

**Nassau County
Office of the Comptroller**



**Review of the
Nassau County Juvenile Detention Center**

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Comptroller

April 11, 2017

NASSAU COUNTY
OFFICE OF THE COMPTROLLER

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Executive Summary

Introduction:

The Nassau County Juvenile Detention Center (“JDC”) is a twenty-four hour secure facility designed to house juvenile delinquents and offenders¹ who have criminal cases pending in Family, County or District Courts.

The JDC is a short-term facility that houses coed youths from 10 to 17 years of age until the final disposition of their cases. While the JDC’s main purpose is to house County youths, residents from neighboring counties are also admitted, if arrested in Nassau County or the County in which they reside do not have a secure detention center. The majority of the out-of-County residents at the JDC are Suffolk residents, since Suffolk County does not have a secure juvenile detention center.

Based on the court dispositions, the youths are either returned to their families, placed on probation or referred to agencies that provide longer-term care. Between 2012 and 2014, an average of 209 residents were admitted each year, with an average stay of 12 days.

The County’s cost to operate the JDC between 2012- 2014 totaled \$13.3 million, with State reimbursements totaling \$8 million. Of the \$8 million in state reimbursements, \$2.6 million represented reimbursements for out-of-County care days (care provided to non-residents). On average, the yearly cost was \$4.4 million with a cost per child of \$1,811 per day. The State reimburses in-County and out-of-County residents at a rate of 49% and 100% respectively. The reimbursement rate is determined by the Detention Service Costs incurred within the 12 month service period. In the three year period, 2012 through 2014, the expenditures have exceeded reimbursements by more than \$5.3 million.

Purpose:

To determine whether juveniles housed at the JDC are receiving the services required by state regulations, and that there is adequate fiscal management of the facility.

Key Findings:

- 2014 Claim Errors Resulted in Possible \$700,423 Loss in State Reimbursements
- Claim Errors Resulted in \$574,843 Lost in 2013 State Reimbursements

¹ <http://www.nycourts.gov/courts/5jd/family/juveniledelinquent.shtml>: When a person who is under 16 years old, but is at least 7 years old, commits an act which would be a “crime” if he or she were an adult, and is then found to be in need of supervision, treatment or confinement, the person is called a “juvenile delinquent”. Children who are 13, 14 and 15 years old who commit more serious or violent acts may be treated as adults. If found guilty, the child is called a “juvenile offender”, and is subject to more serious penalties than a juvenile delinquent.

Executive Summary

- JDC Educational Services Staff Were Not Adequately Monitored for NYS Certification, and, Child Abuse Clearances
- JDC Educational Contractor Assessments Were Not in Compliance with Contract Terms
- Reports Provided by JDC’s Educational Contractor Did Not Include All Required Data Needed for Effective Oversight by JDC
- JDC Has Not Issued a Request for Proposals for Educational Services Since 2009
- Thirteen of Nineteen Equipment Items Tested in a Physical Inventory Count Could Not Be Located

Key Recommendations:

The Probation Department should:

- correct all Care Day misclassifications and amend all claims to reflect the additional State reimbursements;
- correct processes that allowed misclassifications and reconciliation errors;
- reconcile, on a quarterly basis, Care Days from JDC Roster to JDAS and finally to the Quarterly claims filed with the NYS Office of Children and Family Services in order to maximize reimbursement revenues;
- ensure that all Contractor staff are NYS certified teachers;
- ensure that all staff have been cleared by the NYS Registry for Child Abuse and Neglect before they are allowed to work at the JDC; and
- enforce the terms of the LTI contract with regards to Student Assessment, Educational Plans, and the delivery of detailed progress reports.

The matters covered in this report have been discussed with the officials of the Probation Department. On December 29, 2016 we submitted a draft report to Probation for their review. On February 10, 2017 an Exit Conference was held and a revised draft report was sent to the Probation Department on March 1, 2017 for their response. The Probation Department provided their response on March 13, 2017. Their response and our follow up to their response are included as Appendix C to this report.

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Introduction

Background

The Nassau County Juvenile Detention Center (“JDC”) is a twenty-four hour secure facility designed to house juvenile delinquents and offenders² who have criminal cases pending in Family, County or District Courts. The facility is located at 61 Carman Avenue, which is attached to the Family Court building, located at 1200 Old Country Road, Westbury. This location is geographically beneficial as it allows for ease of transportation between the Family Court and the JDC. The Family Court is slated to relocate to a new facility at 101 County Seat Drive, Garden City. At the present time, there is no definitive plan to relocate the JDC.

The JDC is a short-term facility that houses coed youths from 10 to 17 years of age until the final disposition of their cases. While the JDC’s main purpose is to house County youths, residents from neighboring counties are also admitted, if arrested in Nassau County or the County in which they reside does not have a secure detention center. The majority of the out-of-County residents at the JDC are Suffolk residents, since Suffolk County does not have a secure juvenile detention center.

The Nassau County Department of Probation (“Probation Department”) currently supervises the JDC which is licensed by the New York State Office of Children and Family Services (“OCFS”). The OCFS is under the jurisdiction of the New York State Justice Center. Prior to January 2012, the JDC was supervised by the Nassau County Department of Social Services.

Effective June 1, 2012, the JDC’s capacity has been reduced to eight beds with an additional eight beds in reserve, due to the reduced number of residents. Based on the court dispositions, the youths are either returned to their families, placed on probation or referred to agencies that provide longer-term care. Between 2012 and 2014, an average of 209 residents were admitted each year, with an average stay of 12 days.

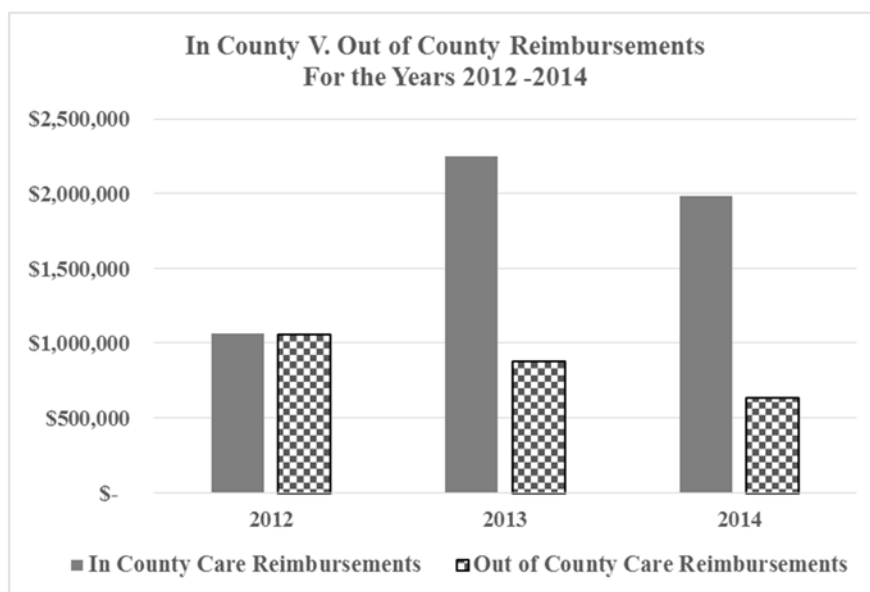
The County’s cost to operate the JDC between 2012- 2014 totaled \$13.3 million, with State reimbursements totaling \$8 million. Of the \$8 million in state reimbursements, \$2.6 million represented reimbursements for out-of-County care days (care provided to non-residents). On average, the yearly cost was \$4.4 million with a cost per child of \$1,811 per day. OCFS reimburses in-County and out-of-County residents at a rate of 49% and 100% respectively. The reimbursement rate is determined by the Detention Service Costs incurred within the 12 month service period.

