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BY THE U.S. GENERAL ACCOUNTING OFFICE
**Report To The Honorable
Louis Stokes
House Of Representatives**

**Allegations About The Ohio Bureau
Of Employment Services' Operations
In Cleveland, Ohio** RELEASED

This report describes the results of GAO's investigation of several allegations about the staffing, facilities, and locations of employment offices in the Cleveland area. GAO is not making any recommendations because the Ohio Bureau of Employment Services plans to examine why some offices in the Cleveland area have a relatively low achievement rate in placing applicants into jobs, and the Department of Labor has initiated a detailed examination into the Ohio Bureau of Employment Services' personnel and equal employment opportunity practices.

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The Honorable Louis Stokes
House of Representatives

Dear Mr. Stokes:

Dec 15, 1979

Your September 11, 1979, letter requested that we examine the policies and practices of the Ohio Bureau of Employment Services (OBES) to assure that it was fulfilling its mandate and properly using Federal funds. You were concerned that residents of Cleveland's inner city had inadequate and understaffed employment service facilities and that OBES' outreach, intake, and placement activities were insufficient. In discussions with your office, our representatives were informed that you also were particularly concerned about the following allegations made by a former Cleveland District manager:

- Unemployed persons in Cleveland were not being placed in jobs because the Cleveland offices were inadequately staffed while suburban offices were fully staffed.
- The facilities and locations of the offices in Cleveland were inadequate for serving the population.
- The OBES Central Office management was incompetent to deal with the problems of staffing and facilities and was one of the causes for extremely low employee morale.

In accordance with discussions with your office, our review concentrated on those allegations dealing with the staffing levels and the condition and location of the Employment Service facilities in the Cleveland District.

We limited our work on the allegations concerning OBES personnel and equal employment opportunity (EEO) practices because the Department of Labor initiated a detailed examination into Ohio's practices in these areas. Labor regional officials told us that they would forward a copy of their report to your office.



The Cleveland District of OBES covers the counties of Cuyahoga, Lake, Lorain, Medina, and Geauga. OBES has 11 employment offices in this district: 6 in Cuyahoga County (4 in Cleveland), 2 in Lorain, and 1 in Lake, Medina, and Geauga Counties. We generally concentrated on obtaining information on the OBES offices in Cuyahoga and Lake Counties.

Our findings are summarized below and detailed in the appendix.

In summary, we believe:

- The Downtown, Superior, and East offices appear to be overstaffed relative to the other four offices in Cuyahoga and Lake Counties, while the Parma, West, and Painesville offices appear to be understaffed. Our analysis of productivity showed that for fiscal year 1979, Parma, West, and South appear to be more productive offices, and the Downtown, Superior, and East offices appear to be relatively less productive.
- All except two of the nine offices we inspected in the Cleveland District required repair, maintenance, or relocation. (We did not inspect the Medina and Chardon offices.) The two offices not requiring this are the recently acquired Parma and East offices. While we do not believe that OBES has furnished and maintained offices in suburban areas at the expense of offices in Cleveland, it is our opinion that OBES has not been timely in performing repairs, maintenance, and relocation.
- The offices in the Cuyahoga County area are reasonably located and allow all segments of the population to be served. Additional offices are needed in the Cleveland area, however, according to Labor regional and OBES Central Office officials.

After we brought these matters to their attention, OBES officials told us that they planned to examine why some offices have relatively low productivity in placing applicants into jobs.

As discussed with your office, the question of whether a State employment service is providing adequate outreach, intake, and placement services to the unemployed involves

broad issues which affect other programs, such as those under the Comprehensive Employment and Training Act (CETA) and the Work Incentive (WIN) programs. For example, since CETA was passed in 1973, the U.S. Employment Service has had less participation in outreach activities. Currently, both the CETA and WIN programs have outreach objectives to counsel and train people to become job ready. The 1978 CETA amendments placed greater emphasis on reaching the economically disadvantaged, making CETA the primary outreach program for training and finding jobs for the unskilled. In contrast, State employment agencies emphasize placement activities, specifically the placement of job ready individuals.

