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Administration Of A Federally Funded Disaster Relief Program For Agricultural Workers In Southern Florida

B-771934

Department of Labor
Department of Agriculture

BY THE COMPTROLLER GENERAL
OF THE UNITED STATES

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APRIL 20, 1972



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-171934

CI Dear Mr. Rogers:
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In accordance with your request of May 4, 1971, we have reviewed the administration of a federally funded disaster relief program for agricultural workers in southern Florida. Federal participation in this program was administered by the Departments of Labor and of Agriculture.

We believe that the contents of the report would be of interest to the Departments of Labor; Health, Education, and Welfare; and Agriculture. As agreed, however, we have not obtained the comments of the agencies responsible for administering the disaster relief program and have not provided these agencies with any detailed information concerning matters discussed in this report. Also, as agreed with your office, we will furnish a copy of this report to Congressman Claude Pepper. We will make further distribution of this report only after your agreement has been obtained or public announcement has been made by you concerning its contents.

We trust that the information in this report will serve the purpose of your request.

Sincerely yours,

A handwritten signature in black ink that reads "James B. Stacks".

Comptroller General
of the United States

The Honorable Paul G. Rogers
House of Representatives

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D I G E S T

WHY THE REVIEW WAS MADE

Congressman Paul G. Rogers requested the General Accounting Office (GAO) to review a federally funded disaster relief program to assist farm workers in a six-county area of southern Florida. The congressman had received numerous complaints regarding the manner in which assistance had been provided.

Background

On March 15, 1971, the President declared the region a disaster area because of severe freezes which had caused extensive crop damage, unemployment, and hardship to agricultural workers. Federal assistance was provided to some 30,000 persons from March 1 to April 30, 1971, at a cost of \$9 million. The average recipient received cash and food worth about \$280. (See p. 21.)

The aid consisted of unemployment assistance (for those who did not qualify for State unemployment payments), free food stamps or commodities, and public works jobs funded under the Department of Labor's Operation Mainstream program. (See p. 3.)

GAO's review was concerned primarily with the adequacy of controls exercised by the responsible agencies to ensure that assistance was provided only to eligible persons and in accordance with the requirements of the respective programs.

The agencies responsible for the matters discussed in this report were not requested to comment on the results of the review, and GAO did not provide these agencies with any detailed information concerning matters discussed in this report.

FINDINGS AND CONCLUSIONS

Unemployment assistance

Although some controls were instituted by the Florida Bureau of Unemployment Compensation (the agency which administered the program) for determining whether an applicant was eligible, the controls did not prevent improper payments. Assistance payments were made to some ineligible persons and, in some cases, in improper amounts. GAO was unable to determine the extent of the

overpayments because information was not readily available to permit the selection of a statistically valid sample on which to base such a determination. (See p. 9.)

Food

Food stamps or commodities were distributed free to each applying household which had at least one member eligible for unemployment assistance and whose available cash fell below a specified level. The Bureau, however, did not verify the amount of cash resources claimed by an applicant or the size of his family, although these factors had a bearing on a family's eligibility and on the quantity of assistance to which it was entitled. (See p. 17.)

Operation Mainstream

The Operation Mainstream projects were intended to provide 1,000 unemployed agricultural workers with full-time work and to remove them from dependence on disaster unemployment assistance. The projects actually served as a supplemental program which provided part-time work for about 3,000 workers, most of whom, according to GAO's test, continued to receive unemployment assistance.

This happened because Federal and State agencies had not established procedures for coordinating the enrollment of workers under Operation Mainstream with the unemployment assistance program. (See p. 19.)

Conclusions

The disaster relief program was implemented immediately upon the President's March 15 declaration which made aid retroactive to March 1. Thus the urgency of the situation and the relatively short duration of the program precluded any significant planning and the establishment of adequate management controls--primarily verification procedures--which would have ensured that only eligible persons obtained assistance.

The program emphasized providing prompt help to those in need and seemed to require that claimants not be denied benefits pending the establishment of adequate controls. Thus the Government assumed an inherent risk that, to reach those in need, benefits might be obtained by some persons other than those intended to be assisted.

GAO questions whether adequate controls could have been initiated or effectively exercised for this disaster, except as it related to Operation Mainstream projects. Adequate coordination should have been established to preclude the employment of disaster victims in Operation Mainstream projects and payments of unemployment assistance to these same persons.

The experience resulting from this program should not be lost. Federal agencies which may become involved in future programs of this type, such as the Office of Emergency Preparedness and the Departments of Agriculture; Health, Education, and Welfare; and Labor, should develop plans and procedures that can be implemented quickly and effectively, to better ensure that the programs serve only those eligible to receive assistance.