² <http://www.nycourts.gov/courts/5jd/family/juveniledelinquent.shtml>: When a person who is under 16 years old, but is at least 7 years old, commits an act which would be a "crime" if he or she were an adult, and is then found to be in need of supervision, treatment or confinement, the person is called a "juvenile delinquent". Children who are 13, 14 and 15 years old who commit more serious or violent acts may be treated as adults. If found guilty, the child is called a "juvenile offender", and is subject to more serious penalties than a juvenile delinquent.

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Exhibit I below represents the in-County and out-of-County care day reimbursements for the period 2012 through 2014.

Exhibit I



Source: NYS Office of Children and Family Services Reimbursement Reconciliation

In the three-year period, 2012 through 2014, the expenditures have exceeded reimbursements by more than \$5.3 million, on average \$1.8 million annually.

In January 2010, Governor Andrew M. Cuomo proposed that the State should change the age of criminal responsibility to 18, meaning 16 and 17 year-olds would no longer be prosecuted as adults. He has embraced the recommendations from a juvenile justice panel he appointed in 2014, including: raising the age of criminal responsibility, prosecuting nonviolent youth in Family Court instead of criminal courts, removing minors from adult prisons and making it easier for some juvenile offenders to forever seal their criminal cases. Under the governor's plan, the age of criminal responsibility would move to 17 in 2017 and 18 in 2018. Two days prior to the release of this report, the New York State legislature enacted partial "Raise the Age" reform that will raise the age of adult criminal responsibility for non-violent offenses to 18 and substantially change the way all 16 and 17 year-olds are treated by the state's Criminal Justice system.³ The proposed change in the age of juvenile jurisdiction would move several new cases a year from the adult criminal justice system to the juvenile justice system. The responsibility for processing, educating, and supervising juveniles will shift to the juvenile system.

³ <http://raisetheagency.com/newitem>

Introduction

Audit Scope, Objectives and Methodology

Our review period was January 1, 2012 through December 31, 2014.

The specific objectives of this review were to:

- Perform a cost-benefit analysis of the JDC based on state reimbursements and expenditures incurred by the facility including:
 - An analysis of reimbursement for County Residents as compared to out-of-County residents
 - A cost analysis per child
- Determine the organizational efficiencies being achieved by the JDC
- Ascertain if the juveniles within the JDC are receiving the services they should be receiving per state regulations

We interviewed the JDC personnel, analyzed care day data, reviewed policies and procedures, and available reports. Prior to the issuance of the draft, we forwarded all schedules supporting our finding calculations to the Department's Financial Manager and the Director of the Juvenile Detention Center. Some documents and answers to questions that were requested throughout the audit were not provided by the JDC by the time field work was completed and the draft report was written and sent to the Probation Department on December 29, 2016.

On February 10, 2017, we met with the Probation Department at the Exit Conference to discuss the findings. At this time, the Probation Department provided the auditors with a number of documents, some of which had been previously requested. A list of these documents can be found in Appendix B. The auditors' review of this post audit information resulted in minor changes to the report. A revised draft report with these minor changes was sent to the Probation Department on March 1, 2017 for their response.

We believe our review provides a reasonable basis for the findings and recommendations contained herein.

Findings and Recommendations

Audit Finding

(1) 2014 Claim Errors Resulted in Possible \$700,423 Loss in State Reimbursements

Our review found that the misclassification of 616 care days by JDC in 2014 caused the subsequent 2016 submission of reimbursement claims to NYS for \$632,937 less than allowed. In addition, we identified 94 care days that were never submitted for reimbursement by JDC, representing an additional \$67,494⁴ in potential state funds to the County.

The actual care day Reimbursement Rate will be computed in the year the additional care days are being claimed, and is based on the JDC's actual allowable costs for that year divided by the total care days. In-County Care Days are reimbursed at 49% of cost while out-of-County is reimbursed at 100%.

We determined that JDC does not perform a reconciliation of their database to the Quarterly Claims Roster to ensure that the juveniles housed at the JDC are properly classified by County (in-County v. out-of-County) and accounted for in the state system. We contacted the JDC to inquire as to the reasons for the differences between the JDC maintained database and JDAS (OCFS database). A JDC official told us that since 2013, the JDC has not had a designated clerical staff to process juvenile admission information into the JDAS state system; as such, some youths are mistakenly omitted from the admission spreadsheet or not entered in JDAS at all.

Our review of the 2014 Reimbursement Claim is limited to the cost of care for juveniles through the Secure Detention program. The DSS Administrative Officer files quarterly interim⁵ reimbursement claims (see Appendix A) with OCFS for both Secure and Non-Secure Detention Care. The quarterly claim includes Secure Detention days of care provided to County residents (Local), Non-County Residents (State), the corresponding detention operating costs⁶ and the reimbursement being claimed. The Juvenile Detention Automation System⁷ ("JDAS") allows local districts to prepare and submit claims electronically, and links to the Office of the State Comptroller for payments.

On an annual basis, the Probation Department's Financial Manager prepares the JDC's Schedule of Expenditures for Secure Detention presenting the JDC's budget and actual operating costs. The Schedule includes program expenditures such as salaries, fringe benefits, building occupancy/maintenance, educational contractual services, and general expenditures. This schedule is forwarded to OCFS with supporting documentation⁸, and is the basis for the Reimbursement

⁴ The Care Day Reimbursement Rate will be computed in the year that the additional days are being claimed based on that year's actual costs divided by the total number of Care Days.

⁵ Interim Care Day Rate (Daily reimbursement rate for care provided) is set by OCFS. For years 2013-2014, the rate was \$1,178.31.

⁶ Based on the Interim rate that OCFS reimburses until the final rate is ascertained.

⁷ The Juvenile Detention Automation System (JDAS) is used by secure and non-secure detention facilities statewide (except NYC) to track youth admissions and releases to/from detention.

⁸ Proof of expenditures from the Nassau Integrated Financial System (NIFS).

Findings and Recommendations

Reconciliation calculation⁹. The Reimbursement Reconciliation is the total allowable reimbursement cost less the total interim quarterly reimbursements claimed.

In March 2016, JDC filed the 2014 Schedule of Expenditures for Secure Detention and in May 2016 received a letter from OCFS stating that the amount of the Reimbursement Reconciliation Based on Actual Costs¹⁰ (“Final Reimbursement”) was \$748,611. The Department Financial Manager sent the auditors an email stating that the Final calculation was based on 1,958 in-County days and 311 out-of-County days. Based on the care days used in the calculation, we noted that the OCFS calculation was not accurate and, in collaboration with the Department Financial Manager, we requested an OCFS extension to recalculate Final Reimbursement. According to OCFS, if no written notice of disagreement is received within 15 days of the letter, the Final Reimbursement is finalized. OCFS immediately revised their Final Reimbursement amount from \$748,611 to \$1,102,636 (an amount the auditors calculated based on a cursory review). Following the discovery of this error, OCFS granted a 10 day extension to carry out a more in-depth review.

We contacted the DSS Administrative Officer and requested all quarterly claims filed and the supporting documentation (Claim Rosters). We also contacted OCFS and received a JDAS download of all juveniles housed at the JDC in 2014 (the download represents all juvenile data entered into the system).