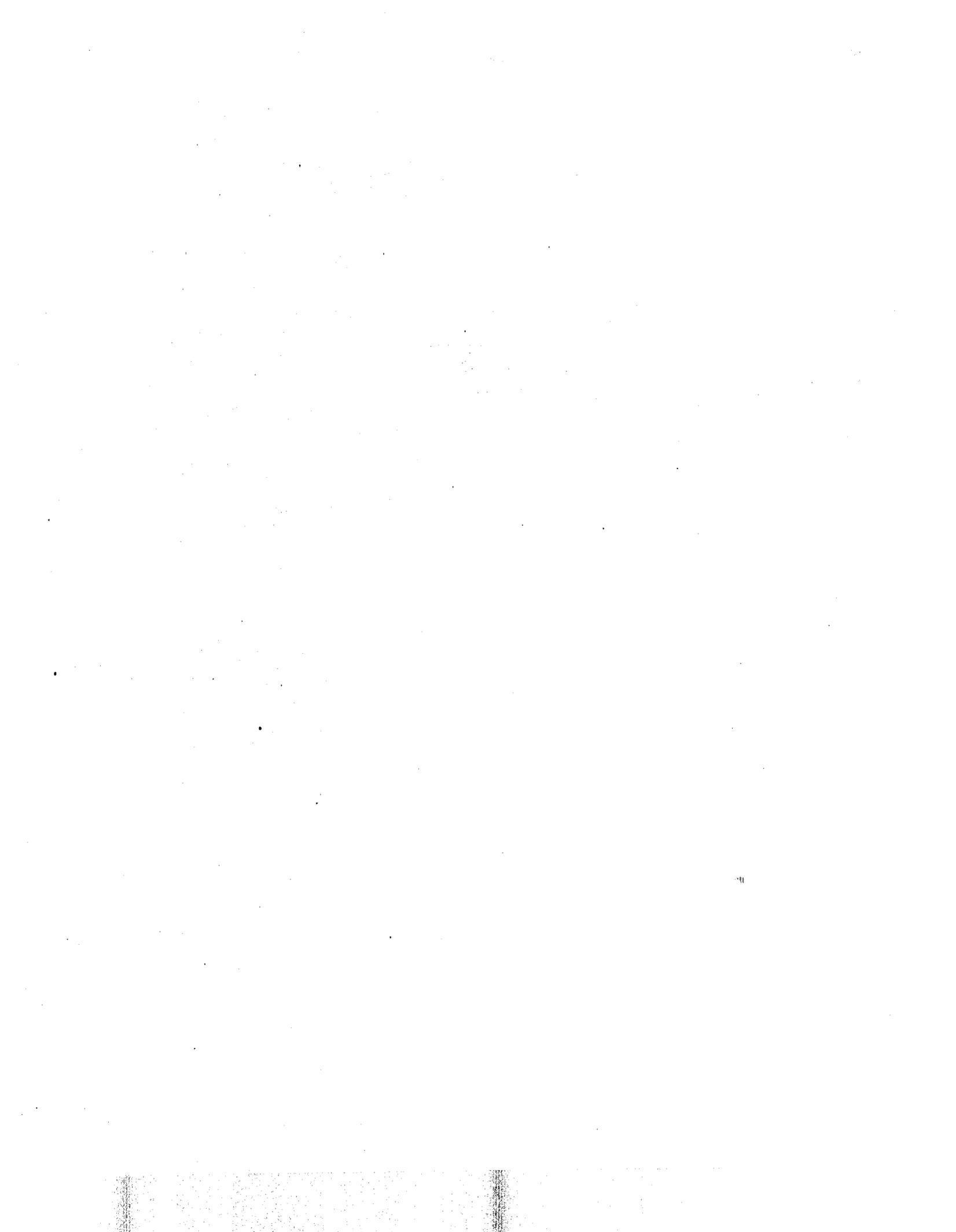
Although the administration is currently reviewing the Employment Service legislation to see whether any changes are required, a comprehensive review of OBES activities in Cleveland probably would not provide the impetus for making any legislative changes. Recently, however, we have made two reviews of the U.S. Employment Service. In February 1977, we issued a report to the Congress entitled "The Employment Service--Problems and Opportunities for Improvement" (HRD-76-169). The report included several recommendations for improving the effectiveness of the Employment Service's placement activity. In December 1978, we issued another report to the Congress entitled "The Labor Department Should Reconsider Its Approach to Employment Security Automation" (HRD-78-169). This report, in part, questioned the effectiveness of the Employment Service's computerized job matching system. We gave your office copies of these reports.

As agreed with your office, in 7 working days we will make copies of this report available to other interested parties.

Sincerely yours,

Edward A. Mensmore

for Gregory J. Ahart
Director



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ABBREVIATIONS

CETA	Comprehensive Employment and Training Act
EEO	equal employment opportunity
ES	Employment Services
OBES	Ohio Bureau of Employment Services
UI	Unemployment Insurance
WIN	Work Incentive Program



REVIEW OF SELECTED ACTIVITIES OF THE OHIO BUREAU
OF EMPLOYMENT SERVICES IN CLEVELAND, OHIO

BACKGROUND AND SCOPE

In July 1979, the recently retired District Manager of the Ohio Bureau of Employment Services (OBES) for the Cleveland area charged OBES with failing to correct numerous problems in providing services to the unemployed. Specifically, the former District Manager said that:

- Unemployed persons in Cleveland were not being placed in jobs because the Cleveland Employment Services (ES) offices were inadequately staffed while suburban offices were fully staffed.
- The facilities in Cleveland were physically inadequate to serve the population of Cleveland, while two offices serving mostly white suburban populations were modern and well-equipped and that locations of OBES offices were not adequate.

Following the publicity generated by the above allegations, on September 11, 1979, Congressman Louis Stokes requested that we investigate OBES policies and practices for providing services to the unemployed. In later meetings with the Congressman's office, we agreed to examine (1) OBES practices in staffing local job service offices and in using the computerized job match system and (2) the physical conditions and locations of OBES local offices.

OBES organization

OBES is responsible for providing unemployment compensation benefits and employment services to all eligible citizens of Ohio. The current organizational structure has existed since about 1970 with three levels of management:

- Central Office in Columbus.
- Seven district offices in the larger cities of Ohio.
- Local offices throughout the State.

The key divisions within the Central Office pertaining to our work were the Local Office Operations Division and the Business Management Division. The Local Office Operations Division directs OBES field operations on a day-to-day basis

and controls personnel changes. The Business Management Division is responsible for obtaining all office facilities and determining their location. Thus, the decisionmaking point for OBES functions that we examined--location and condition of facilities and level of staffing--are at the Central Office.

Location of Cleveland offices

The OBES District in the Cleveland area covers Cuyahoga, Lake, Lorain, Medina, and Geauga Counties. Six ES offices are in Cuyahoga County, two in Lorain, and one in Lake, Medina, and Geauga Counties.

Cuyahoga

- | | |
|--|---|
| <p>1. Downtown
3135 Euclid Avenue
Cleveland
Occupied since 7/1/73</p> <p>2. Superior
9216 Superior Avenue
Cleveland
Occupied since 1/1/66</p> <p>3. East
22639 Euclid Avenue
Euclid
Occupied since 6/25/79</p> | <p>4. West
3786 Rocky River Road
Cleveland
Occupied since 11/15/73</p> <p>5. South
4415 Lee Road
Cleveland
Occupied since 10/1/64</p> <p>6. Parma
5739 Chevrolet Boulevard
Parma
Occupied since 4/14/75</p> |
|--|---|

Lorain

- | | |
|--|---|
| <p>1. Lorain
707 Broadway
Lorain
Occupied since 5/1/67</p> | <p>2. Elyria
251 Sixth Street
Elyria
Occupied since 5/25/64</p> |
|--|---|

