$802,042

a/The amounts shown represent fully executed awards or the amount Labor intended to award pending negotiations.

EXHIBIT F

TITLE IV DISCRETIONARY AWARDS FUNDED OR FOR WHICH NEGOTIATIONS BEGAN DURING SEPTEMBER 1, 1980, THROUGH JANUARY 31, 1981

(NOT IN OYP FUNDING PLAN)

Awardee	Amount (note a)
Smokey House Project	$ 90,000
Delta Sigma Theta Sorority	99,903
University of the District of Columbia	100,893
Black Music Association	102,000
Gary Community School Corporation	122,939
National Association of Southern Poor	150,000
Dr. Benson Penick	175,000
Athletes for Better Education	199,200
Atlanta Junior College	200,000
Martin Luther King, Jr., Center for Social Change	200,000
National Council of Negro Women	304,775
Recruitment and Training Program, Inc. (RTP, Inc.)	350,000
Marquette University	375,000
Greater Cleveland Growth Corporation	572,220
Opportunities Industrialization Centers of America, Inc.	1,000,000
A. Philip Randolph Fund	1,100,000
RTP, Inc.	1,130,000
PUSH for Excellence, Inc.	1,999,968
Total (18 awards)	$8,271,898

a/The amounts shown represent fully executed awards or the amount Labor intended to award pending negotiations.

EXHIBIT G

SUMMARY OF TITLE III ONP-ADMINISTERED TELEGRAMS SENT

DURING THE FIRST 4 MONTHS OF FISCAL YEAR 1981 (Note a)

	Name of awardee	Amount (note b)	Type of award	Date of telegram	Description of project
1.	Recruitment and Training Program, Inc.	$ 35,306	Modification	10/01/80	The amount of $27,966 was to hire two staff persons to the Project Area Councils for two rural initiative projects to funnel jobs generated to CETA eligible persons in the Tennessee-Tombigbee Waterway and Red River areas. The amount of $7,340 was to authorize a full time consultant for 20 days to assist the Project Area Councils of five rural demonstration projects in monitoring the projects' progress and to assist the White House and Working Groups for Small Communities and Rural Development in enunciating the rural policy to Federal, State, and local agencies and private organizations.
2.	Graphic Arts International Union	48,000	Modification	11/28/80	The contractor will subcontract with its locals country-wide to recruit, train, and upgrade skills of 75 women in non-traditional printing industry jobs.
3.	Indiana Commission on Aging and the Aged (Indianapolis, Indiana	50,000	Renewal	12/19/80	Jobs for the Elderly Program's purpose is to provide useful subsidized employment for elderly poor people over age 50.
4.	Great Lakes Inter-Tribal Council (Odanah, Wisconsin)	150,000	Renewal	01/19/81	Same as #3.
5.	Illinois Department on Aging (Springfield, Illinois)	155,000	Renewal	12/22/80	Same as #3.
6.	Southern Railway System (Wash., D.C.)	250,000	Renewal	01/16/81	This program's purpose is to provide craft training in the Southern Training Facility which will increase the employment and advancement opportunities for disadvantaged minorities, females, and veterans.

Name of awardee	Amount (note b)	Type of award	Date of telegram	Description of project
7. AETNA Casualty and Surety Company	$298,000	Renewal	01/14/81	The Federal Bonding Program is a means by which the DOL, through the cooperation of a qualified Casualty and Surety Company, offers fidelity bonding coverage to qualified job applicants who cannot otherwise obtain it. This bonding coverage is available to a targeted group of individuals with police or bad credit records who cannot obtain regular commercial bonding and therefore cannot be hired in the job for which they are qualified.
8. Department for the Aging	300,000	Modification	01/15/81	The purpose of this agreement was to ensure that the Department for the Aging did not suffer a cost overrun as a consequence of having operated a Jobs for the Elderly Program.
9. Center for Community Change	344,000	Renewal	01/12/81	The contractor provides technical assistance to 2,600+ non-affiliated community-based organizations in 48 States to assist them in (1) developing programs, obtaining local funding, and running local CETA programs under titles II, IV, VI, and VII; (2) maintaining working relationships with local prime sponsors; and (3) forming coalitions and functions as a clearinghouse for CETA legislation and information analysis through their newsletter. It also provides onsite and workshop technical assistance in staff training program management and fiscal control and develops program ideas that are put into proposal form.
10. Joint Job Training and Research, Inc.	468,000	Modification	10/22/80	The contract's purpose is to trai and place 2,000 unemployed, economically disadvantaged persons in sewing machine occupations.
11. National Retired Teachers Association (Washington, D.C.)	535,000	Modification	12/30/80	Same as #3.

