

U.S. Department of Labor

Office of Inspector General—Office of Audit

**EMPLOYMENT AND TRAINING
ADMINISTRATION**



**ALLEGED MISUSE OF FINANCIAL AND
ADMINISTRATIVE TITLE V FUNDS BY
THE NATIONAL CAUCUS AND CENTER
ON BLACK AGED, INC.**

Date Issued: March 30, 2007

Report Number: 21-07-002-03-360

BRIEFLY...

**Highlights of Report Number:
21-07-002-03-360, to the Assistant
Secretary for Employment and Training**

WHY READ THE REPORT

The Employment and Training Administration (ETA) Division of Older Worker Programs designs, develops, and administers the Senior Community Service Employment Program (SCSEP). Grants are awarded under this program to promote the development of useful part-time employment opportunities in community service activities and foster individual economic self-sufficiency to increase placement into unsubsidized employment. The National Caucus and Center on Black Aged, Inc. (NCBA) is a direct recipient of the SCSEP grant funds. For Program Year July 1, 2004 – June 30, 2005, NCBA received \$15,309,169.

WHY OIG DID THE AUDIT

The Office of Inspector General (OIG) conducted an audit of NCBA to determine if the specific allegations contained in a complaint could be substantiated:

- Did NCBA inappropriately use government funds on car rentals for vacation/pleasure and to obtain extravagant hotel accommodations while in Tucson, Arizona and other cities, while traveling on behalf of NCBA?
- Did the NCBA part-time Title V Director use NCBA operational funds (\$30,000) to finance a computer program designed and implemented by his company? Is this a conflict of interest?
- Were salaried NCBA employees paid while working for another company at the same time? Did at least two of these employees work on a business venture in Africa while on the NCBA payroll? Did the part-time Title V Director, who owns a computer company, use his employees as NCBA consultants and NCBA staff?

READ THE FULL REPORT

To view the report, including the scope, methodology, and full grantee response, go to:

<http://www.oig.dol.gov/public/reports/oa/2007/21-07-002-03-360>

March 2007

ALLEGED MISUSE OF FINANCIAL AND ADMINISTRATIVE TITLE V FUNDS BY NCBA

WHAT OIG FOUND

- \$5,221 in government funds used for unauthorized travel expense claims;
- \$125,193 in government funds used to award sole source contracts without proper justification.
- No evidence to substantiate that NCBA paid salaried employees while they worked for another company or while on a business venture in Africa.
- No onsite monitoring conducted by ETA to facilitate compliance with grant agreements and related grant requirements.

GRANTEE RESPONSE

In response to the draft report, NCBA generally disagreed with the report recommendations, stating that the actions taken that resulted in unallowable costs were justified. However, NCBA officials acknowledged that they did not follow applicable regulations in that they did not properly document justification for, or obtain written approvals prior to, incurring these costs. NCBA provided internal memorandums it has issued to strengthen internal controls and operating procedures related to travel and procurement policies.

WHAT OIG RECOMMENDED

We recommend that the Assistant Secretary for Employment and Training:

- Recover questioned travel costs of \$5,221;
- Ensure that NCBA adheres to established criteria/regulations in the Code of Federal Regulations (CFR), NCBA Grant Agreement, and its own standard operating procedures (SOPs) with respect to travel policy and procedures;
- Recover questioned procurement costs of \$125,193;
- Recover amounts paid for computer program maintenance that occurred after the audit period ending June 30, 2005;
- Ensure that NCBA adheres to established criteria/regulations in the CFR, NCBA Grant Agreement, and SOPs with respect to procuring products and services, thereby avoiding conflicts of interest; and
- Ensure that ETA conducts onsite monitoring.

Table of Contents

	PAGE
EXECUTIVE SUMMARY	3
ASSISTANT INSPECTOR GENERAL’S REPORT	7
NCBA inappropriately used government funds for travel while in Tucson, Arizona	8
NCBA issued sole source contracts to SMCI, the Quetzal Group, and a Quetzal Group representative, without written justification, and did not adhere to the competitive bid solicitation process.....	11
We found no evidence to substantiate that NCBA paid salaried employees while they worked for another company at the same time or while on a business venture in Africa	14
APPENDICES	15
A. Background.....	17
B. Objective, Scope, Methodology, and Criteria.....	19
C. Procurement Questioned Costs	23
D. Acronyms and Abbreviations	25
E. Agency Response.....	27

PAGE HAS BEEN INTENTIONALLY LEFT BLANK

Executive Summary

We conducted a performance audit of the National Caucus and Center on Black Aged, Inc. (NCBA) as a result of an anonymous complaint received by the Office of Inspector General (OIG). NCBA currently operates the Senior Community Service Employment Program (SCSEP) for the Department of Labor (DOL) in 10 states plus the District of Columbia, 86 counties, and 2 cities. For Program Year (PY) 2004, NCBA received SCSEP/DOL grant funds of \$15,309,169.