Based on the JDAS records, our initial review noted that in Quarters 1 through 3, the JDC misclassified¹¹ 598 out-of-County care days as in-County care days. Since in-County care days are reimbursed at 49% of cost rather than 100%, the JDC claimed \$359,362 less than allowed in the three quarters. Furthermore, since this quarterly misclassification of days occurred, the Final Reimbursement was determined at \$254,662 less than it should have been. At the February 10, 2017 Audit Exit Conference, Probation Department officials provided us with 18 additional care day misclassifications they identified after reviewing our worksheets (auditors provided schedules of all misclassified care days) and Claim Data. We reviewed all of the additional information provided and recalculated the total under-reimbursement due to resident/non-resident classification. Our final review of the 2014 claim will provide the JDC with \$632,937 in additional revenues. Exhibit II below shows the total 2014 Secure Detention Interim payments, the Final Reimbursement and the Under-claimed amount due the County.

⁹ Care Day Reimbursement rate computed by OCFS is based on the JDC’s Actual Allowable Costs divided by Total Care days. In-county Care Days are reimbursed at 49% of cost while out-of-county is reimbursed at 100%.

¹⁰ Reimbursement Reconciliation rate is the difference between the detention rate (calculated based on actual costs) and the interim rate published by the Detention Services Unit. On a quarterly basis, JDC receives the interim rate times the number of days of care provided.

¹¹ Youth has an inaccurate home county claimed.

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Exhibit II

2014 Secure Juvenile Care Day Reimbursement 616 Out-of-County Care Days Billed as In-County Care Days

| Claim Reimbursements | JDC Reimbursements Based on Submitted Quarterly Care Days | Auditor Recalculated Reimbursements | Under-Reimbursed Amount |
|---|---|---|----------------------------|
| Quarterly Interim Reimbursements* | \$ 1,517,880 | \$ 1,888,058 | \$ (370,178) |
| Reimbursement Reconciliation (Pending as of June 2016) ** | \$ 1,102,636 | \$ 1,365,395 | \$ (262,759) |
| Total | \$ 2,620,516 | \$ 3,253,453 | \$ (632,937) |
| Total 2014 Reimbursement Loss | | | \$ 632,937 |

Source: Juvenile Detention Claims submitted to OCFS, Schedule of Expenditures for Secured Detention & Data from the OCFS Juvenile Detention Automation System (JDAS)

* Interim Care Day Rate for County Juveniles is \$577.37 (49% x \$1,178.31) and 100% for Non-County

** Final Reimbursement rate computed by OCFS is Based on JDC Actual Allowable Costs divided by Total Care Days

OCFS officials has informed us that they would revise the final reimbursement amount but that it is the JDC's responsibility to correct the misclassified days. We have provided the JDC with our worksheets and, according to JDC officials, they are in the process of revising the claim.

The auditors also compared the JDC Roster to the JDAS Roster (provided by OCFS) and reconciled the names of juveniles. We found the following:

- 16 names on the JDC roster were not on the OCFS roster
- 4 names on the OCFS roster were not on the JDC roster

A comparison of the JDC Roster to the Claims filed, showed 98 unclaimed care days for 19 residents who were admitted at the JDC and released between March 2014 and December 2014. We provided the JDC with our worksheets so that JDC personnel may review, provide an explanation, and if possible, enter these care days in JDAS for reimbursement payment. After their review, JDC informed us that 94 days for 15 of the 19 youths¹² we identified should have been claimed and that the days would be claimed in the upcoming quarter. The unclaimed days would possibly net the JDC approximately \$67,494 in additional reimbursement revenues¹³.

Exhibit III on the next page shows 94 care days that were not claimed for 15 youths.

¹² Four of the 19 youths listed were detained for less than 24 hours and therefore not reimbursed.

¹³ Calculation of \$67,494 is based on Interim rates. It should be noted that in the year any prior year care days are claimed, the final Reimbursement Rate would modestly change (Final reimbursement rate is based on total allowable cost divided by the number of care days).

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Exhibit III

2014 Secure Juvenile Care Day Reimbursement 94 Care Days for County and Non-County Youths Not Billed/Claimed

| Resident/ Non-Resident | Claimed/Billed Interim Rate Per Day* | No. of Unclaimed Care Days | No. of Residents | Total Under-Claimed Amount |
|--------------------------------------|--------------------------------------|----------------------------|------------------|----------------------------|
| In-County | \$ 577.37 | 72 | 8 | \$ 41,571 |
| Out-of-County | \$ 1,178.31 | 22 | 7 | \$ 25,923 |
| Total Under-claimed Care days | | 94 | 15 | \$ 67,494 |

Source: Juvenile Detention Claims submitted, Schedule of Expenditures for Secured Detention & Data from the OCFS Juvenile Detention Automation System (JDAS)

** Auditors based the calculation on the OCFS Interim Care Day Rate*

In order to recoup the loss, it is imperative that the JDC correct the 616 Care Day misclassifications, claim the 94 Care Days that were not previously claimed, and amend all claims to reflect the additional \$700,000 in State reimbursements.

OCFS informed us that from a detention program standpoint, JDC errors in areas such “as if a youth has inappropriate admission/release dates or if a youth has an inappropriate home County entered”, can be rectified on a quarterly claim after the changes have been saved in JDAS. OCFS also stated that all other areas of the annual cost report reconciliation are not within the scope of OCFS’s responsibility.

We have presented all of our reconciliation worksheets to the JDC so that the days could be further investigated and claimed.

Audit Recommendation(s):

The Juvenile Detention Center should:

- a) correct the 616 Care Day misclassifications and amend all claims to reflect the additional State reimbursements of \$632,937;
- b) reconcile the 94 Care Days with OCFS Claims Roster and claim these days in the current year, if possible;
- c) correct processes that allowed misclassifications and reconciliation errors; and
- d) reconcile, on a quarterly basis, Care Days from JDC Roster to JDAS and finally to the Quarterly claims filed with the NYS Office of Children and Family Services in order to maximize reimbursement revenues

Findings and Recommendations

Audit Finding

(2) Claim Errors Resulted in \$574,843 Lost in 2013 State Reimbursements

In 2013, the JDC misclassified 392 out-of-County care days as in-County days. The 392 misclassified days resulted in a \$454,467 loss of reimbursement funds to the County.

In addition to the misclassification, we found 145 care days representing an additional \$120,376 in reimbursements that were not claimed. We noted the following:

- 118 days in the JDAS Database were not in the 2013 Claims Roster.
- 27 fewer days in the Claims Roster than the number of days of stay noted in the JDAS Database.

Our initial review identified 382 out-of- County care days misclassified as in-County care days, and 158 care days that were not claimed. At the February 10, 2017 Audit Exit Conference, Probation Department officials provided us with 10 additional care day misclassifications they identified after reviewing our worksheets (auditors provided schedules of all misclassified care days) and Claim Data. We reviewed all documentation provided and recalculated the total under-reimbursement due to resident/non-resident classification. Exhibit IV below shows the total 2013 Secure Detention Interim payments, the Final Reimbursement and the Under-claimed amount due the County.

