



**OFFICE OF**  
**STATE INSPECTOR GENERAL**  
**FIND WORK PROGRAM ABUSES**

Report by

Inspector General Bill Lynch

Prepared for

Governor M.J. "Mike" Foster, Jr.

September 21, 2000

File No. 2-00-0001



State of Louisiana

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# FIND Work Program Abuses

The FIND Work program administered by the Department of Social Services to assist persons in getting off the welfare rolls was charged with more than \$30,350 in improper billings by three contractors, including one which billed for more than 24 hours of work a day. Also, DSS inadvertently made an overpayment of \$650 to one contractor.

The three contractors are Daisyco Enterprises, Inc., Shreveport, Images-Images!!!!, Inc., New Orleans, and Petra Group Inc., New Orleans. The improper billings are based on false charges, double billings, and charges not attributable to the contract or beneficial to the program. Along with the \$650 overpayment, DSS paid \$28,936 of the improper billings making these funds subject to recovery by the agency. DSS has initiated recovery actions.

In addition, one contractor charged \$18,000 for items which we consider to be based on unclear language in the contract fee schedule that the Department should address.

Local level DSS officials failed to detect most of the improper billings.

Also, the continuation of one contract was highly questionable due to low client referral rates from DSS. DSS subsequently evaluated the contract, consolidated it with another contract, and reduced the overall budgeted amount for fiscal year 2001.

## Background

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FIND Work is an acronym for the "Family Independence" Work Program. The contracts under review are financed from federal block grant funds and state funds of 26.5 per cent, administered through the DSS Office of Family Support. The program began in January, 1997, replacing the Project Independence program. As of February 15, 2000, DSS had 219 active financial contracts totaling \$21 million under the program.

The three contracts reviewed totaled \$443,476, which included \$144,000 for Daisyco, \$149,999 for Images-Images and \$149,477 for Petra. Contracts of \$150,000 or more require a request for proposal process.

The period covered by this review for Petra and Images-Images was July, 1999, through December, 1999, and for Daisyco, November, 1998, through February, 2000. The contracts extended beyond the audit period and are not covered in this report.

The new program represents a dramatic shift in the financial assistance effort, resulting in a sharp reduction of persons remaining on the welfare rolls. Contractors are now dealing with the most difficult cases in attempting to place them in jobs.

The FIND Work program is designed to instruct individuals on how to seek a job, teach them a skill, such as bartending or cooking, help them find a job and, if necessary, coach them on the job. For this a contractor is paid either on a cost reimbursement or a fixed fee basis. According to a DSS official, the agency is trying to convert more of its contracts to the fixed fee type because it is more economical.

Compensation for services may vary between contractors and within contracts. For illustration, we cite the costs applicable to Daisyco.

Daisyco, which operates a bartending course, is paid \$1,200 for each client who completes a four weeks training course. If the client is placed in a job, Daisyco receives \$600. If the client remains employed in that job for 90 days, Daisyco receives an additional \$600. If the client requires coaching on the job, Daisyco is paid \$22 per hour up to 40 hours. For part-time work, Daisyco receives \$300 and if the job is converted to full-time, Daisyco receives an additional \$300.

## Improper Charges, Overpayment

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### 1. \$20,153 – Daisyco Job Coaching

For the audit period, Daisyco billed 1059.5 coaching hours totaling \$23,309, of which 916 hours, or \$20,153, was improperly billed. During the audit, DSS had paid \$19,273 of the improperly billed coaching hours.

According to the contract, job coaching services include counseling, on-site training, dispute mediation, orientation to the work site and ensuring that the job tasks are completed to a company's standards. Coaching charges are only applicable for activities after a person is placed in a job.

a. False Charges

Daisyco filed false charges that were paid totaling \$10,874 for 494 hours of job coaching services which were not rendered.