Lake

1. Painesville
1314 Mentor Avenue
Painesville
Occupied since 6/1/62

Medina

1. Medina
142 Highland Drive
Medina
Occupied since 4/1/74

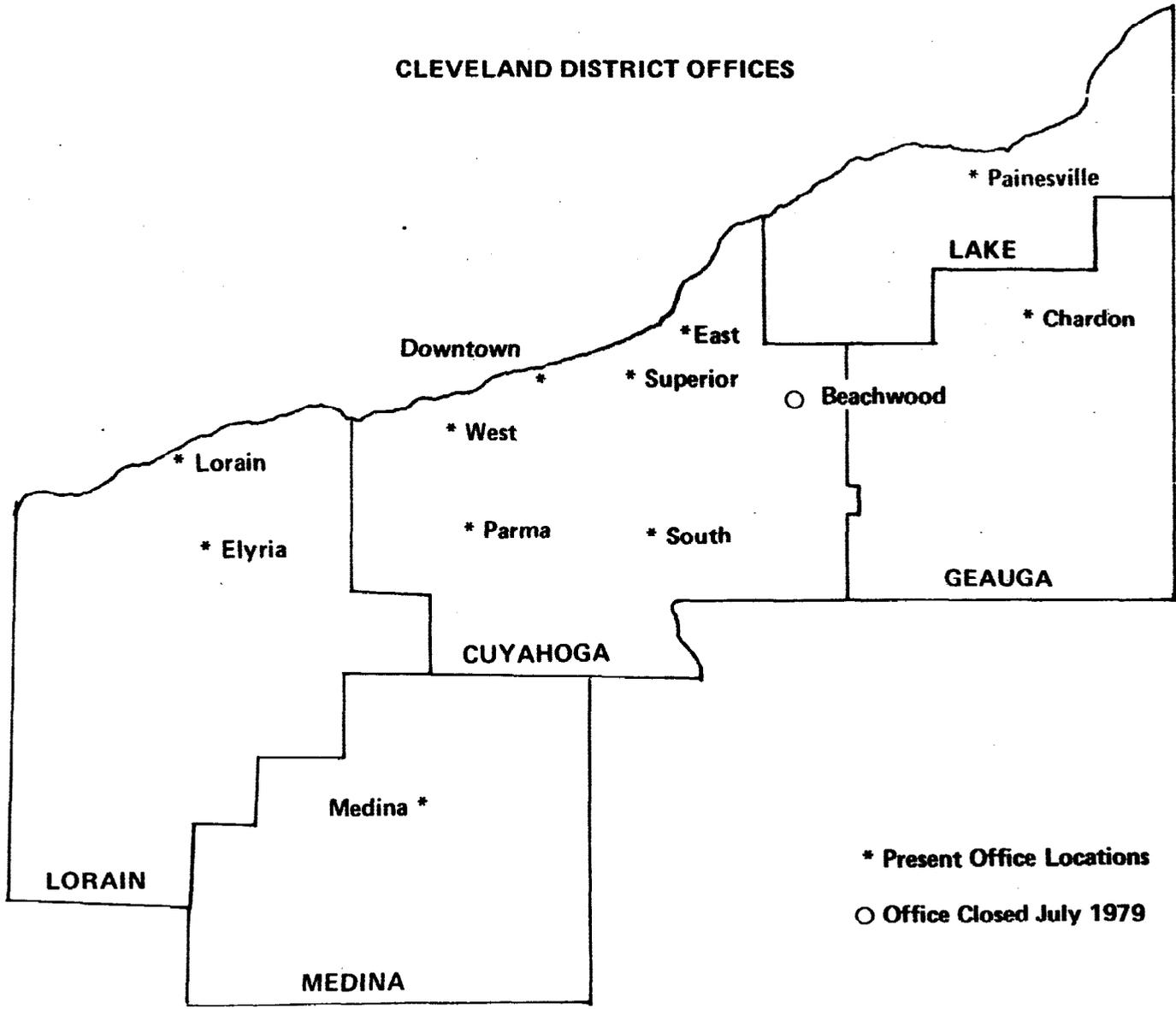
Gauga

1. Chardon (suboffice of Painesville)
12480 Ravenwood Drive
Chardon
Occupied since 9/1/78

The following maps show the boundaries of the OBES Districts in Ohio and the approximate locations of the above-mentioned offices.

STATE OF OHIO OBES DISTRICTS





*** Present Office Locations**
○ Office Closed July 1979

Scope of review

We met with the OBES Administrator, the directors of the two key Central Office divisions and their staffs, the staffs of other Central Office divisions, the Cleveland District area staff, and local office managers. We discussed OBES operations with Labor officials in Washington, D.C., and in the Chicago regional office.

We inspected the facilities at 9 of the 11 OBES employment service offices in the Cleveland District. We did not inspect the Medina and Chardon offices because of their small workload and distance from Cleveland. We also excluded the Casual Labor office in Cleveland because its function is to provide short-term employment--1 to 3 days--as compared with the employment service offices, which seek to provide longer term employment--over 30 days. We interviewed seven of the local office managers. We also inspected the exteriors of three recently closed OBES offices in the Cleveland area. While reviewing staffing and productivity, we concentrated on seven offices in Cuyahoga and Lake Counties.

We reviewed OBES records on (1) leasing and maintenance of the Cleveland District offices and (2) employment service staffing levels and performance. We did not review OBES staffing levels and performance in providing unemployment compensation benefits. We also reviewed, to a limited extent, OBES Central Office records on the operation of the computerized job match system.

ES SERVICES AND STAFFING LEVELS

The former Cleveland District Manager said that unemployed persons were not being placed in jobs because OBES failed to adequately staff the offices serving the city of Cleveland while the suburban offices were fully staffed. In view of the nature of the allegations (i.e., they concerned the performance and staffing of certain offices relative to others), we did not try to evaluate the offices in the Cleveland area against absolute standards. Rather, we compared the Cleveland offices with others in Cuyahoga and Lake Counties.

In our opinion, the Downtown, Superior, and East offices appear to be overstaffed relative to the other offices in the Cleveland area, while the Parma, West, and Painesville offices appear to be understaffed. Parma, West, and South appear to be relatively more productive in finding jobs for the unemployed, while East, Superior, and Downtown appear to be less productive.