Exhibit IV

2013 Secure Juvenile Care Day Reimbursement 392 Out-of-County Care Days Billed as In-County Care Days

| Claim Reimbursements | JDC Reimbursements Based on Submitted Quarterly Care Days | Auditor Recalculated Reimbursements | Under- Reimbursed Amount |
|---|--|--|---|
| Quarterly Interim Reimbursements* | \$ 1,608,657 | \$ 1,844,225 | \$ (235,568) |
| Reimbursement Reconciliation** | \$ 1,515,184 | \$ 1,734,083 | \$ (218,899) |
| Total | \$ 3,123,841 | \$ 3,578,308 | \$ (454,467) |
| Total 2013 Reimbursement Loss Due to Misclassification | | | \$ 454,467 |

Source: Juvenile Detention Claims submitted to OCFS, Schedule of Expenditures for Secured Detention & Data from the OCFS Juvenile Detention Automation System (JDAS)

* Interim Care Day Rate for County Juveniles is \$577.37 (49% x \$1,178.31) and 100% for Non-County

** Final Reimbursement rate computed by OCFS is Based on JDC Actual Allowable Costs divided by Total Care Days

Further, the additional information provided to us by Probation Department officials reduced the unclaimed care days previously calculated by 13 days (from 158 to 145 care days). Exhibit V

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below shows 145 care days that were either not claimed or fewer number of days claimed than actual.

Exhibit V

2013 Secure Juvenile Care Day Reimbursement 145 Care Days for County and Non-County Youths Not Billed/Claimed

| <u>Resident/ Non-Resident</u> | <u>Claimed/Billed Interim Rate Per Day*</u> | <u>No. of Unclaimed Care Days</u> | <u>No. of Residents</u> | <u>Total Under-Claimed Amount</u> |
|--------------------------------------|---|-----------------------------------|-------------------------|-----------------------------------|
| In-County | \$ 577.37 | 84 | 13 | \$ 48,499 |
| Out-of-County | \$ 1,178.31 | 61 | 15 | \$ 71,877 |
| <i>Total Under-claimed Care days</i> | | 145 | 28 | \$ 120,376 |

Source: Juvenile Detention Claims submitted to OCFS, Schedule of Expenditures for Secured Detention & Data from the OCFS Juvenile Detention Automation System (JDAS)

** Auditors based the calculation on the OCFS Interim Care Day Rate*

Our final review of the 2013 claim will provide the JDC with \$574,843 in additional revenues.

Audit Recommendations(s):

The Juvenile Detention Center should:

- a) review the accuracy of the 145 Care Days and submit a claim for days not previously claimed;
- b) reconcile on a quarterly basis, Care Days from Admissions Worksheet to JDAS so that the Quarterly claims Roster (filed with the NYS Office of Children and Family Services) are accurate thus maximizing reimbursement revenues; and
- c) contact OCFS to inquire if misclassified days could be re-entered in the upcoming Claims Roster.

Audit Finding

(3) JDC Educational Services Staff Were Not Adequately Monitored for NYS Certification and Child Abuse Clearances

The County has a personal service contract totaling \$250,000 annually with the Leadership Training Institute (“LTI”) to provide educational services for children remanded to the Detention Center. (LTI is required to provide educational programs and services at the JDC five days per

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week, Monday through Friday from 9:00 a.m. until 3:00 p.m. with no fewer than 180 days per school year for every student who is in full-time residential care for a full school year.)

The contract states *“that the staff designated and furnished in the operation of its educational program at the Center shall meet and possess all staffing requirements and certifications as defined by New York State statutes and regulations, including New York State Education Law and regulations,....Services shall be provided by experienced and committed teachers qualified by, or eligible for certification by NYS Education Department, as prescribed by 8 NYCRR Part 80-3.2...”*

In addition, the contractor is required to obtain screening and background clearance from the New York State Central Register of Child Abuse and Maltreatment (“SCR”) prior to any employee commencing employment at the Detention Center. No employee listed in the Registry should be employed to provide services directly to Department’s clients.

Our review found violations of the contract with regard to Certification and Child Abuse Screening. We selected for testing seven LTI teaching employees¹⁴ from seven payment claims submitted to the Department, between December 2013 and May 2015. We reviewed staff credentials and proof of SCR clearance and found the following:

- Four of the seven staff in the educational program required to be certified (or eligible for certification), did not provide proof of the required New York State Public School Teacher’s Certificate.
- Three of the seven employees were screened after commencing employment, one at least a year later. Additional documentation provided by the Probation Department at the Audit Exit Conference on February 10, 2017 showed that the educational coordinator was screened on January 27, 2017, after our audit inquiry.

Audit Recommendation(s):

The Probation Department should:

- a) ensure that all staff are NYS certified teachers;
- b) ensure that all staff have been cleared by the NYS Registry for Child Abuse and Neglect before they are allowed to work at the JDC; and
- c) review (at least on a sample basis) backup documentation to ensure compliance with the agreement and state regulation.

¹⁴ Educators and Educational Coordinator.

Findings and Recommendations

Audit Finding

(4) JDC Educational Contractor Assessments Were Not in Compliance with Contract Terms

Per the contract, LTI is required to comply with the following Student Educational Assessment standards:

- conduct an evaluation of the Student's educational needs within 72 hours during school days of referral or first school day;
- interface with the Student's School district within 72 hours of completing the evaluation;
- establish an educational plan within ten (10) school days of referral or first school day and the plan shall comport with New York laws and regulations including but not limited to 8 NYCRR Part 116.5;
- provide progress reports and education plan updates every thirty days.

We selected for review a sample of 15 Educational Assessment Plans from 2013 and 2014. We also reviewed the additional documentation provided by the Probation Department at the February 10, 2017 Audit Exit Conference. After reviewing all documentation, we noted the following:

- Two of the 15 assessment plans were still not provided.
- Three were completed after the 10 days of referral or first school day.
- In two instances, the Assessment date for two students noted in the assessment plan record was after the Detention Center release date.
- Of the 13 Assessment Plans initially reviewed, seven did not have dates as to when the contractor interfaced with the school district or when the student was terminated. Additional documentation provided by the Probation Department showed, with the exception of one termination date, **all** contact with school or termination dates had been penciled in. We were not provided with additional documentation to corroborate the dates that were later added to the assessment plans.

Audit Recommendation(s):

The Probation Department should enforce the terms of the contract by requiring LTI to:

- a) evaluate Student Educational Needs within 72 hours of referral or first day of school;
- b) interface with the student's school district within 72 hours;
- c) establish an educational plan within 10 days of referral or first day of school; and
- d) provide progress reports every thirty days.

Findings and Recommendations

Audit Finding

(5) Reports Provided by JDC's Educational Contractor Did Not Include All Required Data Needed for Effective Oversight by JDC

Per the JDC's educational services contract, LTI is required to provide monthly performance reports to the Probation Department's Deputy Director and to the Director of the JDC.

On December 3, 2015, and again on December 16, 2017, we requested LTI's monthly performance reports, for the four year period, 2012 through 2015. On December 22, 2015, the JDC sent us a one page yearly annual summary, for years 2012 through 2014, showing cumulatively the number of youths served and assessed each month. At that time, we deemed this information to be ineffective as a performance monitoring tool and requested additional supporting information.

On January 14, 2016, we met with the Director of the Detention Center to go over all outstanding documentation we requested. At this meeting, the auditors learned that the Department was not aware that LTI is required to submit monthly detailed reports with dates of admissions, total number of classroom sessions held or total number of hours worked on each case for the month.

At the Exit Conference on February 10, 2017, JDC officials gave us monthly reports from LTI showing the case numbers, name of youths, Intake and Discharge dates and length of stay. The reports indicate the total number of youths served, total number of classroom sessions held and the total number of Educational Assessments completed for the month.

We reviewed the monthly reports and found that the reports do not identify the youths that were assessed in the service period (youths are required to be assessed within 10 days of intake) nor the number of hours worked on each case for the month. We believe that the monthly reports do not contain sufficient information to enable the JDC to adequately oversee the performance of the contractor.

