

ETA Response to Draft Report


U.S. Department of Labor

Assistant Secretary for
Employment and Training
Washington, D.C. 20210



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MEMORANDUM FOR: ELLIOT P. LEWIS
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FROM: GERRI FIALA 
Acting Assistant Secretary

SUBJECT: Response to the Office of Inspector General's Audit, *Recovery Act: Required Employment and Case Management Services Under The Trade and Globalization Adjustment Assistance Act of 2009*, Audit Report 18-13-003-03-330

The Employment and Training Administration (ETA) appreciates the opportunity to respond to the Office of the Inspector General's (OIG) draft audit report on the *Recovery Act: Required Employment and Case Management Services Under the Trade and Globalization Adjustment Assistance Act of 2009 (TGAAA)*. We want to thank WithumSmith+Brown (WS+B) contract staff for their time and effort spent reviewing 255 participant files, which represent a sample size of 0.2 percent of the total 114,711 files collected at the time of the audit for participants served by TGAAA; and interviewing personnel at ETA's Office of Trade Adjustment Assistance (OTAA), eight Cooperating State Agencies (CSAs), and eight Local Workforce Investment Boards (LWIBs).

TGAAA provided displaced workers access to long-term training, and those hardest hit during the economic recession could enter training of up to 156 maximum weeks to improve their reemployment opportunities. Of the 120,903 Trade participants served to date who entered TGAAA, TGAAA provided 60,268 participants with training and 68 percent or 39,403 participants who exited the program entered employment.

The Department anticipated that there would be some challenges during the transition to TGAAA. After TGAAA was enacted, ETA took early, proactive steps for a successful implementation by issuing new Trade Adjustment Assistance guidance and following up with National Office staff providing necessary technical assistance to CSAs in six regional meetings. ETA also updated the Trade Act Participant Report (TAPR) handbook as the new program was implemented. Since then, the Department has engaged in regional and state training efforts to create a consistent means for data sharing and accurate data reporting. Additionally, TGAAA required CSAs to implement control measures to effectively oversee the operation and administration of the TAA program and to improve the timeliness of reported data and verify the accuracy of such data (TEGL 22-08, Section I.2) which continue under the current 2011 TAAEA program.

Below are the Department's responses to address each recommendation provided in this report. The Department continues to update its state monitoring procedures to address case

management, data integrity and reporting validation, and will continue to work with its regional and state workforce partners to ensure that proper case management is administered to those displaced trade impacted workers.

Recommendation 1: Develop a process to notify states to provide evidence of compliance in meeting future legislative requirements.

ETA Response to Recommendation 1: ETA concurs with this recommendation. In fact, OTAA began to work on producing a Trade Supplement to ETA's Core Monitoring Guide in 2012 which establishes monitoring protocols for reviewing state and local area compliance with statutory requirements. The guide provides instructions for ETA regional staff review of TAA participant files submitted by CSAs and will ensure comprehensive documentation of all eight required case management services by state and local areas. Additionally, the guide requires ETA regional staff to monitor state activities to certify that LWIAs are in compliance with statutory requirements. The resulting CSA monitoring reports will provide additional evidence of compliance.

Recommendation 2: Complete the data validation program for FY 2013 TAPR data in accordance with OMB Circular A-11. This should include validation procedures for ETA to compare a sample of state reported data to source documentation, as well as establish procedures to ensure states are accountable for correcting data if ETA identifies significant error rates.

ETA Response to Recommendation 2: ETA concurs with this recommendation. This summer, OTAA will recommence Data Element Validation for the FY 2013 TAPR data, and CSA reports will have a submission deadline of February 1, 2014. ETA will direct CSAs to pull a random sample of files for the purpose of validating reported data against documentation provided in TAA participant case management files. OTAA will establish procedures to ensure CSAs are accountable for correcting data if significant error rates are identified.

Recommendation 3: Require states to conduct internal assessments of data integrity established by ETA, and comply with accountability procedures if ETA identifies significant error rates.

ETA Response to Recommendation 3: ETA concurs with the recommendation. OTAA will instruct CSAs to conduct annual internal assessments of data integrity established by ETA in a forthcoming TEGL. The TEGL will formalize benchmarks for reporting, and will require CSAs to comply with accountability procedures outlined in the TEGL, should significant error rates be identified.

Recommendation 4: Include calculation formulas and actual participant numbers for computing performance measures in ETA's published reports and on its website.

ETA Response to Recommendation 4: ETA concurs with this recommendation to improve transparency of TAA data. OTAA is in the final stages of formalizing calculations for taking raw data reported by states and producing aggregate numbers, including participant counts and performance outcomes. The calculation formulas and actual participant numbers for computing performance measures will be included in ETA's published reports and linked to its website.