	Name of awardee	Amount (note b)	Type of award	Date of telegram	Description of project
12.	Epilepsy Foundation of America	$ 656,100	Renewal	12/31/80	This project provides pre-vocational assistance, client identification, referral, and job placement of persons with epilepsy in the public and private sectors.
13.	National Puerto Rican Forum	1,500,000	Renewal	01/05/81	The contractor provides services to assist Puerto Rican and other Spanish speaking communities in gaining employment by dealing in specific employment obstacles mainly through basic occupational English-language training.
14.	AFL-CIO Appalachian Council	1,664,000	Renewal	12/13/80	This program's purpose is to provide training and placement for 1,000 unemployed and underemployed persons. The contractor will continue to utilize the working relationship of collective bargaining agreements to develop employment and training opportunities in 13 southeastern States.
15.	Human Resources Development Institute	1,913,331	Modification	01/07/81	This program's purpose is to develop jobs for 14,000 disadvantaged individuals over a 12-month period. The program provides technical assistance and training for organized labor at the local, regional, and national levels.
16.	SER-Jobs for Progress, Inc.	2,135,000	Renewal	01/15/81	This contract's primary purpose is to continue provision of technical assistance to local SER affiliates by their national and field office staffs.
17.	Department for the Aging-City of New York	4,815,000	Renewal	01/08/81	Same as #3.
	Total	$15,316,737			

a/This information was obtained from Labor documents which summarized these telegrams. We have not completed our verification of this information using the original telegrams.

b/The amounts shown represent fully executed awards or the amount Labor planned to award pending negotiations.

EXHIBIT III

SUMMARY OF TITLE IV OYP-ADMINISTERED TELEGRAMS SENT

DURING THE FIRST 4 MONTHS OF FISCAL YEAR 1981 (Note a)

Name of awardee	Amount (note b)	Type of award	Date of telegram	Description of project
1. Northwest Regional Educational Laboratory (Portland, Oregon)	$ 49,944	Modification	01/19/81	The demonstration project's objectives are to (1) explore the feasibility and assess the effectiveness of having varied organizations link with the private sector and public secondary schools; (2) assess the projects' impact on the youths served and their transition from school to work; and (3) provide a data base for an independent evaluation to assess the relative effectiveness among various community-based organizations as compared to other delivery agents.
2. City of Atlanta, CETA Director (Atlanta, Georgia)	53,449	Renewal	01/19/81	Same as #1.
3. Naid Center for Human Development, Inc., (Mason City, Iowa)	58,206	Modification	01/19/81	Same as #1.
4. Smokey House Project	90,000	New	01/05/81	The contractor's objectives are to provide school-to-work transition activities to economically disadvantaged youths in rural Vermont by imparting vocational skills in the agriculture and construction industries.
5. Delta Sigma Theta Sorority, Inc.	99,903	New	01/19/81	This effort represents an additional site for the Solo Parents project in Florida. Each Solo Parent site project is contracted to provide (1) an educational and training component, (2) child care, and (3) skills training.
6. Black Music Association	102,000	New	01/19/81	This project, targeted towards out-of-school youths seeking or enrolled in post secondary educational training, is to conduct an internship and pre-apprenticeship program for women and minorities in the recording industry.

EXHIBIT III

Name of awardee	Amount (note b)	Type of award	Date of telegram	Description of project
7. Gary Community School Corporation	$122,939	New	12/18/80	This project proposes to demonstrate the effectiveness of career development linkages with the work world and other learning institutions by (1) exposing students to alternative careers and life styles, (2) keeping educators abreast of local labor market demands, and (3) providing guidance and placement services for graduating students in Gary, Indiana.
8. National Association for the Southern Poor	150,000	Renewal	01/06/81	The contractor was funded to implement an Assembly Youth Demonstration project that is designed to serve a dual purpose by increasing services to communities through the employment of economically disadvantaged youths, aged 16-21, as youth community development specialists.
9. Youth Opportunities Unlimited (Los Angeles, Calif.)	150,000	New	01/19/81	This project will provide 50 Hispanic youths with pre-apprenticeship and on-the-job training and place them in a 3-year aviation apprenticeship program.
10. Dr. Benson Penick	175,000	New	01/19/81	The Non-Traditional Technical Careers Exposure through Volunteers and Organizational Delivery Mechanism Project proposes to increase employability of disadvantaged adolescent mothers.
11. Athletes for Better Education	199,200	New	01/16/81	The contractor proposes to operate a residential summer camp, school-year followup seminars, and college placement activities to a minimum of 1,200 high school student-athletes at three different sites. In addition, it intends to develop an extensive college and corporate network to provide meaningful summer job experiences that assist in defining career awareness and objectives for youths in the program.