According to the agreement, the monthly performance report should be submitted by the 15th day of the following month and enumerate the following:

- total number of children served during the month, each child identified by case name, case number, case type, and date of admission;
- total number of educational assessments completed;
- total number of classroom sessions held;
- total number of hours worked on each case for the month;
- referral date, intake date, opening date and closing date; and
- other statistical information requested by the department which is relevant to the program's status and success.

Findings and Recommendations

Department officials are responsible for monitoring contractual agreements to ensure that all services are provided in accordance with those agreements, and additionally that all vouchers for payment are properly supported and contain all required documentation prior to payment.

Reports or records provided by contractors should be verified by Department personnel responsible for oversight. Without periodic monitoring and clear consequences for failing to meet performance standards, there is a risk that agencies will receive public funds without providing the contracted services.

Our review of a sample of payment vouchers for our audit period indicated that LTI submitted the monthly claims with proper backup documentation of the expenditures incurred for the applicable month.

The New York State Education Department (“NYSED”) requires the following three Annual Reports from LTI:

- Consolidated State Performance Data. This report is used as a data collection tool and comprises of statistical data such as total number of students, gender and age breakdown, and race/ethnicity. It also includes long-term student data for residents in the facility for 90 or more consecutive days.
- Annual Count Verification Form. This report lists the residents by name, and date of birth.
- State Desk Audit. Reports have not been provided to us, but according to Department officials, these desk audits include demographic information such as school facility capacity, gender of students and average age range.

We reviewed these reports and noted that they are not a substitute for the monthly performance reports required by the County contract.

Audit Recommendation(s):

The Probation Department should:

- a) enforce the terms of the contract by requiring LTI to submit monthly detailed performance reports;
- b) designate personnel to review such reports to ensure that all services are provided in accordance with the agreement; and
- c) investigate with the County Attorney’s Office adding financial penalty terms (performance metrics) to enforce the terms of the contract, so if contractor fails to cure contract violations within a specified period of time, there are financial repercussions.

Findings and Recommendations

Audit Finding

(6) JDC Has Not Issued a Request for Proposals for Educational Services Since 2009

The County has a \$250,000 annual contract with the Leadership Training Institute (“LTI”) to provide educational services for children remanded at the JDC. According to the method of procurement in the contract summary section, the contract is a “*Human Services contract with a not-for-profit agency. RFP¹⁵ was issued. Contractor is a preferred provider who has received a satisfactory evaluation*”. County officials have been using the same vendor year after year for over 30 years to procure educational services.

The Probation Department was unable to provide current RFP information noting that the RFP preceded them. We contacted the County Office of Purchasing to obtain a copy of the most recent RFP; however, as of the date of this report, we have not been able to obtain one. Although the “Method of Procurement” in the contract summary states “RFP was issued” in all three years reviewed (2012-2014), there is no indication that an RFP has occurred since 2009. According to the predecessor department, an educational services RFP was issued in March 2009.

According to the County’s procurement policy¹⁶, personal service contracts¹⁷ that exceed \$25,000, are for a term of more than one year, or result in aggregate expenditures with a single entity of \$50,000 per year, require the approval of the Rules Committee of the County Legislature. Although the LTI annual contracts were approved by the Legislature and were included in the department’s annual budget, such approvals are not valid substitutes for the RFP process.

The RFP offers assurance that the County is paying the lowest possible price or acquiring services without favoritism.

Audit Recommendation(s):

County officials should comply with the County’s procurement policy and use a competitive process, such as an RFP process, when procuring professional services.

¹⁵ A Request for Proposal (RFP) is an invitation for suppliers to submit a proposal to provide a specific product or service that is not subject to statutory competitive bidding requirements, such as professional services.

¹⁶ Nassau County Procurement policy/Procedure Countywide policy # CE-01, September 20, 2004.

¹⁷ Personal Service contracts are services provided by independent contractors that require the consistent exercise of judgment or specialized skills. For example, engineering, professional licensing or certification.

Findings and Recommendations

Audit Finding

(7) Thirteen of Nineteen Equipment Items Tested in a Physical Inventory Count Could Not Be Located

The Comptroller's Office administers a County-wide Property Records Processing system ("PRP") for recording property and equipment. The County's Fixed Assets Accounting System ("FAACS") manual outlines criteria for including property and equipment on PRP, as well as tagging¹⁸, inventory and property disposal procedures and requirements. Electronic equipment valued at a unit cost of \$500 or more and all other equipment valued at \$1,000 or more are required to be inventoried.

To verify whether purchased items could be located or accounted for, we conducted a physical inventory on January 21, 2015, to locate 19 equipment items totaling \$42,637 listed on the PRP system. We could not locate 13 of 19 items, totaling \$23,603, as follows:

- A Power washer purchased in 2001 for \$3,299.
- Three 2009 Desktop computers purchased for \$1,617.
- Two floor scrubbers purchased in 2006 and 2007 for \$8,363.
- A Cannon Scanner purchased in 2012 for \$4,056.
- A Laser Printer purchased in 2012 for \$782.
- A Fire Safe purchased in 2005 for \$1,998.
- Two Projectors purchased in 2011 and 2006 for \$1,991.
- A 42" NEC TV purchased in 2011 for \$658.
- A Barcode Scanner purchased in 2011 for \$838.

Of the six equipment items, we found two items, a Sharp Copier and a Kaivac Bathroom Cleaner, continued to be listed on the Department of Social Services Fixed Asset Inventory List instead of the Probation Department's, despite the fact that the Probation Department took over operations of the Detention Center in January of 2012.

Each department's inventory custodian is required to conduct an annual physical inventory of the department's equipment, when required by the Comptroller's Fixed Asset Custodian. In addition, the departments are required to coordinate disposals or transfers of equipment with the Office of Purchasing and the comptroller's Fixed Asset Custodian so that the property records processing system could be properly updated.

¹⁸ Affixing to equipment bar coded inventory tags provided by the Comptroller's Fixed Asset Custodian.

Findings and Recommendations

Audit Recommendations:

The Probation Department should:

- a) conduct a physical count of all the equipment at the JDC;
- b) reconcile the count with the County's Fixed Asset Accounting System; and
- c) comply with the annual equipment inventory requirement as prescribed by the Fixed Asset Accounting System Manual by removing items that have been disposed or cannot be located.

Appendix A

OCPS-6014 (Rev 7/2005)

NEW YORK STATE
OFFICE OF CHILDREN AND FAMILY SERVICES
DETENTION CARE PROVIDED AND FISCAL SUMMARY

| | |
|--|-----------------------------|
| SOCIAL SERVICES DISTRICT: [REDACTED] | QUARTER YEAR: [REDACTED] |
| TYPE OF CLAIM: <input type="checkbox"/> ORIGINAL <input type="checkbox"/> RESUBMISSION <input type="checkbox"/> ADJUSTED | |

| CATEGORY | DETENTION CARE PROVIDERS \$ | | | | TOTAL \$ |
|------------------------------------|-----------------------------|------------|------------------------------|------------|------------|
| | Secure Detention Charges | | Non Secure Detention Charges | | |
| | Local | State | Local | State | |
| A. CAIRb PROVIDED (Form OCPS-6011) | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| NUMBER OF DAYS OF CAIRb | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |

| B. FISCAL SUMMARY: | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
|--|------------|------------|------------|------------|------------|
| 1. Operating Cost - Detention | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 2. Reserved Accommodations (Family Boarding Homes Only) | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 3. Total Expenditures (Line 1 Plus Line 2) | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 4. Youth Support Collections | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 5. Expenditures Subject to Reimbursement (Line 3 Minus Line 4) | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 6. 50% of Line 5 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 7. Total Reimbursement claimed (Line 5 Minus Line 6) | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |

