



August 24, 2020

MEMORANDUM FOR: JOHN P. PALLASCH
Assistant Secretary
for Employment and Training

Elliot P. Lewis

FROM: ELLIOT P. LEWIS
Assistant Inspector General
for Audit

SUBJECT: Audit of COVID-19 Dislocated Worker Grants
(DWG)

Please be advised the Office of Inspector General is initiating an audit of the Employment and Training Administration's (ETA) Dislocated Worker Grants (DWG) provisions of the CARES Act. The audit will focus on whether ETA administered COVID – 19 DWG in accordance with federal regulations and guidance.

We have contracted with The Lopez Group, LLP to conduct the audit on our behalf. Enclosed is a copy of the engagement letter prepared by the contractor.

If you have any questions, please contact Mark Schwartz, Audit Director, at (917) 406-5871, or Charmaine Thorne, Audit Manager, at (646) 915-2145.

cc: Greg Hitchcock
Special Assistant

Julie Cerruti
OIG Liaison

Enclosure



August 19, 2020

John P. Pallasch
Assistant Secretary for Employment and Training
200 Constitution Avenue
Washington, DC 20210

Dear Mr. Pallasch,

The Department of Labor, Office of Inspector General has engaged The Lopez Group, LLP to conduct a performance audit of the Dislocated Worker Grants (DWG) provisions of the CARES Act, administered by the Employment and Training Administration (ETA). The audit will focus on whether ETA administered COVID – 19 Disaster Recovery Dislocated Worker Grants in accordance with federal regulations and guidance.

Specific objectives include:

1. To evaluate the DWG program goals for clarity, measurability, and linked to governing statutes.
2. To determine that ETA awards of DWGs were in compliance with federal and agency guidelines.
3. To determine that grantee expenditures funded disaster relief employment and training in accordance with DWG requirements.
4. To evaluate DWG grantees' actual performance to their planned performance during the grant period and obtain explanations for any variances.

This scope of the audit will cover DWGs ETA awarded in response to the COVID-19, and will cover program activities from March 2020 to present.

We would like to schedule a remote entrance conference with you and your staff during the week of August 24, 2020 to discuss the audit objective, scope, methodology and expected deliverables. A member of our team will contact you to schedule an exact date and time.

To help us complete our fieldwork in an expeditious manner, we have attached our initial documentation request that will require responses and applicable supporting documentation, as well as a request for data for the covered period. We will schedule

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subsequent meetings to discuss these questions with appropriate personnel.

Please ensure the appropriate personnel are available to the team in order to have questions answered as those questions relate to the program areas disclosed above.

If you have any questions, you may contact me directly at rlopez@lopezllp.com.

Sincerely,



Richard M. Lopez,
Senior Partner
The Lopez Group, LLP

cc: Greg Hitchcock
Special Assistant

Julie Cerruti
OIG Liaison

Attachments:
Initial OIG Documentation Request

Initial OIG Documentation Request
Employment and Training Administration (ETA)
Performance Audit of Dislocated Worker Grants (DWG)

1. Current policies and procedures for DWG grants oversight processes with the identification of current key controls.
2. Organization chart of ETA personnel, description of responsibilities and contact information for personnel responsible for DWG grantee oversight and for negotiating and approving the Application and Performance Targets.
3. Complete list of all Cares Act funded Dislocated Worker Grants.
4. Location and status of supporting documentation for all Cares Act funded grants.
5. Location and availability of documentation for expenditures for all Cares Act funded grants.
6. Copies of the Quarterly Performance and Quarterly Narrative Reports. (Quarters ending March 31, 2020 and June 30, 2020)