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Commissioner of Education



October 23, 2012

Pam Stewart
Commissioner of Education
325 West Gaines Street, Suite 1514
Tallahassee, Florida 32399-0400

Dear Commissioner Stewart:

We have completed our audit of Vision Community Development Corporation and have attached a copy of the report, which includes management's response, for your information.

The report identifies that Vision CDC placed DVR clients in non-integrated settings and therefore did not comply with contract terms. We observed other exceptions regarding contract administration which are addressed in the report.

Sincerely,

Mike Blackburn
Inspector General

Attachments

cc: Aleisa McKinlay, Director, DVR
Linda Parnell, Chief, Bureau of Field Services
Cathy McEachron, Chief, Bureau of Vendor and Contracted Services, DVR
Office of the Auditor General
Office of Chief Inspector General
Office of Program Policy Analysis and Government Accountability



FLORIDA DEPARTMENT OF EDUCATION

Office of Inspector General



October 2012

Report No. A-12/13-002

Audit of Vision Community Development Corporation

Executive Summary

The Office of Inspector General (OIG) completed an audit of contract #VT002 between the Division of Vocational Rehabilitation (DVR) and Vision Community Development Corporation (Vision CDC). The contract was awarded to provide employment services and on-the-job training for the period October 1, 2011, through September 30, 2014.

The contract was identified for an audit based on a complaint DVR received against Vision CDC management from a now former Vision CDC employee. The audit evaluated the processes involved with delivering employment services to DVR clients. We determined that Vision CDC placed DVR clients in non-integrated settings and therefore did not comply with contract terms.

Background

Vision CDC is a non-profit organization. It is contracted to provide employment services to eligible individuals to help them achieve their employment goals. Eligible individuals and Vision CDC employment services staff work together to determine which services are necessary and appropriate for the client's identified employment goal.

The contract requires that Vision CDC provide job placements for DVR clients in integrated settings at employers in DVR Areas 5 and 6 which include Palm Beach, Broward, Miami-Dade and Monroe counties. Contract payments

are earned for achieving specified benchmarks in the contract.

An integrated setting is a setting found in the community in which clients are placed in competitive employment positions with non-disabled individuals with whom they interact.

Findings and Recommendations

Finding 1 - Vision CDC placed DVR clients in non-integrated settings.

Our examination of Vision CDC's placements along with onsite observation at selected locations revealed DVR clients were working in non-integrated settings. These DVR clients were employed by Vision CDC as assemblers making beaded bracelets. We also identified placements of DVR clients by Vision CDC in a non-integrated work setting at a neighboring employer. This company was owned by a Job Placement Specialist employed by Vision CDC. At this location, DVR clients were employed as candy packers.

These conditions occurred as DVR counselors allowed placements of these clients in non-integrated settings. The placements were authorized when the counselors approved Notices of Authorizations (NOAs) and invoices from the contractor for such placements.

The contract requires placement of DVR clients in integrated settings for competitive compensation while achieving employment

outcomes specified in their Individualized Plan for Employment.

Vision CDC's placement of DVR clients in non-integrated settings does not comply with contract terms. Thus, Vision CDC did not earn payments made for the affected clients.

Recommendation

We recommend that DVR management:

- a) Require Vision CDC to either refund payments for unearned placements of DVR clients or appropriately place affected clients in integrated settings;
- b) Require DVR counselors verify placements prior to approving NOAs and invoices for payments.
- c) Revise future contracts to strengthen DVR's ability to enforce valid placements; and
- d) Identify and monitor all contract providers for potential contract violations stemming from their internal employment of DVR Clients.

DVR Management Response

DVR contract management staff is currently reviewing placements made to Vision CDC and Sweet Machines during the audit period to identify which ones may have been made inappropriately. Affected clients will be contacted and given the option of being replaced with another employer or remaining with their current employer. DVR management will then meet with Vision CDC and require they appropriately re-place the client, at no cost to DVR, or refund all benchmark payments received for inappropriately placed clients within ninety (90) days of notification.

Moving forward, DVR Area Supervisors will be required to perform site visits to verify placements within a provider's own business prior to approving NOAs. We are in the process of drafting an amendment to all rate contracts to include a provision requiring written prior approval from the DVR Counselor and Area

Supervisor before such placements are made. This amendment will become effective January 1, 2013.

The Bureau of Vendor and Contracted Services, Contract Monitoring Unit, is currently in the process of implementing a program integrity model that will focus first on placements. As this process evolves, DVR will be better able to track placements, employee retention, and recidivism, thereby greatly reducing the opportunity for inappropriate placements. Target date for implementation of the program integrity model is Spring 2013.

Finding 2 – Vision CDC did not comply with other contract provisions.

During the audit, we observed other exceptions regarding contract administration as follows:

- a) Vision CDC did not send the DVR contract manager a completed employee contact form for one new employee;
- b) Vision CDC did not have appropriate documents on file for one employee who transported DVR clients (e.g., driver's license, vehicle registration and proof of insurance); and
- c) Vision CDC's CEO signed invoice submittals for benchmark payments though he was not authorized to do so per the contract.

Recommendation

We recommend that DVR management require Vision CDC:

- a) Send employee contact forms to the appropriate DVR contract manager before employees provide direct services to DVR clients;
- b) Maintain appropriate documentation in employee files; and
- c) Observe contract provisions for who is authorized to sign contract related documents.

DVR Management Response

DVR management will reiterate to both Vision CDC and all DVR Contract Managers the importance of adhering to all contract provisions, including appropriate documentation.

In addition to the response from DVR management, please see the attached document for a response from Vision Community Development Corporation.

Audit Objectives and Scope

The objectives of the audit were to determine whether:

- a) Vision CDC fulfilled terms and conditions of the contract;
- b) DVR clients received the services as contracted; and
- c) Payments were made in accordance with contract terms and conditions.

The scope of the audit included activities during the period October 1, 2011 to the present.

Methodology

This audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing, published by the Institute of Internal Auditors. To achieve these standards, audit staff:

- Reviewed contract documentation;
- Examined relevant information in DVR's Rehabilitation Information Management System;
- Interviewed selected DVR clients, DVR counselors and Vision CDC staff;
- Examined selected DVR client case and personnel files; and
- Conducted on-site visits interviewing selected employers and observing work environments.

Closing Comments

The Office of Inspector General would like to thank DVR personnel for their assistance and cooperation during the course of this audit.