

The California State Auditor released the following report today:

## Employment Development Department

*It Needs to Address Data Issues to Better Evaluate and Improve the Performance of Its Employment Programs for Veterans*

### BACKGROUND

With over 1.8 million veterans living in California and an estimated 40,000 veterans returning to the State each year for the next few years, many of whom may be in the younger age groups and have service-connected disabilities, unemployment among veterans could create challenges. The Employment Development Department (department), in collaboration with several other entities, administers the State's workforce development system, including services to veterans seeking employment. Many of the programs aimed at assisting veterans in finding employment are funded through grants from the U.S Department of Labor (Labor).

### KEY FINDINGS

During our review of the department's services to help veterans find employment, we noted the following:

- The department's approach to managing its veterans programs has been to focus on complying with federal grant management requirements instead of finding ways to use its existing data to identify opportunities to improve services to veterans.
- It has consistently failed to achieve certain employment rate goals it negotiated with Labor since fiscal year 2009–10. In fact, Labor indicated that California is among the lowest performing states when measuring the rate at which veterans assisted by the programs enter employment.
- Although it routinely reports demographic and performance data to Labor, the department does not analyze the data regarding how certain groups of veterans are doing in finding jobs versus nonveterans.
- Despite investing time to prepare publications to help veterans understand how the skills they developed in the military translate to potential job opportunities in civilian life, it does not know if these publications are useful in helping veterans find employment.
- The department does not monitor the results of its actions aimed at meeting key steps in its State Veterans' Program and Budget Plan for improving services to veterans, and thus, does not know whether its actions are effective in helping veterans.
- Although it administers several programs—such as the Veterans Employment-Related Assistance Program—that provide assistance to veterans looking for work, the department does not fully measure the success of those programs.
- We found that the system that tracks total wages paid to individuals in California based on data employers submit had more than 1,400 instances where a single Social Security number was associated with 10 or more different names in a single quarter—in one instance, with 162 different names and quarterly wages summing to more than \$600,000.
  - ✓ We have concerns that the department cannot provide accurate performance data to Labor when multiple names are linked with one Social Security number.
  - ✓ The existence of multiple names associated with one Social Security number is a possible indicator of identity theft yet the department does not provide this information to law enforcement when it suspects misuse of Social Security numbers.

### KEY RECOMMENDATIONS

We made numerous recommendations to the department including that it work with Labor to improve the quality of its performance reporting. Moreover, the department should assess the success or struggles of veterans within demographic categories to make more informed program decisions. Further, the department should also better measure its success in improving employment outcomes for veterans. We also recommended to the Legislature that it expressly authorize the department to share information from its information systems with appropriate law enforcement officials when evidence suggests the misuse of Social Security numbers to protect individuals from identity theft.