CHAPTER 1

INTRODUCTION

Our review of the federally funded disaster relief program for agricultural workers in southern Florida was made pursuant to a request dated May 4, 1971, from Congressman Paul G. Rogers who had received numerous complaints regarding the manner in which Federal assistance had been provided. (See app. I.)

The assistance was provided under the authority of the Disaster Relief Act of 1970, approved December 31, 1970 (42 U.S.C. 4401). The Office of Emergency Preparedness is delegated responsibility for administering disaster relief programs upon the President's declaration of a disaster. The scope of such programs may include a wide range of assistance to State and local governments, businesses, and persons, such as

- grants to the governments to remove debris and wreckage;
- temporary assumption of mortgage and rent payments of persons and families;
- emergency loans to repair, rehabilitate, or replace property damaged or destroyed;
- unemployment assistance payments to persons unemployed as a result of the disaster and food assistance to households which are affected by the disaster and which are unable to purchase adequate amounts of nutritious foods.

On March 15, 1971, in response to a request for Federal assistance by the Governor of Florida, the President declared six counties in southern Florida a major disaster area. These counties had suffered severe freezes which began on or about January 20, 1971, which caused extensive crop damage and unemployment and hardship to agricultural workers in the area.

The President's declaration was followed by an agreement dated March 17, 1971, between the Governor and the Acting Regional Director, Office of Emergency Preparedness, Region 3, providing unemployment assistance to persons in the counties of Dade, Broward, Palm Beach, Lee, Hendry, and Collier, who were unemployed during the period March 1 to April 30, 1971, as a result of the freeze damage to crops.

In addition, to assist unemployed agricultural workers during the 2-month period, the Secretary of Agriculture authorized distribution of free food stamps and commodities and the Secretary of Labor provided funds for public works employment under the Department's Operation Mainstream program.

The disaster relief program assisted up to 30,000 persons at a cost of about \$9 million in Federal funds. Program costs and the number of persons served under the three categories of assistance are shown in appendix II.

UNEMPLOYMENT ASSISTANCE

Unemployment assistance was made available for the benefit of seasonal agricultural workers who were not covered by State unemployment insurance. The seasonal agricultural work force in Florida, which at its peak in January 1971 numbered about 75,000 according to State estimates, is composed of local residents, intrastate and interstate migrants, and foreign workers employed either by growers or by crew leaders who contract with growers. Responsibility for providing the assistance was delegated by the Office of Emergency Preparedness to the Secretary of Labor, who under an agreement with the Governor, appointed the Bureau of Unemployment Compensation, Division of Labor and Employment Opportunities, Florida Department of Commerce (referred to in this report as the State Agency), its agent in making such payments.

The Department of Labor's handbook for guiding State agencies in administering disaster unemployment assistance programs provided generally that an unemployed person be eligible for assistance if the person's unemployment was found by the State agency to be the result of the major disaster and if the person was able to work and available

for work. It permitted a person's unemployment to be attributed to the disaster if the person had worked in the disaster area within the 10-week period immediately preceding the disaster but no longer had a job.

Part-time employment of up to 47 hours a week (48 hours a week was considered full time by the Florida State Agency) was permitted without affecting the applicants' eligibility; however, benefits were reduced by one half of earnings applicable to hours worked in excess of 20. Benefits were reduced also by any unemployment compensation a person received in a corresponding week as a result of previous employment and by certain other types of income.

Basic assistance to persons unemployed as a result of the disaster ranged from a minimum of \$36 to a maximum of \$47 weekly, the amount varying in accordance with each person's earnings during the base period--October 1, 1969, to September 30, 1970. A person whose average weekly earnings exceeded \$72 over a period of 20 or more weeks during the base period was entitled to weekly assistance equal to one half of his average earnings up to the maximum. Persons who had lesser average weekly earnings or who had worked fewer weeks during the base period were entitled to the minimum.

To provide funds for disaster unemployment assistance payments and related administrative expenses, the Office of Emergency Preparedness initially transferred \$2.5 million to the Department of Labor. Subsequently additional sums were transferred as needed. Of the total of \$7.9 million provided, \$7.4 million had been expended for the program at August 31, 1971. It was not intended that the initial amount transferred cover the full cost of the program.

FOOD ASSISTANCE

The distribution of food stamps and commodities in disaster areas is the responsibility of the Secretary of Agriculture. The Secretary designated the Division of Family Services, Florida Department of Health and Rehabilitative Services, to administer food assistance programs in Florida. In counties where a commodity rather than a food stamp program is operated, the boards of county commissioners

have been assigned the responsibility for distributing the commodities.