The contractor manipulated the payment schedule by multiplying the number of clients times the hours purportedly worked. For example, if five hours were spent coaching five clients at the same time, DSS was charged \$22 per hour for 25 hours, rather than for the five hours actually taken.

On six occasions, Julia Lewis, owner of Daisyco, charged for coaching more than 24 hours in a day. For instance, on May 18, 1999, she claimed 32 hours of coaching charges. This included providing 7.5 coaching hours each to two clients who were working at separate locations.

Ms. Lewis claimed her method of charging by multiplying the number of students by the number of hours was approved by the contract liaison for DSS. However, the DSS employee denied making such approval.

b. Job Upgrading

Ms. Lewis charged and was paid \$6,518 for 296 hours in visits to prospective employers seeking better jobs for her clients, preparing them for job interviews, and time spent searching for either clients or prospective employers.

The contract has no provision to charge the job coaching fee for upgrading jobs for clients. Ms. Lewis claimed that the term “employment advocacy” on her job coaching log misled her to believe that she could charge for upgrading activities.

As an example, DSS was charged for eight hours coaching time for a visit by Ms. Lewis to the Isle of Capri gambling boat on the Red River. In her log, she explained the charge as “travel, drinks and more” with the beverage manager to promote a job upgrade for a client. Aside from the inordinate amount of time charged, DSS should not have been billed at all. The beverage manager advised auditors that the time spent with Ms. Lewis that day was about two and a half hours and most of it “socializing”.

There is no provision in the contract for Ms. Lewis to charge the coaching fee for preparing a client for a job interview. This should have been covered in the client training course for which she was allowed up to \$1,200.

Regarding charges for time spent searching for clients or prospective employers, there is no contract provision allowing this activity as job coaching.

c. Coaching Own Employees

Ms. Lewis, who operated her own bartender school, also improperly charged DSS \$2,761, of which she was paid \$1,881, for 125.5 hours coaching her own employees, who had been in the training course and were hired by her. She had received a fee for employing her clients, but those amounts are not included in the false charges.

Both the contract liaison and the parish manager for DSS found nothing wrong with Ms. Lewis employing her training clients in her bartender school and receiving a placement fee because there was nothing in the contract to prohibit it. The parish manager said she had a problem with the job coaching fees.

However, in our judgment the activity represents sufficient conflicts of interest to be disallowed. The contract provides for dispute mediation between employees and employers, which, in effect, would have Ms. Lewis representing both sides.

2. \$1,800 – Daisyco Other Charges

a. Training Fee

Daisyco overcharged \$600 for the training of two clients who did not complete the course. The contract provides for a pro rata payment divided into four weekly segments of \$300 each, totaling \$1,200 for the four-week course. The company receives a full week payment if the person only shows up one day in a week. Also, the company would be entitled to the full \$1,200 if the person is placed in a job at any point during the training period.

Both clients attended only three of the four weeks of the course, but Ms. Lewis charged DSS the full \$1,200 for each, an overcharge of \$600.

Ms. Lewis agreed that she overcharged for one client, but attempted to justify the other overcharge by claiming the second client was placed in a job before the course expired. However, there was no record of employment of the client or submission to DSS for a job placement fee by the company.

b. Continuing Employment Fee

Daisyco overcharged the state \$600 for a continuing employment fee. Under the contract, the company would be entitled to a \$600 fee if the client is employed continuously for 90 days. To comply, a person could have worked as few as 30 hours per week. In this instance, the employer verification form for one person showed that she dropped to 25 hours, making the charge improper. DSS had not paid this overcharge at the time of this audit.

c. Placement Fee

Daisyco claimed a \$600 placement fee for a person the company stated it hired itself. However, there was no record of any salary payment to the person by the company.

3. \$5,467 - Images-Images Charges

Images-Images !!!!, Inc., contracted on a cost reimbursement basis with DSS to teach basic skills in how to obtain a job, including how to prepare resumes, appearance, interviewing and attitude.

a. Retirement Account

Images-Images submitted false billings for the payment of \$1,375 in fringe benefits for an employee retirement account which did not exist. DSS paid a total of \$4,842 in fringe benefits charges.

