



**SUFFOLK COUNTY
OFFICE OF THE COMPTROLLER
AUDIT DIVISION**

**John M. Kennedy, Jr.
Comptroller**

An Audit of the
EAC, Inc.
Community Service Programs
For the Period
July 1, 2012 through June 30, 2014

**Report No.: 2016-01
Date Issued: July 1, 2016**

**SUFFOLK COUNTY
OFFICE OF THE COMPTROLLER**

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LETTER OF TRANSMITTAL

May 25, 2016

Mr. Lance W. Elder
President & Chief Financial Officer
EAC, Inc.
50 Clinton Street
Hempstead, NY 11550

Dear Mr. Elder:

In accordance with the authority vested in the County Comptroller by Article V of the Suffolk County Charter, a performance audit was conducted for the period July 1, 2012 through June 30, 2014 of the Community Service Programs provided by Educational and Assistance Corp. (also referred to as EAC, Inc. or the Agency), located at 60 Plant Avenue, Hauppauge, New York. The Agency's contracts were administered by the Suffolk County Department of Probation and Office of the District Attorney (Departments).

The audit objectives were as follows:

- To determine if the Agency had complied with County contract provisions.
- To determine if the Agency had complied with NYS Community Service Standards.
- To determine if the Agency had complied with recommendations as outlined in the CJCC Report on the American Red Cross Community Service Program.
- To determine if the internal controls associated with the Agency's monitoring of the Community Service Program participants were adequate.
- To determine if the internal controls associated with the Agency's oversight of their network agencies were adequate.

We conducted our audit in accordance with generally accepted government auditing standards, except for the external peer review requirement. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives, and that we understand the internal control structure of the Agency and the compliance requirements stated in laws and regulations that are significant to our audit objective.

An audit includes examining, on a test basis, evidence supporting the transactions recorded in the accounting and operating records and applying such other auditing procedures as we consider necessary in the circumstances. An audit also includes assessing the estimates, judgments and decisions made by management. We believe that our audit provides a reasonable basis for our findings and recommendations.

Respectfully submitted,

Office of the County Comptroller
Division of Auditing Services

SUMMARY OF SIGNIFICANT FINDINGS

Compliance – Our audit of EAC, Inc.’s compliance with laws, regulations, and contracts applicable to the Agency’s County-funded Community Service Programs (Pre-Plea and Post-Plea) disclosed the following list of significant findings:

Significant Findings for Both the Post-Plea and Pre-Plea Programs

- Minimum staffing requirements were not met (p. 8).
- There was a lack of oversight involving the network agencies that provide worksites for the program participants (p. 8).
- Participants that did not call the agency within 24 hours of their court referral were not always contacted by the agency (p. 8).
- Screening and intake sessions did not always occur within 2 weeks of the participant’s court referral (p. 9).
- Screening and intake procedures were not always performed in full; therefore, the participant case files were not complete (p. 9).
- Participant attendance records were found to be inadequate (p. 9).
- The Agency allowed the Pre-Plea Program staff to monitor Conditional Discharge participants rather than the contractually required Post-Plea Program staff (p.10).

Significant Post-Plea Findings

- Participants were not always placed at a worksite within 2 weeks of their screening and intake session (p. 10).
- The Program’s Policy and Procedures Manual lacked comprehensive guidelines (p. 10).

Significant Pre-Plea Findings

- Agency staff failed to notify a participant and the Courts of the participant’s termination from the program (p. 11).
- Agency staff failed to provide adequate documentation supporting the delivery of a termination notification to the participant and the Courts (p. 11).

- A participant was placed at a worksite outside Suffolk County without prior written consent of the District Attorney (p. 11).
- The Agency failed to fully develop a system that provides immediate notification regarding a participant's program compliance (p. 11).
- Agency staff failed to comply with their Policy and Procedures Manual, resulting in non-compliance with several contractual provisions (p. 12).

In addition to the significant findings identified above, there were additional findings which were not deemed significant (p.12).

Internal Controls – Our audit disclosed the following significant deficiencies:

- The Agency was unable to provide a summary of Post-Plea participants that had remaining service hours and those that were ultimately transferred to EAC after the American Red Cross relinquished their responsibility for administering the Program (p. 12).
- The Pre-Plea database contained significant discrepancies and is not considered a reliable source of information (p. 12).

BACKGROUND

Education and Assistance Corp. (also referred to as EAC, Inc. or the Agency) is a non-profit organization, with a network of 70 programs throughout Long Island and New York City that has been providing human service programs in the fields of aging, youth, families, education, and criminal justice, since 1969. EAC, Inc. is located at 50 Clinton Street, Hempstead, NY 11550. The Agency administers various Community Service Programs, which include: child abuse, senior citizens needing support, people struggling with substance abuse and/or mental illness, youth foster care system, unemployment, those on financial assistance seeking independence, and family counseling to mediate disputes. The Agency's mission is to facilitate these programs in response to the needs of the community with programs that protect children, promote healthy families and communities, help seniors and empower individuals to take control of their lives.