The Department of Agriculture directed that the Division of Family Services certify for disaster food assistance those households which included a member who had been certified by the State Agency as eligible for disaster unemployment assistance.

In accordance with the Department's Food and Stamp Program Regulations (7 C.F.R. 274), a month's issue of emergency food stamps was to be given without charge to approved households in Dade, Hendry, and Collier Counties. The value of stamps to be issued to a household varied with its size from \$28 for single-member households to \$212 for 10-member households. For each household member in excess of 10, the value of food stamps issued was to be increased by \$16. Commodities were to be issued on a biweekly basis without charge to approved households in Broward, Palm Beach, and Lee Counties. The value of commodities issued varied according to the size of households. For example, a household of four persons was authorized to receive commodities valued at about \$50 biweekly.

In Dade County commodities were distributed initially during the 3-day period March 19 to 21. After protests by a group of workers who claimed that the commodities did not provide the ingredients needed for their customary diet, the Department of Agriculture agreed to distribute food stamps, rather than commodities, to Dade County disaster victims. The distribution of food stamps was begun on March 22, and households that had received an initial 2-weeks supply of commodities also were allowed to receive a month's issue of food stamps.

Funds used in providing disaster food assistance originated from the Department of Agriculture's regular operating appropriation.

OPERATION MAINSTREAM PROJECTS

The Department of Labor provided funds for creating 1,000 public-works-type jobs for unemployed agricultural

workers in the disaster area under the Department's Operation Mainstream program.

Operation Mainstream projects are authorized under the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2701), and ordinarily provide work opportunities to chronically unemployed poor persons who have unsatisfactory employment prospects and who are unable, because of age, lack of employment opportunity, or other reasons, to secure appropriate employment or training assistance under other programs. Worksites for Operation Mainstream enrollees are provided by participating municipal, county, and State governments for such activities as improvement and beautification of parks and open spaces in low-income neighborhoods, improvement and rehabilitation of community facilities, and roadside beautification.

The Department of Labor entered into agreements with local agencies as sponsors for two projects in the disaster area. One agreement with the Dade County metropolitan government provided for Federal funding of \$260,820 for 500 enrollees at worksites in Dade County. The other agreement with the Economic Opportunity Coordinating Group of Broward County, Inc., provided for Federal funding of \$259,950 for 500 enrollees at worksites in Palm Beach, Broward, and Collier Counties.

Each agreement stipulated that persons be employed for 40-hour workweeks for up to 6 weeks. A maximum of 50 enrollees selected to act as leaders would be paid \$2 an hour, and all other enrollees would be paid \$1.60 an hour. The agreements also provided for the employment of certain administrative and supervisory employees at weekly rates of pay ranging from \$100 to \$225.

SCOPE OF REVIEW

Our review was made at the headquarters and cognizant regional offices of the Departments of Agriculture and of Labor and at the State district and county offices responsible for administration of the relief program.

We reviewed applicable legislation; regulations; guidelines; and, on a test basis, detailed records of the

assistance provided. We interviewed Federal, State, and county officials and officials of private organizations having responsibility under the program.

We interviewed also growers, representatives of grower organizations, and private citizens, including a number of persons whose names had been given to us by Congressman Rogers, to obtain pertinent information on the program. We reviewed records of selected growers to obtain information on the earnings of employees who had received disaster assistance.

Our review was concerned primarily with the adequacy of controls exercised by the responsible agencies to ensure that assistance was provided only to eligible persons and in accordance with the requirements of the respective programs.

The agencies responsible for the matters discussed in this report were not requested to provide comment on the results of the review, and we have not provided these agencies with any detailed information concerning matters discussed in this report.

CHAPTER 2

CONTROLS OVER UNEMPLOYMENT ASSISTANCE PAYMENTS

Although some controls were instituted by the State Agency for determining whether an applicant was eligible for disaster unemployment assistance and the amount of his entitlement, the controls were not adequate to prevent improper payments under the program.

We found that some ineligible applicants had received assistance and that payments in improper amounts had been made to some applicants; however, we were unable to estimate the extent of overpayments because information was not readily available to permit the selection of a statistically valid sample on which to base such a determination.

In viewing the lack of adequate controls, however, extenuating circumstances, such as the urgency with which the program had to be implemented and the size of the program, have to be considered.