CERTIFICATE OF ADMINISTRATIVE OFFICER

I certify that the expenditures which are included herein have been authorized by me and have been made for the care and maintenance of youth in accordance with the provisions of Section 530 of the Executive Law; that the amounts detailed in this claim are a just, true, and correct statement of the expenditures made during the quarter ended [REDACTED]; and that no part of such expenditures has been claimed previously, except as stated therein.

| | | |
|---------------------------------------|----------------------|---------------------|
| ADMINISTRATIVE OFFICER: [REDACTED] | TITLE: [REDACTED] | DATE: [REDACTED] |
|---------------------------------------|----------------------|---------------------|

CERTIFICATE OF FISCAL OFFICER

I certify that I have made expenditures for the care and maintenance of youth in the amounts shown herein; that such expenditures were made on the authority of the administrative official whose certificate appears herein; that the amounts stated herein as the State share of expenditures are actually due and owing from the State of New York; that these amounts represent the claims of this social services district for the quarter ended [REDACTED];

That the amounts stated herein are just, true, and correct; that no part thereof has been paid; and such amounts are actually due and owing.

| | | |
|-------------------------------|----------------------|---------------------|
| FISCAL OFFICER: [REDACTED] | TITLE: [REDACTED] | DATE: [REDACTED] |
|-------------------------------|----------------------|---------------------|

Appendix B

Documents Received From JDC at February 10, 2017 Audit Exit Conference

| Name of Document | Description of Document |
|---|---|
| 2013 DSS Secure Detention Quarterly Claims | Names of Juveniles that were misclassified (as noted by Auditors) are verified by JDC, highlighted and quantified |
| 2013 OCFS Roster | Names of all Juveniles that were entered in JDAS (OCFS/State system) |
| 2013 Copy of Auditor Worksheet (previously provided to JDC) | Worksheet is highlighted showing verification by JDC of all previously misclassified names |
| 2013 Schedule of Care days Claimed that were Not in the JDC Roster but in OCFS Roster | Copy of Auditor worksheet previously provided to JDC showing JDC verification |
| 2013 Schedule of Care days Claimed that were Not in the OCFS Roster but in JDC Roster | Copy of Auditor worksheet previously provided to JDC showing JDC verification |
| 2014 DSS Secure Detention Quarterly Claims | Names of Juveniles that were misclassified (as noted by Auditors) are verified by JDC, highlighted and quantified |
| 2014 OCFS Roster | Names of all Juveniles that were entered in JDAS (OCFS/State system) |
| 2014 JDC Roster | Names of all Juveniles that were entered in JDAS (OCFS/State system) |
| LTI Employee SCR | Staff Cleared by the NYS Registry for Child Abuse and Neglect |
| LTI Employee Certification | Proof of NYS Teaching Certification |
| LTI Educational Assessment and Service Plan | Assessment Plans contain dates of Student Evaluation in accordance with state laws and regulations |
| LTI Monthly Performance Reports | Number of Children Served, Assessed, Classroom sessions held, length of stay, etc. |

EDWARD MANGANO
COUNTY EXECUTIVE



JOHN PLACKIS
ACTING PROBATION DIRECTOR

NASSAU COUNTY PROBATION DEPARTMENT
400 COUNTY SEAT DRIVE
MINEOLA, NY 11501-4823
(516) 571-4676

March 08, 2017

Office of the County Comptroller
Ms. JoAnn Greene, Director of Field Audit 240
Old Country Road
Mineola, New York 11501

Re: Review of the Nassau County Juvenile Detention Center

Dear Ms. Greene:

We are in receipt of your letter dated March 1, 2017 with your findings relating to the above-referenced audit. As per your request, we would like to provide you with this formal response. The following are explanations and/or corrective measures we are taking in response to your report.

Department Response to Background

On page 1 last paragraph, you are stating that the average yearly cost per child at the JDC is \$1,811 per day. It should be noted that this simple averaging could mislead the reader due to the fluctuations of in-county and out-of-county reimbursements for these categories.

Auditor's Follow-up:

*Auditor's daily average cost is based on the JDC's Actual Allowable Cost to care for a child between 2012 and 2014. The actual cost per day is established by OCFS (based on the JDC's submitted costs) and is determined by dividing JDC's **actual allowable** cost incurred by the number of care days. In 2012, JDC's actual allowable cost per day (as reimbursed by OCFS) to care for a child was \$1,182, \$2,291 in 2013 and \$2,046 in 2014. The actual calculated cost per care day in 2012 was skewed, since the JDC did not include \$575,000 in Building Maintenance costs which the JDC subsequently added in 2013.*

Appendix C

Department Response to Chart Exhibit I

Waiting for OCFS response with 2014 reimbursement and 2013 decision on adjustment.

Auditor's Follow up:

The Department is stating that if they are successful in their negotiations with NYS subsequent to our audit and receive additional reimbursement, the chart with the amount of loss will change.

Finding (1):

2014 Claim Errors Resulted in Possible \$700,423 Loss in State Reimbursements

Audit Recommendation(s):

The Juvenile Detention Center should:

- a) correct the 616 Care Day misclassifications and amend all claims to reflect the additional State reimbursements of \$632,937;
- b) reconcile the 94 Care Days with OCFS Claims Roster and claim these days in the current year, if possible;
- c) correct processes that allowed misclassifications and reconciliation errors; and
- d) reconcile, on a quarterly basis, Care Days from JDC Roster to JDAS and finally to the Quarterly claims filed with the NYS Office of Children and Family Services in order to maximize reimbursement revenues

Department Response to Finding

The department disagrees with your finding that states 616 cases were misclassified and that 94 days were never submitted for reimbursement by JDC. The auditors brought calculation errors to our attention and the department is negotiating with NYS for the adjustments. The JDC Asst. Director along with our JDAI Coordinator updated years 2013 and 2014 so that cases misclassified have now been fully corrected and reported in JDAS.

It should be noted the following two points have been overlooked and not discussed by the auditors:

- The JDC annual reimbursement statement sent by OCFS is subject to review and can be negotiated/adjusted by the state should there be additional information that will alter the calculation (i.e. care days)
- The auditors were incorrectly counting JDC care days as same day entrance/exit and they do not count in the calculation.

On Page 6:

Chart Exhibit II will change based on awaited/revised 2014 JDC Detention Reimbursement Reconciliation.

Auditor's Follow Up:

The Department is stating that if they are successful in their negotiations with NYS subsequent to our audit and receive additional reimbursement, the chart will change.

“The auditors also compared the JDC Roster to the JDAS Roster...” Comparison of JDC roster vs. JDAS roster and differences. These items have already now been cleared and updated by the JDC.

On Page 7:

Chart Exhibit III will change based on awaited/revised 2014 JDC Detention Reimbursement Reconciliation.

Auditor's Follow Up:

The Department is stating that if they are successful in their negotiations with NYS subsequent to our audit and receive additional reimbursement, the chart with the amount of loss will change.

Department Response to Recommendations:

The department agrees with the recommendation and has implemented the auditor's corrective actions. In addition, management has already taken action by removing staff that were inefficient.

Auditor's Follow-up:

*We stand by our findings. The auditors did not include in their calculation care days that showed same day entrance and exit of juveniles. The worksheets provided to the JDC explicitly showed that same day entrance/exit days were **excluded** from our care day calculations.*

We concur with the Department's actions to implement all of the recommendations including correcting all 616 JDAS care day misclassifications, reconciling the 94 Care Days with OCFS Claims Roster and refile and/or submitting the appropriate claims. We reiterate the importance of correcting the processes that allowed these errors; and performing the necessary reconciliations on a quarterly basis.