Services provided by ES staff

The most important objective of OBES in providing employment service to the public is to place applicants in jobs. In fiscal year 1979, OBES offices in the Cleveland District placed 28,630, about 26 percent of the 110,284 applicants for employment services. During the same period, the Cleveland District offices received 52,417 job vacancies and filled 27,084, or 52 percent.

OBES provides some services before making placements. When individuals visit an ES office, OBES interviews them to learn of their job skills, experience, education, and other data. During the interview and registration process, the OBES interviewer may determine that the applicants (1) need testing to measure their job skills, (2) require counseling to improve their chances of getting and keeping a job, (3) require additional training, or (4) need some welfare benefits. OBES can test and counsel applicants within its offices. Also, OBES can refer applicants to other programs for training, such as those funded under the Comprehensive Employment and Training Act (CETA), or the welfare agencies for welfare benefits.

Job match system for placing applicants

If OBES determines the applicant is "job-ready," information about the person is put into OBES' computerized job match system. This system will automatically match the applicant to all available jobs. An applicant can designate geographic areas where employment is desired and will not be matched with jobs located outside these areas.

Applicants remain in the active job match file and may be matched with job orders subsequently received by OBES. Under OBES' job match system, job orders are placed into the computerized system, then the computer matches the job orders and applicants. All applicants, regardless of where registered, are considered by the computer for matching. If applicants have the required job skills and are willing to work in the area where the jobs are located, they will be matched with those jobs.

After the job match system matches applicants with jobs, OBES interviewers must then select the "best matched" applicants, call them into the office, give them information about the job, and refer them to the potential employer. Applicants who obtain employment after the referral process are considered placements.

Computerized job matching

Computerized matching is basically an automated file search, in which a computer matches a job's requirements with an applicant's qualifications. The offices 1/ connected to the computer may receive output from the system through a high-speed printer or a video display. All job ready applications and job vacancies are stored in the computer. The ES interviewers can query the computer on an immediate (real-time) basis.

The system is used for three principal functions.

- When an individual visits an office, the computer is queried to determine whether an application is on file.
- When an employer lists a job, the job requirements are matched against the applicants' qualifications stored in the computer.
- An applicant's qualifications and requirements can be matched against available job vacancies.

In prior reports 2/ on computerized job matching, we reported that the computer accounted for about the same percentage (one-third) of job referrals as offices performing manual file searches. We also found that the ability to make referrals from computer matches was hampered by problems similar to those associated with manual searches. We concluded that the effectiveness of file search--whether manual or computerized--to match applicants with available jobs is limited by the quantity and quality of applications, time factors, availability of applicants, and difficulty in contacting applicants. The computerized system was intended to (1) allow ES applicants the opportunity to consider a wider range of available jobs and (2) facilitate a more timely match of applicants with job vacancies, thereby enhancing their chances of being placed in a job. However, Labor had not demonstrated that this system had greatly improved the ability to make more timely or accurate job matches.

1/In the Cleveland District, Lorain and Elyria offices are not connected to the computer.

2/"The Employment Service--Problems and Opportunities for Improvement" (HRD-76-169, Feb. 22, 1977) and "The Labor Department Should Reconsider Its Approach to Employment Security Automation" (HRD-78-169, Dec. 28, 1978).

Low use of job match system

Applications that are not put into the computerized job match system are put into OBES' card file of active applicants. To match those applicants with available jobs, OBES must manually search its files. OBES officials told us that, if an applicant is not matched with a job when registering at the ES office, the chances of being matched and placed later are minimal. If the computerized system is not used, only the office at which a person applies can place the individual in a job. As the following table shows, the Superior office used the computerized system at a significantly lower rate than other offices. The table shows the percent of actions to assist applicants that were related to applications in the computerized job match system at selected Cleveland District offices between June and December 1979:

<u>Office</u>	<u>Percent</u>
Downtown	49
Superior	26
South	41
East	67
West	88
Parma	81

In answer to our inquiry as to why the Superior office had a low usage of the job match system, OBES officials told us that office serves a targeted area with a high rate of minorities and a high rate of unemployment. They said that applicants must be job ready before they are placed in the job match system. In this regard, they noted that the Superior office must deal with many young people without job skills and long-term unemployed persons whose job skills may be less than those of applicants at other offices. OBES officials said this was also true to a lesser extent for the Downtown and South offices. We believe that another reason for the low usage of the computerized system may be that the Superior office is an ES office only and does not handle unemployment insurance (UI) claims. Persons who have UI claims must go to another office and would probably register for ES services there.

Because we were concerned that lack of training might have been a cause of the low use of the job match system by the Superior office, we obtained information on the training received by the Superior office employees. These employees received the same type of training as other ES employees in the computerized job match system. The training included use of job match forms, keywording, terminal operation, and data entry.

Staff available for placing applicants

During fiscal years 1977-79, OBES' personnel was reduced. An OBES Central Office official stated that the only new appointments were to fill critical vacancies and that some promotions were made from within the agency. In December 1979, the OBES employment service offices in Cuyahoga and Lake Counties had 50 staff vacancies ranging from a high of 27 in the Downtown office to a low of 1 in the West office.

A comparison of staff to applicants, however, provides a benchmark as to the relative adequacy of staffing at the offices. Such a comparison indicates relative overstaffing of the Downtown, Superior, and East offices and relative understaffing of the Parma, West, and Painesville offices.

The following table shows that in 1979 the Downtown office had 37 percent of the staff, but handled only 31 percent of the applicants; the Superior office had 11 percent of the staff but only 7 percent of the applicants. However, Parma had 12 percent of the staff but 18 percent of the applicants.

<u>Office</u>	<u>Staff</u>		<u>Fiscal year</u>		<u>Relative staffing</u>
	<u>Number</u> (note a)	<u>Percent</u>	<u>1979 applicants</u> <u>Number</u>	<u>Percent</u>	
Downtown	66	37	21,709	31	Over
Superior	19	11	5,217	7	Over
East	12	7	3,732	5	Over
South	23	13	9,300	13	-
West	14	8	8,429	12	Under
Parma	22	12	13,172	18	Under
Painesville	21	<u>12</u>	9,706	<u>14</u>	Under
		<u>100</u>		<u>100</u>	

a/Figures represent the number of employees at the end of calendar year 1979.