RELIANCE ON UNVERIFIED INFORMATION

In determining whether applicants for disaster unemployment assistance met eligibility criteria and in determining the amount of assistance to which applicants were entitled, the State Agency relied principally on unverified information provided by the applicants. The State Agency considered it necessary to rely upon information provided by applicants because of the general lack of information in the State Agency concerning the employment history of agricultural workers and the practical inaccessibility of such information from other sources--such as growers and crew leaders--in a restricted time frame.

The determinations of eligibility for disaster unemployment assistance also were a factor in determinations of eligibility under the food stamp and commodity programs (see ch. 3), and some of the matters discussed in later sections of this chapter are applicable to these other programs.

Establishing applicants' eligibility

The finding by the State Agency that an applicant was eligible for disaster unemployment assistance was based primarily on the applicant's own certification that he was either unemployed or partially employed as a result of the disaster.

Before disaster unemployment assistance was paid, all initial applications were sent by local officials to their State office where pertinent information was entered on magnetic tape and was screened by automatic data processing against other pertinent information available at the State office, such as (1) other applications for disaster unemployment assistance, (2) the record of persons receiving unemployment compensation, (3) the record of persons drawing training allowances under the Manpower Development and Training Act of 1962, and (4) the record of persons who worked in Florida during the year ended December 31, 1970, in occupations covered by unemployment insurance.

This screening process helped prevent payments of disaster unemployment assistance to certain classes of ineligible applicants but did not help prevent payments to persons who were ineligible because they (1) had not worked in agricultural employment in the disaster area during the 10-week period immediately preceding the disaster, (2) were working full time at the time of application, or (3) refused to work full time even though such work was available to them.

The risk of an applicant's applying for assistance under an assumed social security number was reduced by procedures established by the State Agency, which required an applicant to produce his social security card, or evidence, such as a payroll check stub, to substantiate his social security number. Persons claiming not to have a social security number or to have lost their card were referred to representatives of the Social Security Administration stationed at the various disaster assistance offices for issuance of a number or a replacement card. In the interim applications by these persons for disaster assistance were held in suspense.

State Agency officials told us that, in some cases of questionable applicant qualifications--e.g., applicants who were thought to be students--applicants were required to provide substantiating evidence of eligibility, such as written statements from growers or crew leaders for whom they had worked to the effect that no work was available to them because of the freezes. The State Agency could not provide us with information on the number of claims verified by this means, nor could we develop such information or evaluate by other means the effectiveness of the control procedure.

In a random sample of 103 approved applications, we found that the last employers' names--information necessary if eligibility was to be verified--were not shown on 69, or about two thirds, of the forms and that there was no evidence that agricultural employment reported for the remaining 34 applicants had been verified. A State Agency official explained to us that the agency did not insist on this information as a condition of eligibility because in some cases, especially among day workers, applicants would not know the names of their former employers.

With respect to verifying reported prior employment, this official said that it was very difficult to distinguish the eligible applicants from those who had not worked in agriculture or who were attempting to conceal their employment. Some control, however, was exercised in that temporary employees hired by the State Agency from the ranks of the unemployed workers and crew leaders were able, because of previous knowledge, to identify the employment status of certain applicants.

Establishing amount of weekly assistance

The State Agency's determinations of applicants' basic weekly assistance amounts, the length of their entitlement to assistance, and any required deductions for earnings from partial employment were based generally upon unverified information supplied by the applicants. The risk of overpayments resulting from incorrect determinations of basic weekly assistance amounts may not have been great because most applicants certified that they had worked less than 20 weeks during the base year ended September 30, 1970, and

thus were eligible only for the minimum weekly assistance amount. The risks of overpayments, however, in determining claimants' continuing entitlement to assistance and the amount of reductions for earnings from partial employment was much greater in relying on unverified information. As discussed below tests made by both the State Agency and us showed that overpayments may have resulted from applicants' either not reporting earnings or reporting only a portion of their earnings when making weekly applications for assistance.

Although no systematic procedures for verifying applicants' earnings during the disaster period were established, the State Agency did obtain lists of employee names from 19 growers while the program was operating. Because of staff limitations it was not until after the program ended that the State Agency identified 217 employees shown on the lists who had received unemployment assistance totaling \$12,900 in excess of the amounts they were entitled to on the basis of their weekly earnings and hours worked as shown in the growers' records. These excess payments averaged \$60 a person during the 9-week period of assistance payments. About \$4,300 had been recovered at December 31, 1971, and State Agency officials advised us that collection efforts were being continued.