In 2012, the Agency was granted two contracts with Suffolk County to manage the Community Service Programs that were formerly administered by the American Red Cross (also referred to as ARC). One contract is administered by the Suffolk County Department of Probation (known as Adult and Juvenile or Post-Plea Program) and is a "Fee-for-Service Contract" and the second contract is administered by the Suffolk County Office of the District Attorney (known as Pre-Plea Program) and is a "No-Cost Contract".

The Community Service Programs are administered at the Agency's office located at 60 Plant Avenue, Hauppauge, NY 11788. The Programs are a sentencing alternative for individuals 16 years of age and older who are willing to make reparations for their criminal offenses through their performance of supervised community service. Individuals are referred from the Suffolk County Office of the District Attorney, Suffolk County Department of Probation and the Courts.

SCOPE AND METHODOLOGY

We conducted a performance audit of the Agency for the period July 1, 2012 through June 30, 2014. In order to accomplish the objectives as stated in the Letter of Transmittal (p. 1), we performed the following procedures:

- Reviewed the County contracts to determine the rules, regulations and other compliance requirements related to the audit objectives.
- Reviewed the NYS Community Service Standards to determine the rules, regulations and other compliance requirements related to the audit objectives.
- Reviewed the recommendations as outlined in the CJCC Report on the American Red Cross Community Service Program to determine the compliance requirements related to the audit objectives.
- Reviewed documentation related to the Agency's compliance with specific contract provisions, NYS Community Service Standards and CJCC Recommendations.
- Interviewed appropriate personnel from the Department of Probation to obtain an understanding of the Post-Plea program and the Department's policies and procedures for processing individuals who were appointed a probation officer by the Courts in addition to performing community service hours.
- Interviewed appropriate personnel from the Office of the District Attorney to obtain an understanding of the Pre-Plea Program and the Department's policies and procedures for processing individuals referred by the Courts to perform community service hours.
- Interviewed appropriate Agency personnel responsible for the screening, processing, placement, and monitoring of participants referred and accepted into the Program.
- Obtained and reviewed the Agency's current Policy and Procedures Manual.
- Obtained the Agency's post-plea and pre-plea participant databases to determine the population within our audit period to perform a sample selection for testing
- Reconciled post-plea participants to the Agency's approved County vouchers and determined that the County advance of \$75,000 was utilized in accordance with the contract.

- Randomly selected thirty network agencies (10%) that were utilized by both programs and four network agencies (25%) that only accept Pre-Plea Program participants. Performed testing procedures as deemed necessary.
- Randomly selected ten post-plea and five conditional discharge participants who were monitored according to the post-plea contract. Performed testing procedures as deemed necessary.
- Haphazardly selected ten pre-plea participants and randomly selected five conditional discharge participants who were monitored according to the pre-plea contract. Performed testing procedures as deemed necessary.
- Randomly selected the personnel record of one case manager from each program who was responsible for the monitoring and case management of participants. Performed testing as deemed necessary.

AUDIT FINDINGS

Compliance – As a result of our audit of EAC, Inc. for the period July 1, 2012 through June 30, 2014, we noted the following matters of noncompliance that were required to be reported under government auditing standards:

Significant Findings for Both the Post-Plea and Pre-Plea Programs

Minimum staffing requirements were not met as required by the contract, Article I, paragraph 5(b) Program Staff, subparagraphs (i) “full-time basis” and (ii) “part-time basis”. Our interviews and observations revealed that the Agency did not fulfill their minimum staffing requirements. It was found that the agency failed to hire a field supervisor for either program, hired only a portion of the required case managers and hired a regional director that, in our opinion, is unable to provide adequate oversight due to the multiple programs and sites she must supervise in both Nassau and Suffolk County.

The Agency was not in compliance with the contract, Article I, paragraph 5(f) “Agency Network”, subparagraph (vii) and Article I, paragraph 5(m) “Worksite Monitoring”, subparagraphs (iv, vi & vii). The Agency is required to perform specific procedures to demonstrate that it has provided proper oversight of the agencies that are responsible for the supervision of the program participants. Audit testing revealed that the agency could not provide supporting documentation for a significant number of network agencies; thereby, exhibiting that the worksite agencies were not properly monitored.

Participants that did not call the Agency within 24 hours of their court referral were not always contacted by the Agency within such period as required by the contract, Article I, paragraph 5(e) “Screening and Intake”, subparagraph (ii). Audit testing revealed the following:

- **Post-Plea Program:** It was found that nine of the ten (90%) post-plea participants and three of the five (60%) conditional discharge participants tested did not contact the agency within the designated amount of time, and the agency did not contact the participant in a timely manner as well.
- **Pre-Plea Program:** It was found that all ten (100%) pre-plea participants and four of the five (80%) conditional discharge participants tested did not contact the agency within the designated amount of time, and the agency did not contact the participant in a timely manner as well.