Productivity of offices
in placing applicants

A key measurement of whether an agency is employing its staff most effectively to achieve its goals is productivity. OBES calculated the productivity of its offices by dividing placements by staff. The following table shows OBES' determination of productivity among the offices in Cuyahoga and Lake Counties in 1979.

<u>Office</u>	<u>Staff (note a)</u>	<u>Placements</u>	<u>Ratio of placements to staff</u>
South	17.34	4,528	261.13
East	7.69	1,820	236.67
West	9.43	1,791	189.93
Superior	12.05	2,095	173.86
Parma	21.82	2,642	121.08
Downtown	47.88	5,777	120.66
Painesville	18.68	1,268	67.88

a/Figures represent equivalent staff positions worked.

Based on our examination of the records supporting OBES figures, we believe the above results are misleading because the staffing levels at some offices are understated while the placements are overstated. Details are discussed below.

Placements

The total placements reported by certain offices include large numbers of high school students placed in the CETA summer jobs program. Those placements were allocated to selected offices by the District. OBES District officials told us that almost all the student enrollment was done by Cleveland School Board officials under OBES supervision. In fiscal year 1979 the Cleveland offices reported 17,337 placements, but an estimated 8,100 (47 percent) were placements in the CETA summer jobs program. OBES officials said that the CETA summer jobs program placements were allocated to the offices in proportion to the number of staff furnished by the offices to work on the CETA program at the high schools. The allocation was as follows:

<u>Office</u>	<u>Reported placements (note a)</u>	<u>CETA summer placements</u>	<u>Net placements</u>
Downtown	6,333	2,700	3,633
South	4,690	2,300	2,390
Superior	2,368	1,300	1,068
East	1,882	1,200	682
West	<u>2,064</u>	<u>600</u>	<u>1,464</u>
Total	<u>17,337</u>	<u>8,100</u>	<u>9,237</u>

a/Placement data are from OBES final reports on program results and do not agree with placement data (see above) used by OBES to determine productivity.

Officials at the OBES Central Office agreed that the Cleveland school board personnel registered the student applicants under OBES supervision and the placements credited to the various OBES offices did not reflect the workload or productivity of those offices.

Staffing

The staffing levels reported by OBES in its determination of productivity represent equivalent staff positions worked by OBES personnel. It excludes annual and sick leave and other time not spent in providing employment services to applicants. However, it also excludes the work performed by personnel funded by the CETA program. In fiscal year 1979 there were 16 public service employees at OBES offices in Cuyahoga and Lake Counties: Five in Downtown, three in South, one in East, three in Superior, two in West, and two in Painesville.

OBES officials said that public service employees in Cleveland are assigned to the local offices by the District and that their time is not included in the OBES calculation of productivity of the local offices. They agreed that these employees are qualified ES personnel, provide employment service, and are responsible, in part, for the placement performance achieved by the local offices.

GAO calculation of productivity

We recalculated the approximate productivity of the Cleveland area offices for fiscal year 1979 after excluding the CETA summer job placements and including the public service employees. We did not develop productivity data for the outlying offices of the District, i.e., Lorain, Elyria, and Medina.

<u>Office</u>	<u>Staff (note a)</u>	<u>Placements</u>	<u>Ratio of placements to staff</u>
Parma	22	3,046	138.5
West	14	1,464	104.6
South	23	2,390	103.9
Painesville	21	2,150	102.4
East	12	682	56.8
Superior	19	1,068	56.2
Downtown	66	3,633	55.0

a/Figures represent the number of employees at the end of calendar year 1979.

The data on the previous page indicated that the Parma office made almost as many placements as the Downtown office, but with only one-third the staff. In other words, the Parma office made about 2-1/2 times more placements per staff than the Downtown office.

The ranking of the local offices by their fiscal year 1979 productivity as reported by OBES and as we calculated productivity are compared in the following table. (1 = most productive, 7 = least productive).

<u>OBES ranking</u>		<u>Our ranking</u>
1.	South	1. Parma
2.	East	2. West
3.	West	3. South
4.	Superior	4. Painesville
5.	Parma	5. East
6.	Downtown	6. Superior
7.	Painesville	7. Downtown

We did not verify the total number of placements reported by OBES or determine equivalent staff positions worked so as to exclude leave hours. Nevertheless, the relative rankings of the local offices regarding staffing and productivity are significantly different from that reported by OBES.

- - - -

OBES Central Office officials told us that productivity can be calculated in several ways. Furthermore, they stated that the job readiness of an applicant can affect the number of placements made; i.e., the job ready applicant requires less service than those needing testing or counseling. They agreed, however, that our calculations portrayed the relative productivity and staffing levels at the Cleveland offices. The officials told us that they planned to examine why some offices have relatively low achievement in placing applicants in jobs. They said that they were also concerned with the low usage of the computerized job match system and would be looking to improve their performance in using the system to meet their primary goal of placing persons in jobs.

EEO PRACTICES IN EMPLOYMENT SERVICES

Because the allegations made by the former District Manager carried overtones of racial discrimination, we examined

the possibility of discriminatory actions by OBES. Our limited work did not show that OBES has engaged in racial discrimination. The racial composition of OBES' staff correlates with housing patterns in the Cleveland area. Statistics on referral of applicants showed that minorities were referred at rates higher than their representation among applicants at all offices except the Superior office where the difference was minor.

Composition of staff

According to the OBES assistant to the Administrator for EEO activities, the staffing patterns of the Cleveland area reflect the desire of personnel to work in areas where they live. The West, Parma, and Painesville offices are located in areas populated predominantly by whites; the Superior office is in an area populated predominantly by blacks; and the staffing of the South and East offices reflects the mixed characteristics of the population in those areas. A breakdown of the ES staff in Cuyahoga and Lake Counties as of December 1979 follows.

