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# REPORT TO THE CONGRESS



## Effectiveness And Administration Of The Atterbury Job Corps Center For Men Under The Economic Opportunity Act Of 1964

Edinburg, Indiana B-130515

Office of Economic Opportunity

*BY THE COMPTROLLER GENERAL  
OF THE UNITED STATES*

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JULY 23, 1969



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

B-130515

To the President of the Senate and the  
Speaker of the House of Representatives

This is our report on the effectiveness and administration of the Atterbury Job Corps Center for Men at Edinburg, Indiana, operated by the Westinghouse Learning Corporation under a contract with the Office of Economic Opportunity pursuant to the Economic Opportunity Act of 1964.

This report supplements our summary report to the Congress on the "Review of Economic Opportunity Programs" (B-130515, March 18, 1969). Our review was made pursuant to title II of the Economic Opportunity Amendments of 1967 (81 Stat. 727).

Effective July 1, 1969, the Secretary of Labor was delegated the authority for the operation of the Job Corps program. In view of this delegation, the recommendations presented in this report to the Director, Office of Economic Opportunity, are for consideration by the Secretary of Labor.

Copies of this report are being sent to the Director, Bureau of the Budget; the Secretary of Labor; and the Director, Office of Economic Opportunity.

*James B. Peets*

Comptroller General  
of the United States

AGG 00957  
DLG 05657

D I G E S T

WHY THE REVIEW WAS MADE

This is one of a series of reports prepared as the result of a 1967 law directing the Comptroller General to review programs authorized by the Economic Opportunity Act of 1964, as amended, to determine:

- the efficiency of the administration of the programs and
- the extent to which these programs achieve the objectives set forth in the act. (See p. 6.)

The overall conclusions and recommendations of the General Accounting Office (GAO) in response to the above directive are contained in its summary report to the Congress on the "Review of Economic Opportunity Programs" (B-130515, March 18, 1969).

This report, which supplements the summary report, pertains to the Atterbury Job Corps Center for Men at Edinburg, Indiana. The Center is operated for the Office of Economic Opportunity (OEO) by Westinghouse Learning Corporation, under a cost-plus-fixed-fee contract.

FINDINGS AND CONCLUSIONS

In the area of effectiveness, GAO found that:

- for those terminees (those whose enrollment in Job Corps was terminated) in GAO's sample, it was questionable whether Job Corps experience at the Center had resulted in substantial economic benefit. Employment and earning power among those terminees were somewhat greater after Job Corps experience than before; however, GAO believes that improvements can be attributed, in substantial part, to the greater employability of youths due to process of growing up and to higher employment and wage levels. (See p. 15.)
- some corpsmen were classified as graduates of the Center program apparently without having completed all the steps considered necessary by the Center to develop sufficient proficiency to obtain and hold jobs in chosen occupational fields. (See p. 21.)
- actions taken by the Center to determine and minimize causes of non-graduate terminations, which during GAO's review

exceeded 60 percent of all terminations, did not appear to have been fully effective. (See p. 33.)

- the counseling program carried out at the Center was not conducive to achieving the counseling objectives as set forth in the Economic Opportunity Act. (See p. 42.)
- many corpsmen at the Center who had reasonable chances of obtaining high school equivalency certificates did not have the opportunity to take the qualifying test. (See p. 51.)
- the Center did not have an adequate management information system with complete historical and statistical data which would readily show the progress of each corpsman. GAO also found a substantial delay by Job Corps in the development of a system to be used at men's urban centers, incorporating guidelines for the preparation, accumulation, and use of such data. (See p. 54.)
- Center reports to Job Corps on job placements were not accurate because they were based on scheduled interviews, many of which did not result in actual placements. (See p. 60.)
- the Center and Job Corps had tightened procedures which permitted 16 corpsmen to remain in the Job Corps longer than 2 years without obtaining approval although required to do so by law. (See p. 67.)

In the area of administrative efficiency, GAO found that:

- the Center's controls over inventories of supplies and equipment were not adequate. (See p. 69.)
- the Job Corps had not established specifications on the quality of clothing issued to corpsmen, nor had it conducted adequate studies to determine whether clothing centrally stocked by the Defense Supply Agency (DSA) was suitable. (See p. 76.)
- the Center did not furnish adequate instructions to ensure that the corpsmen's clothing allowances were used as intended by Job Corps. (See p. 79.)
- instructional material costing about \$66,000 was not declared excess to the Center's needs until GAO questioned the reason for retention. (See p. 82.)
- the Center had not established adequate procedures to determine vehicle needs and to evaluate vehicle use. (See p. 86.)
- the contractor purchased 21 motor vehicles from a local dealer at prices that exceeded the price of the lowest bidder. Seventeen of these vehicles had been purchased at prices in excess of the prices that would have been applicable in the event of direct purchase by the Government. (See p. 89.)

--questionable salaries were paid to certain Center employees. Those salaries paid in excess of the \$20,000 limitation, however, were subsequently refunded to OEO in the amount of the excess. (See p. 93.)

RECOMMENDATIONS OR SUGGESTIONS

GAO is recommending that the Director, OEO:

- establish realistic graduation criteria for all urban centers and develop implementing policies and procedures whereby Job Corps, the centers, and prospective employers can be assured that Job Corps graduates have successfully met all the criteria deemed necessary by Job Corps to enable them to obtain and hold jobs in their fields of training. (See p. 31.)
- review the counseling programs at all urban centers and, if necessary, establish overall guidelines defining the content of, and the frequency and methods of conducting, satisfactory counseling programs for corpsmen. (See p. 48.)
- instruct the Center to require all corpsmen who have a reasonable chance of passing the high school equivalency test to sit for the test during their stay at the Center. (See p. 52.)
- accelerate OEO's efforts in assisting the Center to determine the specific data needed and in developing and implementing the management information system. (See p. 58.)
- direct the Center to improve and expand its placement information. (See p. 65.)
- require the Center to submit more specific written property management operating procedures, review such procedures to determine their adequacy, and conduct periodic reviews of the operations of the property management system at the Center to determine whether it is effective in maintaining adequate control over property. (See p. 74.)
- conduct a review and evaluation of corpsmen's clothing requirements and develop definite and specific purchase specifications for such clothing in order to establish whether the clothing furnished is best suited to corpsmen's needs and to provide a valid basis for determining the most economical method of procuring such clothing. (See p. 78.)
- instruct the Center to establish procedures to ensure that corpsmen's clothing allowances are used properly and that reimbursements are made for only authorized purchases. (See p. 81.)
- establish procedures to ensure adequate controls over the use of motor vehicles. (See p. 88.)

- assure himself that motor vehicles procured for Center use are purchased within statutory limitations applicable to direct purchase by the Government and from the most economical source. (See p. 91.)
- direct the contracting officer to negotiate for a reduction in overpayments in contractor salaries. (See p. 94.)

GAO had proposed that the Director, OEO, with the assistance of center managements, analyze information developed by the centers regarding reasons for and circumstances under which corpsmen terminated prior to completion of the program, with a view toward further identifying conditions and factors in the Job Corps program where improvements might be made to favorably influence the graduation rate of corpsmen. Since OEO has taken action on this proposal and GAO has made a similar recommendation in its report to the Congress on the Wellfleet Job Corps Center, GAO is not repeating the recommendation in this report. (See p. 41.)

#### AGENCY ACTIONS AND UNRESOLVED ISSUES

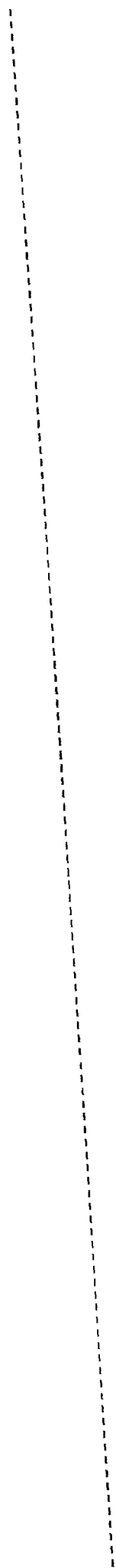
OEO agreed in general with GAO's findings and recommendations relating to Center operations and has either fully implemented or taken action to implement most of the recommendations. However, GAO does not believe that the actions taken on other recommendations were adequate. With reference to these matters, OEO stated:

- that Job Corps had eliminated its inaccurate reporting system and relied on other sources to determine the accuracy of placement data from the Center. However, GAO believes that the other sources also result in inaccurate placement information or information not meaningful for specific centers. (See p. 63.)
- that the property management operating procedures were submitted to OEO by the contractor and were found to be adequate. GAO does not believe that these procedures were adequate. (See p. 73.)
- that DSA is not necessarily the best source for purchasing clothing for corpsmen but that a number of factors should be considered prior to purchasing clothing locally. OEO, did not, however, comment on the matter of clothing specifications which GAO believes need to be established. (See p. 78.)
- that necessary action would be taken to ensure proper vehicle utilization in the future. However, OEO did not explain what action would be taken. (See p. 88.)
- that action would be taken to ensure that motor vehicles procured for center use are purchased within statutory limitations. GAO believes that additional action is necessary to ensure the most economical purchases. (See p. 92.)

MATTERS FOR CONSIDERATION BY THE CONGRESS

The matters presented in this report are for the consideration by the congressional committees having oversight responsibilities for federally assisted antipoverty programs. In view of the interest shown by members of the Congress in antipoverty programs generally, GAO is bringing its findings and observations to the attention of the Congress for general information purposes.

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#### ABBREVIATIONS

CAS	corpsman advisory system
COMAS	corpsman master system
CPFF	cost-plus-fixed-fee
DSA	Defense Supply Agency
EOA	Economic Opportunity Act
GAO	General Accounting Office
GED	General Educational Development
GSA	General Services Administration
OEO	Office of Economic Opportunity
SAT	Stanford Achievement Test
T/A	Table of Allowances
TO&Ps	Technical Objectives and Plans



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## INTRODUCTION

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The General Accounting Office has made a review of the activities of the Atterbury Job Corps Center for Men at Edinburg, Indiana. This Center was operated under cost-plus-fixed-fee (CPFF) contracts awarded by OEO to Midwest Education Foundation, Inc., from January 1965 to<sup>1</sup> June 1966, and to Westinghouse Management Service, Inc., from June 1966 to the present time.

Our fieldwork, which generally covered the period January 1967 to August 1968, was performed for the primary purpose of complying with title II, section 201, of the Economic Opportunity Amendments of 1967. Accordingly, we directed our efforts toward evaluating (1) the efficiency of the administration of the Center and (2) the extent to which the Center achieved the objectives set forth in the relevant parts of the Economic Opportunity Act of 1964 authorizing Job Corps activities. The scope of our review is described on page 95.

OEO's comments, which considered contractor comments on our draft report and which were furnished on March 13, 1969, are included as appendix II. We have noted in the appropriate sections of this report OEO comments that we considered appropriate to a clear understanding of the matters discussed therein.

The principal officials of OEO responsible for the administration of activities discussed in this report are listed in appendix III.

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<sup>1</sup>Name subsequently changed to Westinghouse Learning Corporation (Indiana). For convenience in this report we use the term "Westinghouse Learning" in referring to either of the Westinghouse subsidiaries that operated the Center.

## JOB CORPS PROGRAM

The Job Corps was established under title I, part A, of the Economic Opportunity Act of 1964 (42 U.S.C. 2701), which was amended each succeeding year--the most recent amendments having been enacted in December 1967. The purpose of the Job Corps is stated in title I, section 101, of the act which provides:

"This part establishes a Job Corps for low-income, disadvantaged young men and women, sets forth standards and procedures for selecting individuals as enrollees in the Job Corps, authorizes the establishment of residential and/or nonresidential centers in which enrollees will participate in intensive programs of education, vocational training, work experience, counseling, and other activities, and prescribes various other powers, duties, and responsibilities incident to the operation and continuing development of the Job Corps. Its purpose is to assist young persons who need and can benefit from an unusually intensive program, operated in a group setting, to become more responsible, employable, and productive citizens; and to do so in a way that contributes, where feasible, to the development of National, State, and community resources, and to the development and dissemination of techniques for working with the disadvantaged that can be widely utilized by public and private institutions and agencies."

Initially, youths aged 16 through 21 years were eligible to participate in the Job Corps; however, the 1967 amendments to the act reduced the minimum age to 14 years. The act authorizes training for a maximum period of 2 years, except as otherwise authorized by the Director, OEO, in special cases.

The Job Corps centers are of three basic types--men's urban centers, women's urban centers, and men's rural conservation centers. The Director, Job Corps, directs and supervises the Job Corps program and is responsible for the objectives, policies, standards,

requirements, and overall program design for the operation of the centers. The Federal and State agencies and the industrial and nonprofit organizations under contract with the Government are responsible for the operation and the administration of the centers.

Job Corps enrollment is limited by law to 45,000 men and women. The 1967 amendments to the act provide that by June 30, 1968, at least 25 percent of the enrollment be women and that, as soon as practicable, women constitute 50 percent of the enrollment. As of December 1968, the Job Corps enrollment was about 32,000, of which 9,600, or 30 percent, were women. Of the 22,400 males enrolled, 9,900, or 44 percent, were assigned to urban centers.

During the early part of 1968, OEO closed four men's urban centers and 11 conservation centers and did not open one planned conservation center because of fund limitations and the requirement that women constitute 50 percent of the enrollment. As of December 1968, OEO was administering six men's urban centers, 18 women's urban centers, and 82 men's conservation centers. Three special centers for carrying out experimental projects were also being administered. The urban centers, which are generally located in or near metropolitan areas, are operated under contracts with industrial or nonprofit organizations.

The recruiting and screening of male applicants for Job Corps is performed primarily by the U.S. Employment Service. Their applications are forwarded to the OEO regional office which selects and assigns the recruits. At the time of our review, an applicant was assigned to a men's urban center or a conservation center depending on his achievement on a reading test given by the screening agency. Generally, nonreaders and beginning readers were assigned to conservation centers whereas upper intermediate and advanced readers were assigned to urban centers.

However, effective November 1968, the primary consideration for assignment is the closeness of the youth's home to a center. The act requires that at least 40 percent of male enrollees be assigned to conservation centers

or to other centers or projects where their work activity is primarily directed to the conservation, development, or management of public natural resources or recreational areas.

Corps members are entitled to an initial regular monthly living allowance of \$30. They may be given incentive increases in \$5 increments, which, together with the basic living allowance, may not exceed \$35 a month during the first 6 months of his or her participation in the program, and \$50 a month thereafter. In addition to the living allowance, corps members are entitled, upon termination, to a readjustment allowance of \$50 for each month of satisfactory participation, subject to certain restrictions. Allotments of the readjustment allowance up to \$25 may be made to a corps member's wife or child, and OEO will match the amount allotted. Certain aspects of the controls exercised by OEO over corps members' allowances are the subject matter of a separate GAO report.

## OPERATION AT ATTERBURY CENTER

In January 1965, OEO entered into CPFF contract, OEO-47, with Midwest Education Foundation, Inc., to operate a residential men's urban center at Camp Atterbury, Indiana, a former Army training camp. Midwest, a non-profit organization, had been organized for the sole purpose of operating the Center.

The contract provided that the contractor furnish 31,000 enrollee man-months of training through the 18-month period January 1965 to June 30, 1966. The contract was negotiated at an estimated cost of \$10.8 million, including a management fee of \$82,000. In February 1965 the contract amount was increased to provide an additional \$3.4 million to rehabilitate and modify the facilities.

Effective February 1965, Midwest awarded a CPFF subcontract to Adler Educational Systems Division, Litton Systems, Inc., to provide enrollees with basic and general educational training and vocational skill training. The vocational training consisted of courses of instruction in building maintenance, food processing and service, household appliance repair and service, refrigeration service, heating service, and automotive maintenance and specialty repair. The subcontract was negotiated at an estimated cost of \$2,913,100, including a fixed fee of \$125,400. In January 1966 this amount was increased to \$4,136,900, including a fixed fee of \$189,200.

The first group of corpsmen arrived at Atterbury in April 1965. Initially, the planned capacity of 2,600 corpsmen was expected to be reached by January 1966. The actual population of the Center totaled about 1,500 corpsmen on June 30, 1966, and continued at about that level during the period of our review.

The Director of the Job Corps became increasingly aware that the operation and administration of the Atterbury Job Corps Center was inadequate and in August 1965 designated a task force to conduct an inspection of the Center. On the basis of the report of the task force,

the Director, Job Corps, advised the contractor that serious overall management weaknesses existed at the Center and that effective operation would require immediate action to correct the weaknesses. Subsequent reviews by the Job Corps showed that some improvements had been made by the contractor; however, in April 1966, OEO decided that additional improvements in the operations could be made quicker if an industrial company could be engaged to manage the Center.

In April 1966, OEO awarded a contract in the amount of \$135,000 to Westinghouse Electric Corporation, Baltimore, Maryland, to conduct a feasibility study primarily for the purpose of transferring the responsibility for operating the Center from Midwest to Westinghouse Learning, a subsidiary of Westinghouse Electric Corporation.

In May 1966, OEO awarded a CPFF contract, OEO-1288, to Westinghouse Learning to operate the Center. The contract was negotiated at an estimated cost of \$13.2 million, including a fixed-fee of \$620,400 for the 13-month period June 1, 1966, through June 30, 1967. OEO estimated that the enrollee strength during the contract period would approximate, as a minimum, about 24,800 man-months of training. In April 1967, the contract period was extended through September 15, 1967; the estimated costs were decreased by \$33,025; and the fixed-fee was increased a like amount to cover the additional contract period. The total contract amount remained the same.

In September 1967, OEO awarded a follow-on CPFF contract to provide that Westinghouse Learning continue operating the Center through December 31, 1968. The planned average on-board strength was 1,550 corpsmen during the period September 16, 1967, through June 30, 1968; and 1,650 corpsmen during the period July 1, 1968, through December 31, 1968. The contract provided that Westinghouse Learning offer vocational skill training in automotive services, building services, electronics, and food services. The estimated cost for the contract period was about \$11.3 million, including a fixed-fee of \$508,732.

On January 1, 1969, OEO awarded a follow-on CPFF contract to Westinghouse Learning, which provided for continued operation of the Center through December 31, 1969, at an estimated cost of \$8.2 million plus a fixed fee of \$378,992. The planned on-board capacity remained at 1,650 corpsmen.

The Atterbury Job Corps Center is located on an inactivated Army installation about 30 miles south of Indianapolis, near Edinburg, Indiana. The Center occupies 164 buildings on the Army installation. Corpsmen dormitories and administrative offices are located in a building complex formerly used as an Army hospital, known as the Wakeman General Hospital. In addition, other buildings on the Army installation are used for warehouses, vocational training class rooms, and maintenance shops.

We have been advised by OEO officials that as of January 1, 1969, the Department of the Army declared excess to its needs that portion of Camp Atterbury that was occupied by Job Corps and so notified the General Services Administration.

During calendar year 1967, 3,284 corpsmen entered the Center program. These corpsmen came to the Center from widely scattered regions of the United States. On the basis of a statistical sampling, we estimate that about 65 percent, or 2,100, who entered the Center during calendar year 1967 resided in the States of Florida, Mississippi, Georgia, Alabama, South Carolina, Ohio, and Michigan.

During that period, the average corpsman was 18 years of age at the time of entering the Center. About 61 percent, or 2,003, were Negro; about 37.5 percent, or 1,231, were Caucasian; and the balance of 1.5 percent, or 50, were members of other ethnic groups.

Incoming corpsmen had been out of school an average of about 10 months before entering the Job Corps and had completed the ninth grade in school. Although the average reading ability of incoming corpsmen was at the fifth-grade level, the reading ability of about 25 percent of the new enrollees was less than the fourth-grade level.