Susan Eddington, owner of Images-Images, acknowledged that no account was ever set up for the four employees in her office and that the money she received from DSS for the account was not held in escrow or accounted for in any separate journal entry.

She stated that she planned to institute a retirement system for her company, but employees objected at the outset to paying their share of the costs which were to be matched by the firm. She, nonetheless, billed DSS for what she claimed were her company's share of the retirement contributions.

b. Double Billings

Images-Images double billed the state on several occasions for its workers compensation insurance, copier machine leasing costs, a newspaper advertisement

and professional fees. The overcharges for the insurance costs totaled \$309, the copier, \$584, the classified ad, \$218, and professional fees, \$100, a combined total of \$1,211.

On the workers compensation insurance, the invoices submitted to DSS listed the budgeted amount for the cost of insurance in one section and the actual cost from the insurance company in another location on four occasions.

The copier costs were double billed on two occasions when statements containing unpaid account balances and new charges were used as invoices to DSS.

The newspaper ad was for hiring an accountant.

c. Overpayment

The Department of Social Services paid a \$650 invoice for accounting services twice. Ms. Eddington stated that she was asked to submit a second invoice because of a problem and she sent a copy in November, 1999. However, the department paid on both the original and copy invoices.

d. Late Fees

Images-Images improperly charged DSS \$380 in late fees incurred by the company in the payment of its operating costs, including copier leasing and maintenance, liability insurance and telephone services.

e. No Benefit to Program

Images-Images improperly charged \$1,613 to DSS for items which are neither attributable to the contract or beneficial to the program. The items included \$57 for a plant for a sick employee, \$218 for an advertisement, \$475 for fees and dues to professional organizations, \$600 for a company logo, \$88 for marketing books and \$175 for a resources guide.

The advertisement cost of \$218 and \$100 of the fees and dues are also listed in the double billing section above as being owed to DSS. One half of the amount to be recovered is included in the double billing and the other half is listed here as inappropriate charges.

f. Insufficient Documentation

There was insufficient documentation to support reimbursement claims totaling \$238 for bottled water.

4. \$3,646 – Petra Charges

Petra's contract with DSS calls for it to teach basic skills in how to seek a job, including such things as how to prepare resumes, appearance, interviewing, and attitude.

Petra overcharged the state \$3,646 for four clients who were enrolled in the training program but failed to appear for a full week. Under terms of the contract, Petra was to receive \$911.45 for each unit of service rendered. A unit of service was for one week of training.

Petra's invoices did not clearly identify each client for whom fees were charged, thereby leaving DSS monitors to infer who is being counted in invoices.

The monthly attendance forms showing client participation hours were often contradicted by daily sign-in sheets and job contact logs, making the Petra records unreliable.

## Unclear Contract Fee Schedule

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In the preparation of contracts it is not possible to cover every circumstance which arises, nor is it possible to define every term. However, the contract should clearly define the services to be rendered by the contractor and the calculation of the fee. Fees should be commensurate with the efforts required of the contractor in providing the services.

When interviewed, Ms. Lewis, Daisyco legal counsel, and the DSS contract liaison used terms such as "broad", "inadequate", "vague", "confusing", and "ambiguous" to describe the Daisyco contract, specifically its fee schedule. As a result, Daisyco and the DSS contract liaison liberally interpreted the contract with respect to allowable activities and the fees that could be charged.

This review revealed a number of situations which DSS should address in the contract fee schedule. These expenditures cost the program \$18,000 for either no work or minimal work by Daisyco and were of questionable benefit to the State.