<u>Office</u>	<u>Office manager</u>	<u>White</u>		<u>Black</u>	
		<u>Men</u>	<u>Women</u>	<u>Men</u>	<u>Women</u>
Downtown	White male	23	12	10	10
East	Black male	4	2	1	4
Superior	Black male	1	0	7	8
South	Black female	3	5	4	8
West	White female	4	6	1	1
Painesville	White male	6	14	0	1
Parma	White female	8	11	1	2

The EEO staff at OBES Central Office conducts studies at the local offices to identify discriminatory practices. We reviewed the studies conducted over the last several years at local offices in the Cleveland area. These studies did not disclose the existence of racial discrimination resulting from action or inaction on the part of OBES. The assistant to the Administrator for EEO activities and her staff told us that they did not believe discrimination was occurring on an institutional basis, although racial and sexual discrimination may occur on an individual basis in the Cleveland area offices.

At the request of Congressman Stokes, we interviewed a former OBES employee who told us that OBES engaged in discriminatory practices (particularly regarding political affiliation) by hiring individuals on a provisional basis,

thereby avoiding Ohio Civil Service Registers. We discussed these charges with OBES officials at the Central Office. They said that an Ohio law, passed to ease implementation of affirmative action goals, allows OBES to bypass the State Civil Service requirements. For example, they said that an individual could be appointed provisionally and after serving 6 months could be certified by passing an examination as opposed to being in the top three on an examination list.

We did not probe further into these matters because in late March the Labor Chicago Regional Office began reviewing OBES personnel and EEO practices. Labor officials characterized their reviews as comprehensive. Their reviews will consider the allegations raised by the former District Manager, including his assertion that the Central Office is overstaffed relative to the district offices. Labor regional officials said that they were aware of the provisional hiring practices and intended to examine them.

Composition of ES applicants

We obtained information from the EEO staff showing applicants and referrals, by race, for offices in Cuyahoga and Lake Counties from April through September 1979. As shown below, 54 percent of the applicants were white and 46 percent were minorities, while 45 percent of the referrals were white and 55 percent were minorities. Moreover, in all but the Superior office, the minority referral rate exceeded minority representation among applicants.

<u>Office</u>	<u>Applicants</u>		<u>Referrals</u>	
	<u>White</u>	<u>Minority</u>	<u>White</u>	<u>Minority</u>
	—————(percent)—————			
Downtown	30	70	20	80
East	66	34	42	58
South	36	64	20	80
West	92	8	73	27
Superior	8	92	9	91
Painesville	95	5	87	13
Parma	<u>97</u>	<u>3</u>	<u>93</u>	<u>7</u>
Total	<u>54</u>	<u>46</u>	<u>45</u>	<u>55</u>

Beachwood office

One location which the former OBES District Manager alleged to be an example of racial discrimination in locating

offices was the Beachwood office on Chagrin Boulevard. The allegation was that "OBES located and fully staffed an OBES ES office in Beachwood which is one of the most affluent areas in Ohio with little or no unemployed workers."

OBES officials told us that the Beachwood office was opened as a result of meetings and discussions between OBES and companies in the Cleveland area. The purpose of the office was to place applicants in retail and service jobs which were believed to be moving into that area. Accordingly, the Beachwood office was opened in August 1977. It closed in July 1979.

During its 2-year existence 2,096 applicants were registered; of these, 560 were placed. Information obtained from the assistant to the Administrator for EEO activities showed that 39 percent of the applicants were minorities and that 16 percent of those applicants were placed in jobs.

The former manager of the Beachwood office--a black woman--told us that the office served both the white and black population. Unfortunately, the office was never able to attract enough applicants. She attributed this to the location of the office, not so much that it was in an affluent, white area, but rather that it was not located on major traffic thoroughfares.

FACILITY CONDITIONS

The second allegation that we examined was that OBES allowed offices in the city of Cleveland to remain physically inadequate while making those in the suburbs modern and well equipped.

Although we believe OBES has not been timely in repairing, maintaining, and relocating its offices, we do not believe suburban offices have been improved at the expense of offices serving the city. All of the offices in the Cleveland area except the most recently acquired offices of Parma and East require repair, maintenance, or relocation.

Inspection of facilities

We inspected 9 of the 11 offices in the Cleveland District--we did not inspect the Medina and Chardon offices. Also, we inspected the exteriors of the former offices on St. Clair (a UI office) and Brush (an ES office) which were consolidated into the present East office on Euclid Avenue. When we asked for their criteria or standards for office conditions, both Labor and OBES officials said that specific

criteria as to conditions and size of local offices did not exist. During our inspections of the offices, we considered such things as cleanliness of the facilities, presence and condition of carpeting, age and condition of furniture, painting, lighting, workspace for employees, space available for waiting applicants and claimants, signs of disrepair (e.g., water stains on ceiling), and the number of parking spaces. We also considered the accessibility of the offices by public transportation.

OBES officials said that they do not routinely or systematically survey their facilities. However, based on our review of the Central Office's Business Management Division files, we believe OBES is aware of the conditions of its offices in the Cleveland area. The files contain numerous correspondence and interoffice memorandums from the local offices about inadequacies of the existing facilities. Business Management records also indicate that its staff often visited the Cleveland District.

In 1977 Cleveland District personnel conducted a survey of each office within the district. The results of that survey, and our inspections are discussed below.

East office

A major recommendation reported to OBES Central Office as a result of the District's 1977 survey was that the St. Clair office be relocated because of its poor condition. In June 1979 the St. Clair and Brush offices were consolidated by OBES Central Office into the present East office.

While visiting the East office, we noted that it is a completely and recently remodeled facility located in a shopping center. The facility is on one floor and accessible to the handicapped. Over 200 parking spaces are available, and the office is located on a main east-west thoroughfare. The facility has a sprinkler system, carpeting, testing rooms, and an employee lunch area. It is well-lighted, and equipped with modern furniture.

We also inspected the exteriors of the former St. Clair and Brush offices. The St. Clair office is about 2 miles west of the East office and is in a rundown condition, but parking spaces were available in an adjacent shopping center. The Brush office was in a new building about a mile east of the East office and near the same main east-west street. However, the building was not visible from the main street, and it was small and had limited parking space.