Finding (2):

(2) Claim Errors Resulted in \$574,843 Lost in 2013 State Reimbursements

Audit Recommendations(s):

The Juvenile Detention Center should:

- a) review the accuracy of the 145 Care Days and submit a claim for days not previously claimed;
- b) reconcile on a quarterly basis, Care Days from Admissions Worksheet to JDAS so that the Quarterly claims Roster (filed with the NYS Office of Children and Family Services) are accurate thus maximizing reimbursement revenues; and
- c) contact OCFS to inquire if misclassified days could be re-entered in the upcoming Claims Roster.

Department Response to Finding:

The Department has worked with Office of Children and Family Services (OCFS) on correcting year 2013, which will result in a change of out-of-county care days. We are awaiting their response for an additional reimbursement.

Chart Exhibits IV/V will change as a result of corrected JDAS reporting records.

Auditor's Follow Up:

The Department is stating that if they are successful in their negotiations with NYS subsequent to our audit and receive additional reimbursement, the chart with the amount of loss or unbilled care days will change.

Department Response to Recommendations:

- (a) The department has already corrected this in JDAS.
- (b) This corrective action has been implemented at the JDC with the JDAI Coordinator responsible for inputting the care days into JDAS and rechecking on a monthly basis.
- (c) This corrective action has been completed and any misclassified days have been corrected in JDAS.

Please note that the department is operating with a reduced staff but still delivering the required services mandated by law.

Appendix C

Furthermore, we reject the methodology utilized by the auditors to determine the “care days” billing compilation. The auditors increased the incorrect number of care days that JDC staff found yet they failed to deduct or acknowledge the care days that were billed correctly.

Lastly, we want to point out that our JDC Director was injured mid-audit which created a gap in audit testing and possibly distorting of the facts.

Auditor’s Follow-up:

We stand by our findings. It should be noted that of the 2,381 care days the JDC billed in 2013, 392 (16 percent) were misclassified and an additional 145 days were not billed at all. Similarly, in the 2014 claim year, 616 care days representing 27 percent of the 2,269 billed days were misclassified. We acknowledge that the JDC did bill most of the care days accurately; however, error rates of 16 and 27 percent are substantial.

We concur with the corrective actions taken to correct the 392 misclassified care days and the 145 care days that were not previously claimed in JDAS, and that OCFS has been contacted about additional reimbursements. We also concur with the corrective action to reconcile care days on a quarterly basis to ensure the accuracy of the Quarterly Claims Roster.

Finding (3):

JDC Educational Services Staff Were Not Adequately Monitored for NYS Certification, and, Child Abuse Clearances

Audit Recommendation(s):

The Probation Department should:

- a) ensure that all staff are NYS certified teachers;
- b) ensure that all staff have been cleared by the NYS Registry for Child Abuse and Neglect before they are allowed to work at the JDC; and
- c) review (at least on a sample basis) backup documentation to ensure compliance with the agreement and state regulation.

Department Response to Finding:

On pages 9-10, the finding states that the JDC is under the control of the NYS Education Department, its laws and regulations. This is incorrect as the JDC is under the jurisdiction of the NYS Office of Children and Family Services (NYS OCFS) and is not governed by the NYS Education Department.

Appendix C

The department disagrees with your finding that there were violations of the Leadership Training Institute (LTI) contract with regard to screening and background clearance from the New York State Central Register of Child Abuse and Maltreatment (SCR). There was proper Certification and Child Abuse Screening performed and documentation is available at the JDC.

The seven LTI staff referenced by the auditors in the educational program “are eligible” to be certified. JDC is supervised by OCFS and they have accepted existing documentation of teacher eligibility. JDC receives this state oversight and is in full compliance with the state. Full documentation is available at the JDC. It should also be noted that your selection for testing was outside of the audit scope period of 2012- 2014 as you selected a period from December, 2013- May, 2015.

We also partially disagree with your finding concerning “three other of the seven employees were screened after commencing employment, one at least a year later.”

This is incorrect as the employee you are referring to has been continuously employed at JDC (as an LTI employee) for 30 years. LTI does not have the paperwork going back several decades to the start of employment but this employee was certified at the time employment commenced.

Department Response to Recommendations:

The department is confident it has demonstrated compliance with state regulations regarding background checks and certifications for educational staff.

Auditor’s Follow-up:

We stand by our findings and recommendations.

*The audit report does **not** state that the JDC is under the control of, or governed by, the NYS Education Department. Rather, it refers to Section 3 (b) of the Contract between the County and the Leadership Training Institute which states that “The contractor agrees that the staff designated and furnished in the operation of its educational program at the Center shall meet and possess all staffing requirements and certifications as defined by New York State statutes and regulations, including New York State Education Law and regulations, and all regulations of OCFS, including, but not limited to, Juvenile Detention Facility Regulations. The Contractor shall provide the Department with a copy of required certificates (e.g., Teacher’s New York State teaching certificate) upon execution of this Agreement as well as a resume and/or any certification or license for each staff member. Contractor’s staff shall have the following additional qualifications:*

(i) Services shall be provided by experienced and committed teachers qualified by, or eligible for certification by, NYS Education Department, as prescribed by 8 NYCRR Part 80.32.”

*With respect to Child Abuse Screening, we stand by our finding that three of the seven employees in our sample were **not** screened **before** commencing employment as required by Section 3 (b) (ii)*

Appendix C

(iii) of the County contract with LTI, "...New York State Central Register of Child Abuse and Maltreatment clearances shall be obtained prior to any employee commencing employment at the Center....The Contractor shall screen all its employees having direct contact with Students through the New York State Sex Offender Registry..."

The additional documentation provided at the Audit Exit Conference on February 10, 2017 showed that the educational coordinator was screened on January 27, 2017, after our audit inquiry.

Furthermore, the Department's claim that the audit sample was selected from a period outside of the audit scope is inaccurate since the Engagement Letter sent to the Probation Department explicitly stated that "The period under review will be 2012 to the present."

We stand by our conclusion that the Department did not demonstrate compliance with state regulations regarding background checks and certifications for educational staff. We reiterate the importance of implementing the recommendations in order to ensure full compliance with Section 3 (b) i and ii of the contract.

Finding (4):

JDC Educational Contractor Assessments Were Not in Compliance with Contract Terms

Audit Recommendation(s):

The Probation Department should enforce the terms of the contract by requiring LTI to:

- a) evaluate Student Educational Needs within 72 hours of referral or first day of school;
- b) interface with the student's school district within 72 hours;
- c) establish an educational plan within 10 days of referral or first day of school;
and
- d) provide progress reports every thirty days.

Department Response to Finding:

We reject the finding that the Educational Assessment Plans were not properly completed and that the educational vendor did not follow the Student Educational Assessment standard. The following four items listed as part of the standard have all been met:

- "Conduct an evaluation of the student's educational needs within 72 hours..." Youth attend school the day they are admitted and that is not negotiated. LTI does perform this and it should be noted that weekends do not count when applying the 72-hour period.
- "Interface with the Student's school district within 72 hours..."

Appendix C

LTI makes every attempt to contact the Student's school district in a timely manner. It should be noted that in 2016 LTI before the audit, developed a new form that makes the information clearer and more complete.

- “Establish and educational plan within ten (10) school days ...”

All Students have had an educational plan established in a timely period based on their date of admission, except one student who was there for only three (3) days, which is too short a time period.

- “Provide progress reports and education plan updates every thirty (30) days.” Reporting and educational plans have all been properly prepared for each Student.