1. Daisyco charged \$1,200 for the training course fee and \$600 for a job placement fee for one client who participated only one day and was hired on the basis of a job application previously filed by the person. DSS is interpreting the contract to mean that when any participant in the training program finds a job during the training period, the contractor is to be paid in full, regardless of the number of days involved. Further, the practice of DSS is that once there is a referral of a client to the training company, the company is entitled to the placement fee if a job is obtained even though the company may not have been responsible. Essentially, the company was paid \$1,800 for virtually no work performed.
2. Daisyco was paid a second placement fee of \$600 when a client was called back to work by the same company after a three week layoff.
3. On four clients who had completed the training course, Daisyco charged \$2,400 for job placement fees and \$600 for a continuing employment fee to hire them for itself. The employment of clients for its own operations raises questions of conflicts of interest. However, we do not feel that this raises a conflict of interest level equal to that for the standards for coaching one's own employees.
4. Eighteen clients were sent back by DSS case workers more than once through the bartender school conducted by Daisyco. Nine went twice, four went 3 times, four went 4 times and one went 5 times. However, Daisyco was paid an additional \$7,200 in training fees for six repeat courses. The issue is whether the state should be financing unlimited training courses.
5. The DSS contract with Daisyco does not limit the number of job placement fees it will pay per client. As a result, Daisyco invoiced DSS \$5,400 in additional job placement fees for placing seven participants in jobs a second time and two in jobs a third time.

The lack of clarity with the contract fee schedule can compound, resulting in a significant extra expense to the state.

As an example, one client went through Daisyco's bartending school three times for which Daisyco was paid twice, a total of \$2,400; found other employment at a title abstract company on her own, for which Daisyco was paid a \$600 job placement fee; was laid off and later rehired by the title company, for which Daisyco received a second job

## FIND Work Program Abuses

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placement fee of \$600. In addition, Daisyco received \$908 for 41 hours of job coaching and charged \$600 for a continuing employment fee even though the layoffs prevented 90 days of continuous employment at the title company. In all, Daisyco received \$5,108 for one client to be sporadically employed. The DSS caseworker for the client sent the client back to the bartending school for the third time after the person was laid off. Ironically, the job was wholly unrelated to the bartending industry. The issues to be examined here are multiple training and placement fees and the work required of the contractor.

Another example is the four persons who completed the training course conducted by Daisyco and were employed by Daisyco at a total cost to the state of \$12,641. The charges are significant in that they represent 10% of the total charges to DSS by Daisyco during the audit period. Daisyco charged the state \$1,200 each for the training course, \$600 each for the job placement, \$600 twice for 90-day continued employment fees, and \$3,641 job coaching. Daisyco later found another job for one of the clients and charged the state \$600 for that.

## Contract Utilization

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The contract with Images-Images was for the training of 15 clients per month, which included five months during the audit period. The company was supposed to train 75 clients during that period, but only had 23 referred to it by DSS. This raised questions of the necessity for the contract, which is a cost reimbursement and is not based on the number of clients.

During the review, DSS consolidated the cost reimbursement contract with another Images-Images contract and reduced the overall budgeted amount for fiscal year 2001.

## Invoice Review Process

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The procedure for dispensing and monitoring contracts between DSS and the contractors is through local DSS employees. The DSS parish manager assigns one of his employees as a liaison with the contractor whose job it is to review and recommend approval of invoices for payment. The parish manager's approval is required in the process before DSS pays the invoices. The liaison also is there to provide guidance to contractors in carrying out the contract.

The improper charges revealed in this audit were not found or not viewed as problems by the local level DSS officials during the invoice review process. For example, the liaison said the Daisyco contract language seemed vague to him regarding what activities could be charged as job coaching. Based upon his interpretation he found nothing improper in the job upgrading efforts being charged as job coaching. However, the parish manager, who became aware of the charges late in the contract, found this to be unacceptable.