Of the 3,284 corpsmen entering the Center during calendar year 1967, 1,153 or about 35 percent, had never held a job. The average earnings were \$1.20 an hour for those 2,131 corpsmen who had worked prior to entering the Center. The average length of time that corpsmen, who had full-time jobs prior to entry in the Job Corps, had been out of work was about 13 weeks. On the basis of our statistical sample, we estimate also that more than 320 corpsmen had been arrested for various crimes ranging from misdemeanors to grand larceny prior to their enrollment in the Job Corps.

During calendar year 1967, 3,157 corpsmen departed from the Center. Of this total, 1,150 corpsmen were classified by the Center as graduates, 1,773 were classified as nongraduates, and 234 were transferred to other centers.

Section 105 of the Economic Opportunity Amendments of 1966 directs OEO to take necessary action to ensure that for any fiscal year the direct operating costs of Job Corps centers in operation more than 9 months do not exceed \$7,500 per enrollee man-year. Under the Economic Opportunity Amendments of 1967 this amount was reduced to \$6,900 per enrollee man-year.

Congressional hearings have indicated that the limitation is a nationwide average and includes all direct operating costs of the centers such as maintenance, food, clothing, supplies, and services, as well as the corpsmen's direct costs such as salary, allowances, and travel. Costs not included are those for Job Corps headquarters and regional support, screening payroll administration, amortization of capital investment for center rehabilitation and equipment, and depreciation of Center facilities.

The Center's direct operating cost per corpsman man-year for calendar year 1967, computed on the basis of costs compiled by OEO as applicable under section 105, amounted to \$7,262 and indirect costs amounted to \$696 per corpsman, representing a total cost per corpsman man-year of \$7,958 for 1967. A schedule of the total cost per corpsman man-year is included as appendix I. OEO reported that, for fiscal year 1968, direct operating costs

for the Center amounted to \$7,090 and indirect costs amounted to \$1,023 per corpsman man-year, representing a total cost per corpsman man-year of \$8,113.

EFFECTIVENESS OF THE

ATTERBURY CENTER'S PROGRAM

POST-JOB CORPS EMPLOYMENT

Our review of the post-Job Corps employment experience of a sample of corpsmen showed that the percentage of youths engaged in gainful employment was greater after Job Corps experience than before such experience and that earning power among those working had increased. Also, a number of youths were, after terminating from Job Corps, engaged in such useful pursuits as serving in the Armed Forces or continuing their education.

It appeared, however, that the increased employment and earning power among those included in our sample can be attributed, in substantial part, to the greater employability of youths due to the process of growing up and to higher employment and wage levels.

To obtain an indicator of the extent to which corpsmen may have benefitted from their experience at the Center, we made inquiries in August 1968 of the initial employer of record of a sample of 195 corpsmen who had terminated from the Center in August and September 1967 and were reported to have been employed. The initial employer of record responded to our inquiries in 121 of the 195 cases. In 25 cases the corpsmen were reported to have been employed continuously for a year or longer and were still employed at the time of our inquiry. None of the remaining 96 corpsmen were reported to have been employed by the initial employer of record at the time of our inquiry. According to the employers, in 44 cases the corpsmen had never been employed; in 33 cases the corpsmen had been employed for less than 2 months; in 10 cases the corpsmen had been employed between 2 and 6 months; in six cases the corpsmen had been employed more than 6 months; and in three cases, although the corpsmen were reported to be no longer employed, the employers did not provide us with data on the length of the corpsmen's employment.

In those 52 cases where the corpsmen were reported to have been initially employed but no longer employed at the time of our inquiry, the following reasons were given by the employers for the terminations of employment.

Corpsman quit, no reasons given or corpsman failed to show up for work	19
Corpsmen discharged for poor work performance, absenteeism, or lack of skill	11
Corpsman left for another job, Armed Forces, or school	11
Plant layoffs	2
Corpsmen unsatisfied with work or hours	3
Corpsman discharged for theft	1
Corpsman left due to illness	1
Employer not responsive to question	<u>4</u>
	<u>52</u>

Fifteen of the 19 corpsmen who quit by failing to report for work were reported to have left within the first 2 months and four of these left within the first 2 weeks.

The wages reported for the 25 corpsmen were still employed at the time of our contact and the 52 who were employed but terminated their employment are as follows:

Wage	Number of corpsmen			
	<u>Still employed</u>		<u>No longer employed</u>	
	<u>Starting rate</u>	<u>Current rate</u>	<u>Starting rate</u>	<u>Terminal rate</u>
Up to \$1.50 per hr.	8	1	20	17
\$1.51 to \$2 per hr.	5	11	21	21
\$2.01 to \$2.50 per hr.	7	5	3	4
\$2.51 to \$3 per hr.	1	3	2	1
Over \$3 per hr.	1	2	-	1
Employer not responsive to question	<u>3</u>	<u>3</u>	<u>6</u>	<u>8</u>
	<u>25</u>	<u>25</u>	<u>52</u>	<u>52</u>

We also contacted 206 corpsmen who had terminated from the Center in August or September 1967, of whom 79 had been classified by the Center as graduates and 127 had been terminated without having completed a defined course. Of the 79 corpsmen classified as graduates, 15 reported that they were unemployed, 51 reported that they were working, and the remaining 13 indicated, in general, that they were productively engaged in such pursuits as serving in the Armed Forces or going to school. Of the 127 corpsmen classified as nongraduates, 36 reported that they were unemployed, 75 reported that they were working, and the remaining 16 indicated, in general, that they were productively engaged in such pursuits as serving in the Armed Forces or going to school.

Of the 51 corpsmen classified as graduates who reported they were working at the time of our interviews, 49 informed us of the nature of their current jobs. Of these 49 corpsmen, only nine indicated that they were working in fields related to their training, while the remaining 40 were working in nonrelated fields. In addition, of the 75 corpsmen classified as nongraduates who were working at the time of our contact, 61 informed us of the nature of their current jobs. Of these 61, only 17 indicated that they were working in fields related to their training, while the remaining 44 were working in nonrelated fields.

Of the 51 corpsmen classified as graduates who reported they were working, 46 provided us with data showing that 29 were earning \$2 an hour or less and the remaining 17 were earning over \$2 an hour including four who were earning in excess of \$3 an hour. Of the 75 corpsmen classified as nongraduates who reported they were working, 71 provided us with data showing that 50 were earning \$2 an hour or less and the remaining 21 were earning over \$2 an hour including four who were earning over \$3 an hour. On the basis of this reported data, 63 percent of those classified as graduates and 70 percent of those classified as nongraduates were earning \$2 an hour or less and in most cases those in each of these groups were earning \$1.75 an hour or less.

Also, the relatively small economic gains made by graduates compared with nongraduates may be attributable to the Center's classification of corpsmen into these two categories without major differences in the extent of training actually received by many corpsmen in both categories. (See p. 21.)

Employment and earning power were somewhat greater after Job Corps experience than before. Among the 79 corpsmen classified as graduates, 30, or 38 percent, reported that they had been working prior to Job Corps and 25 of those 30 reported earning an average wage of about \$1.35 an hour; at the time of interview, 51, or 65 percent, reported that they were working and 46 of the 51 reported earning an average wage of about \$1.90 an hour. Among the 127 classified as nongraduates, 60, or 47 percent, reported that they had been working prior to Job Corps and 56 of the 60 reported earning an average wage of about \$1.50 an hour; at the time of interview 75, or 59 percent, reported that they were working and 71 of the 75 reported earning an average wage of about \$1.80 an hour.

It appeared to us that the higher rate of employment and higher earning power among these terminees could be attributed, in substantial part, to the greater employability of youths as a result of the process of growing up and to higher employment and wage levels. For example, at the time of interview, the graduates were generally between 18 and 24 months older than when they entered Job Corps, and the minimum wage had been increased from \$1.25 an hour to \$1.60 an hour during the period between the time most of the terminees entered Job Corps and the time when they were interviewed.

Also, our analysis of data obtained from the interviews showed that the percentage of those working and the wages earned had increased with age for those included in the sample. About 54 percent of those under 18 years of age at the time of interview were working and earning an average wage of \$1.82 an hour. In comparison, about 57 percent of those 18 years of age and older were working and earning an average wage of \$1.85 an hour.

This increased earning power and employability also appeared to be associated with the length of stay of corpsmen at the Center. The average hourly wage rate was, at the time of interview, for corpsmen who stayed in the program for 6 months or less, \$1.82; for those who stayed 7 through 12 months, \$1.78; and for those who stayed more than 1 year, \$2.02. Further, the employment percentages for those who had corresponding lengths of stay in the program were 58 percent, 58 percent, and 59 percent, respectively.

Responses by the terminated corpsmen interviewed showed indications of continued employment problems. For example, among 79 responding terminees classified as graduates, 27 informed us that they had held either no jobs or three or more jobs during the approximately 1 year since their termination. About 60 percent of the working graduates and about 70 percent of the working nongraduates reported that they held their current jobs 6 months or less; in most cases it was 3 months or less.

We attempted to contact the 126 employers of the 51 graduate terminees and 75 nongraduate terminees who reported they were working and received 56 responses. The employers of only 17 of 30 graduate terminees reported that the terminees were still working about 2 months after we had contacted the terminees, and the employers of only 11 of the 26 nongraduate terminees reported that the terminees were still working about 2 months after we had interviewed the terminees.

#### Conclusions and agency comments

For those terminees included in our tests, it is questionable whether Job Corps experience at the Center has resulted in substantial economic benefit for either graduates or nongraduates.

On the basis of our review at the Center, we believe that certain improvements should be made in the Center's program, which could have a beneficial effect on the corpsmen and perhaps result in more significant gains to corpsmen for having participated in the Job Corps program.

These matters are discussed in more detail in the following sections of this report.

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In his March 1969 comments on our draft report, the Acting Director, OEO, provided us with available information on the post-Job Corps experience of fiscal year and calendar year 1968 Atterbury terminees.

The Acting Director stated that the information on the post-Job Corps experience demonstrated that Atterbury terminees did receive employment opportunities in a significantly higher number than before Job Corps experience and also at a higher remunerative rate than before Job Corps. The information provided showed that the group of youths who were over 19 years of age had a considerably higher percentage (86 percent) in jobs than the youths who were under 18 years of age (58 percent). In our opinion, the information supplied in the Acting Director's comments closely parallels the information obtained by us which indicates that general economic conditions, aging of the youths, and length of stay in the Job Corps program affect the post-Job Corps success of such youths.

The Acting Director stated further that the wage rates were more significant when considering that most youths who had jobs prior to Job Corps were earning below the minimum wage and were now earning at rates exceeding the statutory minimum wage. Job Corps did not provide specific information on this point; however, the average wage of employed Atterbury terminees included in our sample exceeded the applicable minimum wage rates in effect before and after their Job Corps experience.

With reference to job stability, Job Corps recognizes that a problem exists and believes that there is a need for a new emphasis in programming at the centers. The Acting Director informed us that a new social skills program would be published in the near future and would be implemented at the men's centers to train corpsmen in those skills necessary to enhance their ability to stay with their jobs.



NEED TO CLASSIFY AS PROGRAM GRADUATES  
ONLY THOSE CORPSMEN WHO HAVE SUCCESSFULLY  
COMPLETED THE PROGRAM

Some corpsmen were classified as having been graduated from the Center program apparently without having successfully completed all the steps which were considered necessary by the Center to permit corpsmen to develop sufficient proficiency in their chosen occupational fields to obtain and hold jobs.

Prior to May 1968, Job Corps policy specified that, to be classified as a graduate, a corpsman was required to complete a "defined program"; however, it had not provided the centers with specific objective standards as to what constituted a defined program.

In May 1968, a Civilian Conservation Center Program Task Force Report was issued, containing a number of new program concepts and policies which were to be the basis for operation of the conservation centers. At that time, Job Corps furnished the conservation centers with guidelines setting forth certain minimum requirements as to educational, social, and vocational skills needed for completion of the conservation center program. At the time of our review, Job Corps had not prescribed uniform criteria for graduation from men's urban centers.

During calendar year 1967, 3,157 corpsmen departed from the Center and, of this number, 1,150 were classified by the Center as graduates. To be classified by the Atterbury Center as a graduate, a corpsman had to complete a defined program during his residency at the Center and had to be enrolled in the Job Corps for at least 90 days. The Center determined that completion of certain vocational training course requirements, regardless of the skill level attained, constituted the completion of a defined program.

A defined program at the Center consisted of a number of milestones or course areas. For example, the defined program for "Parts Delivery Man" consisted of course areas described as (1) parts shop procedures,

(2) parts delivery, (3) paper work, and (4) on-the-job training. Each of these course areas had a number of steps which had to be performed to complete that particular course area or milestone. The corpsman was rated by his instructor, in addition to completion of these milestones, in such areas as attitude, appearance, attendance, aptitude, and ability.

Some corpsmen were classified as having been graduated from the training program apparently without having completed all the steps or milestones which were considered necessary by the Center to permit corpsmen to develop sufficient proficiency in their chosen occupational fields to obtain and hold jobs.

#### Vocational training program

The objective of the Center's vocational training program was to prepare corpsmen for useful employment and the responsibilities of citizenship. The OEO contract required that the contractor place primary emphasis on training corpsmen in the basic skills required for entry level in selected occupational fields.

When Westinghouse Learning took over the operation of the Center in June 1966, the vocational training program consisted of six major occupational clusters--refrigeration service, heating service, building service, household appliance repair, food service, and automotive service. Each occupational cluster consisted of a number of individual courses or units

The Behavior Systems Division, Westinghouse Learning Corporation, reviewed the Center's operations for the period October 13, 1966, to April 28, 1967, and concluded in a report dated May 31, 1967, that:

"The preponderance of Corpsmen in 1 skill area [automotive maintenance], the department's inability to identify markets for the skills being taught, the wage levels expected in these skill areas, and the inability to coordinate efforts with other skill-building departments

are the bases for the opinion that the quality and meaningfulness of the Vocational Education program do not meet an adequate level."

The study group further concluded that it was questionable whether a corpsman who graduated from the Center would, in all cases, be able to raise himself and his family above the poverty level. The report stated that some skills that the Center was teaching were often the skills identified by other antipoverty programs as "dead occupations." The Center director told us that he disagreed with some of the conclusions of the study group, but he did not tell us what he disagreed with, or why.

As discussed on page 17, we reviewed the work experience of a sampling of corpsmen who terminated from the Center and we found that only 26, or 24 percent of the corpsmen included in the test and who were working at the time of our contact, indicated that they were working in fields related to their training in Job Corps.

We asked the Center director what action had been taken to ensure that training was currently being offered only in fields which would raise corpsmen above the poverty level. The Center director told us that a survey of job opportunities in the Great Lakes Region had been made and that, on the basis of this survey and other information obtained from the Southeast Region, a number of changes had been made in May 1968 in the vocational training offered to corpsmen. The Center director advised us in August 1968 that, in his opinion, the courses then being offered were in occupational areas that were in demand; but he was unable to provide us with any further amplification on this matter. He told us also that all vocational areas in which the Center was offering training had pay levels equal to or above minimum wage standards and that some corpsmen were unable to learn higher technical level job skills because of mental limitations or because of limited prior training or education.

In February 1967, the number of occupational clusters was reduced from six to four. Household appliance repair which had been a major occupational cluster was reduced

to a unit program within a newly established major occupational cluster called electronic service, because of the lack of interest by corpsmen in household appliance repair service and the lack of employment possibilities in this training area. Also, the major occupational clusters of refrigeration service, heating service, and building service were combined because the cost of training corpsmen in each of the individual areas and the lack of placement possibilities for corpsmen in these areas did not make it feasible to continue these courses as major vocational clusters. The vocational training courses at the time we completed our fieldwork in August 1968 consisted of major occupational clusters in automotive service, food service, building service, and electronic service. These clusters were continued under the January 1, 1969, contract.

Corpsmen are generally permitted to pursue the occupational training of their choice. Each occupational cluster includes basic or entry-level and higher skill-level courses. After completing the entry-level course, corpsmen may continue in certain designated higher skill-level courses.

On February 22, 1968, 1,374 corpsmen were enrolled in the following vocational clusters.

Automotive service	551
Electronic "	309
Building service	278
Food service	<u>236</u>
	<u>1,374</u>

Of the 1,150 corpsmen who were graduated from the Center during calendar year 1967, 494 were graduated from automotive service, 231 from food service, 190 from electronic service, and 214 from building service and 21 had completed a defined program at other centers before transferring to Atterbury.

Under Job Corps policy at the time of our review, transfers could be made from one center to another when

the demonstrated interests and aptitudes of the corpsmen showed that they would be more employable if they completed a certain course offered at another center, which was not offered the center to which they were then assigned.

We reviewed vocational training data pertaining to a random sample of 202 corpsmen who had been at the Center 60 days or longer. According to the Center's records, 161 of these corpsmen had completed 222 courses of vocational training. Our review of the Center's records, however, showed that, in at least 29 of the 222 recorded course completions, the corpsmen had not completed all the course requirements. Consequently, a question arises as to whether the training was adequate to permit these corpsmen to develop sufficient proficiency in their chosen occupations to obtain and hold jobs. Further, for six corpsmen who had completed all course requirements, the instructors' evaluations showed that the corpsmen probably would be unable to hold jobs.

For example, one of the six corpsmen entered the Center in September 1967 and enrolled in the wheel, tire and brake repair course. Upon completion of this course in November 1967, the vocational instructor recommended that the corpsman not be assigned to a higher skill-level course because he had neither the initiative nor the ambition for the higher skill level. The instructor rated the corpsman's attitude, appearance, aptitude, and ability as poor.

In December 1967, the corpsman entered the service station attendant course, another entry-level course. He withdrew in February 1968 before he completed the course, and the instructor rated him poor in attitude and fair in appearance, aptitude, and ability. The corpsman was classified as a graduate and left the Job Corps in March 1968, but in summarizing his performance the instructor stated that the corpsman had not learned enough to be efficient and to hold a job.

Also, for 95 of the 222 courses considered to have been completed, the required on-the-job training associated with the courses had been waived.

In addition, it was not possible to determine what vocational training was received by 31 corpsmen in our sample, because the records either were incomplete or were not available.

We believe that a complete record of each corpsman's vocational pursuits and achievements is necessary to evaluate his progress and determine his proficiency and competence in job skills acquired during his training period.

The Center's system for recording achievements in vocational classes provides that, for each performance objective, corpsmen receive instructions and then be observed as to their proficiency in performing the task. Upon completion of each course, the instructor is to rate corpsmen as to attitude, aptitude, appearance, attendance, and ability.

Because records were incomplete in some cases and were not always in the same form, it was impossible to determine whether a corpsman had satisfactorily completed all the required performance objectives and whether his instructor had rated his attitude, aptitude, appearance, attendance, and ability as satisfactory.

Center officials informed us that, because of incomplete records, it was necessary in some cases to ask a corpsman upon graduation what courses he had completed and to give him a test to determine his proficiency.

The Center director was unable to explain why the vocational records were not available but said that it probably was due to changes of personnel in the vocational training department and that records may have been lost while being transferred in connection with the transfer of corpsmen from one vocational class to another.

In September 1968, the Center director told us that the Center was currently taking steps to ensure that all courses taken by corpsmen would be recorded and that the records would be updated as necessary so that there would be a complete record of corpsmen's vocational training.

#### General Education program

The General Education program is designed to provide academic training, life experiences, and enrichment activities that will enable each corpsman to reach his highest possible level of attainment and vocational training.

Center officials advised us that the instructional materials and methods utilized for academic training had been designed or selected by Center personnel after their evaluation of Job Corps-developed programs indicated they were inadequate for use with the Atterbury population. The reading materials used are basically those of the Mott Adult Reading Series.

