

News

Training

DOL Inspector General Asked to Probe Training Grants to ABC West Virginia Chapter

West Virginia officials and state building trade unions separately have asked the U.S. Department of Labor to investigate the disposition of \$140,000 in federal and state grants awarded to the Associated Builders and Contractors' West Virginia Chapter during the 2001-2003 period, according to state government documents.

Seeking the investigation are the West Virginia Development Office, which awarded the grants, and the Affiliated Construction Trades Foundation (ACT).

At issue is a \$120,000 Workforce Investment Act grant to the ABC state chapter for July 1, 2001, to June 30, 2002, and two \$10,000 small business workforce grants for the years ending June 30, 2002, and June 30, 2003.

A routine audit by the West Virginia development office of the chapter's records for the Workforce Investment Act and small business workforce grants uncovered "some potential inaccuracies and irregularities" in the records for a two-year period ended June 30, 2003, according to a May 21 letter to the chapter from David Lieving, director of the governor's Workforce Investment Division.

Lieving asked the chapter to respond to his request to schedule a review of ABC records regarding these grants no later than June 1.

When the chapter failed to respond, Lieving sent a June 10 letter to the chapter saying that he was "disappointed" and left with "no choice" but to refer the compliance inquiry to the federal labor department. "You should anticipate the contact from the auditors in the near future," Lieving said in the letter.

ABC Says 'We've Done Nothing Wrong.'

"We've done nothing wrong," Debbie Moore, office manager for ABC's West Virginia chapter in Charleston, said June 30. "My records are their records," Moore said, explaining that the chapter is willing to cooperate fully in any investigation. "We received the money and spent it on training," she said.

Moore said the chapter "did not get the first letter" from the state dated May 21 but did receive the June 10 letter.

The letters were addressed to Tom Hardiman, the executive director of the chapter, with copies to the chapter's chairman and board of directors. Hardiman left ABC last October to take a job in another state. Moore said his departure "had nothing to do with this situation."

Moore added July 19 that chapter representatives recently met with state Development Office officials to discuss details of requests for records made by the agency.

An agency spokeswoman July 19 confirmed that ABC agreed to provide additional information associated with Lieving's request but declined further comment "because the issue is under investigation."

Fred Holroyd, with the Charleston, W.Va., law firm of Holroyd & Yost who represents the chapter, did not respond to telephone inquiries.

ACT Director Steve White brought the matter to the state's attention earlier this year. The union group said it documented its claim that the ABC chapter, which represents nonunion builders, improperly used the funds and may have committed fraud in documenting fund use.

ACT also asked the federal labor department's inspector general to review the matter. DOL's Office of Inspector General acknowledged ACT's June 8 request on July 9, according to White.

ABC Dismantling Apprentices Program

Meanwhile, Moore confirmed reports that the chapter's registered, multiemployer training program is being refocused to one that supports training programs with its individual contractor members.

Moore said the board of trustees for ABC's West Virginia Construction Education Trust voted in January to make the transition, which should be completed by the end of this year. Low population density in the state made it difficult to provide cost effective training, Moore said. "With a guy here and a guy there, it was tough for us," she said, to find enough workers living in sufficiently close proximity to make an apprentice program financially viable.

Instead, Moore said, company-based training programs make more sense for ABC in West Virginia.

ACT's White was skeptical about the plan. "ABC wants to get away from the responsibility for apprenticeship but maintain their ability to self-promote and profit from apprenticeship," he said. "ABC will have a problem," White predicted. "It's hard to deliver [training] on a company-by-company basis

unless you have large companies."

By Brian Lockett