### *Conclusions:*

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1. Daisyco overcharged \$21,953 and was paid \$20,473 at the time of the audit period for various improper claims under its contract.
2. Daisyco invoiced \$18,000 for items, which we consider to be based on unclear language in the contract fee schedule, that required no work or minimal work by Daisyco and were of questionable benefit to the state.
3. Under its cost reimbursement contract, Images-Images overcharged and was paid \$4,817 for various improper claims and received an overpayment of \$650 from DSS.
4. The continuation of the Images-Images cost reimbursement contract was questionable due to low client referrals but DSS has taken action to reduce the contract amount.
5. Petra overcharged and was paid \$3,646 for four clients who did not attend training for a full week as required.
6. Petra does not clearly identify on its invoices each client for whom fees were charged.
7. Petra submitted monthly attendance forms to DSS showing client participation hours which contradicted daily sign-in sheets and job contact logs, thus bringing into question the reliability of the records.
8. Local level DSS personnel, during the invoice review process, failed to detect most of the improper charges revealed in this audit or did not view the charges as problems.

*Recommendations:*

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1. DSS should seek recovery of the \$29,586 of improper payments to Daisyco, Images-Images, and Petra.
2. DSS should expand upon our audit to include 100% of the contract period for Daisyco, Images-Images, and Petra to determine the extent of improper payments.
3. DSS should ensure other FIND Work contractors are properly billing.
4. DSS should examine the questionable situations found at Daisyco to determine if they can or should be addressed in the fee schedule for all its FIND Work fee-based contracts.
5. DSS should ensure invoices from FIND Work contractors are reviewed carefully and improper charges are not paid.
6. DSS should require its FIND Work contractors to specifically identify the names of clients for whom a fee is being invoiced and maintain monthly attendance records that are supported by daily sign-in sheets and job contact logs.
7. The report will be referred to the appropriate authorities for review.

*Management Responses:*

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Responses from DSS, Images-Images, and Petra are attached.

Tom N. Thompson, attorney at law, responded on behalf of Daisyco and its owner, Ms. Lewis. He stated:

“The contract between my client and the Department of Social Services specifically defines ‘job coaching.’ The contract provides as follows: ‘job coaching services may be provided to address needs or problems that arise after job placement.’ This language is broad. This section of the contract goes on to give a non-exclusive listing of the types of job coaching services which may be

necessary and which may be billed for. The contract list as non-exclusive job coaching services counseling, on-site training, dispute mediation, orientation to the work site, and ensuring that the employee placed completes job related task to come to the employer's standards.

“The Department of Social Services provided a job coaching log sheet and instructed my client to use it for billing for job coaching. This job coaching log sheet was regularly completed by my client and delivered to the Department of Social Services as part of its billing package. The job coaching log sheet indicates that job coaching services may also include job development, employment advocacy, travel and wait time, and other such services.

“My client billed for job coaching services in accordance with the services it provided, the contract, the job coaching log sheet and the specific instructions of [a DSS employee]. . . . My client regularly turned to [the DSS employee]. . . . to request explanations of various parts of the contract which the Department of Social Services drafted. Sometimes my client found the contract confusing and ambiguous and at such times it solicited and followed the advice of [the DSS employee]. . . .

“My client occasionally hired some students to work for it. When it did this the advice of Department of Social Services employees was solicited with regard to what my client could bill the department for. My client always followed their instructions carefully.

“My client found that is was not always easy to obtain the cooperation of employers when it was necessary to verify job placements. It is believed that problems verifying job placements may have caused what appears to be questionable payments of training and placement fees.

“There were times when my client could not determine how to bill for a service from the contract. On occasion my client sent in multiple bills with the request that [the DSS employee]. . . . review the situation and process the bill which he believed was appropriate under the contract. My client always followed and never contested the decisions made by employees of the Department of Social Services.”