South office

The South office was opened in October 1964. The space and parking were adequate at that time according to the office manager. Since then, working and parking space have been at a premium because of the increased number of people coming to the office. The building condition was poor with broken tiles or no tiles on the floor. Electrical wiring and outlets were deficient and not placed for effective use. The roof leaked and there were cracks in the walls and paint. The 50 parking spaces were not enough to handle the staff and people visiting the office. The office heating system did not function adequately, and on the day of our visit some rooms in the building were extremely cold. According to the manager, local businesses and residents have complained about the traffic generated by the office. The office is located on a north-south thoroughfare with hourly bus service. The office manager considered this frequency to be less than adequate.

In 1977 Cleveland District personnel recommended that the South office be relocated. OBES has been trying to relocate the South office since 1975, but has encountered several obstacles. Some of them were:

1. A lawsuit was filed (and is still pending) against OBES when it attempted to lease office space at one location. Area residents objected to the presence of an OBES office and the traffic it would generate.
2. Another location considered was objected to by the South office employees because they felt the site was in a "bad" neighborhood. The manager pointed out that there were a number of liquor stores in the immediate area and a large high school was nearby.
3. OBES lost another site in a shopping center when the major tenant of the center objected to the presence of an OBES office.
4. A seemingly ideal site, just 2 or 3 blocks from the present office, is unavailable to OBES because the owner wants OBES to spend from \$200,000 to \$250,000 to remodel the office.
5. Another site was lost to OBES when it was leased to another party while OBES was negotiating to lease the site discussed in point 3.

Downtown office

According to the 1977 District survey, the general condition of the Downtown office ranged from fair to good. It said that lack of maintenance in the restrooms and the elevators was constantly evident and that the walls and doors were defaced. The survey team recommended OBES improve the appearance of the office.

The Downtown office is located at the eastern edge of the Downtown business district. The office had about 220 parking spaces with additional commercial lots available in the area. The office is readily accessible and is located on major transit routes leading north, south, east, and west. The office is in a 3-story building with the WIN program occupying the third floor. While the exterior appears to be in good condition, the interior of the structure has deteriorated. We were told the elevator is generally in disrepair. The office walls were dirty and the paint was chipped. The entrance was not lighted adequately and all floors needed to be cleaned. There were extreme temperature variances from floor to floor. Toilet facilities are often not functional according to the manager and other employees.

OBES officials in the Central Office recently negotiated a lease renewal for the Downtown office and the owner has agreed to improve the facilities. The officials said that for several years the owner had been locked into a fixed rental. The lease did not provide for the recent increases in inflation. As a result, the owner performed as little maintenance as possible. The latest negotiations recognized this problem, and the rent has been increased substantially. OBES officials are optimistic that improvements will occur.

Painesville office

The 1977 Cleveland District survey said that the Painesville workload had outgrown the office and that the overcrowding of files, equipment, and personnel had resulted in deteriorating conditions. Parking was limited, rear steps were in disrepair, the roof leaked, and the employees' lunchroom was used for storage.

In 1980 we observed the same conditions. The Painesville office was very crowded, the electrical outlets were exposed and posed safety hazards, the floor tile was broken or missing, the windows were damaged, the lavatory facilities were poor, the furniture was antiquated, and the roof showed signs of leaks. There were only 50 parking spaces--an inadequate number.

OBES officials said that OBES had been considering the construction of a State-owned building in Painesville; therefore, the owner did not want to improve the facility if OBES was going to move. OBES officials said that construction is now out of the picture because funds are not available. Instead, plans call for expanding and improving the Painesville office.

West office

The 1977 District survey concluded that the West office was too small to handle the volume of ES applicants and should be relocated from the remodeled car wash building. In 1980 the West office had not been relocated and was still crowded. Although the converted car wash has been carpeted and new paneling added, the space available is inadequate to handle the staff and the large number of ES applicants. The office was cold on the day we visited, and the manager said that on some days the staff had been sent home because the heating system malfunctioned. The office manager further stated that the toilet facility was not always functioning and the staff and clients had to use the facilities of a carry-out restaurant next door. The positive aspects of the West office were the number of parking spaces available and its location on transit routes running north, south, east, and west.

OBES officials at the Central Office said that, if suitable facilities at reasonable costs could be obtained, they would relocate the West office. While several sites had been considered, none were found suitable. OBES stated, however, that relocation of the West office is a low priority.

Superior office

The District reported in 1977 that, because the office was in an inner city location, windows had been broken, cars were stripped and stolen, and people had been robbed. Also, some vandalism had occurred. The roof leaked and the OBES identification sign needed to be replaced.

In 1980 we found that the interior appeared rundown. Sections of the floor tiles were missing. The facility was lighted poorly and needed to be painted. The furniture, while usable, was antiquated. Parking was inadequate--only a small lot owned by a neighboring church was available. The Superior office staff parked on nearby residential streets.

OBES officials at the Central Office said that the Superior office is necessary to serve the target population in the area, but that options for improving the Superior office are limited. They said that OBES has no specific plans for making major improvements to the Superior office and, in the near term, improvements to the Superior office will be minimal.

Parma office

Like the East office, the Parma office is a remodeled office with all the features of a modern ES/UI facility, including new furniture and fixtures. The office is located in a shopping center with ample parking spaces. The office manager stated that the office is accessible by public transportation.

Lorain office

The Lorain office exterior has been remodeled. The office appeared well organized, although limited in space. It had ample parking available at a city-owned parking lot one block away. A problem we noted with the office location was a lack of public transportation; however, taxi service was available.

Elyria office

The Elyria office, a State-owned building, is in good condition. The facility was limited in size for handling the workload. The main drawbacks of the office were the lack of adequate parking, lack of room for expansion, and limited public transportation.

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Based on our inspections, we grouped the present offices as follows (1 = most adequate, 5 = least adequate).