Screening and intake sessions did not always occur within 2 weeks of the participant's court referral as required by the contract, Article I, paragraph 5(e) "Screening and Intake", subparagraph (iii). Audit testing revealed the following:

- **Post-Plea Program**: It was found that eight of the ten (80%) post-plea participants and three of the five (60%) conditional discharge participants tested did not attend their screening and intake session within two weeks of their initial referral.
- **Pre-Plea Program**: It was found that eight of the ten (80%) pre-plea participants and four of the five (80%) conditional discharge participants tested did not attend their screening and intake session within two weeks of their initial referral.

Screening and intake procedures were not always performed fully; therefore, the participant case files were not complete. According to the contract, Article I, paragraph 5(e) Screening and Intake, subparagraph (iv), (a-e), the Agency is required to perform specific tasks and maintain the supporting documents in the participant's case file. Audit testing revealed a significant number of instances in which numerous required forms were not utilized and/or substituted with forms that were not equivalent in content.

Participant attendance records were found to be inadequate. According to the contract, Article I, paragraph 5(l) "Timesheets", subparagraph (iv) the agency is required to allow participants who work at least six consecutive hours, a 30 minute break that is not credited as time worked. However, since the Agency did not require participants to record breaks on their timesheets, we were unable to determine the number of hours the participant actually worked and if their obligation of community service was satisfied. Audit testing revealed the following:

- **Post-Plea Program**: It was found that of the eight of the ten (80%) post-plea participants and all five (100%) of the conditional discharge participants tested did not indicate on their time sheets that when they worked 6 or more hours that they received a 30 minute break, and that the time was not credited as time worked.
- **Pre-Plea Program**: It was found that of the one of the ten (20%) pre-plea participants and one of the five conditional discharge (20%) participants tested did not indicate on their time sheets that when they worked 6 or more hours that they received a 30 minute break, and that the time was not credited as time worked.

The Agency monitored Conditional Discharge participants under the Pre-Plea Program; rather than the contractually required Post-Plea Program as stated in Article I, paragraph (3) “Probation Programs Description”. When the Courts impose a Conditional Discharge sentence with community service, the Agency’s Post-Plea Program and the Courts are required to monitor the client. However, if the Courts also impose probation, the Probation Department assumes part of the responsibility for monitoring a client as well. Our interviews and audit testing revealed that the Agency’s Pre-Plea Program monitored a significant portion of the Conditional Discharge participants from the inception of the County contract through the audit period.

Significant Findings for the Post-Plea Program

Participants were not always placed at a worksite within 2 weeks of their screening and intake session as required by the contract, Article I, paragraph 5(h) “Worksite Placement”, subparagraph (i). Audit testing revealed that the Agency did not place four of the ten (40%) post-plea participants and one of the five (20%) conditional discharge participants at a worksite within 2 weeks of their intake session. It was explained by agency staff that prior to placing a client at a worksite, they are required to perform a background investigation on every client to ensure the safety of all participants involved. However, it was revealed that there is a severe delay in the District Attorney’s response time and therefore, participants were not placed at a worksite in a timely manner.

The Program’s Policy and Procedures Manual lacks comprehensive guidelines. According to the contract, Article I, paragraph 5(p) “Additional Requirements”, subparagraph (vi), written policies should meet the needs and goals of the program and specifically address the required documentation for the “participant’s placement, progress in, completion of or termination from the Program”. The current Policy and Procedures Manual consists only of an overview with limited information for handling programmatic issues. Without comprehensive written procedures, there is an increased risk that participants are not properly assessed or monitored by agency staff and essential parties may not be notified of a participant’s non-compliance with the program. Furthermore, as a consequence of the Agency’s failure to create a comprehensive manual, the Agency is also non-compliant with the following requirements as well:

- *County Contract, Article I, paragraph (n) “Notification about Program Compliance Issues and Terminations”, subparagraph (i) (a – c).*
- *NYS Community Service Standards, (VI) Procedural Standards, paragraph (G) “Client Monitoring”, subparagraphs (1 – 4), and, CJCC Report on ARC Community Service Program, Appendices – (B) NYS Community Service Standards, 77 Page, paragraph (G) “Client Monitoring”, subparagraphs (1 – 3).*

- *CJCC Report on ARC Community Service Program, Section 8, Page 27, “Recommendations and Required Resources”, paragraph (1).*

Significant Findings for the Pre-Plea Program

Agency staff failed to notify a participant and the Courts of the participant’s termination from the program. Article I, paragraph 5(n) “Notifications about Program Compliance Issues and Terminations”, subparagraph (iv) states that the Agency has the ability to terminate a participant from the program with immediate notification to the Department. Audit testing revealed that agency personnel did not send notification to one of five (20%) conditional discharge participants or the Courts informing them of the termination, thereby not allowing the Courts to take timely corrective action.

Adequate documentation supporting the delivery of a termination letter notifying a participant and the Courts could not be provided. Although it is not contractually required that the Agency maintain documentation regarding the delivery of a participant’s termination notification, the Agency’s Policy and Procedures Manual requires that a copy of the email terminating the participant be maintained in his/her case file as confirmation of delivery. Audit testing revealed that Agency personnel neglected to maintain a copy of the termination email for one of the five (20%) conditional discharge participants and therefore, we were unable to determine if the Courts were made aware of the termination.