Our test of the accuracy of the weekly payments received by 943 selected applicants for disaster unemployment assistance included an examination of the earnings records of 660 persons employed by 18 selected growers and 283 persons employed under an Operation Mainstream project. Our test showed that the earnings that had been reported by 722 of the applicants were less than the amounts shown on the growers' or sponsors' records as earnings for these applicants. On this basis the 722 claimants received overpayments.

Grower employees

To identify applicants who concurrently received wages and disaster unemployment assistance, we visited 18 growers located in the disaster area. For applicants identified, we compared the earnings and the number of hours worked as shown by growers' records with corresponding information reported by applicants when applying for disaster assistance.

Our selection could not be made on a statistical sampling basis; therefore, the results of the test are not necessarily representative of all disaster unemployment assistance claims.

The growers which we contacted were selected from names provided by representatives of the Florida Fruit and Vegetable Association, the Farm Labor and Rural Manpower Service, and county agricultural agents on the basis of location in the disaster area, crops grown, and availability of payroll information in a form that would facilitate comparison with disaster unemployment assistance records. Our test included seven growers who previously had furnished names of employees to the State Agency for screening against applicants for disaster unemployment assistance.

Of about 2,840 employees paid by the 18 growers during the disaster period, 811 received disaster unemployment assistance. The growers' payroll records showed that 797 employees (sufficient data was not available for 14 employees) had earned wages of about \$218,000 during the disaster period but, when applying for disaster unemployment assistance, had reported earnings of only \$70,000.

On the basis of the differences in reported earnings, we found that, for 660 of these employees who were paid on an hourly basis, 580 were overpaid a total of about \$40,000 in unemployment assistance. The average overpayment was about \$69, or about 37 percent of the average assistance of \$186 paid to applicants for the weeks in which they were also employed by the selected growers. Because knowledge of the number of hours worked is necessary in determining the amount of assistance an applicant is entitled to, we could not determine whether any assistance overpayments were made to the 137 employees who were paid on other than an hourly basis.

Operation Mainstream employees

We made a similar test of the earnings and number of hours worked by recipients of unemployment assistance who were also employed under an Operation Mainstream project in Broward, Palm Beach, and Collier Counties. We compared the number of hours and earnings shown on the sponsor's records

with corresponding information reported by applicants when filing claims for disaster unemployment assistance.

In a random sample of 423 names of Operation Mainstream employees in the three counties, we found that 142 had understated earnings and hours worked to the extent that their disaster unemployment assistance payments were increased by about \$3,400, or an average of \$24 an employee.

Why was income reported incorrectly?

One significant question is involved in the discrepancies in the payment of emergency unemployment compensation which neither we nor the State are able to answer conclusively. Why were so many applicants erroneously reporting their income during periods when they were claiming unemployment benefits? We can understand some discrepancies when controls are weak. The number of discrepancies that surfaced in our tests indicates, however, that there may have been a major misunderstanding on the part of many of the applicants as to what they were supposed to report.

It was not practical for us to interview a representative cross section of the applicants, because most of them were no longer in the south Florida area when we made our review. Therefore we could not discuss with them such matters as the problems they may have had in understanding how they were supposed to report their income.

An official of the State Agency advised us that, although he could not say why many applicants had submitted erroneous earnings information, he believed that some, because of limited education and no previous experience in applying for this type of assistance, had simply misunderstood the reporting requirements. The official told us that, in analyzing the data on 217 of the cases where overpayments occurred, his staff had categorized 111 cases as simple misunderstandings on the basis of relatively minor differences between actual and reported earnings. He did not believe that a misunderstanding necessarily applied to the remaining 106 cases on the basis that these applicants did not report any earnings during weeks when they actually worked.

ESTABLISHING APPLICANTS' ACCEPTANCE
OF AVAILABLE WORK

State Agency procedures provided for disqualifying applicants when it could be established that they had refused a suitable offer of work. Applicable criteria defined suitable work as work which offered wages, hours, and other working conditions not substantially less favorable than those prevailing for similar work in the locality. Also the criteria required consideration of the person's work experience and prior earnings, length of unemployment and prospects for securing work in his customary occupation, and the distance of available work from his residence.

State Agency officials informed us that most of the applicants who refused job offers stated that they were already working or would begin working within a few days in their specialty (bean picking, tomato harvesting, etc.) and that, to accept the jobs offered, would prejudice their positions with their regular employers. These officials said that they accepted these statements as valid reasons for applicants' refusing job offers but that they subsequently determined whether applicants reported earnings which would corroborate their statements concerning reasons for their prior refusals of job offers.