In addition to providing academic training, structured programs in physical education and driver's education are provided. Leisure programs in the form of arts and crafts, musical instrument instructions, field trips, hobby groups, clubs, and dormitory recreation are also offered as a supplement to the program.

Center officials informed us that the Center was certified by the State of Indiana in June 1967 as an accredited educational institution for grades one through 12 and that all teachers either were fully certified for teaching by the State of Indiana or had obtained provisional teaching certificates.

The academic training is divided into three levels--remedial education, basic education, and general education development. Initial assignment or advancement to the various levels is determined by the results of tests of reading and mathematical competence.

The remedial education level is designed for all entering corpsmen whose functional academic skill levels are below the grade equivalent of 4.0--the minimum reading requirement for entry into vocational training at the Center. Corpsmen assigned to this program receive intensive reading instruction. In addition, instruction in basic shop math, operation and use of hand tools, and blueprint reading is included in a prevocational segment.

Prior to the establishment of the prevocational segment in October 1967, corpsmen with less than a 4.0 reading level were assigned to vocational training even though the vocational materials and manuals were written for corpsmen with a reading competence above the fourth-grade level. With the establishment of the prevocational program, which was designed to bring a corpsman's reading level to the required competence before assignment to vocational training, the Center planned to discontinue the assignment of these corpsmen to vocational training until such time as their reading level was 4.0 or above. However, to accomodate those corpsmen who were unable to meet these education prerequisites, the Center continued to provide vocational training on a limited basis to corpsmen with less than a fourth-grade reading level.

Corpsmen with a reading level between the fourth and seventh grade are assigned to the basic education level. At this level the areas of mathematics, reading, and communications skills are presented through various media and techniques, with major emphasis on the individualized programmed system of education.

The general education development level serves as a preparatory course for taking the General Educational Development (GED) test to obtain a high school equivalency certificate.

On February 22, 1968, the enrollment in each of the general education levels was:



<u>Level</u>	<u>Number of corpsmen</u>
Remedial education (below fourth grade)	150
Basic education (fourth to seventh grade)	953
General Educational Development (above seventh grade)	386

For purposes of determining whether a corpsman met the academic entry requirements for the vocational training course of his choice, Stanford Achievement Test results for reading and mathematics were used. However, we were informed by Center officials that these test results were used only as guidelines and were not necessarily considered governing as to whether a corpsman would be placed into a vocational training course. A corpsman's attitude, desire, and initiative would be a deciding factor in placing him in a vocation.

Our review of the reading and mathematics test results for the 67 graduates included in our sample of 202 corpsmen showed that 13 corpsmen, at the time of their graduation, had not met the academic entry requirements for the vocational training courses, although Center records indicated that the courses had been successfully completed by these corpsmen.

#### Contractor action

The Center, in recognition of the need for setting more comprehensive mandatory requirements for program graduation, issued revised standards for graduation in May 1968. These standards are as follows:

1. A corpsman must successfully complete a minimum of 6 months in the Atterbury program as one of the prerequisites to becoming a program graduate.
2. A corpsman's defined program must, in all cases, include a minimum of 1-month participation in the work experience program (on-the-job training) as a prerequisite to completion of the program as a graduate.

3. A corpsman must be certified by the General Education and Vocational program personnel of the program to be efficient proportionate to the skill level(s) completed within the program.
4. The successful candidate for graduation will be required to demonstrate satisfactory gains in attitudinal behavior and must be recommended by the General Education and Vocational program personnel to be an employable graduate.

### Conclusions

Some corpsmen were classified as having been graduated from the Center program apparently without having completed all the milestones which were considered necessary by the Center to permit corpsmen to develop sufficient proficiency in their chosen occupational fields. Classification of a corpsman as a graduate, even though he has not adequately demonstrated successful completion of all areas deemed necessary, may initially increase a corpsman's chance to obtain employment because of Job Corps' policy to place greater emphasis on obtaining employment for those terminees classified as graduates. However, in our opinion, such circumstances may also increase the possibility of losing the job obtained because of inability to satisfactorily perform and may have an adverse effect on attempts to place future graduates.

The Center recognized the need for setting more comprehensive mandatory requirements for program graduation and in May 1968 issued revised standards for graduation. However, our reviews at other Job Corps centers have indicated this problem to be Job Corps-wide, and we believe that there is a need for Job Corps to provide all centers with realistic minimum standards for graduation.

In May 1968, Job Corps furnished the Job Corps conservation centers with guidelines setting forth certain minimum requirements as to educational, social, and vocational skills needed for completion of the conservation center program. We believe that, by similarly adopting vocational training standards at all urban centers, the Center, Job Corps and prospective employers would be

provided with a greater assurance that graduating corpsmen could perform adequately at the entrance level in the area of their vocational training. Such standards would also provide Job Corps with a basis for comparing the effectiveness of similar training programs at the various centers.

#### Recommendations to the Director, OEO

We recommend that OEO establish realistic graduation criteria for all urban centers and develop implementing policies and procedures whereby Job Corps, the centers, and prospective employers can be assured that Job Corps graduates have successfully met all the criteria deemed necessary by Job Corps to enable them to obtain and hold jobs in their fields of training.

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The Acting Director, OEO, in commenting on our draft report in March 1969, advised us that Job Corps was creating at men's urban centers a standardized curriculum specification for all vocational offerings at each center. He advised us further that these specifications would be used as the basis for defining more precise achievement/termination criteria.

The Acting Director stated that Job Corps no longer talked in terms of graduation criteria but more realistically in terms of categories of achievement at termination since the implication is that a nongraduate is a failure. He stated further that many corpsmen who have not been total completers have in fact received substantial benefits as a result of their participation in the program.

Job Corps believes that job performance is identified through various levels of skills and is, therefore, specifying the several categories of levels of jobs to which corpsmen are being trained. The Acting Director stated that each vocational training area would have several potential step-off levels which would be correlated to specific job entry levels. The objective of a men's center is to assist each corpsman in going as far in his

vocational training area as he is capable of going and capable of being placed.

In our opinion, for the achievement/termination (graduation) criteria proposed by Job Corps to be effective, there must be clearly defined educational and social criteria to complement each vocational step-off level, all of which must be realistic in terms of providing the corpsmen with the necessary skills to obtain and keep their employment. We also believe that it is essential that Job Corps emphasize to the centers the importance of ensuring that each corpsman progress as far as possible in his area of training so that at the time of his termination from the Job Corps he has received the maximum training commensurate with his ability.

NEED FOR FURTHER EFFORT TO MINIMIZE  
CAUSES OF NONGRADUATE TERMINATIONS

The Center had conducted a review to determine the causes of nongraduate terminations and during calendar year 1967 took a number of actions aimed at reducing such terminations. However, it does not appear that the actions taken were fully effective, because, while it appeared that some progress had been made in extending the length of stay of corpsmen, there had not been any decline in the rate of nongraduate terminations.

The Job Corps defines a graduate as a corpsman who has completed a defined program of instruction in an urban, conservation, or special center. During calendar year 1967, 3,157 corpsmen left Atterbury, of which 1,150 were classified by the Center as graduates, 1,773 did not complete a defined program and 234 were transferred to other centers. The Center's termination experience for calendar year 1967 is shown in the following schedule.

<u>Month</u>	<u>Total termi- nations</u>	<u>Graduates</u>	<u>Non- graduates</u>	<u>Percentage of termi- nations that were non- graduates</u>
January	202	80	122	60.4%
February	225	112	113	50.2
March	230	95	135	58.7
April	219	85	134	61.2
May	302	121	181	60.0
June	190	76	114	60.0
July	382	128	254	66.5
August	344	116	228	66.3
September	255	105	150	59.0
October	183	75	108	60.0
November	202	80	122	60.4
December	<u>189</u>	<u>77</u>	<u>112</u>	<u>59.2</u>
Total	<u>2,923</u>	<u>1,150</u>	<u>1,773</u>	<u>60.6%</u>

On the basis of the Center's records, 1,465 of the 1,773 nongraduate corpsmen who terminated were at the

Center less than 90 days. The remaining 308 nongraduates were at the Center 90 days or longer but did not complete a defined program. The Center attempted to identify the basic causes of nongraduate terminations by the accumulation and study of data obtained in counseling sessions and in exit interviews with corpsmen. Early in 1967, the Center, with the assistance of the Behavior Systems Division of Westinghouse, began taking action in an attempt to reduce the number of corpsmen terminating prior to graduation.

The Center found that, in October 1966, 37 percent of the corpsmen enrolling in that month dropped out in the first 30 days. The Center found also that the first 3 days and the second and third weeks of an enrollee's stay seemed to be critical to the dropout problem and that the racial mix of each entering enrollee group and of the total corpsman population was a strong contributor to the dropout rate among Caucasian enrollees.

The factors which the Center identified that seemed to influence corpsmen to terminate with less than 90 days' service were:

1. A fear of bodily harm from other corpsmen or a fear, in general, of the many "unknowns" about Center life to the new enrollee.
2. Homesickness accentuated by the unfamiliar environment and routine of the Center.
3. A strong negative impact of the Center and its program on the new enrollee.
4. A dissatisfaction with the lack of discipline at the Center.
5. A dissatisfaction with the rather spartan and sometimes untidy living conditions at the Center.
6. A dissatisfaction with the vocational offerings at the Center.

The factors that the Center believed influenced corpsmen to terminate after a 90-day length of stay were:

1. A dissatisfaction with the vocational offerings at the Center.
2. A dissatisfaction with the general education or academic program at the Center.
3. A lack of knowledge of individual progress by corpsmen within the Center's program.

On the basis of these findings, the Center director informed us that (during calendar year 1967) the Center took the following actions aimed at removal of the causes of nongraduate terminations.

Fear of bodily harm--To minimize the chance of bodily harm and intimidation and to give each new enrollee a feeling of personal security:

1. The security staff was modified and strengthened to give better coverage of the Center.
2. The security staff received in-service training in human relations and crime prevention and detection.
3. The security staff assigned to the 4 p.m. to 12 midnight shift was increased.
4. The Corpsmen Diplomats, an organized group of elite corpsmen, were increased in number and given training in leadership and discipline and assigned to the Security Department to assist in patrol of the Center.
5. The number of hallways available for use was reduced because most of the actual physical assaults occurred in the 13 miles of sometimes dimly lit hallways.
6. Each residential unit was isolated and made self-contained, because many cases of assault were

caused by corpsmen from one residential unit passing through another unit where there was a minimum fear of identification while in a strange area.

7. Improved lighting was added in hallways and on the grounds.
8. Additional staff was assigned during operating hours to trouble spots, such as the snack bar, mess hall, and theater, and the snack bar was moved to more spacious quarters.

Homesickness and initial negative impact of the program--The Center found that many of the new enrollees had reached their decision to stay in the program or drop out within their first 3 days at the Center. To reduce the number dropping out in this period, the Center took the following actions:

1. The most competent residence and counseling staff were assigned to the orientation program.
2. The physical facilities in orientation areas were painted and decorated with wall paintings and photos of Center activities.
3. The structured orientation program was revised using slide-tape presentations of the Center and its program, rules, and regulations.
4. A screening process was initiated in orientation whereby enrollees who were behavioral, medical, or psychiatric problems or whose attitude did not qualify them for the Job Corps program were identified and isolated from the mainstream of the program. Center officials stated that this helped stabilize the environment in the orientation area and decrease the negative impact on new enrollees.
5. The race relations section of the orientation program was strengthened through slide-tape presentations and group counseling sessions to



attempt to further break down the racial barriers between new enrollees of different groups.

Dissatisfaction with discipline at the Center--The Center reworked the discipline system, using a philosophy of taking strong action with a few to make the program beneficial for many.

1. The Center's rules and regulations for infractions were reviewed, in some cases revised, and documented in a Center director policy statement and in the corpsman handbook.
2. The new discipline policy was implemented, a Center disciplinary board was established, a disciplinary officer was appointed, and the Center's review board was restructured.
3. Job Corps headquarters granted the Center director authority to discharge a corpsman from the program, which allowed the Center to take rapid, strong action with violators.
4. A stronger relationship was established with the Federal Bureau of Investigation, the U.S. Attorney, and the Federal courts to provide for more rapid and efficient dealing with corpsmen committing crimes at the Center.

Dissatisfaction with living conditions--The Center director informed us that the vintage and the former military hospital environment of the Center's living facilities made for somewhat less than an ideal setting for a homelike atmosphere. In addition, the general background of enrollees, many from ghetto slum areas, can generate extreme untidiness unless a program can be developed to thwart it. During 1967, the Center director said that the following actions had been taken to develop a spirit of pride in the corpsmen for both their own appearance and the appearance of their dormitory.

1. A weekly cleanliness competition was initiated between dormitories, and group incentive awards were given to the winners.

2. Individual citations and awards were given to corpsmen having the most well-kept rooms or areas in each dormitory.
3. Several "cleanup, fix-up" days were held at the Center.
4. The appearance standards for corpsmen were improved with regard to such items as dress, shaves, and haircuts.
5. Recreation areas were added to each residential unit.

Dissatisfaction with vocational offerings--The Center director informed us that a major cause of nongraduate terminations from the Center was the inability to maintain the corpsman's interest and motivation level in his assigned vocational training area. He stated further that this problem was mainly caused by assignment of enrollees to Atterbury who desired training in an occupational area not offered at Atterbury. He said that the recruiting and screening system used by Job Corps did not adequately deal with this problem and that many times the system was geared to fill assignment quotas by numbers alone and an individual's desires were lost in the shuffle.

Notwithstanding the screening and assignment problems, the Center took the following actions to improve vocational training programs.

1. In May 1967, the courses offered were reduced from 41 to 29. The courses eliminated were those in which corpsmen showed minimum interest and in which there was poor job placement potential.
2. A familiarization program was initiated as a prerequisite for entrance into each vocational area. The program allows each enrollee to gain some basic knowledge of the type of training offered in each area prior to final commitment to the training.

Dissatisfaction with General Education--The lack of interest and motivation was recognized as a contributor to nongraduate terminations. Changes made in the program to minimize the problem were:

1. A prevocational program was initiated for those corpsmen entering with less than a fourth-grade reading level, because these corpsmen were falling behind, losing interest, and dropping out prior to course completion.
2. The GED program was revised and strengthened.
3. Reading and mathematics curricula were revised at all levels of the academic program.

Lack of knowledge of individual corpsmen progress--The Center found that some corpsmen left the program because they lacked knowledge of their progress in the program. The Center took the following action to correct this problem.

1. A series of reports were developed, using Center data processing equipment, to show individual progress by corpsmen in the program.
2. Graphic display boards of corpsmen's progress were developed and put up in each vocational shop area.
3. A system of progress charts and records was developed for the General Education program.

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In addition to the actions taken in specific areas, the Center instituted several in-service training programs for certain staff groups, as follows:

1. A training program was instituted for all residence personnel.
2. A remedial reading instruction program was started for all General Education teachers.

3. A vocational education program was started for all shop instructors.

Our review of nongraduate terminations from the Center for the first 9 months of calendar year 1968 showed that, out of a total of 2,320 terminations during this period, 1,439 corpsmen or 62 percent of those terminated were classified by the Center as nongraduate terminations. During the first 9 months of calendar year 1967, the nongraduation rate for the Center was 60.9 percent. Based on the Center's records, 931 of the 1,439 who terminated were at the Center less than 90 days. The remaining 508 were at the Center 90 days or more but did not complete a defined program.

#### Conclusions and agency comments

It appears that, by successfully meeting the minimum requirements for graduation established by a center, a corpsman would be better prepared for the opportunities and responsibilities of citizenship and employment. Job Corps, on the basis of its experience, is of the view that, in order to receive substantial benefit from Job Corps experience, a corpsman needs to stay enrolled at least 6 months in the program. The Center has identified a number of causes of nongraduate terminations and has taken specific actions to try and correct the situation. Our review of termination data showed, however, that, although the Center appeared to have had some success in increasing the length of stay of corpsmen, the overall nongraduate termination rate had not been substantially affected by the actions taken by the Center. Thus, it is apparent that these actions have not been fully effective.

We have made reviews at a number of Job Corps centers where the inability of the centers to retain enrollees for reasonable periods of time was a serious problem. Job Corps during the period of its existence has taken a number of steps to favorably influence retention rates. However, these steps have not resulted in any substantive improvement of the termination situation, and we believe that this matter is critical to the success of the Job Corps program.

In our draft report to the agency, we proposed that OEO, with the assistance of center managements, analyze information developed by the centers regarding the reasons that, and circumstances under which, corpsmen terminated prior to completion of the program, with a view toward further identifying conditions and factors in the Job Corps program where improvements might be made to favorably influence the graduation rate of corpsmen. Since we have made a similar recommendation in our report on the "Wellfleet Job Corps Civilian Conservation Center," we are not repeating the recommendation in this report.

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The Acting Director, OEO, in commenting on our draft report, stated that Job Corps agreed that there must be a continued increase in the number of positive output of corpsmen. He stated further that Job Corps had already launched a new in-depth study, in conjunction with the management of the urban centers, into the specific factors that were leading corpsmen to leave the center prior to their acquiring skill levels that would enable them to be employed.

NEED TO IMPROVE COUNSELING  
PROGRAM

The counseling program as carried out at the Center was not conducive to achieving the objectives of counseling as set forth in the Economic Opportunity Act.

The act states that each Job Corps center shall be operated so as to provide enrollees with an intensive, well organized, and fully supervised program of counseling. The act provides that, to the fullest extent feasible, the required program for each enrollee include activities to assist him in choosing realistic career goals, coping with problems he may encounter in his home community or in adjusting to a new community, and planning and managing his daily affairs in a manner which will best contribute to long-term upward mobility. The act further states that the Director, OEO, shall provide for the counseling of each enrollee at regular intervals, to follow his progress in educational and vocational programs.

The counseling program at the Center is designed to help each corpsman establish career goals through realistic self-assessment; to provide him with positive motivation; to furnish an opportunity for self-exploration and expression in an acceptable, nonthreatening, confidential atmosphere; and to promote the changes in behavior and attitude which will enable him to attain his career goals. Counseling techniques are developed by the counseling department which provides professional counselors for individual and group counseling. This department also provides special training to nonprofessional counselors, such as dormitory personnel, teachers, and instructors, who are expected to provide nonprofessional counsel and advice on a continuing basis.

Incoming corpsmen have immediate access to professional counselors during the orientation period, to help them in meeting the sometimes traumatic experiences encountered within the first few days or weeks at the Center. Upon completion of orientation, corpsmen may voluntarily request counseling or may be referred for counseling by staff members. Corpsmen who follow the established

termination process are also given a terminal interview by a professional counselor.

The counseling department had 12 professional counselors, or about one to every 125 corpsmen. Professional counselors were assigned to each dormitory, general, and vocational area during specified hours and were available for individual counseling by appointment from 8 a.m. to 10 p.m., 5 days a week.

Nonprofessional counseling was provided by other staff members who were available 7 days a week, 24 hours a day. The schedule for the dormitory staff was arranged so that corpsmen had the maximum staff available after 4 p.m., the completion of the academic day.

From March to October 1967, the Center also operated a separate dormitory to segregate and provide intensive professional counseling to those corpsmen who desired to terminate before completing their training. We were informed by the Center's deputy director that this counseling was directed toward motivating corpsmen to remain in the program and discouraging their failure image and that the Center, by this technique, was successful in retaining about 20 percent of those desiring to terminate. However, we were informed that this approach was discontinued because the Center determined that the cost was not proportionate to the benefit obtained and because the dormitory became a haven for Caucasian corpsmen who felt insecure in a predominately Negro population.

Between October 1966 and April 1967, the Behavior Systems Division of Westinghouse Learning Corporation made a review of the counseling program at Atterbury. Following the Center's implementation of oral recommendations made during the review, a report was issued which concluded that the appointment of a new manager of counseling, direct introduction of desired counseling techniques, and improvements in recordkeeping and intradepartmental cooperation had significantly improved the effectiveness of the counseling department.