A participant was placed at a worksite outside Suffolk County without the District Attorney’s prior written consent as required by Article I, paragraph 5(i) “Limitations on Worksite Placements and Tasks”, subparagraph (iii). Audit testing revealed that Agency staff neglected to contact the District Attorney and obtain prior authorization before placing a participant at a worksite outside of Suffolk County.

The Agency failed to fully develop a system that provides immediate notification regarding a participant’s program compliance. According to the contract, Article I, paragraph 5(n) “Notification about Program Compliance Issues and Terminations”, subparagraph (i), (a–c), the Agency is required to “develop and implement a system that meets the needs and goals of the program for providing immediate notification in writing” to the District Attorney under specific conditions outlined. Our review of the pre-plea Policy and Procedures Manual revealed that the agency did not address all the provisions as outlined in the contract.

Non-compliance with the Agency's Policy and Procedures Manual resulted in non-compliance with several contractual provisions. Although the Agency has developed a Policy and Procedures Manual, it was not always adhered to, resulting in non-compliance with contractual requirements as follows:

- *NYS Community Service Standards, (VI) Procedural Standards, paragraph (G) "Client Monitoring", subparagraphs (1 – 4). And, CJCC Report on ARC Community Service Program, Appendices – (B) NYS Community Service Standards, 77 Page, paragraph (G) "Client Monitoring", subparagraphs (1 – 3).*
- *NYS Community Service Standards, (VI) Procedural Standards, paragraph (H) "Case Closings", subparagraphs (1 – 2).*
- *CJCC Report on ARC Community Service Program, Section 8, Page 27, "Recommendations and Required Resources", paragraph (1), subparagraph (a).*

Internal Controls – Our review of internal controls disclosed the following **significant deficiencies**:

- **Post-Plea Program**: The Agency was unable to provide a summary of post-plea participants that had remaining service hours and those that were ultimately transferred to EAC after ARC relinquished their responsibility of administering the program. Therefore, we were unable to determine if the remaining participants that were not transferred from ARC to EAC had satisfied their obligation of community service.
- **Pre-Plea Program**: Review of the pre-plea database revealed significant discrepancies and was not considered a reliable source of information. Audit testing revealed a discrepancy with 70% of the pre-plea participants and all (100%) the conditional discharge participants when identifying information was compared from the case file to the pre-plea database. A further review of the database disclosed significant issues involving its integrity.

In addition to the significant findings identified above, our audit revealed the following:

Non-Significant Findings for Both the Post-Plea and Pre Plea Programs

The Program's Policy and Procedures Manual did not include a glossary of terms. According to the contract, Article I, paragraph 5(p) "Additional Requirements", subparagraph (iv), the Policy and Procedures Manual "shall contain a glossary of definitions that will be used to ensure consistency of terms and definitions between all involved organizations". Our review of the Policy and Procedures Manual for each program revealed non-compliance with this contract provision.

Staff training was not substantiated with adequate documentation. Audit testing revealed that 33% of the post-plea and 82% of the pre-plea documentation provided was insufficient, and therefore we were unable to determine if the employees tested actually attended the training sessions.

The Agency had not complied with the contract requirement that Suffolk County receive acknowledgment on published materials associated with the Community Service Program. According to the contract, Exhibit I, paragraph (26-D.A.) (27-Probation) "Publications", subparagraph, "Any book, article, or other publication related to the Services provided pursuant to this Contract shall contain the following statement": "This publication is fully or partially funded by the County of Suffolk". Our review of the Agency's Community Service Program literature revealed that the statement mentioned above was not included, and therefore the Agency is non-compliant.

The Agency did not submit all reports and/or the details required to be included in the reports to the Departments. According to the contract, Article I, paragraph 5(o) "Records Maintenance", subparagraph (iii) (a – d), the agency is required to "submit monthly, quarterly, and annual reports" to the Departments and include specific data that is outlined in the contract. Our interviews and review of documentation revealed the following:

- **Post-Plea Program:** The Agency did not notify the Department of changes in staff and/or disciplinary occurrences.
- **Pre-Plea Program:** The Agency did not submit monthly and annual reports to the Department.

Periodic reviews were not performed as required by the CJCC Report. According to the CJCC Report on ARC Community Service Program, Section 8, Page 27, "Recommendations and Required Resources", paragraph (2), "Periodically review program practices to determine whether any procedural changes need to be reassessed in order to accomplish the Program's objectives". Our interviews revealed that periodic reviews were not performed, and that procedural changes were addressed as issues arise.

The Agency had not complied with the CJCC Report to create one referral form that reflects both Community Service Programs. According to the CJCC Report on ARC Community Service Program, Section 8, Page 27, "Recommendations and Required Resources", paragraph (3), "Revise and/or simplify the ARC Pre-Plea program and the ARC Community Service Program referral forms to reflect two programs". Audit testing revealed that the Agency did not create a universal form for both programs, but instead, each program had its own referral form.