BL/GL/lk

File No. 2-00-0001



**State of Louisiana**  
**Department of Social Services**  
**OFFICE OF THE SECRETARY**

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BATON ROUGE, LOUISIANA 70821

**M. J. "MIKE" FOSTER, JR.**  
GOVERNOR

J. REIM

September 13, 2000

Mr. Bill Lynch  
State Inspector General  
Post Office Box 94095  
Baton Rouge, Louisiana 70804-9095

**Re: File No. 2-00-0001**

Dear Inspector Lynch:

Thank you very much for the opportunity to respond to a revised draft of your office's review of certain activities in the FIND Work Program. I was especially pleased that your staff removed an earlier finding regarding the agency "taking inadequate management action on findings of its own internal monitoring team".

The Department of Social Services has assumed a proactive stance in addressing the problems associated with entering into contractual agreements with organizations not totally familiar with the rigors of governmental regulations to serve clients whose needs often demand nontraditional approaches to training programs and related services. Our awareness of the uniqueness of the needs of OFS clients and the requirements of federal and state laws and regulations led us to take the bold step to create and support the CART Unit. We are still working closely with that unit to detect and eliminate any potential irregularities.

I am hopeful that your final report will strengthen the resolve of DSS employees to be ever mindful of the important role we play in improving the plight of those less fortunate while protecting the integrity of our programs and the public funds entrusted to us. You will agree that we have made great strides in the area of welfare reform. Much remains to be completed and we look forward to your support as we advance our mutual objectives.

Once again, may I reiterate that my staff and I are available to work with your staff. Should you need further information or clarification, please contact me or Vera W. Blakes.

Sincerely,

J. Renea Austin-Duffin  
Secretary

c: Vera W. Blakes, Assistant Secretary

# IMAGES-IMAGES, inc.

August 11, 2000

Mr. Bill Lynch  
Inspector General  
State of Louisiana  
P.O. Box 94095  
State Capitol Annex  
Baton Rouge, LA 70804-9095

Re: File No. 2-00-0001

Dear Mr. Lynch:

I am responding to your letter to me regarding a report of improper charges by IMAGES-IMAGES, written by your office.

A. Retirement Account

IMAGES-IMAGES, inc. has set aside the \$1,375 charged to DSS for the employee retirement account. Our staff has expanded and we have a new account being set up for all employees. The anticipated start date for the plan is September 1, 2000. The \$1,375 in question will be placed in the account for the FIND Work employees.

B. Double billings

IMAGES-IMAGES, inc. did not intentionally double bill the state for its workers compensation insurance. The worker's compensation was listed as a separate line item when our budget was originally established because it is listed as a line item on our monthly statement. During the July '99 fiscal year contract period, the FIND Work office contacted us and requested that we establish a different method for billing for the worker's compensation. It has subsequently been itemized in the fringe benefits section of our monthly bill to the state although it is listed as a line item on the budget.

The copier machine leasing costs are not double billed as is reflected in the amount budgeted and the amount expended for the contract year. The total amount budgeted was \$4,706.00 and the amount spent was \$3,305.42. At the beginning of the July 1, 1999 fiscal year the state did not pay our July invoice until September. This meant we were without compensation for 60 days. Due to the cash flow problems this caused us we were behind in our payments. The payments were made although late and the amount showed up on our invoice.

I have attached a copy of the letter sent to Rep. Jacqueline Clarkson explaining the situation and requesting her assistance in getting paid by the state for services rendered. I have also attached the letter from the FIND Work Program which acknowledged that they would finally pay us.

Because of the continual changes from the FIND Work office about the billing methods I felt it prudent that we get professional assistance for our accounting. We advertised in the Times-Picayune for an accountant and felt this was an acceptable costs to be billed to the FIND Work program. The program previously had two people on staff who could lend assistance to contractors. One of the individuals left the agency and has not been replaced. There is no one who can offer that assistance through the program any longer.

C. Overpayment

The Department of Social Services called our office and requested that we resend them a bill for accounting services because they had misplaced the previous invoice. We complied with their request. We were paid for the accounting services on two separate incidences however, we mentioned it to them and expected them to make the adjustment on a subsequent payment. Our invoices are lost by DSS several times a year and we have to resubmit our entire monthly billing so this is not an unusual occurrence.