Our review of the counseling files for 202 corpsmen, selected at random from those corpsmen who had been at the

Center for at least 60 days as of March 1, 1968, showed that 73 corpsmen, or 36 percent, had received no professional counseling since their initial interview when they entered the Center. These 73 corpsmen had been at the Center from 3 months to about 2 years as of March 1, 1968, and the average length of stay was slightly in excess of 7 months.

We believe that one of the reasons why such a high percentage of corpsmen received no professional counseling can be attributed to the practice of requiring corpsmen to visit a counselor only upon entry and termination, unless they are referred by a member of the Center staff. Such a practice runs counter to findings of studies of disadvantaged youths by professionals in that field who suggest that these youths do not request nor utilize individual counseling unless they are formally scheduled to do so and that even then they miss appointments. Although the experience at Atterbury could not be conclusively determined because of the absence of records, the Center estimated that only 10 percent of the total individual counseling sessions in calendar year 1967, were requested by corpsmen.

We believe that the data on the following corpsmen--one corpsman who apparently had not received any counseling during his 27 months in Job Corps and two who had not sought counseling since their initial interview when they entered the Center--demonstrates the need for regularly scheduled counseling sessions.

Corpsman A, who was 19 years old when he entered the Center in February 1966, had completed the eighth grade. As of February 1968, he had only progressed from a reading level of 2.2 to 2.8 and from a math level of 2.7 to 3.1. During his more than 2 years at the Center, he was fined for fighting and failure to do assigned tasks. In addition, he was absent without leave on six different occasions. His vocational training was in building services. The records show that he received training in (1) electrical maintenance and custodial procedures until April 1966, (2) carpentry from May to October 1966, (3) electrical maintenance and custodial procedures during November and December 1966, (4) plumbing maintenance from



January to March 1967, and (5) sheet metal working from December 1967 to May 1968. He received on-the-job training from April to June 1967 and engaged in work at the Center from June to December 1967. He was terminated as a graduate in May 1968 and placed as a laborer at \$1.85 per hour after spending about 27 months in Job Corps. The placement specialist who arranged the placement advised us that this corpsman was placed as a laborer because his educational level precluded his success in other vocations. There was no information in the corpsman's file to indicate that he had received counseling during his 27 months in Job Corps.

Corpsman B, who was 17 years old when he entered the Center in December 1967, had completed the 10th grade and had a reading and math equivalent grade level of 5.4 in each subject. The records show that the corpsman joined the Job Corps as an alternative to accepting a sentence for auto trespassing. In his initial interview the counselor noted that the enrollee was sullen and evasive, had been arrested three times for riding in stolen cars, admitted that he had smoked "pot," and looked like he was coming off a "high" on the day of the interview. Since arrival at the Center he had been absent without leave on two occasions and had been involved in two reported incidents, one for refusing to do assigned work and one for leaving the job early. There was no evidence in his counseling file of any contact with a professional counselor after his initial interview.

Corpsman C, who was 17 years old when he entered the Center in June 1967, had completed the ninth grade. As of January 1968, he had progressed from a reading level of 4.7 to 5.4 and a math level of 5.4 to 5.8. During his initial interview the counselor noted that the enrollee was a car theft suspect and had used marijuana and other drugs. About 2 months after entry he was charged with insubordination and intoxication while on assigned work. About 2 months later he was arrested in Indianapolis, Indiana, and charged with disorderly conduct and inciting a riot. Upon being found guilty of being a disorderly person, he was fined \$25 plus court costs and sentenced to 14 days in jail. Upon release he returned to the Center and since then had received certificates of

completion for two courses in building services. His progress and effort in general education were rated as fair and poor, respectively. Except for the initial interview with the counselor, the file did not show that this corpsman had received any counseling.

We discussed the need for regularly scheduled counseling sessions with representatives of a consulting firm-- Education Testing Service, Princeton, New Jersey. On the basis of information which we furnished the consultants about the Center's counseling program, they advised us that, if the interviews undertaken on the corpsmen's initiative were infrequent and if a large proportion of the corpsmen had no counseling contact other than an initial and a terminal interview, it was their opinion that the counseling program did not fully comply with the requirement in the act for an "intensive" program of counseling. They also expressed the opinion that counseling sessions scheduled on the counselors' initiative seemed necessary to meet this requirement.

The consultants also advised us that, if professional counseling contacts were generally limited to referrals by staff members, the role of the professional counselor had apparently become that of a "troubleshooter." They recognized the need for counselors to become cognizant of disciplinary and other problems as they arise and to assist in solving such problems through advice to other staff members and through direct dealings with corpsmen. However, they believed that counselors could make a more constructive contribution by helping to foresee and forestall such problems. For example, the consultants noted that professional counselors should be able to suggest to instructors and other staff members what differential approaches, methods, and treatments are likely to be most effective for specific corpsmen. They believed that regular counselor-corpsman contact was essential for rendering such judgments.

During our review, Westinghouse Learning informed us that group counseling had been discontinued early in calendar year 1967 as a result of a study by the Behavior Systems Division of Westinghouse Learning Corporation. A Center official stated that group counseling was, in

effect, a "baby sitting session" in which a counselor tried to keep a group of corpsmen busy for an hour. Most of the corpsmen, according to a Center counseling official, had no particular problem common to the group and the sessions became meaningless. However, in January 1968, group counseling was reinstated on a voluntary basis. Based on monthly reports of group counseling, 620 corpsmen attended these sessions during the 7-month period ended July 31, 1968.

With respect to the elimination of group counseling, our consultants said that, if group counseling was indeed a "baby sitting session," it seemed logical to discontinue the counseling in favor of more effective activities, as the Center presumably did, or to revise the objectives and procedures of group counseling. The consultants stated that it seemed to them that the objectives of counseling cited in the act could serve as a productive guide for the content of group sessions. For example, they said that problems could be discussed that are representative of the problems corpsmen encounter in their home communities or in planning and managing daily affairs. A procedure which the consultants recommended as worth trying involved "simulation and role-playing." Enrollees might enact common problems encountered on a job--such as sharp criticism by a supervisor--to explore, examine, and rehearse various ways of responding. The consultants stated that such exercises, in a nonthreatening environment, had proved useful in influencing attitudes and behavior in various groups.

In September 1968, we discussed the apparent need for improvements in the counseling program with the Center director, who advised us that certain realignments of the duties of professional counselors had been made to give them more time to work directly with corpsmen. He also told us that corpsmen would be required to attend individual- and group-counseling sessions on a regularly scheduled basis. He said that each corpsman would be scheduled to attend a counseling session with a professional counselor once in each 6-week period and that each corpsman would also be scheduled to attend at least two group-counseling sessions within each 6-week period.

## Conclusions

Although the counseling function does not readily lend itself to quantitative measurement of its accomplishments, it seems reasonable to conclude that the inadequacies of counseling at the Center served to reduce the benefits which counseling is capable of giving to the corpsmen.

We believe that many corpsmen could benefit from an intensive counseling program to assist them in making the social, educational, and vocational adjustments necessary to become self-supporting members of society. Also, we believe that the counseling program could be a means by which corpsmen are encouraged to remain at a center for a sufficient period of time to acquire the skills necessary to obtain and hold a job. In September 1968, the Center revised its policy so that each corpsman would receive regularly scheduled individual counseling with a professional counselor and would participate in regularly scheduled group counseling sessions. We believe that these changes, if properly implemented, should improve the quality and effectiveness of counseling at the Center.

## Recommendation to the Director, OEO

Because our reviews at other urban centers have also shown a need for improvements in the counseling program, we recommend that OEO review the counseling programs at all urban centers and, if necessary, establish overall guidelines defining the content of, and the frequency and methods of conducting, satisfactory counseling programs for corpsmen.

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The Acting Director, OEO, in commenting on our draft report, stated that in January 1969 the Men's Centers Directorate established a team of specialists to go to each center and live there and work in close liaison with the staff of the center in resolving the problem areas of counseling and group living. According to the Acting Director, the team was planning to call upon outside consultants and program experts within the Job Corps for assistance in resolving the program areas.

The Acting Director also informed us that the Job Corps had sent a draft of a residential living manual to the urban centers for review and comment. The Acting Director stated that this manual, which would cover the various elements of a counseling program in a residential setting, providing content, frequency, and methods of counseling, was due for publication within 3 to 6 months.

The Acting Director added that Job Corps had always been aware of the need for improving guidelines for counseling and had developed sample training programs for center personnel, had begun publishing counseling articles in the Job Corps Staff Newsletter, and had made and distributed a number of staff-training counseling films. The Acting Director stated that, in the near future, the Job Corps, in conjunction with the centers would consolidate the best of the program materials developed at the various centers, catalogue the counseling materials, and follow with a series of workshops to consolidate and publish handbooks, procedural guidelines, sample schedules, and the like.

The OEO comments state further that Job Corps believes the paramount aim of its counseling program to be the high quality and effectiveness of the program, rather than the number of corpsmen contacts.

We believe that the two concepts go hand in hand. Considering the background and problems that many corpsmen have, we believe that the counseling provided at the centers must be done by people who have been adequately trained to provide high quality counseling to the degree necessary for each corpsman so that, upon termination, each youth will be prepared to carry on a productive life.

NEED TO INCREASE OPPORTUNITIES  
FOR OBTAINING HIGH SCHOOL  
EQUIVALENCY CERTIFICATES

Many corpsmen at Atterbury who apparently had a reasonable chance to obtain a General Educational Development certificate did not have the opportunity to take the test leading to the GED certificate, primarily because the testing facilities used were inadequate to accommodate all qualified corpsmen.

Center officials informed us that, when it took over operation of the Center in June 1966, Westinghouse was not an authorized testing agency and, therefore, corpsmen applicants would have had to be transported to Indiana University or Vincennes University to take the GED test.

According to Center officials, facilities for the GED testing program at Indiana University, which is located about 45 miles from the Center, could accommodate about 40 corpsmen every 2 months. During calendar year 1967, 232 corpsmen, or essentially all that could be accommodated, took the test at Indiana University. Vincennes University, which is approximately 200 miles from the Center, was rarely used because the cost of meals, lodging, and travel to and from the facility would be costly.

Certificates issued for satisfactory achievement on the GED tests are widely accepted as evidence of high school equivalency by business, industry, the military services, civil service commission, and State and local boards of licensing examiners. Individuals who obtain high school diplomas or their equivalent are generally considered to be in a more favorable position when applying for jobs, seeking promotions, or attempting to qualify for higher education than are individuals who have not obtained these credentials.

In March 1966, Job Corps issued a bulletin to urban centers urging center directors to encourage as many eligible corpsmen as possible to participate in the GED program. The Economic Opportunity Amendments of 1966, approved November 8, 1966, provided that education and training of new enrollees, to the extent feasible, provide opportunities

for qualified enrollees to obtain the equivalent of a certificate of graduation from high school.

Center officials informed us that, on the basis of an analysis of the scores of the first 148 corpsmen who took the GED test, the Center determined that only those corpsmen with a Stanford Achievement Test (SAT) reading average score of 7.5 or above would be recommended to take the GED test, because corpsmen with (1) less than a score of 6.0 had little chance of success, (2) a score between 6.0 and 7.5 had very limited chance of success, and (3) a score of 7.5 or above had a good chance to pass the GED test. In addition to having a score of 7.5, corpsmen who desired to take the GED test had to be recommended by their teachers or counselor.

In order to determine whether the corpsmen considered to have a good chance of success on the basis of the Center's experience were being afforded the opportunity to sit for the test, we analyzed the results of the final SAT tests of terminated corpsmen for a 4-month period beginning October 1967. Of 328 corpsmen who took the SAT test, 70 had a reading average of 7.5 or better, but only 33 had taken the GED test. The SAT reading average scores of the 37 corpsmen who did not take the GED test ranged from 7.5 to 9.5, and 24 of the corpsmen were graduated from Job Corps. Projection of the results of this analysis to the 1,130 corpsmen who were given terminal SAT reading tests in calendar year 1967, indicates that more than 100 corpsmen who had a good chance of passing the GED test left the Center each year without taking the test.

In addition to the 33 corpsmen who had taken the terminal SAT reading test, other corpsmen at the Center had taken the GED test during the 4-month period beginning October 1967. According to Center officials, essentially all the corpsmen who could be accommodated took the test during this period.

We discussed these matters with Center officials who stated that corpsmen may not have taken the GED test because (1) of the limited facilities at Indiana University, (2) under the Center's policy, corpsmen have the responsibility to apply to take the GED test and they may not have

requested to take it, and (3) corpsmen could have a 7.5 reading average and still be deficient in language, arts, skills, or mathematics and, therefore, not be granted approval to take the test.

Center officials informed us in August 1968 that arrangements had been completed with the State of Indiana to allow the Center to give the GED test to corpsmen at the Center once a month beginning in September 1968.

### Conclusions

It appears that in the past not all the qualified corpsmen leaving Atterbury took the GED test leading to the GED certificate, primarily because the testing facilities were inadequate to accommodate all corpsmen. The Center became an authorized testing agency in September 1968, which appears to resolve the problem of inadequate facilities. However, we believe that under the Center policy, which places the burden of responsibility on the corpsmen to apply to take the test, instances may occur in the future where qualified corpsmen will terminate from the Center without having taken the test. In our opinion, the Center should require all corpsmen who have a reasonable chance of passing the GED test to sit for the test during their stay at the Center.

### Recommendation to the Director, OEO

We recommend that OEO instruct the Center to require all corpsmen who have a reasonable chance of passing the GED test to sit for the test during their stay at the Center.

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The Acting Director, OEO, in commenting on our draft report, stated that Job Corps had long recognized the need to increase the input and, eventually, the more positive output in the GED programs at all centers. Recognizing that the age factor of the corpsmen has been dropping and, accordingly, that the reading levels had become similarly lower, the Acting Director stated that Job Corps had developed a specialized curriculum that would allow corpsmen



to enter a GED preparation program with a reading level equivalent to grade 6 rather than grade 7.5 as had been the practice in the past. He stated that this curriculum, designed to require at least 4-months for a corpsman to complete, had been provided to each urban center and was currently being utilized on an experimental basis. According to the Acting Director, early indications support prior test conclusions that the curriculum is highly successful and, if these indications prove to be true, the men's urban centers will convert totally to the specialized curriculum.

With reference to the Atterbury Center, the Acting Director stated that, with the increased testing capability, the Center had taken action to test all corpsmen who appear to have the capability of passing the test and receiving their certificates.

## NEED FOR IMPROVED MANAGEMENT INFORMATION SYSTEM

The Center's management information system did not provide cumulative data on a regular basis, and as a consequence complete historical and statistical data was not readily available to show the progress of each corpsman through the program. Although Job Corps had been developing a corpsman advisory system for the purpose of providing managers of its centers with guidelines for the preparation, accumulation, and use of such data, a substantial delay in the development of the system has occurred.

The system, planned by Westinghouse Learning for accumulating and reporting data related to corpsmen at the Center, is designated as the corpsman master system. As planned, this system would provide information to apprise corpsmen of their standing in the program and to enable management to evaluate and make improvements in the program.

### Corpsman master system (COMAS)

The need for development of a management information system which would provide data for immediate and effective management measures was recognized during a study made of Midwest's operation of the Center in April, May, and June 1966 by Westinghouse Electric Corporation. The final report to OEO on this study stated that, with the number of corpsmen and staff at the Center, the need for mechanical processing and storage of data was mandatory.

The Center's operating plans submitted to OEO in September 1966 showed that the Center planned to install a mechanized unit record system to provide management with data on corpsmen.

The system was designed to provide, basically, three types of reports, which the Center calls input, thru-put, and output reports. As designed, the input report was to contain profile data such as age, race, and State of origin of incoming corpsmen. The thru-put report was to contain data on the accomplishment of corpsmen during the

current reporting period. The output report was to show the status of terminating corpsmen. Installation of the mechanized equipment (electrical accounting machine) began in July 1966. Until June 1967, the equipment was used for filing and correlating data for historical purposes and only a few reports were prepared.

In June 1967, Westinghouse Learning determined that a computerized information processing system with a memory core and calculating capability was necessary to provide what it believed would be needed data. The Center planned to install a computerized card system as the initial phase of the proposed system. Tape drive and disc storage were to be installed in the future when the system became further developed. The data processing equipment for the computerized card system was ordered in October 1967, installed in March 1968, and ready for operation in May 1968.

In May 1968, a Center report showed that, from July 1966 to May 1968, the emphasis had been on developing parameters of the information needed rather than on reporting and using data from the system. Furthermore, the limited information, consisting of the above three reports, was used primarily by the first-line supervisor or by personnel dealing directly with the corpsmen and was difficult to use at the upper management level since information from the reports was not summarized for management purposes.

The Center's report of May 1968 proposed new reporting formats; however, it emphasized that coordination with the users of the reports was necessary before they could be programmed.

In May 1968, the manager of counseling and testing, issued a memorandum to the associate director of programs, in which he again called attention to the need for complete evaluations of corpsmen's progress. He concluded that it was not enough to have data available but that someone should have the responsibility for continually evaluating the corpsmen's progress and recommending remedial actions where necessary.

In September 1968, the Center director informed us that the responsibility for continually evaluating each corpsman's progress would be assigned to a counselor in the counseling department.

In view of the early recognition of the need for a management information system and the apparent limited usefulness of the COMAS, we asked the Center director for an appraisal of the current system. We were informed that COMAS provided important data on each corpsman upon entry to the Center, while he is at the Center, and upon exit from the Center. He said that improvements in the system could be made, as ability is gained, to relate such variables as age, race, vocation, prior education, home State, and other data to the corpsman's progress. He said also the COMAS would be continually revised as the Center became more sensitive to the use of detail data and statistics for program management and that the ultimate goal was to identify each corpsman's abilities, desires, and opportunities for a job and to be able to develop a program to meet these needs.

#### Corpsman advisory system (CAS)

The CAS for men's centers, which is being developed jointly by Job Corps and men's urban centers, is planned to provide reports which will show a cumulative record of each corpsman's progress on a regular basis and also to provide a means to regularly evaluate, advise, and counsel corpsmen.

As planned the CAS in its most fundamental form was to have three major elements as follows:

1. Corpsman advisors: Advisors would function in a personal relationship with the corpsmen and apprise them regularly of their progress in all phases of the program.
2. Incentive programs: Performance criteria would be established and awards and promotions would be given to those corpsmen who meet these criteria.

3. Milestones: Basic to the role of an advisor and to incentive programming is an analysis of the program and the establishment of cohesive performance objectives or identifiable skill clusters. Milestones define the performance goals of a program and specify the behavior necessary to reach these goals.

In May 1967, the Assistant Director for Men's Centers advised the Center director that the CAS, which had been in operation in conservation centers since July 1, 1966, had greatly improved the entire program in many of these centers. It was believed that it could produce similar results in all men's centers and therefore a decision to institute the CAS for men's urban centers had been made. Full implementation of the CAS was initially planned for December 31, 1967.

Center officials stated that job Corps' initial efforts had been primarily related to milestoneing. The final effort was to produce milestones in the three major areas--vocational, academic, and social development. However, we were informed in June 1968 that milestoneing efforts up to that time had been primarily directed toward the vocational area.

With regard to milestoneing, the Acting Director, Men's Centers, advised the Center director in May 1968 that completion of the food service cluster made it possible, for the first time, for Job Corps to specify to an employer the skills that a graduate had in this area. The Center director was also advised that it would be necessary for each center to write performance objectives--descriptions of how each center proposed to assist corpsmen in meeting each milestone.