State Agency officials told us that in other cases applicants stated that work offered them on a piece-rate basis would not provide them with customary wages because it was not within their specialty or because the work consisted of "scrapping" (additional harvesting after the principal harvest had been completed), which they did not normally perform. The officials told us also that, because time did not permit them to verify the reasons given for each job refusal, they proceeded on the premise that in the majority of cases the amount of disaster unemployment assistance was not large enough to deter the workers from accepting employment which would have provided them substantially greater income at prevailing wages and hours.

The State's Farm Labor Service compiled information showing that about 14,000 job offers had been made by growers during the 9-week disaster period and that these offers were for the most part refused by applicants. It

was not practical for us to ascertain whether the work offered was suitable, and therefore we were unable to reach any conclusions as to the validity of the reasons for the applicants' refusals. The State Agency did not have statistics showing how many of the applicants who refused or failed to report to jobs were disqualified for further disaster unemployment assistance, and there was no practical way for us to develop such statistics. Total disqualifications for all reasons were about 3,600.

COMMENTS OF STATE AND FEDERAL OFFICIALS

The chief of the State Agency commented to us that there was no acceptable alternative to relying on information supplied by applicants for assistance and that the need to provide prompt assistance to the persons whom the program was intended to serve did not allow enough time to verify the information supplied. He also expressed the opinion that the State Agency had devised the best claims-handling system possible under the circumstances, had committed to the disaster relief program as much of its resources as possible without jeopardy to its ongoing programs, and had trained the staff to the extent permitted by the short time period. He further stated that, if time were available to prepare for any similar undertaking in the future, he would attempt to train from the ranks of the unemployed a number of field auditors who would contact employers and would verify information reported by applicants.

Department of Labor regional officials stated that they agreed that the State Agency had no acceptable alternative but to rely on information provided by applicants. The officials pointed out that verification of employment and earnings of agricultural workers is more difficult than verifying similar information concerning workers in other types of employment because there are no established patterns in agricultural employment in terms of workers' attachments to specific employers, work locations, work regularity, and wage payment methods and because wages of most agricultural workers are not periodically reported by employers to the State Agency as are the wages of other workers covered by State unemployment insurance.

CHAPTER 3

CONTROLS OVER ISSUANCE OF FOOD ASSISTANCE

According to program regulations, food stamps or commodities were distributed free to each household applying for food assistance which had at least one household member eligible for disaster unemployment assistance and which had cash resources below specified maximums. As a matter of practice, however, representations of cash resources by the applicants were accepted without State agency verification. Consequently, the effectiveness of controls to prevent issuance of food assistance to ineligible persons under the disaster relief program were essentially no more effective than the controls for determining applicants' eligibility for disaster unemployment assistance, which we discussed in chapter 2.

PROCEDURES FOR ISSUING COMMODITIES AND FOOD STAMPS

In the two counties which operated regular food stamp programs and in Dade County where a food stamp program initially was established to accommodate disaster victims, households were entitled to receive a month's issue of food stamps of the same value as the stamps given to recipients in the State's regular program and as determined by the size of the household. Under the disaster program, however, households were not required to pay for the stamps. In the counties which operated regular commodity programs, commodities were issued to disaster victims every two weeks at the same rate (a month's supply) as to recipients under the regular program and as determined by the size of the household.

We reviewed the controls exercised by the local agencies distributing food assistance to disaster victims to prevent issues to ineligible households or overissues to eligible households. In particular we sought to determine whether

--recipients of food assistance had been determined eligible for disaster unemployment assistance,

- issues had been made to only one representative of each eligible household,
- issues had been made to an individual at only one distribution point, and
- issues had not been made to individuals who were also receiving assistance under the State's regular food assistance programs.

Our tests did not reveal any significant discrepancies, except in Dade County where 42 persons from 166 selected cases had been issued commodities but were not listed among the qualified disaster unemployment assistance recipients.

The distributing agencies did not verify the size of applicants' households--a factor which determined the quantity of food stamps or commodities provided--but relied on information provided by the claimants. It was not practicable for us to test the effect that the lack of verification had on this aspect of the program.

COMMENTS OF STATE OFFICIALS

The Director, Division of Family Services, agreed that the controls exercised in the disaster relief program were not adequate to prevent issues to ineligible households or overissues to eligible households. He stated, however, that, because of the short advance notice of the disaster relief effort, the need to serve qualified households promptly, and the volume of applications, it was not practicable, with the limited staff available, to apply controls established for the regular food assistance programs, such as verification of family size through home visits by case workers from the State Division of Family Services.