Name of awardee	Amount (note b)	Type of award	Date of telegram	Description of project
12. Atlanta Junior College	$200,000	New	01/19/81	The contractor will set up a basic skills program designed to improve the functional capacity of pre-trial released youths in reading, writing, and mathematics.
13. Martin Luther King, Jr. Center for Social Change	200,000	New	01/12/81	The contractor will provide (1) a demonstration project designed for joint agency funding to reduce crime and attacks against the elderly through the provision of youth escort and medical/social errand services, and (2) a project designed to improve the community through beautification and a residential numbering system.
14. National Council of La Raza (Wash. D.C.)	300,000	Renewal	01/19/81	Same as #1.
15. National Council of Negro Women, Inc.	304,775	New	01/19/81	This project will provide management assistance in capacity building for the community-based organizations that are affiliated with this contractor.
16. SER-Jobs for Progress, Inc.	345,000	Modification	12/30/80	The program's objective is to break the cycle of lack of education, unemployment, and poverty which afflicts many bilingual/bicultural minority youths, through a comprehensive bilingual educational program of individualized academic instruction, career awareness, and intensive counseling.
17. Recruitment and Training Program, Inc.	350,000	New	01/19/81	The contractor proposes to operate 3 sites in San Francisco, each serving 100 youths in a school-to-work transition program and 100 youths in a summer Career Exploration Program.

EXHIBIT H

Name of awardee	Amount (note b)	Type of award	Date of telegram	Description of project
18. Marquette University	$375,000	Modification	01/19/81	This modification will allow the contractor to (1) provide technical assistance (TA) to Upward Bound (UB)/CETA programs and other UB sites; (2) promote the replication of UB/CETA models; (3) assist prime sponsors and prime sponsor subcontractors in incorporating components utilized in the UB/CETA; (4) provide TA efforts on a region-by-region basis; (5) provide individual work with corporate leaders, and prime sponsors' and UB staffs to promote models; (6) publicize and disseminate quarterly newsletters; and (7) train 550 staff members from prime sponsors and 300 staff members UB/CETA and regular UB projects.
19. Center for Community Change, Inc. (Wash. D.C.)	400,000	New	01/19/81	Same as #15.
20. National Council of Negro Women, Inc. (New York, New York)	420,000	Modification	01/19/81	Same as #1.
21. Head Rest, Inc.	423,767	New	01/19/81	Project is to produce an agency self-evaluation guide focused on the host agency's goals, programs, management, and administration.
22. Recruitment and Training Program, Inc.	435,000	Modification	01/19/81	Same as #1.
23. Recruitment and Training Program, Inc.	470,000	Renewal	01/19/81	The Career Exploration Program is designed to assist 480 youths that are economically disadvantaged high school graduates or drop-outs, aged 16 to 21, by providing special career education, counseling, job referral, and placement services.

Name of awardee	Amount (note b)	Type of award	Date of telegram	Description of project
24. TEAM Associates, Inc.	$498,086	New	01/19/81	Project is to survey prime sponsors to determine major occupations for which sponsors provide skills training. After which, competency-based curriculum with performance criteria assessment devices would be developed for each of these occupations.
25. National Urban League, Inc. (New York, New York)	500,000	Modification	01/19/81	Same as #1.
26. National Urban Coalition	650,000	Modification	01/19/81	The Alternative Volunteer Project is a volunteer assistance project testing the utilization of a volunteer one-to-one experience in leveraging resources for youths in gaining employment and other positive outcomes (school retention, higher education, and technical or skill training).
27. National Urban League, Inc. (New York, New York	800,000	New	01/19/81	The contractor has proposed to provide capacity building assistance to local program operators of community based organizations and national organization's affiliates identified as experiencing difficulties in competing for local funds and in delivering programs effectively.
28. OICs of America, Inc. (Philadelphia, PA)	800,000	New	01/19/81	Same as #27.
29. SER-Jobs for Progress, Inc. (Dallas, Texas)	800,000	New	01/19/81	Same as #15.
30. St. Louis University Center for Urban Programs	800,000	Renewal	01/15/81	This modification will result in research activities focusing on the assessment and evaluation of program operations at 13 sites.

	Name of awardee	Amount (note b)	Type of award	Date of telegram	Description of project
31.	SER-Jobs for Progress, Inc.	$1,155,790	Renewal	01/19/81	Project provides career awareness and vocational counseling to 1,080 Hispanic youths over 8 sites nationally during the summer.
32.	Jobs for Arizona Graduates, Inc.	1,500,000	New	12/24/80	The contractor's demonstration project is designed to identify, screen, select, train, and place 3,000 high school students. Students will (1) be provided basic skill training, career guidance, counseling, and transitional services to prepare them for private sector employment; and (2) participate and compete in a youth development club.
33.	National Football League Players Association	1,635,300	Renewal	01/15/81	The contractor proposes a continuation of its summer vocational exploration program in 10 cities nationwide during July and August 1981.
	Total	$14,613,359			

a/This information was obtained from Labor documents which summarized these telegrams. We have not completed our verification of this information using the original telegrams.

b/The amounts shown represent fully executed awards or the amount Labor planned to award pending negotiations.

EXHIBIT II