In May 1968, the Center director advised Job Corps that it would not be possible to submit a report on the status of the completion of milestones by May 24, 1968, or on the performance objectives by June 15, 1968, as requested by Job Corps. The Center director, however, submitted alternate proposals.

One proposal required the hiring of five additional employees. The Center director estimated that the performance objectives could be completed about 6 weeks after Job Corps approved the employment of the additional personnel. However, the reports from this system would not show a cumulative record of corpsmen's progress since the mechanized equipment at the Center did not have the capability to produce cumulative data.

The other proposal made in May 1968 was for a much more sophisticated system which would produce information that would measure corpsmen's progress in all three areas--vocational, academic, and social development. The Center director estimated that this system could be operational in January 1969 if the additional computer equipment could be ordered right away. At the end of June 1968, Westinghouse Learning advised us that it had not received a reply to these proposals.

### Conclusions

We believe that an orderly and systematic program to accumulate historical and statistical data on the progress of each corpsman is vital for providing information to appropriate staff members to teach, guide, counsel, discipline, reward, and motivate corpsmen. Even though the Center had been in operation more than 3 years, an effective reporting system, in our opinion, did not exist which would provide a basis to measure the progress of corpsmen, provide responsible Center personnel with data that we believe is necessary to serve as a basis to assist corpsmen in improving themselves, or provide the data necessary for effective management.

### Recommendation to the Director, OEO

In view of the immediate need for an effective reporting system, we recommend that OEO accelerate its efforts in assisting the Center to determine the specific data needed and in developing and implementing the management information system.

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The Acting Director, OEO, in commenting on our draft report, stated that Job Corps had completed the milestone effort on the CAS, which would establish, for the first time, a uniform tracking and feedback system at the men's urban centers. He noted that, at the same time, a preliminary reporting format design, which was undergoing revision and review at Job Corps headquarters, had been created in conjunction and consultation with the Men's Urban Centers.

In the meantime, according to the Acting Director, the urban centers had been directed to revise their internal reporting systems to fit as closely as possible to the milestone efforts pertaining to the training standards of the CAS. In reference to Atterbury, the Acting Director stated that the Center had instituted changes to its COMAS by streamlining the format to provide information regarding the number of milestones to complete and the number of milestones remaining.

NEED FOR CORRECT REPORTING  
OF JOB PLACEMENTS

Job placements are reported by the Center to Job Corps on the basis of a confirmation that an interview was scheduled between the terminnee and the prospective employer. In our opinion, this method is not adequate to show the extent to which actual placements are made, because many corpsmen did not report for interviews and others who did were not hired.

The primary objective of the Center's placement section is to assist corpsmen in obtaining long-term, meaningful employment. For purposes of determining the degree of placement effort, Job Corps has established three categories of terminnees.

Category I terminnees are those graduate corpsmen who complete a defined program and are given maximum placement services. Category II terminnees are those nongraduate corpsmen whose length of stay at the Center exceeds 90 days but who have not completed a defined program. These terminnees receive less extensive placement services than Category I terminnees do. Category III terminnees are those nongraduate corpsmen whose length of stay at the Center was less than 90 days. Category III terminnees are normally referred back to their communities to receive assistance from their State and local agencies.

During calendar year 1967, the Center reported to OEO that 3,157 corpsmen had left the Center--1,150 Category I terminnees (graduates), 308 Category II terminnees, 1,465 Category III terminnees, and 234 transfers to other centers.

We were told by Center officials that the major problem in providing placement assistance is that many corpsmen graduate or leave Job Corps before they are 18 years old and placement is made more difficult because of variations in State working laws which in some instances preclude employment of those under 18 years of age for certain employment categories.



The contract for the operation of the Center, effective September 1967 through December 1968, required Westinghouse Learning to conduct follow-up and related statistical studies to provide maximum feedback on the effectiveness of the Center's training and placement techniques. Even though Westinghouse Learning was not required by the terms of the contract to conduct follow-up prior to the September 1967 contract date, the Center nevertheless was making three follow-ups of terminees placed in jobs--after 1 month, after 3 months, and after 6 months.

The Center's follow-up procedure written in November 1966 provided that each placement specialist be responsible for contacting the prospective employer of each corpsman within 2 to 3 days after the corpsman was to report for work. Effective in January 1968, the Center began the immediate follow-up of job placements in order to give a corpsman who fails to report to the job further support by contacting officials in the corpsman's home area. The Center has not followed up school or military placements.

The Center reports the number of placements monthly to Job Corps on a Center Management Report. The Center also prepares a resume of the corpsman's qualification on Job Corps Form 75 and a placement and assistance record on Job Corps Form 72, which are both forwarded to the appropriate OEO regional office.

Since the placement data reported on the Center Management Report and on the placement and assistance record is based only on a confirmation that an interview was scheduled between the terminee and the prospective employer, a number of placements have been incorrectly reported.

According to the Center's records, 857 terminees were placed during calendar year 1967 by the Center, of which 681 were graduates as follows:

	Placed in <u>jobs</u>	Placed in <u>school</u>	Placed in Armed <u>Forces</u>	Total <u>placed</u>
Graduates from vocational courses:				
Automotive service	175	40	34	249
Food service	95	26	19	140
Electronic service	83	17	23	123
Building services	<u>123</u>	<u>16</u>	<u>30</u>	<u>169</u>
Total graduates placed	476	99	106	681
Nongraduates:				
Did not complete a defined program at Atterbury	<u>60</u>	<u>68</u>	<u>48</u>	<u>176</u>
Total	<u>536</u>	<u>167</u>	<u>154</u>	<u>857</u>

Our review of the follow-up files showed that at least 206 of the 536 terminees reported as placed in jobs in calendar year 1967 were actually not employed by the prospective employers because 160 did not show up for the interview, 29 were not hired, and for 17 the employers had no record that the corpsmen had applied for jobs.

Further analysis of the records showed that the Center could only verify that 193 corpsmen had actually been hired. The prospective employers of 134 corpsmen did not respond to the Center's request for information, and the Center did not follow up on three reported placements. For those 193 corpsmen that we could verify had actually been hired, 103 were still employed as of the last Center follow-up. The remaining 90 corpsmen had left their jobs, and 34 of these within 2 weeks after they were hired.

We discussed this matter with the Center director who told us that in his opinion Job Corps instructions were not clear and were subject to various interpretations. Further, the Center director told us that Job

Corps was fully aware that Westinghouse Learning was reporting that terminees were placed in jobs even though the basis for such reporting was only that corpsmen were scheduled for interviews with prospective employers. The Center director indicated that he planned to continue reporting corpsmen placed in jobs on the basis of scheduled interviews with employers.

We also discussed this matter with the Job Corps Project Manager at the Center, who told us that he was aware that Westinghouse Learning was incorrectly reporting placements on the Center Management Report. He told us that he had verbally instructed Westinghouse Learning on the correct method of reporting placement. He also said that he believed that Job Corps instructions were clear as to how placements should be reported.

Job Corps instructions for Center job placements state that the Center should report "The number of corpsmen placed into full-time employment."

#### Conclusions and agency comments

The method used by the Center to report placements overstates the number of corpsmen who are placed in jobs, and as a result the statistical data derived therefrom provides an unsound basis for evaluating the effectiveness of the Center's training programs and placement activity. Further, because a number of corpsmen hold jobs for only a short time, we believe that, in order to fully show how well corpsmen have been able to benefit from the placement effort and from the Job Corps training program, the Center needs to develop its reporting system to include compilation of statistics on how long corpsmen retain their jobs and the reasons for early job terminations.

The Acting Director, OEO, in commenting on our draft report, stated that the Center Management Report is strictly an internal working document between the centers and the Men's Centers Directorate of Job Corps. He added that the Men's Centers Directorate recognized that the placement information on the Center Management Report was

spotty, incomplete, and often not up to date. As a result, in October 1968, the Men's Centers Directorate removed the placement reporting requirement from the Center Management Report.

The Acting Director stated that Job Corps relied on other resources to determine the accuracy of the placement data, which, according to the Acting Director's reply, were (1) the JC Form 72, which is the placement and assistance record, and (2) follow-up surveys conducted by the Louis Harris Company.

As noted on page 61, information on the placement and assistance record, JC Form 72, was also based on only a confirmation that an interview was scheduled between the terminée and the prospective employer. In addition, although the Louis Harris surveys may be useful to Job Corps in considering its overall program, they generally have not been of a nature to provide meaningful data on specific centers. Therefore, we believe that corrective action is still necessary to ensure that placement information is accurately reported to reflect only confirmed placements by the Center.

Also, according to the Acting Director, the JC Form 72's flow through the OEO regional office and the placements are confirmed before forwarding to Job Corps headquarters and that copies of these confirmed forms are sent to the centers. He has stated that, although this system is not infallible, most errors are eliminated. However, although Job Corps policy provides for confirmation by a regional office of placements made by a center outside the center's local area, placements made by a center in its local area are to be confirmed by the center only.

The Acting Director stated further that the centers were not being kept abreast of placement efforts by the OEO regional offices and therefore the centers' follow-up data was not up to date. We believe that, if the centers are to have meaningful placement data to aid them in the evaluation of their programs, it is imperative that they

be provided with complete initial placement data provided by the Form 72's on all placements made by regional offices.

In addition, we believe that the Center Management Report can serve as a useful working tool for the Men's Centers Directorate as an indication of progress made by the men's centers in the various areas shown on the report. We believe further that the removal of placement data from the report eliminates the means for making comparative evaluation of the placement aspect of center operations.

The Acting Director, OEO, stated also that Job Corps had found that requiring centers to conduct their own follow-up studies was costly and inaccurate and that they preferred the type of surveys performed by the Louis Harris Company. However, we noted that, although Job Corps does not favor requiring centers to conduct their own periodic follow-up studies, a provision for such studies was made in the contract for operation of the Atterbury Center during calendar year 1969.

We believe that periodic follow-up information on corpsmen's placement status is vital for evaluation of the effectiveness of the centers' programs and that, for such information to be of maximum benefit to the centers, it must be made available to them in a form that will provide them with sufficiently accurate, complete, and timely information on corpsmen in sufficient depth to enable such evaluations.

#### Recommendations to the Director, OEO

We recommend that OEO direct Westinghouse Learning to correctly report placements on all forms providing placement information. We also recommend that OEO require the Center to supplement its present placement reporting system by compiling data on employment experience of terminated corpsmen. We further recommend that OEO direct the Men's Center Directorate to reconsider its decision to remove the placement reporting data from the Center

Management Reports. We recommend also that OEO take the necessary action to ensure that the centers are provided with complete information on all placements of their terminees.

CORPSMEN REMAINED IN JOB CORPS OVER  
MAXIMUM AUTHORIZED PERIOD

The Center permitted 16 corpsmen to remain in the Job Corps longer than 2 years without obtaining approval of the Director, OEO, contrary to requirement of section 106(a) of the Economic Opportunity Act, as amended.

The Center's procedure required that the manager of scheduling and accountability, inform Center management of the names and entry dates of corpsmen 60 days prior to completion of 2 years in Job Corps.

On March 26, 1968, the manager of scheduling and accountability, submitted to the manager of dormitory life a list of 17 Atterbury corpsmen who had been in Job Corps 23 months or more. An analysis of the entry dates for the 17 corpsmen showed that 16 had already exceeded the 2-year limitation by an average of 26 days.

Three of the 16 corpsmen were in our random sample of 202 corpsmen on board over 60 days as of March 1, 1968, and, as shown below, were not discharged immediately upon notice that the 2-year limitation had been exceeded.

<u>Corps-</u> <u>man</u>	<u>Entry</u> <u>date</u>	Number of days over 2 years on March 26, <u>1968</u>	<u>Termi-</u> <u>nation</u> <u>date</u>	Number of days between notifi- cation and <u>termination</u>
A	2- 3-66	52	5-8-68	42
B	2-28-66	27	5-9-68	43
C	2-28-66	27	4-8-68	12

Contractor and agency actions

On April 17, 1968, the Center initiated a new procedure concerning corpsmen approaching 2 years in Job Corps. The procedure states that a corpsman may apply for an extension of up to 120 days in Job Corps and places responsibility on the counseling staff to provide the necessary data to the Center director for requesting

the extension at least 35 days in advance of the corpsman's 2-year limit in Job Corps. The procedure indicates that the request for extension may be submitted only if one of the following criteria is met:

1. The completion of courses of instruction will qualify the corpsman for employment by a specific potential employer and courses can be completed in 120 days.
2. The corpsman is undergoing medical and/or dental treatment and the attending physician or dentist states that cessation of treatment would be detrimental to the health of the corpsman.
3. Additional time is required to complete referral to an appropriate health or welfare resource in corpsman's home community so that the corpsman will receive needed care at no cost to Job Corps.
4. The corpsman is under pending criminal charges.

The Acting Director, OEO, in commenting on our draft report, stated that the Men's Centers Directorate had taken action to inform all men's centers of the need to tighten their procedures on extensions.



EFFICIENCY OF ADMINISTRATION

OF THE ATTERBURY CENTER

NEED FOR ADEQUATE CONTROL OVER  
SUPPLIES AND EQUIPMENT

The Center's control over inventories of supplies and equipment was not adequate in that (1) periodic physical counts of inventories on hand were not made, (2) procedures to record receipts and issues were faulty, (3) procedures to identify and dispose of excess and surplus property did not exist, (4) unusable surplus, scrap, and supplies and unserviceable equipment were intermingled with usable property, and (5) records did not show the location of property in the warehouse.

As of January 30, 1968, the records showed that the Center had equipment on hand valued at \$3,029,445, of which equipment valued at \$2,513,213 had been issued to various Center organizations. The Center also had recorded an inventory of general supplies and clothing on hand as of December 23, 1967, valued at \$344,754.

On July 15, 1966, after Westinghouse Learning took over operation of the Center, the OEO contracting officer furnished the Center a copy of OEO's Property Management Manual, directed the contractor to implement the provisions of the manual, and requested the contractor to submit within 60 days a copy of the Center's property management operating procedures for approval. The contractor did not prepare written instructions for submission to OEO.

The Center's associate director of administration told us that he did not believe the contractor was required to submit its operating procedures because no provisions had been included in the contract requiring such submission. Further, he said that, at that time, the property management system complied with the provisions of the manual. At the time of our review, we found no evidence that OEO had taken action to obtain the contractor's written operating procedures subsequent to OEO's

request of July 1966 or that it had made a review of the contractor's property management system at the Center.

During our review we discussed with the Center director the deficiencies, as discussed below, that we noted in the property management system. The Center director generally agreed with our findings; and, when our fieldwork was completed, Westinghouse Learning was preparing written operating procedures designed to correct the deficiencies.

Need for the Center to conduct periodic physical inventories and to properly record receipt and issuance of equipment and supplies

We selected at random 34 line items of equipment valued at \$123,763 and 39 line items of general supplies and clothing valued at \$96,070 for comparison of the quantities shown on the property records with the quantities actually on hand. We found, by taking a physical count of these items, that the actual quantities on hand for 24 of the line items of equipment and 34 of the line items of general supplies and clothing varied from the recorded quantities. Center officials told us in April 1968 that no complete physical inventory had been taken by Westinghouse Learning since it took over the operation of the Center.

On the basis of the number of discrepancies that we noted in our limited verification, we discussed with the Center director the need to conduct adequate periodic physical counts of supplies and equipment. The Center director agreed with us that such physical counts were necessary and directed his staff to perform a complete physical inventory. At the completion of our fieldwork in August 1968, the Center had made a complete physical inventory of all clothing and general supplies. The Center found that, of 3,921 line items of general supplies and clothing, the recorded quantity balances for 1,243 line items were incorrect. The book value of the 3,921 items was \$356,382. The gross adjustments for the 1,243 items with incorrect balances amounted to \$24,662 and resulted in a net decrease in inventory of \$6,765.

A physical inventory of equipment had been started but not completed when we concluded our fieldwork.

There was also a need for the Center to establish adequate controls to ensure the accuracy of data recorded on the property record cards.

We noted numerous instances where issues and receipts were recorded in different quantities than actually issued or received and where issues or receipts of a line item were mistakenly recorded as another line item.

For example, an issue of one case of paper napkins was recorded as an issue of 101 cases; a number of field jackets were received and recorded as putty knives; 360 dozen towels were received and recorded as 720 dozen towels.

Center officials told us that controls would be established to ensure the accuracy of the data recorded in the property record cards.

Need to establish adequate procedures to identify and dispose of excess and surplus equipment and supplies

The Center had not established procedures to periodically review its use of equipment and supplies to identify those items that were no longer needed. In a limited review of the utilization of selected line items of equipment and materials, we found a number of items that were on hand and had never been used and for which the Center had no plans for use in the future.

For example, in February 1967, the Center deputy director issued instructions prohibiting corpsmen from wearing navy blue knit caps and further prohibiting the issuance of such caps to corpsmen. In spite of the fact that these caps could not be issued to or be worn by corpsmen, the Center took no action to dispose of the quantity on hand. In March 1968, the Center had about 3,900 of such caps in stock.

In June 1968, the Center associate director for administration told us that, as a result of a review of the usage of general supplies and clothing, 1,845 of the existing 3,921 line items were to be deleted from the Center's supply system and that appropriate disposal action would be taken for 1,261 deleted line items for which stock was on hand.

In August 1968, contractor officials told us that their review of the equipment not being used which was stored in the warehouse showed that equipment valued at about \$200,000 was excess to their needs and would be disposed of. They further said that about \$70,000 of this equipment had been reported as excess before their study was initiated.

#### Need to identify condition of items in inventory

Our review showed that the contractor did not physically segregate scrap, unusable, or surplus supplies and equipment from usable supplies and serviceable equipment, nor did the property records generally show the condition of the property.

In a number of instances, the property records showed that quantities of items were in stock; but, upon visually observing the items, we noted that the property was unusable. For example, the property records showed that 95 couches valued at \$9,049 were stored in the warehouse. Upon visually examining the couches, we found that they were in such poor condition--in some instances scrap--that it was impossible to even determine the number of couches in storage.

We discussed this matter with the Center director, who directed his staff to establish procedures to segregate excess, surplus, and unserviceable or unusable items in the warehouse and on the property records. At the completion of our review, we were told by the Center controller that action had been taken to segregate these items.

Property records did not show location of property in the warehouse

The property records generally did not show the location of the items in the warehouse, making it difficult and in some cases impossible to locate the items when they were needed.

Center officials told us that they planned to implement procedures for recording the location of property in the warehouses.

Conclusions and agency actions

On the basis of our examination, we concluded that the controls over property lacked many of the basic elements needed in a sound property management system. Although the contractor took or promised to take corrective action on the deficiencies revealed during our review, we believe that there is a need for OEO to establish effective procedures for ensuring that an adequate property management system exists at the Center.

The Acting Director, OEO, in commenting on our draft report, stated that it was recognized that, in the control of supplies and equipment, certain improvements and refinements could be made in implementing the property management system and that the contractor and OEO were working to that end.

The Acting Director stated further that the property management operating procedures were contained in the Technical Objectives and Plans (TO&Ps) which had been submitted by Westinghouse Learning and found to be adequate.

Our review of these plans showed that they contained general guidelines and functional statements of responsibility of Center personnel. In our opinion, the data contained therein was not sufficient to provide Job Corps with a basis to evaluate the effectiveness of Westinghouse Learning's property management function or to provide operating personnel sufficiently clear procedural

guidelines to be used in day-to-day operations. In addition, the TO&Ps did not contain data on certain important property management functions relating to surplus property and excess equipment.

With regard to periodic physical counts of inventories on hand, the Acting Director, OEO, stated that a complete inventory of both supplies and equipment had been submitted to OEO in June 1967 and in June 1968. As stated in this report, Center officials informed us in April 1968 that no complete physical inventory had been taken since Westinghouse Learning took over the operation of the Center in 1966. They informed us that the inventory report submitted to OEO in June 1967 had been based on Center records and that only a spot check was made of the inventory at that time.