The Director stated his view that accepting an applicant's certification for disaster unemployment assistance as the basis for eligibility for food assistance simplified procedures and enabled prompt service to those in need of assistance.

CHAPTER 4

OPERATION MAINSTREAM PROJECTS

OBJECTIVES OF PROGRAM NOT FULLY ACHIEVED

The Operation Mainstream projects were designed to provide 1,000 unemployed agricultural workers with full-time work and to remove them from dependence on disaster unemployment assistance during the disaster. The projects, however, actually served primarily as a supplemental program to provide part-time work for about 3,000 workers, most of whom continued to receive disaster unemployment assistance.

Federal and State agencies had not established procedures for coordinating the enrollment of workers under Operation Mainstream with the unemployment assistance program, to preclude unemployment payments being made to Operation Mainstream workers, as had been intended. Our comparison of the names of 596 Operation Mainstream enrollees to the rolls of disaster unemployment assistance recipients showed that about 60 percent of these enrollees continued to receive unemployment payments because they were working only part time.

We believe that closer coordination between the Operation Mainstream sponsors and the State Agency could have resulted in a system being established, whereby Operation Mainstream employees would work full time, would be identified to the State Agency, and would be made ineligible for disaster unemployment assistance while working under the Operation Mainstream program. Regional officials acknowledged that such coordination between Operation Mainstream sponsors and the State Agency should have been achieved at the time the two programs began but was apparently overlooked.

PERFORMANCE BY OPERATION MAINSTREAM CREWS

Persons employed on Operation Mainstream projects were generally assigned to work crews at worksites provided by local, State, and Federal governmental agencies or as individual workers to nonprofit organizations operating enterprises such as child-care centers or cooperative stores. Workers

performed such duties as grass cutting; weed pulling; cleanup of streets, roadways, parks, and labor camps; child-care services; and general maintenance.

We obtained comments regarding crew performance from officials of four organizations in Dade County which had provided worksites. The evaluations varied considerably. An engineering official of Homestead Air Force Base which provided worksites for 90 to 130 workers daily, was complimentary of the improvements accomplished and the conduct of the workers.

The manager of a county-owned park in the city of Miami where up to 198 workers were assigned daily expressed his dissatisfaction, as follows:

- Productive time was limited to about 4 hours a day because of the time spent by workers in being transported from pick-up points in south Dade County to the park site in Miami and being returned.
- The number of workers reporting each day fluctuated widely, which did not permit orderly planning of the projects to be undertaken.
- There was malingering by some of the workers who would not respond to supervision by their crew leaders or by park personnel.

The city manager of a south Dade municipality to which about 30 to 40 workers had been assigned each day expressed similar dissatisfaction; however, another city manager in the area reported that he had experienced no notable problems.

Sponsor officials, although acknowledging that problems in administration were encountered, stated generally that they believed the projects served creditably to provide many unemployed workers with a means of minimum subsistence and also resulted in some worthwhile tasks being performed.

CHAPTER 5

CONCLUSIONS

The disaster assistance program in southern Florida provided aid to about 30,000 persons at a cost of about \$9 million for the 2-month period from March 1 to April 30, 1971. Assistance to disaster victims totaled about \$8.5 million; thus the average recipient received about \$280 of cash and food assistance during the disaster period.

The program was implemented immediately upon the President's March 15, 1971, declaration which made aid available retroactive to March 1, 1971. Thus the urgency of the situation and the relatively short duration of the program precluded any significant planning for the administration of the assistance and the establishment of adequate management controls--primarily verification procedures--which would have reasonably ensured that only eligible persons obtained assistance.

The program emphasized providing prompt assistance to those in need and seemed to require that claimants not be denied benefits pending the establishment of adequate eligibility controls. Thus the Government assumed an inherent risk that, to reach those in need, program benefits might be obtained by some persons other than those intended to be assisted.

Although there were inadequacies in controls and improper payments occurred, we question whether controls to preclude the problems could have been initiated or effectively exercised for this disaster except as it related to Operation Mainstream projects. Adequate coordination should have been established to preclude the employment of disaster victims on Operation Mainstream projects and payment of unemployment assistance to the same persons in order that the objective of the work projects, which was to provide full-time emergency employment and obviate the need for unemployment assistance, could have been achieved.

The experience resulting from the problems encountered in the administration of this program should not be lost. We therefore believe that at this time the Federal agencies

which may become involved in future programs of this type, such as the Office of Emergency Preparedness and the Departments of Agriculture; Health, Education, and Welfare; and Labor, should develop plans and procedures, particularly those which deal with means for verifying data, that can be implemented quickly and effectively, to better ensure that the programs serve only those eligible to receive assistance.