Our audit objective was to determine if the specific allegations contained in the complaint with respect to financial and administrative misuse of Title V funds could be substantiated. Specifically, we analyzed the information provided by the complainant and formulated three subobjectives:

- Did NCBA inappropriately use government funds on car rentals for vacation/pleasure, and to obtain extravagant hotel accommodations, while in Tucson, Arizona and other cities, while traveling on behalf of NCBA?
- Did the NCBA part-time Title V Director use NCBA operational funds (\$30,000) to finance a computer program designed and implemented by his company? Is this a conflict of interest?
- Were salaried NCBA employees paid while working for another company at the same time? Did at least two of these employees work on a business venture in Africa while on the NCBA payroll? Did the part-time Title V Director, who owns a computer company, use his employees as NCBA consultants and NCBA staff?

Results

The OIG found that:

- NCBA inappropriately used government funds for travel. For PY 2004, NCBA was reimbursed \$5,221 in travel expense claims that did not comply with the Federal Travel Regulation (FTR) requirements, NCBA Grant Agreement, and its own standard operating procedures (SOPs).
- NCBA funds were used to award a \$38,000 sole source contract, without justification, for a computer program designed and implemented by Quetzal Group, Inc., a company owned by the part-time Title V Director. Two related contracts were also awarded sole source, without written justification, to the Quetzal Group and its parent company, Strategic Management Concepts, Inc. (SMCI). The relationship between the part-time Title V Director and these two companies constituted a conflict of interest, resulting in questioned costs totaling \$125,193 for these three sole source contracts and related invoices,

as well as amounts paid under one of the contracts after our audit period ended.

- No evidence was identified to substantiate the allegation that NCBA paid salaried employees while they worked for another company or while on a business venture in Africa. The part-time Title V Director used his employees as consultants, but not as NCBA staff.
- No onsite monitoring of NCBA was conducted by the Employment and Training Administration (ETA) to facilitate compliance with the Grant Agreement and related grant requirements.

Grantee Response

NCBA generally disagreed with the report recommendations, stating that actions taken which resulted in unallowable costs were justified. However, NCBA officials acknowledged that they did not follow applicable regulations in that they did not properly document justification for, or obtain written approvals prior to, incurring these costs. NCBA provided internal memorandums it has issued to strengthen internal controls and operating procedures related to travel and procurement policies.

We have attached the NCBA response to this report in its entirety as Appendix E. Certain portions of NCBA's response have been deleted because they contain personal and confidential information which may not be releasable under the Freedom of Information Act (5 U.S.C. 552).

OIG Conclusion

The NCBA response to the draft report did not provide additional information that caused us to revise the findings and recommendations, with the exception of a reduced amount for questioned meals and incidental expenses (M&IE) from \$1,760 to \$344.

All the recommendations will be resolved as part of the ETA audit resolution process.

Recommendations

We recommend that the Assistant Secretary for Employment and Training:

- Recover questioned travel costs of \$5,221.
- Recover questioned procurement costs of \$125,193.

- Recover amounts paid under one of the sole source contracts after the audit period ended June 30, 2005.
- Ensure that NCBA adheres to established criteria/regulations in the Code of Federal Regulations (CFR), the NCBA Grant Agreement, and its own SOPs with respect to:
 - travel policy and procedures; and
 - procuring products and services through the competitive bid process and avoiding conflicts of interest.
- Ensure onsite monitoring, whereby the ETA Federal representative conducts desk reviews and provides feedback to NCBA, to facilitate compliance with the Grant Agreement and related grant requirements.