The Acting Director's reply indicated that a net adjustment of less than 2 percent of the inventory balance was required to correct balances and that this fact was a strong indication that inventory control was satisfactory.

Data concerning the net adjustments required is not, in our opinion, fully indicative of the circumstances. We noted in our review that nearly one third of the line items in the inventory were incorrectly recorded and that the gross inventory adjustments were nearly four times as great as the net adjustments. In our opinion, this information indicates that adequate controls did not exist.

In addition, the Acting Director stated that procedures for disposing of excess property had been provided to us. These procedures, however, were written subsequent to our discussing the lack of adequate procedures with the Center director.

#### Recommendations to the Director, OEO

We recommend that OEO require the Center to submit more specific written property management operating procedures, that OEO review such procedures to determine

their adequacy, and that OEO conduct periodic reviews of the operations of the property management system at the Center to determine whether it is effective in maintaining adequate control over property. We believe that such reviews should include determinations of (1) the adequacy of the Center's physical inventory procedures, (2) the effectiveness of the property disposal program, (3) the appropriateness of the warehousing functions, and (4) the adequacy of the controls over inventory exercised by recording receipts and issues on the stock record cards.

NEED FOR JOB CORPS TO ESTABLISH  
SPECIFICATIONS FOR PURCHASE OF CLOTHING

OEO had not established specifications on the quality of clothing issued to corpsmen, nor had it conducted adequate studies to determine whether clothing centrally stocked by the Defense Supply Agency was suitable for corpsmen's needs.

During calendar year 1967 the Center, rather than purchase clothing of a standard quality from Government sources of supply, purchased, with OEO approval, about \$114,000 worth of corpsmen's clothing from local commercial sources on the basis of the Center's determination of quality requirements.

Job Corps established a Table of Allowances (T/A) in January 1967, showing the items of clothing to be issued to each corpsman entering the Job Corps program, and also entered into an agreement with DSA to furnish the clothing set out in the T/A. The Job Corps Logistics Handbook for Job Corps Centers made it mandatory that all clothing items shown in the T/A be requisitioned from DSA, except in emergency situations or in instances where required sizes are unusually large or small.

Because we were unable to find procurement specifications defining the quality of clothing to be issued to corpsmen, we asked Job Corps officials how they determined the quality of clothing needed by corpsmen. We were told that, when the T/A was established and when items of clothing were subsequently added, Job Corps furnished DSA samples of the quality of material to be used by DSA in purchasing the items.

The Director of Men's Centers in August 1967 modified the policy relating to the purchase of clothing with respect to Atterbury by requesting that the Center determine whether corpsmen's clothing should be purchased locally or through DSA. Job Corps officials informed us that the policy was modified because Job Corps' annual clothing requirements as furnished to DSA had in the past been overstated and also because DSA required a lead time of about 9 months to purchase clothing. In August 1967, the Center



advised Job Corps that, with the exception of certain clothing valued at about \$40 a corpsman, clothing could be obtained more timely from local commercial sources at equal or better quality and prices. The maximum cost of clothing that could be issued to a corpsman was \$125. In October 1967, Job Corps approved the Center's plan to procure clothing from both DSA and commercial sources.

Certain of the items which the Center determined were to be purchased locally actually differed substantially from the items supplied by DSA, although they had been purchased locally by the Center on the basis that, as compared with items purchased from DSA, (1) the price was equal to or less, (2) the delivery time was better, and (3) the quality was equal to or better.

An example of clothing purchased locally by the Center was corpsmen's perma-press, machine-washable dress pants whereas the dress pants obtainable from DSA were made of wool and required dry cleaning. The Center also procured dress shoes locally rather than the dress shoes obtainable from DSA which were regular low quarter military service shoes with leather soles. Center officials said that leather soles wore-out in about 60 days and that dress shoes with composition soles obtained locally wore much longer and cost less than shoes obtained from DSA. Center officials also told us that work trousers and shirts obtained from DSA shrank and faded, whereas those obtained locally were more satisfactory. In view of the differences in quality of the items of clothing purchased locally by the Center compared with those obtainable from DSA, we asked Center officials how they determined that the clothing purchased locally was equal to or better than clothing purchased centrally by DSA. They told us that samples of the material from DSA-purchased clothing were given to local vendors with a request that the clothing furnished be equal to or better than the samples.

#### Conclusions and agency actions

The items of clothing purchased locally may be equally as suitable or more suitable for corpmen's needs than the items obtainable from DSA. In view of the difference between the clothing purchased locally and clothing available

from DSA, we do not believe that there is a valid basis for determining whether prices paid were more favorable than the prices of clothing available through DSA. Moreover, since Job Corps has not made adequate studies to determine the type of clothing best suited to corpsmen's needs, nor established adequate purchase specifications for such clothing to assist the centers in making this determination, we do not believe that there is a valid basis for determining whether the clothing purchased locally by the Center was more suitable.

The Acting Director, in commenting on our draft report, stated that DSA was not necessarily the best source for purchasing clothing for corpsmen but that a number of factors should be considered prior to purchasing clothing locally. However, we still believe that clothing specifications need to be established to provide centers with information on the type of clothing best suited for the corpsmen's needs and to provide a valid basis for cost comparisons of locally procured clothing.

#### Recommendation to the Director, OEO

We recommend that OEO conduct a review and evaluation of corpsmen's clothing requirements and develop definite and specific purchase specifications for such clothing in order to establish whether the clothing furnished is best suited to corpsmen's needs and to provide a valid basis for determining the most economical method of procuring such clothing.

MORE EFFECTIVE PROCEDURES DEVELOPED TO  
CONTROL CIVILIAN CLOTHING ALLOWANCE

The Center did not furnish adequate instructions to corpsmen and to merchants to ensure that the allowances given to the corpsmen for the purchase of civilian clothing were used as intended by Job Corps.

Job Corps policy was to give each corpsman who demonstrated a willingness to remain in the program a civilian clothing allowance of \$75 after 30 days' service and a supplemental clothing allowance of \$30 upon satisfactory completion of 1 year's service. Effective March 1, 1968, the initial clothing allowance was reduced to \$50.

Job Corps policy provided that corpsmen be allowed to choose their own clothing but that they be encouraged to purchase conservative clothing and discouraged from purchasing highly unconventional clothing. As to purchasing clothing accessories, Job Corps policy further provided that only accessories directly connected with the individual wardrobe be purchased.

The Center gave corpsmen their civilian clothing allowance in coupons which were redeemable for clothing at authorized stores in the surrounding area. The Center paid local merchants about \$83,000 during the last 6 months of calendar year 1967 to redeem coupons presented by the merchants.

Corpsmen were buying items of clothing that appeared to be outside of a conservative price range and highly unconventional, such as jackets that cost up to \$65 each and knit shirts that cost \$19.95. Corpsmen were also buying such items as shaving lotion, cigarette lighters, luggage, novelties, jewelry, and footlockers with clothing coupons even though Job Corps instructions clearly set out that the clothing allowance was not for the purpose of purchasing items other than clothing or clothing accessories directly related to the corpmen's wardrobe. We also noted about 20 instances where corpsmen used other corpsmen's clothing coupons to purchase items of clothing.

Further, the Center did not require nor did about 80 percent of the merchants submit sufficient information to identify the corpsman making the purchase, the item purchased, or the quantities purchased when presenting coupons to the Center for redemption.

In view of the deficiencies that we noted, we asked Center officials what instructions were given to corpsmen and to the merchants on the approved vendor lists as to the proper use of the clothing allowances. We were told that corpsmen were orally instructed on this subject during the 2-week orientation period and we were provided with instructions to merchants concerning allowance coupon books used by corpsmen to purchase items.

The instructions to the merchants generally stated that only clothing or wearing apparel could be purchased and that these items must be in good taste, of good quality, and of proper fit. The instructions further stated that the corpsmen should properly identify themselves and that any irregularities noted in dealings with the corpsmen should be reported to the Center.

#### Contractor action

After we discussed the situation with Center officials, they prepared and transmitted to all authorized merchants a letter detailing the requirements of the type and price range of clothing that could be purchased by corpsmen and the sales information to be submitted when presenting coupons for redemption. Also, we were told by Center officials that corpsmen would be given instructions on the proper use of the clothing allowances when coupons were provided to them.

#### Conclusions

The action taken by Center officials should, in our opinion, enable the Center to more effectively control the civilian clothing allowances and also assist the corpsmen in making the best use of their clothing allowances. However, unless procedures are established by the Center to review and approve each voucher submitted by a merchant

prior to payment, Center officials cannot be assured that the revised instructions are effective.

Recommendation to the Director, OEO

We therefore recommend that OEO instruct the Center to establish procedures to ensure that corpsmen's clothing allowances are used properly and reimbursements are made only for authorized purchases and that OEO review the implementation of these procedures in the course of its audits of the Center.

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The Acting Director, OEO, in commenting on our draft report, stated that the Center had prepared and transmitted to all authorized merchants a letter detailing terms and conditions of the purchase arrangement, including the authorized types and price range of items and sales information necessary for redeeming the purchase certificates. In addition, he stated that specific emphasis was being given to advising the corpsmen on the proper use of the clothing allowance. The Acting Director added that our finding was being brought to the attention of the Men's Centers Management Review Team and that Job Corps had directed Westinghouse Learning to submit all review procedures necessary to effectively control the use of this allowance.

RETENTION OF INSTRUCTIONAL MATERIALS  
WHICH WERE NOT USED

Instructional materials valued at about \$184,000 were on hand at the Center when Westinghouse Learning assumed responsibility for its operation. Westinghouse Learning subsequently determined that instructional material costing about \$42,000 was excess to the Center's needs largely because it was too advanced for Job Corps enrollees or concerned matters not included in the educational curriculum. However, for additional instructional material costing about \$66,000, a decision was not made to declare the material excess to the Center's needs until we questioned the justification for its retention.

Prior to the time Westinghouse Learning assumed management of the Center, Westinghouse Electric Corporation, under separate contract, conducted a study of the Center's operations. In its final report to OEO dated September 30, 1966, Westinghouse Electric Corporation stated that certain purchased instructional material was not designed for the Center population and that other materials developed for the Center were not "shaped or prooftested on comparable groups" and that existing materials should be reviewed in comparison with the curriculum and be adopted, adapted, or rejected.

We observed substantial quantities of group tutorials and other books and material stored in the contractor's Instructional Materials Center. The group tutorials comprise lesson plans with projectable visual aides for use by an instructor. Separate student self-constructed texts and final achievement examinations priced at 10 and 5 cents, respectively, which were designed to be used in conjunction with the group tutorials were also on hand.

Inasmuch as the tutorials were purchased by the previous contractor, Westinghouse Learning was unable to furnish us with the rationale leading to the procurement, the anticipated need for teaching the subject matter, or the basis for assuming that corpsmen were capable of absorbing the contents of this material. Comments on the procurement of similar tutorials by the Parks Job Corps Center

were included in our report on "Review of Selected Program Activities at the Parks Job Corps Center," B-161076, dated November 8, 1967. In that review we questioned the adequacy of the justification for purchasing tutorials similar to the tutorials purchased for Atterbury.

Although the nonusability of substantial quantities of instructional material was recognized in the final report of Westinghouse Electric, Westinghouse Learning reported no materials excess to OEO until January 18, 1967. On that date Westinghouse Learning reported instructional materials, costing about \$42,000, excess to its needs in a letter which stated:

"\*\*\* It is our desire to dispose of this excess in a manner that will reflect no discredit to anyone. We are, therefore, hesitant about declaring it surplus and having it listed on the normal surplus form. All of the material is new and unused."

Westinghouse Learning's records show that Job Corps officials suggested orally that lists of these excess materials be sent to other Job Corps centers for possible distribution which would prevent the material from appearing on any surplus lists. Center officials said that materials costing about \$32,000 of the \$42,000 were shipped to other centers and that the remainder of the materials, costing about \$10,000, were on hand and had not been formally declared excess to Center needs.

With regard to instructional materials, the Center director stated in a May 1968 memorandum to us that:

"When Westinghouse took over the operation of Atterbury Job Corps Center, there did not exist, particularly in the General Education area, any well-defined programs. Instead, what did exist \*\*\* were a large number of individual classroom teachers teaching an equally large number of different programs."

\* \* \* \* \*

"It should be remembered that Westinghouse has not yet passed the two year milestone mark in its existence on Center. Yet, during that short period of time, programs have been written, programs have been instituted, teachers have been trained to utilize these programs, and even after nearly two years, the programs, in some cases, are not complete to our satisfaction as yet."

\* \* \* \* \*

\*\*\* Since we did not have well-defined programs, there was no way for us to know which of these materials could best be utilized."

As a result of our inquiry, the Center director stated that instructional materials consisting of group tutorials and allied student material costing about \$73,000 would be physically inventoried and placed under a new accountability system and that materials not used would be declared excess. On June 17, 1968, Westinghouse Learning reported that, with the exception of two copies of each of the group tutorials and 10 copies of all other materials which were to be used for reference materials, additional instructional materials costing about \$66,000 would be excessed. Thus, a total of \$108,000 worth of the instructional materials valued at about \$184,000 left at the Center by the previous contractor were declared excess by Westinghouse Learning as unsuitable to its needs.

#### Conclusions and agency actions

Although Westinghouse Learning has evaluated the instructional materials on hand in relation to curriculum needs and has started to dispose of the excess material, we believe there is a need for Job Corps to follow more effective practices than in the past with respect to making unsuitable or unneeded instructional material available to other potential users on a timely basis through normal property disposal channels.

The Acting Director, OEO, in commenting on our draft report, stated that certain of the instructional materials



mentioned in our draft report were screened by the other urban centers to determine whether the materials could be utilized. These materials were transferred. The Acting Director added that the screening method used was considered more expeditious, but in the future OEO would dispose of this type of material in a more formal manner.

NEED TO ESTABLISH METHODS  
TO DETERMINE VEHICLE NEEDS  
AND TO EVALUATE VEHICLE USE

We believe that the Center has not established adequate procedures to determine vehicle needs or to evaluate vehicle utilization. Because the records of vehicle use were incomplete, we could not conclusively demonstrate that the Center had only the vehicles that it needed. However, the degree of idleness of vehicles observed during our review and the low annual mileage of some vehicles indicated that the Center did not need all the vehicles that had been acquired and were on hand. Further, even though Government-owned vehicles were available for use, the Center leased two vehicles from a private contractor and also authorized employees to use personally owned automobiles on a mileage-reimbursable basis.

In May 1967, Job Corps established specific mileage criteria as usage goals for Government-owned vehicles as follows:

<u>Type of vehicle</u>	<u>Miles to be driven per year</u>
Passenger-carrying vehicles	12,000
Trucks and general-purpose vehicles, 1 ton and under	10,000
Trucks and general-purpose vehicles, 1 ton and over	7,500
Truck tractors	10,000
All-wheel-drive vehicles	7,500

As of December 31, 1967, the contractor had 86 passenger vehicles and trucks on hand. Of this number, at least 52 had not been driven a sufficient number of miles to meet Job Corps minimum annual mileage goals. We excluded vehicles that had been wrecked during the year, special-purpose vehicles, and six vehicles that had been acquired during the latter part of the year.

Although the number of miles that a vehicle is driven in a year is a standard against which utilization of

vehicles can be gauged, it does not provide a totally effective means to determine the number of vehicles needed because it does not consider such things as peak demands or frequency of use.

We also noted that the Center had not conducted an in-depth study of motor vehicle utilization. We attempted to analyze in detail the utilization of motor vehicles but were unable to do so because the pertinent records either had been destroyed, according to Center officials, or did not contain the necessary information. Further, the basic information available at the Center was not in readily usable form, since it contained inaccuracies of such a magnitude that records could not be reconstructed and used without a prohibitive amount of work.

For example, records for one vehicle showed a beginning speedometer reading of 19,081 and an ending speedometer reading of 11,617. Center officials stated that this may have resulted from switching license plates between two vehicles during the year.

The Center also leased two vehicles--one in December 1966 and one in February 1967--from a commercial leasing concern for 24 months at a monthly rental of \$122.50 each. Under the terms of the lease the Center could terminate the lease by giving the lessor 30 days' notice and by paying \$75 for each remaining month of the lease period. We discussed the apparent underutilization of Government-owned vehicles with the Center director and questioned the need for the two leased vehicles. The Center director informed us that the leases would not be renewed when they expired.

We further found that, during the period when there seemed to be excess vehicles, contractor's employees were being reimbursed mileage for the use of their privately owned vehicles. An analysis of the travel expense records for a 2-month period showed that employees were reimbursed about \$1,800 for mileage. Much of this mileage was for local travel, such as to pick up supplies, to attend management meetings, to pick up corpsmen and their luggage, and to go to the local bank.

The Center director informed us that he intended to instruct all employees to determine whether Government-owned vehicles are available before using privately owned vehicles.

#### Conclusions and agency actions

On the basis of our review, we do not believe that the Center has obtained economical utilization of motor vehicles. We believe that there is a need for Job Corps to (1) establish more definite standards and criteria to be used by the Center to evaluate motor vehicle operations and (2) require that the Center maintain adequate records so that appropriate studies can be made to determine future vehicle needs and to evaluate vehicle use.

The Acting Director, OEO, in commenting on our draft report, stated that necessary action would be taken by Job Corps to ensure proper vehicle utilization in the future. However, he did not elaborate on how this would be done.

#### Recommendation to the Director, OEO

We recommend that OEO establish procedures to ensure that the Center maintains adequate records to enable it to perform evaluations of motor vehicle usage in sufficient depth so that OEO will have a sound basis to judge the effectiveness of the Center's utilization of motor vehicles.

VEHICLES PURCHASED IN EXCESS  
OF LOWEST PRICES

The contractor purchased 21 motor vehicles from a local dealer at prices that exceeded the bid price of the lowest bidder. In addition, the amount paid for 17 station wagons exceeded the statutory maximum price that would have been applicable in the event of a direct purchase by the Government of passenger-carrying vehicles.

In December 1965, Midwest submitted a request to OEO for approval of the procurement of 17 station wagons and 12 trucks. In January 1966, OEO authorized Midwest to procure the 12 trucks and, in March 1966, authorized it to procure the 17 station wagons. During the first quarter of calendar year 1966, OEO also approved a request by Midwest to purchase four buses.

In April 1966, Midwest solicited bids from local automobile dealers for the purchase of these vehicles.

The records that were available showed that, in April 1966, Midwest informally contacted the General Services Administration (GSA) for assistance in purchasing the vehicles. On the basis of informal discussions, Midwest's Chief of the Purchasing Department determined that GSA would be unable to furnish the vehicles. The GSA official told the contractor that Job Corps vehicles were to be procured through the Forest Service or the Department of the Interior. In view of the fact that men's urban centers are operated by contractors directly under contract with OEO as contrasted with conservation centers that are operated by Federal agencies, primarily the Department of Agriculture and the Department of the Interior, we believe that the true circumstances may not have been fully understood by the GSA official. This misunderstanding may have influenced the Center's decision to purchase the vehicles locally.

In June and July 1966, Westinghouse Learning which had assumed the responsibility for operation of the Center on June 1, 1966, issued purchase orders for the 33 vehicles to one dealer that had submitted the low bid

for the 12 trucks but was not the low bidder for the buses and station wagons. The total purchase price of the 33 vehicles, exclusive of Federal excise tax, was \$89,923. The price paid by Westinghouse for the station wagons and the buses was about \$3,549 more than the price quoted by the low bidder.