PAUL G. ROGERS
FLORIDA
JM 2417, RAYBURN BUILDING

DISTRICT OFFICE:
P.O. Box 1151
WEST PALM BEACH, FLORIDA

ADMINISTRATIVE ASSISTANTS:
JOHN A. DARLSON
ROBERT W. MAHER

Congress of the United States
House of Representatives

Washington, D.C. 20515

May 4, 1971

COMMITTEES:
INTERSTATE AND FOREIGN
COMMERCE

SUBCOMMITTEE:
CHAIRMAN, PUBLIC HEALTH
AND ENVIRONMENT

MERCHANT MARINE AND
FISHERIES

SUBCOMMITTEES:
MERCHANT MARINE
OCEANOGRAPHY
COAST GUARD
FISH AND WILDLIFE

Honorable Elmer B. Staats
Comptroller General of the United States
General Accounting Office
Washington, D. C.

H&W-11-M-gen-b

Dear Mr. Staats:

On March 16, 1971, the President of the United States declared certain counties in the Southern part of the State of Florida to be a disaster area due to crop damage and unemployment among agricultural workers.

Subsequently, the Office of Emergency Preparedness, the U. S. Department of Labor and the U. S. Department of Agriculture made available approximately \$2.5 million in unemployment compensation, free food stamps and surplus commodities intended for distribution to unemployed farm workers in the disaster area. In addition, approximately \$600,000 was made available by the Department of Labor for an "Operation Mainstream" program of public service jobs for the unemployed farm workers.

Funds for unemployment compensation were administered by the Department of Labor through the State of Florida while the food stamps and surplus commodities distribution were administered by the Department of Agriculture. "Operation Mainstream" monies were administered on a contractual basis with various local agencies or organizations within the disaster area.

Since the inception of this Federal disaster unemployment assistance program, I have received numerous complaints

APPENDIX I

Hon. Elmer B. Staats

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May 4, 1971

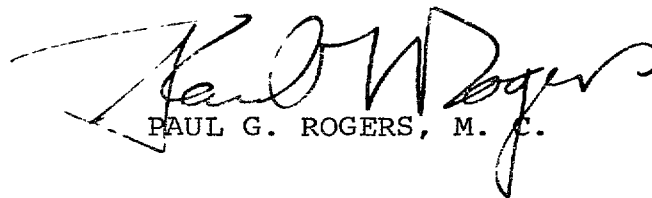
and inquiries from persons within the disaster area alleging that the Federal assistance was not reaching the intended beneficiaries, namely the unemployed farm workers; that many false claims for assistance had been submitted; that unemployment payments had been made to individuals who were in fact working; that surplus commodities were not appropriate in some areas and were wasted or unused; that assistance continued to be provided when requests for farm workers were duly made and crops were jeopardized as a result thereof; and that inappropriate supervision of the public service jobs resulted in waste of Federal funds.

I am enclosing newspaper articles as well as other information bearing on the above mentioned points for your consideration, and I respectfully request that the General Accounting Office undertake a thorough investigation of this disaster assistance program with strong emphasis on the lack of appropriate supervision in the administration of the program.

Your personal attention to this request will be appreciated.

Kind regards.

Sincerely yours,



PAUL G. ROGERS, M. C.

PGR/bb

COST OF FEDERALLY FUNDED DISASTER RELIEF PROGRAM
FOR AGRICULTURAL WORKERS IN SOUTHERN FLORIDA

AT AUGUST 31, 1971

	Assistance to disaster <u>victims</u>	Adminis- trative and other <u>costs</u>	<u>Total</u>
Disaster unemployment assistance to 28,725 persons	\$7,093,537 ^a	\$348,613 ^b	\$7,442,150
Food stamps and commod- ities issued to 17,532 households	1,092,822	31,236 ^c	1,124,058
Wages paid to 3,091 Operation Mainstream workers	<u>340,924</u>	<u>92,507</u>	<u>433,431</u>
Total	<u>\$8,527,283</u>	<u>\$472,356</u>	<u>\$8,999,639</u>

^aRepresents gross amount of State warrants issued less warrants canceled or unclaimed at August 31, 1971.

^bRepresents costs charged to program by State employment security agency at August 31, 1971, plus estimated costs which remained to be charged.

^cIncludes only extraordinary expenses of State and county public assistance agencies directly attributable to disaster program, primarily freight and storage charges for handling commodities, armored car services for handling food stamps, and staff overtime. Regular staff costs were absorbed in the agencies' regular programs.