Non-Significant Findings for Post-Plea Program

Client fees were reduced without an approved criteria or parameter by the Department. According to the contract, Article II, paragraph (7) “Specific Payment Terms and Conditions”, subparagraph (c)(iii), “The contractor shall apply a sliding scale for reducing or waiving fees based on a criteria and parameters approved in writing by the Department” and shall document the determination to accept a reduced or waived fee based on the sliding scale. Audit testing revealed Agency staff did not obtain, apply or document an approved criterion for reducing a participant’s required fee.

The Agency had not received, on a monthly basis, an administrative compliance calendar from the District Court. According to the CJCC Report on ARC Community Service Program, Section 8, Page 27, “Recommendations and Required Resources”, paragraph (1), subparagraph (b), “The District Court has implemented procedural changes whereby every month an administrative compliance calendar will be sent to the ARC Community Service Programs as an additional safeguard concerning Post-Plea defendants”. Our interviews revealed that the Agency had received only one administrative compliance calendar since the Agency began administering the programs. Although the requirement is the responsibility of the District Court, the Agency should have contacted the District Court liaison and attempted to obtain the calendar.

RECOMMENDATIONS

- The numerous findings and significant deficiencies in the design and/or operation of the internal controls led to a lack of compliance with the County contract, NYS Community Service Standards and CJCC Report on the ARC Community Service Program. We highly recommend that the Agency revisit these documents and formulate written procedures that include all requirements within these documents such as, comprehensive guidelines for the oversight and management of worksite agencies, processing participants, compliance and lack of compliance of participants, participant timesheets, jeopardy letters and terminations. The written policies and procedures should provide clear and concise time constraints to aid in compliance with the requirements of the documents presented above.
- The Agency should adopt more stringent procedures regarding termination notification to participants and the Courts. We highly recommend that the procedures include time constraints and guidelines for maintaining adequate documentation to support the delivery of termination notifications to ensure that they have been received by the appropriate parties. Our recommendations are as follows:

Recommended Procedures for Termination Notification:

- District Attorney: Notification should be sent both via fax and email with a requested read receipt. The fax transmittal, email and email read receipt should be attached to the termination letter and maintained in the client file.
- Courts: Notification should be sent both via fax and email with a requested read receipt. The fax transmittal, email and email read receipt should be attached to the termination letter and maintained in the client file.
- Program Participant: Notification should be sent via certified first class mail return receipt. The certified return receipt should be attached to the termination letter and maintained in the client file.
- If the Agency finds a contract requirement to be ineffective or not in the best interest of the Program, they should request that the language in the contract be amended to properly reflect the terms and conditions that are approved by the County.
- At no time should the Agency allow deviation from the oversight of the proper classification of participants as stated in the County contract. It was found that the Pre-Plea program staff oversaw a significant portion of conditional discharge participants that were the responsibility of the Post-Plea Program staff. Allowing staff to monitor participants in an unfamiliar program increases the risk that participants are not properly assessed or monitored.

- The Agency should include on the initial referral form, a statement that informs the participant that they are required to call the Agency within 24 hours of the referral to set up an intake appointment within 2 weeks of the referral date. In addition, it should also include any repercussions that will occur if the participant fails to comply. Furthermore, the staff should initiate contact within 3 days of the referral date for any participant that failed to call within the required time.
- It is imperative that the Agency improve their communication and coordination within the two programs as well as the Departments that oversee the programs. Coordination and formalized procedures among all parties involved will aid in ensuring that the programs' needs, goals and requirements are met.
- The Agency should create a uniform time sheet that is to be used by all worksite agencies to properly track the participant's time worked. It should include at a minimum: client's name, CSP#, case manager's name, number of court ordered hours, worksite name and phone number, contact person, dates worked, start and end times and the time(s) in and out when the participants took any type of break, tally lines, and signature lines for both the supervisor and the client.
- The Agency's Post-Plea Program staff should coordinate with the Probation Department and District Court liaison to obtain the administrative compliance calendar. Documentation of their contact should be maintained as proof of their request for the calendar each month that it is not received.
- The Agency should perform a periodic review of the program with semi-annual meetings that include all levels of staff to address concerns and issues that are not covered by an agency policy or procedure.
- Although it has been recommended that the Agency create a single referral form to encompass both programs, it is our opinion that the courts maintain separate referral forms to reduce the occurrence of errors when placing a client into one of the two programs offered.
- The Agency should create and begin utilizing a duplicate version of the Post-Plea database for their Pre-Plea program since the Post-Plea database appears to be reliable. Our review of the Post-Plea database revealed a more comprehensive database that was easily transformed into various schedules without affecting data integrity and did not disclose any discrepancies when comparing participant case files.
- The Agency should ensure that all staff training is adequately documented by creating a sign-in sheet that includes the program name, training session agenda or topic, date of the session, listing of attendees and a signature line for staff to sign.