D. Late Fees

The late fees were a result of the nonpayment for services which began with the aforementioned billing for July '99.

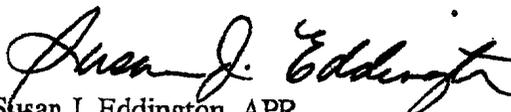
E. No Benefit to the Program

The plant to the employee was a FIND Work employee who had had surgery. We considered the accountant necessary to assure that we remain financially compliant. It is our participation in the professional associations which allow us to build and maintain the relationships which allow us to successfully place our program participants.

IMAGES-IMAGES, inc. and DSS have reached an agreement on the need for training. Because of the dwindling number of FIND Work participants the number of clients referred has been reduced and the contract will end effective June 30, 2001. I have attached a copy of the letter agreeing to the termination of the contract at the end of this fiscal year.

Should you have any further questions please contact me at 504-362-5009.

Sincerely,

  
Susan J. Eddington, APR  
President

enclosures



## Petra Group Inc.

46950 Community Plaza, Suite 213 ■ Sterling, VA 20164 ■ Phone: (703) 406-8770 ■ FAX: (703) 406-9770  
Website: www.Petra-Group.com ■ Email: Petra1sms@aol.com

August 11, 2000

Mr. Bill Lynch  
State Inspector General  
Office of State Inspector General  
Post Office Box 94095  
State Capital Annex  
Baton Rouge, LA 70804-9095

Re: File No. 2-00-0001

Dear Mr. Lynch:

Petra Group Inc. herewith submits Contract update changes in response to the contradictory language revealed in the Compliance Review Summary, October 21, 1999, as well as the review by the Inspector Generals Office unrelated, however covering an overlapping contract review period.

The original contract specifications did not coincide with several amendments set forth over time. PGI previously submitted a corrective action plan to the New Orleans District Office with programmatic clarifications and financial reconciliation has been made in full recovery for the State of Louisiana.

Improper charges described in excerpt #4 of your enclosure were deemed a legitimate billing error and financial recovery for the State of Louisiana has been reconciled. You may make this verification through Buelah Pierce, Parish Manager New Orleans District Office. Improper charges described in excerpt #4 - #7 of your enclosure were addressed in a corrective action plan and contract modification set-fourth as follows:

The accountability review report cited areas of non-compliance due to incorrect interpretation of program training cycle, classroom hours, and unit of service delivery. Other areas of non-compliance cited lack of reliable participant attendance records. Corrective action has taken place, additionally monitored, and approved by the Department of Social Services. (*See attached response to #13 compliance review*)

On April 10, 2000 a meeting was held between Petra staff and DSS Parish Manager and staff. The meeting concluded the record should reflect the following henceforth:

Non-Compliance citations in the following areas proved inaccurate:

- All - Unit Cost and Fee Schedule Issues
- Attendance Logs (each occurrence addressed), additional clarification indicated Petra's [active contract] specified a minimum attendance requirement of two (2) days. However legislative changes effective October 1, 1999 amended the contract to 5 days, although no amendments were acknowledge in Petra's contract.

The following is an excerpt of changes/clarifications made to Contract #547828:

**PROPOSED UNIT COST**

(COMPLETE ONLY FOR UNIT COST CONTRACT)

Explain what constitutes a unit of service:

Page 4, section VII. Of original contract:

Unit of Service: Amount of service – 1 participant enrolled in the program for a minimum of two (2) days.

**Changed to**

Unit of Service: One (1) participant enrolled for a minimum one (1) week period or a participant placed in a job within one (1) week period, equates to a unit of service.

Thank you for your patience and cooperation in receipt of this response to your request. We look forward to our next review reflecting all areas of performance in compliance. If you have any questions please contact us immediately.

Sincerely,



Avatus Stone  
CEO

Enclosure

**PGI**