Department’s Response to Each Audit Point:

“We selected for review sample of 15 educational assessment plans ...”

- “two out of 15 were still not provided” It is very possible that it may have been not long enough period of time to perform assessments.
- “Three were completed after the 10 days of referral ...”- This is not accurate as all were completed other than one in process with the school district.
- “In two instances, the Assessment date for two students noted in the assessment plan record ...”- JDC was still following-up with the student's school district which can take time - We agree that there was one (1) error where the termination date was incorrectly entered. LTI doesn't simply terminate the youth upon release from the JDC. LTI continues to follow up to assure that that the released youth gets the credit for their time here. Residents have taken regents at JDC and regents were taken at NCCF because LTI followed up after release. They must not be penalized for that discrepancy.
- “Of the 13 Assessment Plans initially reviewed, seven did not have dates ...”- 5 were in total compliance - 12 of the 13 were seen within the time frame based on admission date vs. Assessment Date. It must be noted that educational services are provided for all JDC students and that there was no violation of rule or law.
- “We were not provided with additional documentation to corroborate the dates that were later added to the assessment plans”. All plans were completed within the required timeframe of admission. In 2016 LTI developed a new form that will include key dates for tracking students' activities during their stay at the JDC and aftercare follow up.
-

Department Response to Recommendations:

The department is confident in its efforts to enforce the terms of the contract with LTI.

LTI does currently perform the recommendations that are listed for this finding and we would like to add the following:

- LTI does “interface with student's school district within 72 hours ...”
- LTI makes all attempts to perform this, however, there continues to be a need to follow-up with school districts and that can take time to receive a response.
- Lastly, LTI does “provide progress reports every 30 days”- Auditors can visit the JDC to review all reports prepared and sent by LTI.

Auditor's Follow-up:

The auditors provided documentation to the Department to support the findings and audit conclusions. Furthermore, we do not concur with the Department's conclusions because documentation was not provided to support them.

We reiterate the recommendations. The Department should enforce the terms of the contract by requiring LTI to evaluate student educational needs in the prescribed 72 hour timeframe, establish an educational plan within 10 days of referral or first day of school, and provide progress reports every thirty days

Finding (5):

Reports Provided by JDC's Educational Contractor Did Not Include All Required Data Needed for Effective Oversight by JDC

Audit Recommendation(s):

The Probation Department should:

- a) enforce the terms of the contract by requiring LTI to submit monthly detailed performance reports;
- b) designate personnel to review such reports to ensure that all services are provided in accordance with the agreement; and
- c) investigate with the County Attorney's Office adding financial penalty terms (performance metrics) to enforce the terms of the contract, so if contractor fails to cure contract violations within a specified period of time, there are financial repercussions.

Department Response to Finding:

The department disagrees with the finding that the educational contractor LTI did not submit required monthly performance reports to the JDC.

- The JDC Director has received continuous monthly performance reports per the requirement in the contract. It also should be noted that your selection for testing was outside of the audit scope period of 2012- 2014 (stated on page 2) as you selected the "four-year period from 2012 through 2015."
- "The auditors learned that the Department was not aware that LTI is required to submit monthly detailed reports with dates of admissions, total number of classroom sessions held or total number of hours worked on each case for the month." This statement is inaccurate as the JDC is aware of monthly reporting requirements by LTI and has available all reports for inspection by the auditors.

Appendix C

- “We reviewed the monthly reports and found that the reports do not identify the youths that were assessed in the service period...”. Monthly reporting is complete, all youth are identified and all required information needed to satisfy our contract has been submitted. Due to the confidential nature of these juvenile documents the auditors can come to the JDC at any time to review these reports.
- The finding refers to NYS Education Department regulations and annual reporting. This is incorrect as the JDC is under the control of the NYS Office of Children and Family Services (NYS OCFS) and is not governed by the NYS Education Department.

Department Response to Recommendations:

The auditor’s recommendation to work with the County attorney’s office to investigate adding financial penalties for non-compliance of terms of the contract with LTI is under evaluation with department counsel.

Auditor’s Follow-up:

*We stand by our findings. We reviewed the monthly reports currently being provided by LTI and found that the reports do not identify the youths that were assessed in the service period nor the number of hours worked on each case for the month. We concluded that the monthly reports **do not** contain sufficient information to enable the Department to adequately oversee the performance of the contractor.*

Furthermore, the Department’s claim that the audit sample was selected from a period outside of the audit scope is inaccurate since the Engagement Letter sent to the Probation Department explicitly stated that “The period under review will be 2012 to the present.”

We reiterate our recommendation that the Department enforce the terms of the contract by requiring LTI to submit monthly detailed performance reports and designate personnel to review such reports to ensure that all services are provided in accordance with the agreement. We concur with the action being taken by Department counsel to investigate adding financial penalties for non-compliance with the terms of the contract.

Finding (6):

JDC Has Not Issued a Request for Proposals for Educational Services Since 2009

Audit Recommendation(s):

County officials should comply with the County’s procurement policy and use a competitive process, such as an RFP process, when procuring professional services.

Department Response to Recommendation:

The department is in the process of preparing an RFP in 2017 that would take effect beginning in year 2018.

Auditor's Follow-up:

We concur with the corrective being taken by the Department to prepare an RFP for Educational Services.

Finding (7):

Thirteen of Nineteen Equipment Items Tested in a Physical Inventory Count Could Not Be Located

Audit Recommendations:

The Probation Department should:

- a) conduct a physical count of all the equipment at the JDC;
- b) reconcile count with the County's Fixed Asset Accounting System; and
- c) comply with the annual equipment inventory requirement as prescribed by the Fixed Asset Accounting System Manual by removing items that have been disposed or cannot be located.

Department Response to Finding

The department rejects the finding that 13 out of 19 Fixed Asset items were unaccounted for as these assets were transferred and under DSS control. It should also be noted that the dollar amount in the finding lists **historical costs** of \$42,637, most of which date back a minimum of 5 to 15 years resulting in a minimal dollar accounting book value. It should be noted that all of the following Fixed Asset items were purchased under DSS control prior to 2012 except for two items.

- (1) Power Washer purchased in 2001 - for \$3,299 - was purchased under DSS but is in our inventory. The asset is located at the JDC and in non-working condition. It will be removed from inventory.
- (3) 2009 Desktop computers purchased for \$1,617 -These legacy computers are under DSS inventory and have been removed from service.
- (2) Floor scrubbers in 2006/07 - \$8,363 -Purchased under DSS is located at the JDC.

Appendix C

- (1) Canon scanner 2012- \$4,056 -Under DSS- need more information from DSS
- (1) Laser Printer 2012 - \$782 -Located at JDC but listed under DSS - need more information from DSS
- (1) Fire Safe 2005 - \$1,998- Was DSS -located at JDC in conference room
- (2) Projectors 2011/2006- \$1,991-Under DSS- need more information from DSS
- (1) 42" NEC TV 2011- \$658 -located at DSS
- (1) Barcode scanner 2011 - \$838--located at DSS

Department Response to Recommendations:

Fixed Asset records will be updated upon additional information being received from DSS.

Auditor's Follow-up:

We stand by our findings and concur with the action being taken by the Department to comply with the County's Fixed Asset Accounting System by updating its records and tracking all assets.

We reiterate the requirement to perform an annual physical count of all equipment at the JDC and reconciling this count with the County's Fixed Asset Accounting System.

Thank you for this opportunity to respond to this review.

Sincerely,


John Plackis, Acting Probation Director Nassau
County Probation Department