



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

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HUMAN RESOURCES  
DIVISION

AUG 5 1982

B-125037

Miss Dorothy L. Starbuck  
Chief Benefits Director  
Department of Veterans Benefits  
Veterans Administration

Dear Miss Starbuck:

Subject: The Veterans Administration's Programs For  
On-The-Job Training And Apprenticeship  
(GAO/HRD-82-111)

We reviewed the Veterans Administration's (VA's) apprenticeship and on-the-job training (OJT) programs to determine how effectively these programs were being administered and the impact of the programs on veterans' incomes. We plan to report our analyses of the impact of the programs on veterans' incomes to the House and Senate Committees on Veterans' Affairs. A draft of our report has been provided to VA for review and comment.

This report deals with some administrative problems that we identified during our review. We believe more careful claim development and more thorough supervisory review are needed to help ensure that apprenticeship and OJT programs meet VA requirements before being approved and that entitlements are correctly computed.

SCOPE AND METHODOLOGY

Our analysis was performed on a 1 percent sample of the 98,200 veterans who had received financial assistance from VA between October 1, 1978, and March 31, 1981, for an apprenticeship or OJT effort. We randomly sampled 982 cases including at least one from each VA region except Manila and San Juan. The largest number of cases from one region was 43. However, the data in this report are based on a review of 958 cases because we excluded 24 cases generally because (1) VA could not locate the veteran's file, (2) VA was using the file, or (3) a dependent rather than a veteran was being trained. Our review was generally limited to analyzing data in the case files. In some cases VA had to obtain wage data for us because such data were not in the files.

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We performed our review in accordance with GAO's current "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions."

NO INFORMATION  
IN FILES TO JUSTIFY  
APPROVAL OF PROGRAM

We found 28 cases where data in the veteran's file indicated that the training program involved did not meet VA's criteria for approval. Assistance should not have been awarded until the program was brought into conformance. The VA criteria and elements which appeared to fail to meet them in 28 cases were:

- OJT programs must customarily be at least 6 months.  
VA approved one 4-month program.
- Apprentices' starting pay must generally be at least the Federal minimum wage. In 14 cases, VA approved programs where the starting pay was less than the Federal minimum wage in effect when the training was started.
- OJT trainees' starting pay must be less than the wages paid to trained workers (objective wages). In two cases, the trainee's starting pay was the same as the objective wage.
- OJT trainees must receive periodic wage increases during training. In 13 cases (including two with the same training and objective wages), no wage increases were scheduled during training.

PERIOD APPROVED FOR  
ASSISTANCE APPEARED  
INAPPROPRIATE

Based on data in the veterans case files, in 60 cases the period of assistance approved by VA appeared too short and in 11 cases it appeared too long.

In the 60 cases where the VA approval covered a period shorter than requested we could find no justification for the reduced time period approved by VA. VA records showed that (1) the period of training approved by VA would not exhaust the veteran's entitlement, and (2) the veteran's delimiting date would not have been reached by the ending date approved by VA. The periods of training not approved for VA assistance ranged from less than 1 month to over 12 months.

Of the 11 cases where the period of assistance VA authorized was greater than the period justified by data in the case file, 8 involved credit given by the employer. VA either did not consider such credits or considered them improperly in computing the period of VA assistance approved for the effort.

We found nothing in the veteran's file that negated the employer's statement on the enrollment certification that credit had been given. However, the computation to determine the length of VA assistance to the veteran did not consider the credit responses adequately. For example, an employer's enrollment certification stated that 9 months of credit had been given to a veteran in what was normally a 24 month OJT program. VA should have approved assistance for 15 months. However, VA approved assistance for 23 months at which time the veteran reached his delimiting date.

In the other three situations where the period covered by the award was greater than justified, the employer had not given any credit and the file contained no documentation which justified the period approved.

In some of the above situations, VA assistance did not exceed the justified period because the veterans terminated training early. In a few cases, the veterans had finished the training program and had received assistance for a period longer than justified, and in one case the veteran was still in training. In the latter case, we brought the matter to the attention of a VA official who stated that an adjustment would be made.

#### ASSISTANCE APPROVED EXCEEDED VETERAN'S ENTITLEMENT

In nine cases, VA approved an assistance period which exceeded the amount of the veteran's entitlement. The amount that was in excess of the veteran's entitlement was not large. In six cases the amount was a fraction of a month; in the other cases it involved 1, 2.75, and 8.75 months. We discussed three of these cases with appropriate VA officials because our data showed the veterans were still in training and adjustments could be made to correct the situations. VA officials informed us that current procedures should now prevent such occurrences. The current procedures identify at the time award data is being entered into the computer any award that exceeds a veteran's entitlement.

#### CONCLUSIONS AND RECOMMENDATIONS

Most of the problems we identified appear to be the result of inattention to detail or incorrect computations. More careful

claim development and better review by supervisors would help reduce these problems.

We recommend that you emphasize to the regional offices the importance of adequate review concerning:

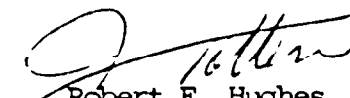
- the acceptability of the wage terms shown on the wage agreement submitted to VA,
- the proper consideration of any credit given by employers for prior experience or training when establishing the length of time for which assistance is awarded, and
- the accuracy of ending dates for VA assistance to assure that veterans receive benefits for appropriate periods.

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Please advise us of any actions you take on the matters discussed in this report.

We appreciate the cooperation extended to our representatives during this review.

Sincerely yours,

  
Robert F. Hughes  
Group Director