APPENDICES



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June 29, 2016

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Attn: Frank Bayer, CPA – Executive Director of Auditing Services

Dear Mr. Bayer,

Thank you for taking the opportunity to meet with us for the exit conference in reference to the draft audit conducted of EAC's Community Service Programs for the period January 1, 2012 through June 30, 2014.

Although we have been in constant communication with the contracting entities regarding contract requirements that were deemed to be ineffective or not in the best interest of the Program we had not requested that the language in the contract be amended. We will initiate discussions with both entities to ensure contract compliance and we will revisit the NYS Community Service Standards and CJCC Report on the ARC Community Service Program and formulate written procedures that include all requirements within these documents.

Attached are our responses to some of the findings mentioned in the audit.

Sincerely,

Tania Peterson Chandler
Vice President of Operations
EAC Network



APPENDIX A

Significant Findings for Both the Post-Plea and Pre-Plea Programs

Finding: Minimum staffing requirements were not met.

Response: The programs are funded primarily by the fees collected from the participants who are referred and enrolled. The staffing plan indicated in our response to the RFQ and subsequently was included in the contracts, was based on an anticipated number of referrals being received.

For the pre-plea program we anticipated referrals of approximately 4500-5000 participants to maintain the proposed staff plan of 8 as per page 6 of EAC’s RFQ response; however, the number of actual referrals received was much lower:

Program/Year	2013	2014	2015
Pre-Plea	1432	1640	1443

For the post-plea/probation program, EAC’s RFQ response (page 6) indicated that we anticipated approximately 800 referrals annually to maintain a staff of 6. The actual referrals were as followed:

Program/Year	2013	2014	2015
Post-Plea/ Probation	784	626	833

With the number of referrals not being as anticipated and not remaining consistent we were unable to maintain the staffing pattern initially indicated without running at a deficit. We were forced to combine positions (i.e. Program Director also performs Field Supervisor duties) and only hire additional Case Managers if/when the funds were available. This information was shared with Probation and the District Attorney’s Office representatives however we were never told that we should amend the contract. We will initiate discussions with both entities to see how this can be rectified.

Included in the initial staffing plan was the Regional Director position. At the time of the audit, Rhonda Wainwright-Jones was the Regional Director overseeing the Community Service Programs and other similar programs. As the agency grew so did that region and it was decided that we should restructure to allow for proper oversight of the programs. Trudi McKenley was hired in September 2015 as the Senior Director of Long Island Social and Community Justice. The Program Directors/Supervisors for the Community Service Programs now report to her and she has been tasked with administrative oversight and growth of the programs and professional development of the staff.

Finding: There was a lack of oversight involving the network agencies that provide worksites for the program participants

Response: Worksite monitoring is handled by each program Director. We believe we are now in compliance with the contract guidelines.

APPENDIX A

Finding: Participants that did not call the agency within 24 hours of their court referral were not always contacted by the agency.

Response: The following has been implemented to make contact with the client: for Probation, once a referral has been received by the agency, an initial telephone call is made and if needed a follow up call. If no response from the client is received, an appointment letter is mailed. If the client is a no show, Probation is contacted to provide direction (either make other attempts or return case to Probation). For Pre-Plea, either a call is placed to the client or a letter mailed requesting they contact the program immediately to schedule intake. Three (3) intake appointments are scheduled before returning the client to court for advisement on whether to terminate or request extension.

Going forward we will attempt to use mail services that can verify delivery such as certified mail, signature confirmation or return receipt to demonstrate outreach conducted for clients who are not in compliance. The certified return receipt will be attached to the termination letter and maintained in the client file. Additionally, email correspondence with Probation or the District Attorney's Office will be sent with a delivery and read receipt. We will discuss fax transmittal with the contracting agency.

Finding: Screening and intake sessions did not always occur within 2 weeks of the participant's court referral.

Response: Many times clients believe they have up to a year to contact agency to complete community service. Communication has increased with courts and probation to highlight and encourage clients to contact agency to schedule as soon as possible. We will also revise the initial referral form to include a statement that informs the participant that they are required to call the Agency within 24 hours of the referral to set up an intake appointment within 2 weeks of the referral date. In addition, it will also include any repercussions that will occur if the participant fails to comply. Staff will initiate contact within 3 days of the referral date for any participant that failed to call within the required time with priority given based on the return to court date in order to schedule clients timely. There are certain circumstances with a Probation client that may prohibit screening or intake within 2 weeks such as whether client is in residential treatment or other substance abuse program. This case is place on hold and noted in the clients record.

Finding: Screening and intake procedures were not always performed in full; therefore, the participant case files were not complete.

Response: At this time, all screening and intakes yield completed files

Finding: Participant attendance records were found to be inadequate.

Response: Timesheets have been revised to reflect supervisor approval of completed time (client must indicate time in/out) as well as note that 6+ hours worked includes a ½ hour break and is deducted.

APPENDIX A

Finding: The Agency allowed the Pre-Plea Program staff to monitor Conditional Discharge participants rather than the contractually required Post-Plea Program staff.

Response: Conditional Discharges were returned to the Probation program for monitoring and completion.