PAGE HAS BEEN INTENTIONALLY LEFT BLANK

U.S. Department of Labor

Office of Inspector General
Washington, DC 20210



Assistant Inspector General's Report

Ms. Emily Stover DeRocco
Assistant Secretary for
Employment and Training
US Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

We conducted an audit of NCBA as a result of an anonymous complaint received by the OIG. Our audit objective was to determine if the specific allegations contained in the complaint with respect to financial and administrative misuse of Title V funds could be substantiated:

- Did NCBA inappropriately use government funds on car rentals for vacation/pleasure and to obtain extravagant hotel accommodations while in Tucson, Arizona and other cities, while traveling on behalf of NCBA?
- Did the NCBA part-time Title V Director use NCBA operational funds (\$30,000) to finance a computer program designed and implemented by his company? Is this a conflict of interest?
- Were salaried NCBA employees paid while working for another company at the same time? Did at least two of these employees work on a business venture in Africa while on the NCBA payroll? Did the part-time Title V Director, who owns a computer company, use his employees as NCBA consultants and NCBA staff?

We conducted the audit in accordance with Generally Accepted Government Auditing Standards for performance audits. Our audit objective, scope, methodology, and criteria are detailed in Appendix B.

Allegation 1: Did NCBA inappropriately use government funds on car rentals for vacation/pleasure, and to obtain extravagant hotel accommodations, while in Tucson, Arizona and other cities, while traveling on behalf of NCBA?

The NCBA inappropriately used government funds for travel while in Tucson, Arizona. Specifically, for PY 2004, NCBA staff was reimbursed \$5,221 for travel expense claims that did not comply with the requirements of the CFR, NCBA Grant Agreement, and its own SOPs.

NCBA sponsored the SCSEP Training/Technical Assistance Conference in Tucson, Arizona at the Hilton Tucson El Conquistador Golf and Tennis Resort, from January 22 – 25, 2005, and 44 NCBA national and regional staff members, as well as consultants, attended. While in attendance, NCBA:

- exceeded the maximum allowable lodging costs;
- did not adjust M&IE rates to reflect meals furnished as part of the conference; and
- obtained rental cars that were not justified.

Although NCBA had published SOPs that mirrored the CFR, staff was not aware of or did not use the current version, causing NCBA to consistently miscalculate the M&IE rate.

In addition, ETA officials did not monitor NCBA in accordance with guidelines, i.e., the ETA Division of Older Workers' Program (DOWP) SCSEP Handbook. ETA is responsible for conducting general oversight of its grantee programs, including onsite monitoring based on eight specific factors, including: when the grantees were last monitored; significant changes in grantee staff; and delinquent submission of Quarterly Progress Reports (QPRs). The Federal Project Officer (FPO) for NCBA is responsible for determining whether the grantee complies with federal regulations. We determined that NCBA met five of the eight factors, which should have prompted an oversight inspection. The FPO was unable to provide any prior onsite monitoring reports and stated that no onsite reviews had been performed due to a "lack of staff and travel funds." See Methodology on pages 19-20.

NCBA exceeded the maximum allowable lodging costs.

On January 22 – 25, 2005, 44 NCBA staff and consultants stayed at the Hilton Tucson El Conquistador Golf and Tennis Resort and charged the grant \$129 per night, \$24 per night more than the maximum allowable lodging cost of \$105 per night plus applicable taxes, resulting in questioned costs of \$3,739. The NCBA Director for Policy

Development made the hotel arrangements for Tucson and stated he was not aware of the FTR per diem rates.

The FTR at 41 CFR 301-11.100 states, “When travel is more than 12 hours and overnight lodging is required, you are reimbursed your actual lodging cost, not to exceed the maximum lodging rate for the [temporary duty] TDY location or stopover point.”

NCBA did not adjust M&IE rates to reflect meals furnished as part of the training conference.

On January 24, 2005, all conference participants were furnished breakfast, lunch, and dinner. However, NCBA staff did not deduct the expenses for these meals on their travel vouchers, resulting in questioned costs of \$344.¹ NCBA had published SOPs that mirrored the CFR, but staff did not follow them.

The FTR at 41 CFR 301-11.18 states, in part:

Your M&IE rate must be adjusted for a meal(s) furnished to you (except as provided in §301-11.17), with or without cost, by deducting the appropriate amount shown in the chart in this section for CONUS travel, reference Appendix B of this chapter for CONUS travel, or any method determined by your agency. . . .

NCBA obtained rental vehicles that were not appropriately justified.

NCBA improperly charged the grant for the cost of two rental vehicles used by staff at the conference. These two vehicles were in addition to one vehicle NCBA had rented to transport equipment and staff to and from the airport. Because the conference was held at the hotel where NCBA staff stayed, no legitimate need existed for these two additional vehicles. Therefore, we question costs of \$1,138, the amount paid for two additional rental vehicles, which included costs for damage waivers and liability insurance that are not allowable.