1. East, Parma
2. Downtown
3. Elyria, Lorain
4. Painesville, West
5. South, Superior

OBES officials at the Central Office agreed that our groupings were reasonable rankings of the relative office conditions. They pointed out that the adequacy of the facilities was directly related to the time of acquisition and reflected the situation that, as new facilities are acquired,

conditions are upgraded. The offices in "best" condition and most adequate are the newest offices--Parma and East.

LOCATION OF OFFICES

The final issue we examined was whether OBES was locating its offices so as to allow all segments of the population of the Cleveland area to be served. Because the Cleveland office locations correlate with the residency of ES applicants and UI claimants, it appears that OBES' offices are reasonably located to serve all segments of the population. Labor regional and OBES Central Office officials, however, believe that the Cleveland area could use additional offices, but obtaining adequate facilities is a problem.

Criteria for locating offices

Ohio's laws require OBES to "establish and maintain free public employment offices in such number and in such places as are necessary * * *." OBES officials told us that they do not have any more specific criteria. They said that their purpose is to locate offices so as to best serve the people of Ohio. They also noted that their options are greatly restricted by the presence of their existing facilities which cannot simply be abandoned--most are under lease and some are State-owned. Also, OBES must provide continuous service to the public.

Headquarters and Chicago Region Labor officials told us that Labor has no policy, regulation, or legislative mandate for determining office location and size. Instead, Labor developed guidance in the form of a handbook to assist States in locating local ES offices. Labor headquarters officials said that they believe employment offices should be located where the people who are to be served live.

An OBES Central Office official stated that the Labor handbook would not be used in locating ES offices in Ohio until Labor had tested it in a smaller State and concluded that the handbook could be used in all situations. Labor regional officials told us that they did not believe it was feasible to develop specific criteria which could be used for determining specific locations in the various cities and States.

OBES officials told us that, although they did not use Labor's guidance, they attempt to locate their offices on reasoned bases. OBES officials said that in deciding on locations they consider the total population of the area,

residency of UI claimants and ES applicants, Labor/OBES goals for reaching targeted segments of the population, availability of sites, parking, public transportation, costs, and availability of funds.

Relationship of office locations
to where people live

Since the basic purpose of local offices is to serve the people living in the area, we obtained population statistics from the U.S. Bureau of Census for the Cleveland District five-county area and compared them with the locations of the OBES offices.

	<u>Population</u>		<u>Percent changed</u>
	<u>1977</u>	<u>1970</u>	
Cuyahoga	1,559,500	1,720,835	- 9.4
Lorain	268,000	256,843	+ 4.3
Lake	209,500	197,200	+ 6.2
Medina	106,300	82,717	+ 28.5
Geauga	70,800	62,977	+ 12.4

The table indicates that the population is shifting out of Cuyahoga to Geauga and Medina Counties. As noted on page 2, there are six local offices in Cuyahoga, the county with the largest population, but only a suboffice in Geauga, the smallest county. The latest Census data available showed that minorities tend to live on the east side of Cuyahoga County. For example, in 1970 the population of East Cleveland was 59 percent black, while it was less than 1 percent in Parma. Both the cities of Lorain and Elyria had black populations of about 10 percent.

OBES has not made any specific studies of the population, UI claimants, or ES applicants as a basis for locating any of its offices. In February 1977, however, OBES developed data as to the residency of UI claimants to assure itself that offices were accessible for all the population throughout Cuyahoga County. The data showed that the UI claimants among the offices were as follows:

<u>Office</u> (note a)	<u>Total UI</u> <u>claimants</u>	<u>Percent of claimants</u> <u>residing within</u> <u>10 miles of office</u>
Downtown	3,141	66
East	1,379	85
South	3,452	80
West	2,986	65
Parma	<u>2,066</u>	73
Total	<u>13,024</u>	73

a/The Superior office does not serve UI claimants. In 1977 the East UI office was located at St. Clair Street and 149th Street in Cleveland.

We requested information from OBES on the residency of ES applicants in the Cleveland area. OBES gave us a list, by ZIP code, of the number of all active applicants registered at its Cuyahoga County offices as of January 24, 1980, who were on its computerized job matching system. (ZIP code information was not available for applicants not in the job matching system). The following table, showing the offices at which the applicants chose to register, indicates that 80 percent of all applicants traveled less than 10 miles to reach an office.

<u>Office</u>	<u>Applicants in job</u> <u>match system</u>	<u>Percent residing</u> <u>within 10 miles</u> <u>of office</u>
Downtown	4,637	71
Superior	435	84
East	2,012	84
South	1,881	88
West	4,252	76
Parma	<u>6,284</u>	85
Total	<u>19,501</u>	80

CONCLUSIONS

Information developed during our review does not support the allegations related to locating and staffing OBES offices. The information, however, showed a large variance in performance--placement per staff and use of the job match system--among various offices in the Cleveland District. The Downtown, Superior, and East offices appear to be over-staffed relative to the other four offices in Cuyahoga and

Lake Counties, while the Parma, West, and Painesville offices appear to be understaffed. Also, it appears that Parma, West, and South are relatively more productive in finding jobs for the unemployed while East, Superior, and Downtown are less productive. OBES plans to look into the causes for these variances.

A positive correlation exists between the Cleveland office locations and the residency of UI claimants and ES applicants. Thus, we believe the OBES offices in the Cleveland area are reasonably located and allow OBES to serve all segments of the population.

While most facilities required maintenance or repair, the reason does not appear to be an effort to advance OBES offices in the suburbs at the expense of inner city offices. OBES has plans to make improvements at several of the offices. Planned actions at others, however, are limited. All but two of the nine offices we inspected in the Cleveland District require some repair, maintenance, or relocation. The two offices found to be in the best condition were recently acquired offices--Parma and East. However, we believe that OBES has not been timely in performing needed repairs, maintenance, and relocation of its offices, since most of the conditions had been known since OBES' 1977 study.

Finally, based on our limited review in the Cleveland District, it does not appear that OBES has engaged in racial discrimination. The racial composition of OBES' staff correlates with housing patterns in the Cleveland area. Furthermore, statistics showed that the rates of referral of ES applicants were higher for minorities than whites at all offices except the Superior office, where the difference was minor.

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