The records available to us did not show that the purchase of these vehicles from other than the low bidder was clearly justified. The principal reason for not purchasing from the low bidder seems to have been that the Center had a number of new buses of the same make offered by the successful bidder and that the purchase of station wagons and buses of another make would require enlargement of inventories of special tools and spare parts. Our review showed, however, that only a very nominal spare-parts inventory was maintained by the Center, spare parts were readily obtainable from local sources in nearby communities, and vehicles from at least four different manufacturers were being used by the Center at that time. Further, ample justification seemed to exist for purchasing vehicles from different manufacturers in that the Center should have considered using corpsmen to assist in maintaining and repairing Center vehicles in the on-the-job training program. It seems to us that it would be beneficial for corpsmen to gain experience in servicing a number of makes and models of vehicles.

We noted that, in justifying the purchase from other than the lowest bidder, the Center manager of operations stated that the difference between the low bid and the price quoted by the successful bidder for each station wagon was about \$50. However, the actual difference between the two bids was about \$161 for each of the station wagons and about \$200 for each of the buses. The erroneous price difference considered by the manager of operations may have unduly influenced the decision to purchase the vehicles from other than the lowest bidder.

With respect to the purchase of the station wagons at prices in excess of the statutory maximum, the United States Code (31 U.S.C. 638c) provides that the maximum amount allowable for the purchase of station wagons be

fixed at \$1,950. Westinghouse paid \$2,513.63 for each of the 17 station wagons, or \$563.63 more than the statutory maximum for each station wagon for a total of \$9,581.71 in excess of the statutory maximum. However, the contract with Westinghouse Learning did not contain provisions which would require the contractor to adhere to the limitation which would be applicable in the event of direct purchase by the Government.

### Conclusions

We believe that there is a need for OEO to more effectively monitor the vehicle acquisition program to ensure that the best prices are obtained. Also, we believe that all future OEO contracts for the operation of Job Corps centers should contain provisions requiring the operators of the centers, in making procurements, to adhere to the statutory limitation on the purchase of vehicles applicable to direct purchase by the Government. We believe further that OEO should perform a study to determine whether it would be advantageous and feasible to predetermine annual vehicle requirements and procure vehicles centrally.

### Recommendations to the Director, OEO

We recommend that OEO require the Center to fully justify and obtain prior approval of the Director, Job Corps, for future purchases of vehicles in excess of the price quoted by the low bidder. We recommend also that OEO require that all future OEO contracts for the operation of Job Corps centers contain provisions requiring the operators of the centers, in making procurements, to adhere to the statutory limitation on the purchase of vehicles applicable to direct purchase by the Government. We recommend further that OEO determine whether it would be advisable to procure vehicles centrally for contractor operations from GSA.

- - - -

The Acting Director, OEO, in commenting on our draft report, stated that the purchase of the vehicles was not made from the low bidder because of a delay in

consummating the purchase which resulted in only one of the original bidders honoring his quotes in addition to the fact that the vehicles purchased had automatic transmissions and a 5-year warranty which the Center considered provided an additional value.

The Acting Director stated further that a letter was sent to the centers in October 1968, which directed the centers to purchase motor vehicles in accordance with the provisions of 31 U.S.C. 638c which restricts costs to the maximum amounts established by this authorization. Also, the Acting Director stated that, in the renewal of the center contracts for the next fiscal year, a contractual clause requiring adherence to the statutory limitation on the purchase of vehicles would be a subject of negotiation.

Although the Acting Director, OEO, did not comment on our recommendation that the Director, Job Corps, determine whether it would be advisable to procure vehicles centrally for contractor operations from GSA, we believe that such a determination should be made.



QUESTIONABLE SALARIES PAID TO  
CERTAIN CENTER EMPLOYEES

The contract provisions limiting the maximum reimbursable salary of the Center director to \$20,000 a year and requiring appropriate structuring of salaries of other personnel beneath that of the Center director were not complied with by the Center.

Provisions of the contract required the Center to submit salary schedules to the contracting officer and stated that:

"The schedules shall be predicated on a maximum reimbursable salary for the Center Director of \$20,000 per annum and an appropriate salary structure for all other personnel based thereon and shall be consistent with Section 610-1 of the Economic Opportunity Amendments of 1966."

During the period June 1, 1966, through December 31, 1967, four contractor employees were paid salaries from \$136 to \$3,400 in excess of \$20,000 a year. The contractor claimed and received reimbursement from OEO for the total salaries of these employees. When we discussed this matter with contractor personnel, we were told that a refund of \$2,997 was made to OEO in April 1968 and that an additional refund of \$5,750 was made in August 1968. These amounts equal the amount of salaries reimbursed by OEO that exceeded \$20,000 a year.

We found, however, that the contractor had claimed the full amount of salaries up to \$20,000 a year for the four employees and did not refund an amount to comply with the contract provision that required salaries of other than the Center director to be appropriately structured beneath the Center director's salary. As of March 31, 1968, the contractor was claiming salaries of \$20,000 a year for two employees in addition to the Center director's salary of \$20,000.

We discussed this with Center officials who told us that they believed that the limitation in the contract

pertaining to salary reimbursements was unrealistic in view of the provisions of section 610-1 of the Economic Opportunity Amendments which state that salaries paid to employees should be comparable with salaries paid to persons in similar positions.

### Conclusions

While we recognize the principle that salaries paid to Center personnel should be comparable with those paid to persons in similar positions in the area, we believe that, in view of the acceptance by the contractor of the contract provision limiting the amount of salaries that are reimbursable, the provision should be enforced. The contract is silent as to the salary amount that can be paid to those whose salary is to be structured less than the Center director's salary. We believe, however, that this is a matter for negotiation between the contracting parties.

### Recommendation to the Director, OEO

We recommend that OEO direct the contracting officer to enter into negotiations with the contractor to obtain an appropriate reduction in the contractor's claim for reimbursement for the overpayments relating to contractor salaries.

- - - -

The Acting Director, OEO, in commenting on our draft report, pointed out that the regular contract schedule clause was considerably more rigid than the requirements of the act. He further stated that the OEO contracting officer determined that it was necessary to waive the requirement of the contract clause in order to have a reasonable salary schedule. The Acting Director pointed out that this waived salary schedule met the requirements of the act. He stated, however, that the contracting officer would enter into negotiation with the contractor to seek a solution to the problem as recommended.

## SCOPE OF REVIEW

Our review, which generally covered the period from January 1967 to August 1968, was performed for the primary purpose of complying with title II of the Economic Opportunity Amendments of 1967. Accordingly, we directed our efforts toward evaluating (1) the efficiency of the administration of the Center and (2) the extent to which the Center achieved the objectives set forth in the relevant parts of the Economic Opportunity Act of 1964 authorizing Job Corps activities.

Our review was made principally at the Center site, Camp Atterbury, Indiana, and at OEO headquarters office in Washington, D.C., and included an examination of the records as well as discussions with responsible representatives of both Westinghouse Learning and OEO. We also contacted, through a private contractor, a sample of corpsmen and we questioned employers of corpsmen who terminated from the Center during August and September 1967, to obtain information on benefits derived by program participants.

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**APPENDIXES**

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## CENTER OPERATING COSTS FOR CALENDAR YEAR 1967

	<u>Total costs</u>	<u>Cost per corpsman man-year</u>
COSTS CONSIDERED BY OEO AS APPLICABLE UNDER SECTION 105:		
Enrollee expenses:		
Clothing	\$ 379,077	\$ 265
Subsistence	645,599	451
Medical and dental supplies and services	60,851	42
Educational supplies and services	68,775	48
Vocational supplies and services	142,986	100
Morale, recreation, and welfare	<u>116,552</u>	<u>81</u>
Total enrollee expenses	<u>1,413,840</u>	<u>987</u>
Operations and maintenance:		
Motor vehicle operation and maintenance	48,652	34
Center facilities maintenance	70,109	49
Communications	102,135	71
Utilities and fuel	341,200	238
Center administration supplies and ser- vices	598,136	417
General and administrative expenses	402,842	281
Contractor's fees	360,467	252
Miscellaneous	<u>12,252</u>	<u>9</u>
Total operations and maintenance	<u>1,935,793</u>	<u>1,351</u>
Staff salaries:		
Educational program personnel	456,940	319
Vocational program personnel	559,539	390
Safety and recreation program personnel	271,174	189
Guidance and counseling personnel	1,121,512	783
Managerial and other personnel	2,474,978	1,727
Medical and dental personnel	<u>268,787</u>	<u>188</u>
Total staff salaries	<u>5,152,930</u>	<u>3,596</u>
Staff travel and training:		
Staff travel--training	15,696	11
Staff travel--other	74,882	52
Staff training	<u>8,891</u>	<u>6</u>
Total staff travel and training	<u>99,469</u>	<u>69</u>
Revenues, refunds, and adjustments	<u>-173,807</u>	<u>-121</u>
Total costs incurred by Westinghouse Learning	<u>8,428,225</u>	<u>5,882</u>

CENTER OPERATING COSTS FOR CALENDAR YEAR 1967 (continued)

	<u>Total</u> <u>costs</u>	<u>Cost per</u> <u>corpsman</u> <u>man-year</u>
COSTS CONSIDERED BY OEO AS		
APPLICABLE UNDER SECTION 105 (continued):		
Enrollee pay and allowances:		
Living allowance	\$ 542,248	\$ 378
Readjustment allowance	789,453	551
FICA	57,246	40
Allotments	345,472	241
Transportation	194,851	136
Meal tickets	<u>48,653</u>	<u>34</u>
Total enrollee pay and allowances	<u>1,977,923</u>	<u>1,380</u>
Total	<u>10,406,148</u>	<u>7,262</u>
COSTS NOT CONSIDERED BY OEO AS		
APPLICABLE UNDER SECTION 105:		
Depreciation of equipment	48,249 <sup>a</sup>	34
Depreciation of buildings and improvements	199,152 <sup>b</sup>	139
Headquarters and regional support overhead	<u>749,315</u>	<u>523</u>
Total	<u>996,716</u>	<u>696</u>
Total	<u>\$11,402,864</u>	<u>\$7,958</u>

<sup>a</sup>OEO has determined that, for purposes of computing depreciation, Center equipment should be considered as having a useful life of 8 years. Our computations are based on the use of the straight-line method of depreciation and the useful life considered appropriate by OEO. We excluded equipment acquired from excess or donated to the Center. This equipment is recorded at original acquisition cost, about \$200,000 as of December 31, 1967, and we did not consider it appropriate to use this amount as a base for depreciation. We also excluded all equipment transferred from Midwest to Westinghouse, recorded at \$2.1 million, since we could not determine how much of this equipment was donated to the Center or acquired from excess. If the depreciation applicable to the equipment acquired from excess, donated, or transferred had been computed on the basis of recorded value, the cost per man-year would have been about \$214 greater.

<sup>b</sup>OEO has determined that, for purposes of computing depreciation, buildings and improvements should be considered to have a useful life of 20 years. Depreciation expense includes only depreciation of the improvements made to the buildings by Midwest and Westinghouse. Depreciation expense shown does not include depreciation of the original acquisition cost of the buildings occupied by the Center which amounted to about \$8.3 million. These buildings were acquired by the Department of the Army prior to 1947 and have outlived their estimated useful life.



OFFICE OF ECONOMIC  
**OPPORTUNITY**

EXECUTIVE OFFICE OF THE PRESIDENT  
WASHINGTON, D.C. 20506

MAR 13 1969

Mr. Henry Eschwege, Associate Director  
U. S. General Accounting Office  
Civil Division  
Washington, D. C. 20548

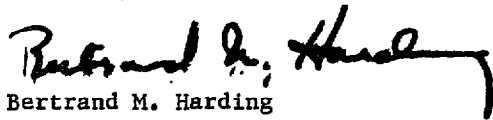
Dear Mr. Eschwege:

Enclosed are the OEO comments on the draft report on your review of the Atterbury Job Corps Center dated January 31, 1969.

The recommendations contained in the draft report were found to be generally constructive and in many instances entirely consonant with our own thinking and policy. As you will see in the enclosed, we have already either fully implemented or taken action to implement each recommendation.

I hope that our response will assist you in clarifying to the Congress details of the operation of Atterbury. You may be assured of my continued appreciation of the service your office provides to our program.

Sincerely,



Bertrand M. Harding  
Acting Director

Enclosures: (2)

OFFICE OF ECONOMIC OPPORTUNITY COMMENTS  
ON  
GENERAL ACCOUNTING OFFICE DRAFT REPORT  
OF THEIR  
REVIEW OF ATTERBURY JOB CORPS CENTER  
EDINBURG, INDIANA

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employed. This study will be conducted in conjunction with the management of the Urban Centers.

	<u>Jobs</u>		<u>Gains</u>
	<u>Before</u>	<u>After</u>	<u>% + or -</u>
<u>Category I</u>	<u>49</u>	<u>79</u>	<u>+30</u>
Under 18	43	71	+28
18 - 19	58	96	+38
20 and over	50	89	+39
 <u>Category II</u>	 <u>43</u>	 <u>68</u>	 <u>+25</u>
Under 18	38	61	+23
18 - 19	40	76	+36
20 and over	59	73	+14
 <u>Category III</u>	 <u>36</u>	 <u>57</u>	 <u>+21</u>
Under 18	24	47	+23
18 - 19	48	62	+14
20 and over	NA	NA	NA*
 <u>All Categories</u>	 <u>43</u>	 <u>69</u>	 <u>+26</u>
Under 18	35	58	+23
18 - 19	48	75	+22
20 and over	55	86	+31

\*NA - Not Available

Analysis of the data used by GAO indicates that Job Corps "graduates" (i.e., Category I terminees) are getting more jobs percentage-wise than "non-graduates" (i.e., Category II and III terminees) and at higher hourly wages both absolutely and percentage-wise.

The table GAO reported on follows:

	<u>Before Job Corps %</u>	<u>After Job Corps %</u>	<u>Gain</u>
<u>Graduates Placed</u>	-----	<u>81%</u>	<u>N.A.</u>
Jobs	38%	65%	+27%
Wage	\$1.35	\$1.90	+.55¢
Military/School	-----	16%	N.A.
<u>Unemployed</u>	-----	<u>19%</u>	<u>N.A.</u>
 <u>Non-Graduates Placed</u>	 -----	 <u>72%</u>	 <u>N.A.</u>
Jobs	46%	59%	+13%
Wage	\$1.50	\$1.80	+.30¢
Military/School	-----	13%	N.A.
<u>Unemployed</u>	-----	<u>28%</u>	<u>N.A.</u>

In summary an analysis of the above tables demonstrate that Atterbury terminees do receive employment opportunities in a significantly higher number than before Job Corps experience and also at a higher remunerative rate than pre-Job Corps. These increases are even more significant considering that most enrollees who had jobs prior to Job Corps were earning below the minimum wage and are now earning at rates exceeding the statutory minimum wage increase of February 1968. As to stability following initial job placement, Job Corps recognizes that this problem requires a new emphasis in programming at centers. A new social skills program is to be published in the near future that will be implemented at the Men's Centers training Corpsmen toward those skills that will enhance their ability to stay with the job.

2. GAO FINDING: Need to classify only those Corpsmen who have successfully completed the program as program graduates.

GAO RECOMMENDATION: The Director, Job Corps, establish realistic graduation criteria for all Urban Centers and develop implementing policies and procedures whereby Job Corps, the centers, and prospective employers can be assured that Job Corps graduates have successfully met all criteria deemed necessary by Job Corps to enable them to obtain and hold jobs in their fields of training.

OEO COMMENT: Job Corps no longer talks in terms of "graduation criteria," but more realistically in terms of categories of achievement at termination. That is, discussion of "graduation" in a program like Job Corps is inappropriate, because it implies that anyone who is a non-graduate is a failure. Clearly this is not the case in Job Corps. Many Corpsmen who have not reached the ultimate in skill training--that is total completers--have nevertheless in fact received substantial benefit as a result of their participation in the program.

As a result, the Job Corps is creating at Men's Urban Centers a standardized curriculum specification for all vocational offerings at each center. These specifications will be used as the basis for defining more precise achievement/termination criteria. In reviewing the Dictionary of Occupational Titles, it was recognized that job performance is identified through various levels of skills. Therefore, the Job Corps is specifying the several categories of levels of jobs

APPENDIX II

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to which Corpsmembers are being trained. Each training cluster has several potential step-off levels (or skill levels). These levels will be correlated to specific entry-level jobs. The Job Corps is presently revising categories of terminations for Men's Centers that are based on completion of "modules" which are reflected in the Men's Centers Vocational Training Standards of the Corpsman Advisory System (CAS). The objective of a Men's Center will now be to put the Corpsman as high in the hierarchy as he is capable of going, as is cost effective, and as he is capable of placement.

An example of achievement/termination categories might be as follows:

IA	I	II	III
More than 2 Vocat. Modules	Passed Intro. + One Higher Module	Has Passed One Module — The 0 Module or the 1st in Progs. w/no 0 Module	Not entered into formal training program in a post 0 Module (intro-module)
Upward of 6.5 Math	Reading—6.5 Math		
Passed 90% of Job Related Skills	Employment Prep Mod.		
Pers. Mgmt. Skills Progs.	Getting Along w/ Supervisors, Job Behaviors		

It is anticipated that Job Corps will establish revised achievement/termination categories along the lines discussed above within 120 days.



3. GAO FINDING: Need for further effort to minimize causes of non-graduate terminations.

GAO RECOMMENDATION: The Director of Job Corps with the assistance of center managements analyze information developed by the centers regarding the reasons for and circumstances under which Corpsmen terminated prior to completion of the program with a view toward further identifying conditions and factors in the Job Corps program where improvement might be made to favorably influence the graduation rate of Corpsmen.

OEO COMMENT: The GAO has recognized in its report that Job Corps has long been concerned about this problem. The first effort of the Job Corps was to increase the length of stay of Corpsmen, to better influence the future actions of each enrollee, and make him more employable. The GAO recognized in its report that the Job Corps has made a marked improvement in length of stay. This effort took approximately one year to achieve.

At the same time, Job Corps undertook a study, which was concluded in the spring of 1968, to analyze the cause of the negative losses. It identified two types of dropout problems--called early and later. The first type alluded to the retention rate, those things which happen to Corpsmen in their early phase of Job Corps experience. The early crisis reflects such causes as (a) fear of physical harm, (b) discrepancy between preconceptions and what appears to be

reality, and (c) acute anxiety caused by loneliness, a feeling of being lost and in a strange, hostile environment. The study suggested that efforts be made to restructure the orientation programs, adopt a "buddy" system, include a more structured day and a more extensive use of outstanding Corpsmen in providing guidance. These specific recommendations were implemented at the centers; as a result, recognized by GAO, the retention rate for the Job Corps went up.

The GAO finding is apparently concerned with the later dropout problem. Typically the later dropout results from a growing sense of frustration in the Corpsman about his own ability to succeed at the center or the center's ability to help him meet his objectives. Job Corps, and more particularly the centers, took up this challenge and established programs, tracking systems, and progress evaluations so as to let the Corpsman know where he stood, where he had to go, and what he could achieve at the end. The Corpsman Advisory System is the vehicle by which Corpsmen are informed of these items. At present Men's Centers have a core curriculum that is common to all centers offering like vocational training. It is against these training standards that Corpsmen will now be able to understand the level of proficiency required in each skill level. Further, if they leave before the completion of the total program, they will still be able to obtain employment at the step-off or skill levels that they have achieved while at the center. This is what the achievement/termination categories will complete within the next 120

days. The Job Corps still recognizes, however, that there is a need to further explore the causes of the later dropout problem and is now emphasizing analysis of the area of enrollee living.

Review of the specific findings of the report concerning Atterbury's output does not represent a total picture of the positive output. It must be realized that this program begins with 100 per cent of what are called "dropouts." The rationale therefore is that a positive output of more than 50 per cent at Atterbury two years running is a great accomplishment. In 1967, 1968, the average positive output was 54 per cent. This involves both the total completers and the partial completers. Further, any improvement in length of stay of Corpsmen must be considered progress because it improves his attitude and skills, and thus increases his future opportunities.