APPENDIX A

Significant Post-Plea Findings

Finding: Participants were not always placed at a worksite within 2 weeks of their screening and intake session.

Response: The program has been able to expedite placement of clients with under 100 hours. Clients with a higher amount of hours may require more time to facilitate placement and a multiple site placement is difficult for effective case management. One circumstance that should be noted is that there have been times when a client reports for screening and intake prior to sentencing. In those cases the client is placed on hold until the sentenced and then placed accordingly. This can account for the amount of time between screening/intake and placement being greater than 2 week.

Finding: The Program's Policy and Procedures Manual lacked comprehensive guidelines.

Response: The Senior Director will review both program Policy & Procedure Manuals and update to be in compliance with the NYS standards and the CJCC recommendations.

APPENDIX A

Significant Pre-Plea Findings

Finding: Agency staff failed to notify a participant and the Courts of the participant's termination from the program.

Response: The current process in place is that a client is only terminated at the discretion of the District Attorney's Office (DA). If a client is found not to be in compliance, an email is sent to the DA asking for direction. If the DA recommends termination, then client will be terminated. If the DA recommends an extension, then one is granted. As stated above we will put in place that a delivery and read receipt is utilized when corresponding via email and discuss utilizing fax transmittal.

Finding: Agency staff failed to provide adequate documentation supporting the delivery of a termination notification to the participant and the Courts.

Response: Currently, notifications occur via email. Going forward we will make sure that all files have a copy of the email that was sent and we will also utilize delivery and read receipts when corresponding via email and follow-up with a phone call that will be documented. We will also discuss fax transmittal with the contracting agencies.

Finding: A participant was placed at a worksite outside Suffolk County without prior written consent of the District Attorney.

Response: Although the client offended in Suffolk County, the client is placed where they reside in order to not cause additional hardship. Even more so for out of state clients who have left the state and returned home. MOU's are completed with out of state placements and the DA's office is notified of such placements via email notification.

Finding: The Agency failed to fully develop a system that provides immediate notification regarding a participant's program compliance.

Response: Corresponded to the DA's office is conducted via email. The policy & procedure manual will be updated to reflect this and will indicate that a delivery and read receipt will also be utilized to confirm the communications. We will also discuss fax transmittal with the contracting agencies.

Finding: Agency staff failed to comply with their Policy and Procedures Manual, resulting in non-compliance with several contractual provisions.

Response: The Senior Director will review the Policy & Procedure Manual and update it to be in compliance with the NYS standards, the CJCC recommendations and the provisions as outlined in the contracts.

APPENDIX A

Internal Controls

Finding: Post-Plea Program: The Agency was unable to provide a summary of post-plea participants that had remaining service hours and those that were ultimately transferred to EAC after ARC relinquished their responsibility of administering the program. Therefore, we were unable to determine if the remaining participants that were not transferred from ARC to EAC had satisfied their obligation of community service.

Response: EAC was able to provide a list of all clients received from ARC. Probation would have had to provide the list of the remaining clients.

Finding: Pre-Plea Program: Review of the pre-plea database revealed significant discrepancies and was not considered a reliable source of information. Audit testing revealed a discrepancy with 70% of the pre-plea participants and all (100%) the conditional discharge participants when identifying information was compared from the case file to the pre-plea database. A further review of the database disclosed significant issues involving its integrity.

Response: During the audit process an excel file and worksheets were used to track client information. The current database used is ACCESS and contains all required information and all data is readily accessible. Additionally, we have contacted Foothold Technology who provides database services for other EAC programs to assist in developing a system for the Community Service Programs. Foothold Technology offers a web-based software for human service providers called AWARDS. The AWARDS application is comprised of three main components used for data management: General Information, Chart Records, and Administration. Each component contains several related modules used to perform various executive, fiscal, operational, and/or program services tasks.

Non-Significant Findings for Both the Post-Plea and Pre Plea Programs

Finding: The Program's Policy and Procedures Manual did not include a glossary of terms. According to the contract, Article I, paragraph 5(p) "Additional Requirements", subparagraph (iv), the Policy and Procedures Manual "shall contain a glossary of definitions that will be used to ensure consistency of terms and definitions between all involved organizations". Our review of the Policy and Procedures Manual for each program revealed non-compliance with this contract provision.

Response: This will be addressed in the revised/updated policy and procedure manuals.

Finding: Staff training was not substantiated with adequate documentation. Audit testing revealed that 33% of the post-plea and 82% of the pre-plea documentation provided was insufficient, and therefore we were unable to determine if the employees tested actually attended the training sessions.

Response: Employee files have been updated by the Program Directors to include documentation of all trainings. We will ensure that all staff training is adequately documented by creating a sign-in sheet that includes the program name, training session agenda or topic, date of the session, listing of attendees and a signature line for staff to sign.

