



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

MANPOWER AND WELFARE
DIVISION

OCT 24 1972



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Dear Mr. Zarb:

We have reviewed the effectiveness and management of the Neighborhood Youth Corps in-school program for fiscal year 1971 at three locations--Harris County, Texas; Norfolk, Virginia; and the Washington metropolitan area. This report deals with one aspect of our review--income eligibility; the other aspects of our review are discussed in the draft report on the subject matter which we forwarded to you for comment on September 20, 1972.

Our review showed that the in-school program requirement that enrollees be from low-income families was not being effectively implemented in all instances in the Washington metropolitan area.

The enrollment records maintained by the Washington metropolitan area sponsor for the fiscal year 1971 in-school program--which essentially on information furnished by enrollees--indicated that of the 109 enrollees in our random sample, five, or about 5 percent, were not eligible for the program on the basis of family income. The records for 24 enrollees, or 22 percent, were not available. The records for eight additional enrollees, or about 7 percent, were not conclusive as to family income earned and, on the basis of information shown, it seems that verification would have been appropriate. For example, the records showed that one parent was a bus driver for a local public transportation company earning less than \$5,000 annually, one was a construction worker earning less than \$4,000 annually, and one was a truck driver earning less than \$4,000 annually.

An official of the Washington metropolitan area program sponsor informed us that certain enrollment records containing certifications of enrollee eligibility were unavailable because the sponsors had not submitted the records to the sponsor, as required; some of these sponsors had not recertified fiscal year 1971 in-school program enrollees who had also been enrolled in the previous summer program. We noted that the responsible certifying official of District of Columbia Manpower Administration (DCMA) had requested DCMA's Division of Work Training in September 1972 to take appropriate measures to ensure certification of those in-school program enrollees who had participated in the previous summer program.

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At the time of our review of the fiscal year 1971 in-school program in the Washington metropolitan area, recruitment and certification of enrollees was accomplished by DCMA's Employment Service, the sponsor, and various subponsors in Washington, D. C. and by the subponsors in the suburban area. In commenting on our previous review of the Neighborhood Youth Corps summer program, ^{1/} the Manpower Administration advised us in October 1971 that the responsibility for determining conformance of the income reported by enrollees or their parents to established income criteria had been assigned to DCMA's Employment Service in Washington, D. C.,-- thereby removing from the sponsor and various subponsors in Washington, D. C., the responsibility for certifying an enrollee's income eligibility--and to either State employment services or participating subponsors in the suburban areas. The Manpower Administration advised us also that DCMA periodically spot-checked this information during its onsite monitoring visits.

Although we did not perform a follow-up examination of the DCMA's revised certification procedures for the fiscal year 1972 in-school program, we were informed by an official of DCMA that income certification was to some extent still a problem. According to this official, DCMA did not possess the authority to investigate or question further those prospective enrollees whose statements as to family incomes appears erroneous or unreasonable. Consequently, it is still possible for applicants to be enrolled in the program who would not qualify as members of low-income families.

In our review of eligibility of enrollees in Norfolk, all enrollees in our sample qualified for the program as members of low-income families.

In Harris County we found two enrollees under one sponsor's program who were not members of a low-income family. The sponsor, upon verification of the enrollees' ineligibility, terminated the enrollees from the program. We noted that this sponsor performed income reviews of all enrollees every 6 months to ensure that only those enrollees who qualify as to income were allowed to participate in the program.

The revised certification procedures for the Neighborhood Youth Corps program in the Washington metropolitan area should, if properly implemented, help improve the controls over enrollees low-income eligibility in that area; the centralization in DCMA of the responsibility for enrollee eligibility certification lessens the likelihood of unavailible enrollment records and of inconsistent application of income eligibility criteria.

^{1/} Letter dated April 16, 1971, from the General Accounting Office to the Assistant Secretary for Manpower.

Because limited funding available for the NYC in-school program provides slots for only a small portion of the large number of disadvantaged students who are potential dropouts, we believe that it is quite important that the certification procedures used will offer reasonable assurance that only eligible youths participate.

Recommendation to the Secretary of Labor

Accordingly, the Department should instruct sponsors to verify the family income of prospective program enrollees before enrollment in cases where the stated family income appears erroneous or unreasonable.

We wish to acknowledge the cooperation given to our representatives during our review, and we would appreciate receiving your comments on actions taken or planned on the matters discussed herein.

Sincerely yours,

George D. Peck

George D. Peck
Assistant Director

The Honorable Frank G. Zarb
Assistant Secretary for Administration
and Management
Department of Labor

cc: Secretary of Labor
Assistant Secretary of Labor
for Manpower
Manpower Administrator
Chief, Special Review Staff, MA
Mr. Edward McVeigh, OASA
Mr. Edgar Dye, OASA
Mr. Wayland Coe, OASA