

**Financial-Related Audit
Farmers Union Community Development Association, Inc.
Older Americans Act, Title V
Senior Texans Employment Program
July 1, 1994, through June 30, 1999**



**Office of Inspector General
Office of Audit
Report No.: 06-03-003-03-360
Date Issued: March 14, 2003**

AUDITEE'S RESPONSE TO DRAFT REPORT

(Attachments to response are on file in the
Dallas Regional Audit Office)



**Senior
Texans
Employment
Program**

March 3, 2003

John F. Riggs
Regional Inspector General for Audit
525 Griffin St., Room 415
Dallas, TX 75202

Dear Mr. Riggs:

After reviewing the draft report for the period of July 1, 1994, through June 30, 1999, we found only a few areas in which we will be able to provide information requesting changes to the Audit Findings. The following is a list of requested changes and documentation, for your consideration.

1. Clerical error in Volume 1, page 2, Finding 5, Texas Rural Communities (TWC) should be **Texas Workforce Commission (TWC)**.
2. On February 15, 2001 we received a Final Determination from the Texas Workforce Commission on our Audit for July 1, 1998 through June 30, 1999. This Final Determination and copies of checks, first issued to U.S. Department of Labor and then reissued to the Texas Workforce Commission along with correspondence are attached. Our check in the amount of \$33,315.00 was first issued on April 27, 2001 and reissued on May 4, 2001. The \$33,315.00 was determined by TWC as disallowed costs and we feel that our Financial-Related Audit, Report # 06-03-003-03-360 should be reduced by the \$33,315.00 already paid. News article attached.
3. Since Mr. Robert L. Girard was sentenced and fined \$119,729.89 in restitution to the federal government, will this amount be subtracted from the \$571,645.00 of unallowable or questionable costs defined in this audit?
4. In **Finding #1** we also are unable to find any documentation to support these charges. We are attempting to match other employees travel records to establish justification for some of the expenses Mr. Girard did not document. We are also working with DOL to establish trips that Mr. Girard took in connection to presentation for DOL and other National Grantees.
5. In **Finding #2** we are unable to justify any payment of expenses for the People's Garden.
6. In **Finding #3** we have received information from Heartland Lloyds Insurance Company that 5 of the 10 checks listed were Deputy Attorney-in-Fact Fees and not refunds. We are attaching the list of 5 checks, listed as Deputy Attorney-in-Fact Fee and a copy of the original Contract for Services of a Deputy Attorney-in-Fact dated

Funded Through Texas Workforce Commission

July 18, 1994 and signed by Robert Girard, Executive Director and Philip W. Barnes, President Heartland Lloyds Insurance Company. The check for Deputy Attorney-in-Fact Fees amounts to \$73,286.58 and we feel that this amount should be subtracted from the Audit total.

7. In **Finding #4** we have no documentation to support payments made to various individuals and organizations with STEP funds.
8. In **Finding #5** we would like to argue that the Christmas bonuses should be allowed. We have not been able to find any documentation that the Board of Directors for FUCDA or the President of Texas Farmers Union has put into the minutes or the by-laws that Christmas bonuses would be given. However, each year the President of Texas Farmers Union would give the Christmas bonus checks with the Christmas card to each employee. I have been with STEP as a Field Supervisor for 10 years and Director for 3 years and have always received Christmas bonuses from the President of Texas Farmers Union. Christmas bonuses amount to \$28,233.42 and we feel that this amount should be subtracted from the Audit total.
9. Also in **Finding #5** there is one entry for Ms. Irene Higdon, Check #1091, 07/22/94, which is a termination payoff of vacation, up to 160 hours and half of her sick leave, up to a maximum of 450 hours. This amounts to \$2,965.36 which we feel should be subtracted from the total of \$571,645.00.
10. In **Finding #6** we are unable to find any documentation or reason for the checks that were issued.

We will continue to search for correlating alternative documentation, in an attempt to verify that some of the expenses charged on Mr. Girard's personal and STEP credit cards, were work related.

We would like to thank you for the professionalism that your staff exhibited during the entire audit process.

If we can be of further assistance, please do not hesitate to contact us.

Sincerely,



Wes Cowan, Executive Director
SENIOR TEXANS EMPLOYMENT PROGRAM

Cc Cassie Carlson-Reed, TWC Executive Director
Emily Stover DeRocco, Assistant Secretary for Employment and Training
Joseph Juarez, ETA Regional Administrator
Wes Sims, President Texas Farmers Union