Finding: The Agency had not complied with the contract requirement that Suffolk County receive acknowledgment on published materials associated with the Community Service Program. According to the contract, Exhibit I, paragraph (26-D.A.) (27-Probation) "Publications", subparagraph, "Any book, article, or other publication related to the Services provided pursuant to this Contract shall contain the following statement": "This publication is fully or partially funded by the County of Suffolk". Our review of the Agency's Community Service Program literature revealed that the statement mentioned above was not included, and therefore the Agency is non-compliant.

Response: All printed material will include the required statement.

Finding: The Agency did not submit all reports and/or the details required to be included in the reports to the Departments. According to the contract, Article I, paragraph 5(o) "Records Maintenance", subparagraph (iii) (a – d), the agency is required to "submit monthly, quarterly, and annual reports" to the Departments and include specific data that is outlined in the contract. Our interviews and review of documentation revealed the following:

- Post-Plea Program: The Agency did not notify the Department of changes in staff and/or disciplinary occurrences.
- Pre-Plea Program: The Agency did not submit monthly and annual reports to the Department.

APPENDIX A

Response: Notification was made to the entities when there were changes in the Supervisory staff. We will discuss other notifications with Probation and the DA and comply as instructed.

Reporting (Probation)

- Monthly reports are submitted to each Probation Officer that include summary of client progress.
- Quarterly and annual reports are provided that includes data on number of referrals, completed, active and terminated (including clients who opened cases dating back to 2012 to current; includes the division (Adult/Juvenile); referrals by court and client demographics (age/race/gender).
- Quarterly and annual reports were sent via email to Anne Abel, but now sent to Linda Russo.

(Pre-Plea)

- Monthly reports are sent that include # of referrals, completed cases, placements and terminated clients.
- An annual report is provided as well.
- Reports are emailed to John Mongeluzzi and his Admin BettyAnn Moore

Finding: Periodic reviews were not performed as required by the CJCC Report. According to the CJCC Report on ARC Community Service Program, Section 8, Page 27, “Recommendations and Required Resources”, paragraph (2), “Periodically review program practices to determine whether any procedural changes need to be reassessed in order to accomplish the Program’s objectives”. Our interviews revealed that periodic reviews were not performed, and that procedural changes were addressed as issues arise.

Response: The Senior Director will be performing periodic reviews of the programs with semi-annual meetings that include all levels of staff to address concerns and issues that are not covered by an agency policy or procedure.

Finding: The Agency had not complied with the CJCC Report to create one referral form that reflects both Community Service Programs. According to the CJCC Rpeport on ARC Community Service Program, Section 8, Page 27, “Recommendations and Required Resources”, paragraph (3), “Revise and/or simplify the ARC Pre-Plea program and the ARC Community Service Program referral forms to reflect two programs”. Audit testing revealed that the Agency did not create a universal form for both programs, but instead, each program had its own referral form.

Response: At the request of the contracting agencies we were instructed to create separate forms for each program to differentiate between the two. We were not told that this required a contract amendment.

Non-Significant Findings for Post-Plea Program

Finding: Client fees were reduced without an approved criteria or parameter by the Department. According to the contract, Article II, paragraph (7) “Specific Payment Terms and Conditions”, subparagraph (c)(iii), “The contractor shall apply a sliding scale for reducing or waiving fees based on a criteria and parameters approved in writing by the Department” and shall document the determination to accept a reduced or waived fee based on the sliding scale. Audit testing revealed Agency staff did not obtain, apply or document an approved criterion for reducing a participant’s required fee.

Response: We are currently in compliance with the approved fee schedule for both contracts.

Finding: The Agency had not received, on a monthly basis, an administrative compliance calendar from the District Court. According to the CJCC Report on ARC Community Service Program, Section 8, Page 27, “Recommendations and Required Resources”, paragraph (1), subparagraph (b), “The District Court has implemented procedural changes whereby every month an administrative compliance calendar will be sent to the ARC Community Service Programs as an additional safeguard concerning Post-Plea defendants”. Our interviews revealed that the Agency had received only one administrative compliance calendar since the Agency began administering the programs. Although the requirement is the responsibility of the District Court, the Agency should have contacted the District Court liaison and attempted to obtain the calendar.

Response: Physical referrals are picked up from the courts/probation approximately every other week by either of the Program Directors and entered into the database however, Program Directors have now been instructed to request the Admin Calendar moving forward. Documentation of their contact will be maintained as proof of their request for the calendar each month that it is not received.

APPENDIX B

Audit & Control's Assessment of EAC, Inc.'s Response to the Audit

The Agency received the draft audit report on May 31, 2016, with a letter inviting the Agency to request an exit conference or submit a formal written response to the report. An exit conference was requested by the Agency and held on June 17, 2016, to discuss the draft audit report.

The various compliance and internal control matters outlined in the draft report were discussed at the exit conference. The Agency representatives stated they would submit a written response to the report. On June 29, 2016, the Agency submitted their written response which is affixed to the report as APPENDIX A, p.18.

We reviewed the Agency's response and are pleased to see that EAC, Inc. substantially agrees with the audit findings and has indicated corrective actions to be implemented.

We would like to express our appreciation for the cooperation of EAC's staff during the audit.