

U. S. Department of Labor Employment and Training Administration Washington, D.C. 20210	CLASSIFICATION JTPA
	CORRESPONDENCE SYMBOL TMG
	DATE July 11, 1995

TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 1-95

TO : ALL STATE JTPA LIAISONS
 ALL STATE EMPLOYMENT SECURITY ADMINISTRATORS
 ALL STATE WORKER ADJUSTMENT LIAISONS

FROM : BARBARA ANN FARMER
 Administrator
 for Regional Management

SUBJECT : Implementation of Criteria for Approval of
 Requests for Waivers of State Liability and
 Requests to Forego Certain Debt Collection
 Actions Against a Subrecipient

1. Purpose. To advise States about the implementation of the new provisions related to requests for waivers of State liability and requests to forego certain debt collection actions against a subrecipient under the Job Training Partnership Act (JTPA).

2. References. The JTPA regulations at 20 CFR 627.704 and 20 CFR 627.706; Section 164(e)(2) of the Job Training Partnership Act, as amended.

3. Background. As a result of the JTPA Amendments of 1992 and related statutes, the JTPA regulations were amended. The final rule was published in the Federal Register, Volume 59, Number 170 on Friday, September 2, 1994. The regulations at 20 CFR 627.704 and 20 CFR 627.706 provide for the possibility of approval of requests for waiver of State liability and requests to forego certain debt collection actions against a subrecipient under circumstances where fraud existed. Previously, requests for approval in these types of cases were routinely denied. However, the new provisions permit approval in those cases where the recipient/subrecipient discovers, investigates, reports, and prosecutes the perpetrator of the fraudulent activity. To obtain approval, the regulations still require that the recipient/subrecipient satisfy the four criteria of Section 164(e)(2) of the Act, complete its resolution which disallows the misexpenditure and establishes a debt, and conclude its appeal process. Approval is also conditioned on the recipient/subrecipient documenting the fact that after aggressive debt collection action there is no likelihood of collection from the perpetrator of the fraud.

REVISIONS None	EXPIRATION DATE Continuing
-------------------	-------------------------------

The Employment and Training Administration (ETA) has received inquiries about the cases for which these new provisions are applicable. The September 2, 1994 regulations indicate that they are effective June 30, 1995.

4. Policy. ETA has decided to apply the new provisions in all cases for which the ETA Grant Officer has yet to issue a decision to approve or deny a request for a waiver of State liability or a request for approval to forego certain debt collection actions against a subrecipient. Thus, ETA will apply the new regulations to all requests submitted on or after June 30, 1995, as well as to those already submitted for which a decision has yet to be issued.

5. Action Required. States should consider this policy when preparing and submitting requests for waiver of liability and for approval to forego debt collection action against a subrecipient. In addition, it is requested that States advise their Service Delivery Areas, Substate grantees, and other subrecipients about this new ETA policy.

6. Inquiries. Direct questions to Lance Grubb or Ed Donahue on 202-219-6719.