The Job Corps agrees that there must be a continued increase in the number of positive output of Corpsmen. This recommendation has already been acted upon by the launching of a new study of Job Corps in depth into the specific factors that are leading Corpsmen to leave the center prior to their acquiring skill levels that will enable them to be

employed. This study will be conducted in conjunction with the management of the Urban Centers.

4. GAO FINDING: Need to improve counseling programs.

GAO RECOMMENDATION: The Director of Job Corps review the counseling program at all centers and if necessary establish overall guidelines defining the content, frequency, and methods of conducting satisfactory counseling programs for Corpsmen.

OEO COMMENT: The Job Corps found out very quickly that the typical high school guidance counseling approach would not work with Corpsmen at the centers and many new and innovative techniques had to be experimented with. The first principle learned was that "professional" counselors were not the most successful people to interact with the Corpsmen and that many other people at the center would have to be utilized; such as Resident Advisors, teachers--both basic education and vocational--and other personnel at the center. In other words, a total attack had to be undertaken in working with the Corpsmen to change their attitudes and help them develop new behavior patterns both for work and leisure time activities. As a result, all Corpsmen are daily counseled by their dormitory supervisors, dormitory managers, or teachers. Very few Corpsmen need "professional" counseling from the professional counselors.

The Men's Centers Directorate of Job Corps recognized, however, that there was a continuing need to evaluate in depth the counseling programs undertaken at each Urban Center. Therefore, a Management

Review Team was established in the spring of 1968 to review, at each center, the various aspects of the Corpsman program. One person is assigned to that team to specifically review and evaluate the counseling program, dormitory living program, and disciplinary program at the center. The Review Team to date has done in-depth studies of five of the six Urban Centers, with the sixth one taking place in the near future.

As a result of these reviews, the Men's Centers Directorate felt it necessary to establish a team of specialists to go to each center and live there and work in close liaison with the staff of the center in resolving the problem areas of counseling and group living. This team was established January 1, 1969, and has visited one center. It is the intention of this team to take the findings of the Management Review Team and go in residence at the center and attempt to solve the specific problems noted. The team plans to call upon outside consultants and program experts within the Job Corps to assist them in resolving the problem areas that were discovered by the Management Review Team or further defined by this Counseling Review Team.

As to the recommendation by the GAO that Job Corps should establish overall guidelines defining the content, frequency, and methods of conducting satisfactory counseling programs, the Job Corps has in fact thought along this same line and has presently in draft status a Residential Living Manual that has been sent to the Urban Centers

for review and comment. This manual covers the various elements of a counseling program in a residential setting providing content, frequency, and methods of counseling. It is expected that some time within the next 90 to 180 days a manual will be published.

It should be noted, moreover, that although the draft manual has not been officially published Job Corps has always been aware of the need of improving guidelines for counseling. They have developed sample training programs for Conservation, Men's and Women's Centers personnel. Practical "how to do it" counseling articles have been published each month in the Job Corps Staff Newsletter, starting in October 1968. A number of staff training counseling films have been made and distributed. Comments received thus far indicate the suggested approach does provide a basis for the overall Job Corps guidelines recommended.

In the near future Job Corps, in conjunction with the centers, will consolidate the best of the program materials developed at the various centers, catalogue the counseling materials, and follow with a series of workshops to consolidate and publish handbooks, procedural guidelines, sample schedules, and other like items. Job Corps perceives as the paramount aim of its counseling program the high quality and effectiveness of the program, rather than the quantity and the number of Corpsmen contacts established.

5. GAO FINDING: Need to increase opportunities for obtaining high school equivalency certificates.

GAO RECOMMENDATION: The Director of Job Corps instruct the center to require all Corpsmen who have a reasonable chance of passing the GED test to sit for the test during their stay at the center.

OEO COMMENT: The Job Corps has long recognized the need to increase the input and eventually the more positive output in the GED programs at all centers. For a long time it was felt by the centers that a Corpsman had to read at the 7.5 reading level before he could successfully go through a specialized GED preparation program. With the age factor of the Corpsmen dropping, the reading levels were similarly lowered. Recognizing this problem, Job Corps proceeded to develop a specialized curriculum that would allow Corpsmen to enter a GED preparation program at the reading level of 6.0 and proceed through it in a four-month period as a minimum. This curriculum has been provided each Urban Center, and they are now utilizing it on an experimental basis. Field tests conducted prior to the distribution of this curriculum indicated that it would be highly successful. Atterbury in particular was requested to run a controlled program with their present curriculum and this Job Corps-provided-curriculum. That study is almost completed, and there is every indication that the earlier field-test findings will be confirmed. If this proves to be true, the Men's Urban Centers will convert totally to this specialized curriculum.



As to the problem concerning testing capability, Atterbury has resolved that problem by acquiring from the University of Indiana an additional 40 slots per month, which is more than adequate to meet their anticipated needs. Likewise, Atterbury has taken action to test all Corpsmen who appear to have the capability of passing the test and receiving their certificates without requiring the Corpsmen to ask to be tested.

6. GAO FINDING: Need for improved management information system.

GAO RECOMMENDATION: The Director of Job Corps accelerate his effort in assisting the Center to determine the specific data needed, and in developing and implementing the management information system.

OEO COMMENT: It was long recognized by the Job Corps that there was a need for establishing a relatively uniform historical and statistical data base on Corpsmen progress at its centers. Pending establishment of such a system by the Job Corps, each Urban Center was asked to develop its own internal management information system that would meet its needs. It was requested that this system cover Corpsmen progress, and each center did develop on its own a modified historical and statistical data base concerning Corpsmen progress.

Specifically, Atterbury established the COMAS system, which was its first attempt toward recording Corpsmen progress with a built-in rating system so that evaluation of Corpsmen could be rendered by personnel at the Center. In addition the Center could utilize the data base for determining the effectiveness of its various programs. It was recognized by Job Corps that the COMAS system was limited in its usefulness.

Job Corps has now completed the milestone effort on the Corpsman Advisory System, which would establish for the first time, in Job Corps, a uniform tracking and feedback system at the Men's Urban Centers. At the same time a preliminary reporting format design was created in con-

junction and consultation with the Men's Urban Centers. This design package is presently undergoing revision and review at Headquarters. In the meantime, the Urban Centers have been directed to revise their present internal reporting system to fit as closely as possible to the milestone efforts of the training standards of the Corpsman Advisory System. Specifically, Atterbury has instituted changes to their COMAS system by streamlining the format to provide information regarding the number of milestones to complete and the number of milestones remaining.

7. GAO FINDING: Need for correct reporting of job placements.

GAO RECOMMENDATION: The Director of Job Corps direct Westinghouse Learning to correctly report placement on the Center Management Report; further recommended that the Director require the Center to supplement its present placement reporting system by compiling data on employment experience of terminated Corpsmen.

OEO COMMENT: The main thrust of the GAO conclusion was that the Center was inaccurately reporting placements on the Center Management Report in that they took credit for a placement when they merely had arranged a job interview. The Center Management Report is strictly an internal working document between the centers and the Men's Centers Directorate of Job Corps. This document does not act as a validator of information submitted; Job Corps relies on other resources to determine accuracy of data. This is especially true in the area of placement. The Center proceeded in good faith to interpret the guidelines that were available concerning placement. However, it was recognized by the Men's Centers Directorate that the placement information on the Center Management Report was spotty and incomplete and very often not up to date, as the centers were not kept abreast of the placement efforts conducted by the Placement Offices in the Regional Offices of OEO. As a result, in October 1968, the Men's Centers Directorate removed the placement reporting requirement from the Center Management Report.

In order to have placement data, Job Corps initiated a system based upon the Form 72. Job Corps receives a Form 72 on each trainee which provides placement data and the Placement Division does not rely on data reported in the Center Management Report. These forms (Form 72) flow through a Regional Office and the placement is verified before forwarding to Headquarters in print-out form. Copies of this report are then sent to the centers for their records and evaluation. We do not contend that this system is infallible; but most errors are eliminated. This data base then provides information about initial placements, i.e., within 90 days from termination. It should be noted that the GAO survey found 75 per cent of the Corpsmen placed and an independent survey conducted by Job Corps likewise found 75 per cent placed.<sup>1</sup> The 72 file for the same time frame confirms the above figures.

In addition to the above, Job Corps conducts follow-up surveys through the Louis Harris Company. They have completed ten surveys to date. These surveys are conducted on a statistical sampling basis and the results are used to verify former data. We have found a constant correlation between the Louis Harris surveys and our 72 files.

Further, we have found that requiring centers to conduct their own follow-up studies is very costly because of overlap and the necessity to work on a nation basis. In addition, such surveys are inaccurate because they generally are of the mailed-questionnaire type, filled out under controlled conditions, and seriously biased because of a non-response rate. Job Corps surveys are face-to-face interviews and

<sup>1</sup>GAO note: The reference made to the GAO survey relates to GAO's report to the Congress, B-130515, dated March 18, 1969.

carefully balanced samples, with a confidence factor of over 95 per cent. Recognizing these limitations on Urban Centers follow-up studies, the Job Corps has refrained from contracting this function to the operating Centers. The Congress also recognized the difficulty of placement follow-up, and in the 1967 Amendment to the EOA Act of 1964 directed the Secretary of Labor to conduct follow-up studies on a national basis. The specific direction was provided for in Sections 112(c) of the EOA.

8. GAO FINDING: Corpsmen remained in Job Corps over maximum authorized period.

GAO RECOMMENDATION: None.

OEO COMMENT: As recognized by the GAO in its report, satisfactory corrective action was taken by the Center in April 1968. Men's Centers Directorate has taken action to inform all Men's Centers of the need to tighten their procedures on extensions.

9. GAO FINDING: Need for adequate control over supplies and equipment.

GAO RECOMMENDATION: That the Director, OEO, require the Center to submit written property management operating procedures to determine their adequacy, and that OEO conduct periodic reviews of the operations of the property management system at the Center to determine whether it is effective in maintaining adequate control over property. Such reviews should include determinations of: (1) adequacy of Center's physical inventory procedures; (2) the effectiveness of the property disposal program; (3) the appropriateness of the warehousing functions; (4) the adequacy of the controls over inventory exercised by recording receipts and issues on the stock record cards.

OEO COMMENT: It is recognized that in the control of supplies and equipment certain improvements and refinements can be made in implementing the property management system. Both the contractor and OEO are constantly working to that end.

The basic guidance under which the Center is operating in this area is the OEO Property Management Manual. In accordance with this manual, all contracts contain instructions for submission of property management operating procedures. These plans have been submitted by Westinghouse and found to be adequate. (Reference to these plans as Technical Objectives and Plans (TO&P's) in early contracts may have caused some confusion on this point.) The manual contains provisions for each of the major elements contained in the property management system, namely:



planning and determination of requirements; classification; acquisition; receiving/inspection; identification; accountability/control; physical inventory; maintenance/rehabilitation; storage/warehousing; utilization; disposition and relief of responsibility.

With regard to (1) periodic physical counts of inventories on hand, a complete inventory of both supplies and equipment was submitted to OEO in June 1967, and another in June 1968, with cyclic inventories continuing on a scheduled basis. The Trial Balances and Inventories documents required by the above mentioned Manual are on file in this office. The Contractor has advised us that they furnished copies of their inventory control procedures to GAO officials prior to departing Atterbury. The example cited of an inventory of \$556,000.00 with a net adjustment required to correct balances of less than two per cent (2%) (\$6,765.00) strongly indicates that inventory control is satisfactory, considering the number of items carried.

With regard to (2) disposing of excesses procedures follow OEO directives and GSA policy. In fact, controls for property record cards and the Contractor's implementing procedures to review equipment to determine surplus were submitted to the GAO reviewing officials 2 May 1968.

With regard to (3), the co-mingling of serviceable and non-serviceable property in storage does occur for certain items. As a discrepancy in this area is noted by OEO staff, every effort is made to correct such a condition immediately. In the case cited both types of equipment were

stored in the same building but in separate areas. That condition has been called to the attention of the Contractor, and he certifies that it has now been corrected.

With regard to (4), the recording of receipts and issues cited as a part of this finding was correct but based on the human error factor. The procedures being followed are in accordance with the OEO Property Manual and are considered adequate. Mistakes in print-outs due to errors in stock numbers have been previously noted and corrected. Continued surveillance from this Headquarters will be emphasized.

The statement that property records did not show the location of certain items is correct because the IBM records, due to a programming error, lost location identity temporarily. However, location identity did exist in the warehouse and initial property listing. The programming error has now been corrected.

10. GAO FINDING: Need for Job Corps to establish specifications for purchase of clothing.

GAO RECOMMENDATION: That the Director, Job Corps conduct a review and evaluation of Corpsmen clothing requirements and develop definite and specific purchase specifications for such clothing in order to establish that the clothing furnished is best suited to Corpsmen needs and to provide a valid basis to determine the most economical method of procuring such clothing.

OEO COMMENT: Reviews have been conducted by OEO and evaluations have been rendered indicating that DSA is not necessarily the best quality and cost source for the purchase of clothing for Corpsmen. In addition timely delivery of a DSA purchase is never certain. Emergency purchases to take care of certain non-standard sizes also make it essential that other sources be established.

The Contractor is required to consider four factors other than delivery before resorting to local purchase. First, the price must be equal to or less than DSA; second, the quality must be equal to or better; third, the overall economics of the buy situation must be advantageous, that is the local purchase item must require less repair and replacement; and fourth, the re-claim and re-issue of the item must also compare favorably with the GSA item. Also the Urban Centers have determined in some instances that clothing contained on the Table of Allowances was not appropriate for their particular areas and in those instances

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the Table of Allowances requirement has been waived on an individual item basis.

During the GAO review it was noted that \$317,000.00 worth of Corpsmen clothing was purchased, of which \$114,000.00 was local procurement. This is approximately one third of the total and is not considered disproportionate under the circumstances.

11. GAO FINDING: More effective procedures developed to control Civilian Clothing allowance.

GAO RECOMMENDATION: That the Director, Job Corps instruct the Center to establish procedures to assure that Corpsmen clothing allowance are used effectively and reimbursements are made only for authorized purchases.

OEO COMMENT: The Center has prepared and transmitted to all authorized merchants a letter detailing terms and conditions of the purchase arrangement including the authorized type item, price, and sales information necessary to redeem the purchase certificates. Specific emphasis is also being given to the Corpsmen on the proper use of clothing allowance. This Finding is being assigned to the Men's Centers Management Review Team for special emphasis. Finally Job Corps directed the Contractor to submit all review procedures necessary to effectively control use of this allowance.

12. GAO FINDING: Retention of Instructional Materials which were not used.

GAO CONCLUSION: GAO made no recommendation to this Finding but concluded that "There is a need for Job Corps to follow more effective practices than in the past with respect to making unsuitable or unneeded instructional material available to other potential users in a timely manner through normal property disposal channels."

OEO COMMENT: Certain of the instructional materials mentioned in this Finding were screened by the other urban centers to determine if they could be utilized and were in fact transferred. The screening method used was considered more expeditious, but in the future OEO will dispose of this type material in a more formal manner.

3. GAO FINDING: Need to establish methods to determine vehicle needs and to evaluate vehicle use.

GAO RECOMMENDATION: That the Director, Job Corps establish procedures to insure that the Center maintain adequate records to enable it to perform evaluations of motor vehicle usage in sufficient depth so that Job Corps will have a sound basis to judge effectiveness of Center utilization of motor vehicles.

OEO COMMENT: There are presently two principal procedural documents that determine Center vehicle needs and utilizations, namely, the Logistics Handbook for Job Corps Centers (JCH 500) and the Equipment Utilization Report (JC Form 165). The JC 165 is the more detailed report and is a required Center quarterly submission. This report basically itemizes operational utilization and maintenance costs for each vehicle at the Center. All required reports have been submitted by the Contractor. Certain special purpose vehicles (buses, ambulance, and 1-1/2 ton trucks), even though utilized daily, generate low mileage and may not meet the requirement of the OEO guidance; but the Center could not operate without them. Necessary action will be taken by Job Corps to insure future proper vehicle utilization.

BEST DOCUMENT AVAILABLE

14. GAO FINDING: Vehicles purchased from other than low bidder at prices in excess of Statutory Maximum.

GAO RECOMMENDATION: That the Director, Job Corps (1) require the Center to fully justify and obtain prior approval of the Director, Job Corps for future purchases of vehicles in excess of the price quoted by the low bidder; (2) require that all future OEO contracts for the operation of Job Corps centers contain provisions requiring the operators of the centers in making procurements, to adhere to the Statutory Limitations on the purchase of vehicles applicable to direct purchase by the Government; (3) Job Corps determine whether it would be advisable to procure vehicles centrally for contractor operations from GSA.

OEO COMMENT: The purchase of automotive vehicles cited in this Finding occurred in 1966 with a reference to vehicles purchased in 1965 by Midwest Education Foundation, the former Atterbury Contractor. Circumstances as pointed out in the GAO Report were such that efforts were made to purchase through Federal sources; but contractually there is no binding obligation to follow such a course. The contract terms in FPK Section 1.15:205 were the authority utilized for subcontract pricing. The Contractor, in this transaction, was influenced by two major factors; first, the purchase originated and developed as a competitive situation with some five suppliers interested. Due to a delay in consummating the buy only one of the original bidders would honor his quote. Second, the vehicles purchased had automatic transmissions and a five-year warranty which was an additional value. Since these 1966 procurements,



OEO has (letter of October 1, 1968, subject Job Corps Motor Vehicles) directed the centers that motor vehicles will be purchased in accordance with the provisions of 31 USC 638 which restricts costs to the maximum established by this authorization. In the renewal of the Center contracts for the next Fiscal Year a contractual clause requiring adherence to Statutory Limitation on the purchase of vehicles will be a subject of negotiation.

15. GAO FINDING: Salaries reimbursed in excess of contractual limitation.

GAO RECOMMENDATION: That the OEO Contracting Officer enter into negotiation with the Contractor to obtain an appropriate reduction in the Contractor's claim for reimbursement for over payment relating to Center salaries.

OEO COMMENT: It is pointed out that the regular contract schedule clause is considerably more rigid than the requirements of Section 610-1 (Economic Opportunity Amendments 1966) or Part 1.15.206-6 of the Federal Procurement Regulation. The OEO Contracting Officer determined it was necessary to waive the requirement of the contract clause in order to have a reasonable salary schedule. This waived salary schedule met the requirements of 610-1. All cost of salaries in excess of \$20,000.00 per annum were refunded or subsequently excluded by the Contractor. The Contracting Officer will enter into negotiation with the Contractor to seek a solution to the problem as recommended.

PRINCIPAL OFFICIALS OF OEO  
RESPONSIBLE FOR THE ADMINISTRATION OF  
ACTIVITIES DISCUSSED IN THIS REPORT

	<u>Tenure of office</u>	
	<u>From</u>	<u>To</u>
DIRECTOR, OFFICE OF ECONOMIC OPPORTUNITY:		
Sargent Shriver	Oct. 1964	Mar. 1968
Bertrand M. Harding (acting)	Mar. 1968	May 1969
Donald Rumsfeld	May 1969	Present
DIRECTOR, JOB CORPS:		
Otis A. Singletary (note a)	Apr. 1965	Dec. 1965
Franklyn A. Johnson (note b)	Feb. 1966	Dec. 1966
William P. Kelly	Dec. 1966	Present

<sup>a</sup>Served as a consultant to OEO from October 1964 until his appointment as Director, Job Corps, in April 1965.

<sup>b</sup>Served as a consultant to OEO from October 1965 until his appointment as Director, Job Corps, in February 1966.

