



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

HRD-77-59
3-22-77

HUMAN RESOURCES
DIVISION



B-177486

The Honorable William Proxmire
United States Senate

MAR 22 1977

Dear Senator Proxmire:

In accordance with your request of October 27, 1976, we reviewed Mr. Manuel Delgado's allegations that ineligible applicants were being enrolled in programs administered by the United Migrant Opportunity Service, Milwaukee, Wisconsin. Mr. Delgado, a Service employee from June to October 1976, alleged that

- the Service did not verify information establishing applicant eligibility and
- a supervisor had changed information obtained from applicants so they would qualify for services.

The Service received \$1.4 million in 1976 from the Department of Labor to provide employment, training, and supportive services to migrant and other seasonally employed farmworkers. These funds were provided under title III, section 303, of the Comprehensive Employment and Training Act of 1973, as amended (29 U.S.C. 873 (Supp. V, 1975)).

We interviewed Mr. Delgado, Service officials, Labor headquarters officials, and five farmworkers who received Service benefits. We also reviewed Labor regulations, Service operating guidelines, and certain applicant records.

Labor's regulations restrict applicant eligibility for section 303 programs to farmworkers and their dependents who, during any consecutive 12-month period within the previous 18 months, earned over 50 percent of their income as seasonal farmworkers. A seasonal farmworker is defined as a person who has spent at least 25 days doing farmwork but not more than 150 consecutive days working for one establishment. In addition, total family income based on the number of claimed dependents must be below the poverty level established by the Office of Management and Budget.

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We found that the Service rarely verified information obtained from applicants about their eligibility. We also found that a supervisor had changed eligibility information in the four cases pointed out by Mr. Delgado. A review of these cases showed that the changes in three cases were justified and the enrollees were eligible. The change in the fourth case was not justified and the enrollee should not have received assistance.

Mr. Delgado also alerted us to difficulties the Service experienced recovering security deposits paid under its housing assistance program. We did not determine the amount of money involved, but Service officials stated that only about 1 percent of the deposits was recovered. We discussed possible steps with Service officials to reduce losses from unrecovered deposits.

These matters are discussed in more detail below.

ELIGIBILITY INFORMATION
RARELY VERIFIED

Labor's regulations assign responsibility for determining if applicants meet eligibility criteria to the grantee. To ascertain eligibility Service personnel interviewed applicants about their work experience, number of dependents, and total family income. Information from the interview was recorded on a client intake form and certified by the applicant. The only review for accuracy was made in the Service's accounting department. This review generally consisted of little more than a check for errors in computation or gross irregularities on the application. Service personnel seldom verified data through former employers or the applicant's family.

Service officials explained that their programs were primarily emergency in nature, providing nutritional assistance, medical services, and housing assistance. Applicants generally needed immediate aid and there was not time for extensive verification of the data. They explained that their telephone budget was limited and correspondence took too long. We were also advised that many employers did not maintain employment records on migrant workers and therefore would have no basis to verify an applicant's employment.

We agree that emergency services should not be delayed. However, the Service also funded long-term programs such as day care and educational programs. We suggested that Service

officials attempt to verify client eligibility in these more expensive, long-term programs.

ELIGIBILITY INFORMATION CHANGED
TO QUALIFY APPLICANTS

Mr. Delgado identified four cases in which his supervisor changed eligibility information to qualify applicants.

After interviewing his supervisor and reviewing appropriate Labor regulations and Service guidelines, we determined that Mr. Delgado had misinterpreted the eligibility criteria concerning seasonal farmworkers' income in two cases. Apparently he was not aware that regulations provided that any consecutive 12-month period could be drawn from the 18 months immediately preceding an application for services to determine eligibility. In these two cases Mr. Delgado's supervisor had changed the records to show a 12-month work period that would qualify the applicants. This change was consistent with Labor's regulations.

In the third case Mr. Delgado listed the applicant as having worked on a peanut farm for more than 150 consecutive days. This would disqualify the applicant for assistance. Mr. Delgado's supervisor, a former migrant, stated that farmworkers employed to harvest peanuts usually stayed at the same farm while unemployed between planting and harvesting. In view of this fact, he changed the applicant's employment record to reflect unemployment periods. This change was also consistent with Labor's regulations.

In the fourth case Mr. Delgado determined that an applicant had no dependents and his income disqualified him for assistance. However, his supervisor knew the applicant's family and advised the applicant to claim his mother, brothers, and sister as dependents. By doing so, the applicant qualified for services.

Labor's regulations state that an applicant may claim brothers and sisters as dependents if he supports them and they are members of his immediate household. A review of the applicant's file showed that his claimed dependents were not living with the applicant and therefore did not qualify as dependents. Thus, the applicant was ineligible for services. Service officials agreed that the applicant should not have received assistance.

Although the applicant did not qualify for assistance, the violation was small. The only service provided to the applicant was to help him find a job and this cost only about \$30.

To determine whether other records had been changed to qualify applicants that may have been ineligible we contacted several program participants to confirm their application data on work experience, family income, and other eligibility factors. The information they provided was generally consistent with data on their client intake forms, and eligibility determinations were proper. We also reviewed the records for five other applicants Mr. Delgado had disqualified. We found that no information was changed to qualify them.

SECURITY DEPOSITS NOT RECOVERED

Mr. Delgado advised us that the Service was forfeiting many security deposits it had paid under its emergency housing assistance program. Under this program the Service paid the first month's rent and security deposits when required by the landlord. These deposits reimbursed the landlords for dwelling damages and generally amounted to one month's rent. The deposits were also forfeited if the tenant failed to give adequate advance notice (generally 30 days) of departure. We did not determine the amount of money involved, but the Service's director stated that only about 1 percent of all deposits was recovered.

We discussed steps with Service officials which could be taken to reduce losses from unrecovered deposits, and suggested that Service officials emphasize to tenants the importance of giving adequate notice to landlords before moving from a dwelling. We also suggested that the Service explore the possibility of seeking long-term rental agreements with landlords. Under such agreements it might be possible to replace those clients moving out of rented dwellings with new clients without forfeiting deposits.

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