The FTR at 41 CFR 301-10.450 states: “Your agency must determine that use of a rental vehicle is advantageous to the government and must specifically authorize such use.”

¹ According to NCBA travel expense vouchers, the agency paid M&IE on January 24, 2005. On January 25, 2005, NCBA did not pay the 75 percent M&IE for staff returning from the travel destination. This reduced the amount of the travel overpayment by \$1,416. As such, the total questioned travel costs is reduced from \$6,755 to \$5,221, and questioned travel costs for M&IE is reduced from \$1,760 to \$344.

The FTR at 41 CFR 301-10.451 states: “You will not be reimbursed for [collision damage waiver] CDW or theft insurance for travel within CONUS. . . .”

Grantee Response

NCBA stated that it compared prices of three hotels in Tucson and determined that the Hilton provided the lowest overall costs, thereby offsetting the total difference between the actual room charges and the allowed CONUS rates. NCBA also provided meals to the staff on January 24, 2005; therefore, NCBA staff did not receive per diem for that day. Regarding M&IE, NCBA staff used the old quarter basis of reimbursement for the first and last days of travel instead of the 75 percent rule; staff was reminded to constantly monitor changes in travel regulations. Finally, NCBA stated that it evaluated the number of cars needed and costs of using other methods of transportation, such as taxi or bus, and determined three rental vehicles were required. Based on the recommendation of NCBA’s insurance company, employees are required to accept loss damage waiver (LDW) coverage on rental vehicles. NCBA provided an internal memorandum it has issued to strengthen internal controls and operating procedures related to travel policies.

OIG Conclusion

The NCBA response did not provide additional information that caused us to revise the findings and recommendations, with the exception of a reduced amount for questioned meals and incidental expenses (M&IE) from \$1,760 to \$344. Further, NCBA’s policy to take LDW coverage on rental vehicles conflicts with the FTR, which disallows such coverage. All the recommendations will be resolved as part of the ETA audit resolution process.

Recommendations

We recommend that the Assistant Secretary for Employment and Training:

- Recover questioned travel costs of \$5,221.
- Ensure that NCBA adheres to established criteria/regulations found in the CFR, NCBA Grant Agreement, and its own SOPs with respect to travel policy and procedures.
- Ensure onsite monitoring, whereby the ETA federal representative conducts desk reviews and provides feedback to program operators, to facilitate compliance with the Grant Agreement and related grant requirements.

Allegation 2: Did the NCBA part-time Title V Director use NCBA operational funds (\$30,000) to finance a computer program designed and implemented by his company? Is this a conflict of interest?

NCBA funds were used to award a \$38,000 sole source contract, without written justification, for a computer program designed and implemented by the part-time Title V Director's company, the Quetzal Group, Inc. The part-time Title V Director's affiliation with the Quetzal Group, Inc., and his involvement in its selection as a contractor, constituted a conflict of interest. We also identified two related contracts that were awarded sole source, without written justification, to a Quetzal Group representative and its parent company, SMCI, as well as questionable invoices. As a result, we question costs of \$125,193 for these three sole source contracts, invoices, as well as amounts paid after our audit period ended for one of the above contracts. Details follow.

The part-time Title V Director was not an employee of NCBA but, instead, was the president of SMCI, and hired by NCBA as a consultant, via a sole source contract without written justification, for \$67,978. The contract was for consulting services on an in-house basis from May 1, 2004 to April 30, 2005. The part-time Title V Director subsequently made recommendations for two additional sole source contracts between NCBA and the Quetzal Group, a wholly owned subsidiary of SMCI, as explained below.

- In January 2005, NCBA awarded a sole source contract for \$38,000 to the Quetzal Group for the period January 1, 2005 – April 30, 2005, to create a web-based computer program to improve the QPR process. The NCBA President stated that the Quetzal Group contract was awarded based on the part-time Title V Director's recommendation. The NCBA President did not follow the CFR or NCBA SOPs with regard to the competitive bid solicitation process or written justification for lack of competitive bids; therefore, we question the \$38,000 contract amount.
- NCBA awarded to a Quetzal Group representative, without justification, a sole source open-ended contract that started April 29, 2005 to maintain the web-based computer program the Quetzal Group had developed. At any point, with 2 weeks notice, either party could terminate the agreement. The NCBA President stated that this contract was also awarded based on the part-time Title V Director's recommendation. Again, the NCBA President did not follow the CFR or NCBA SOPs with regard to the competitive bid solicitation process or written justification for lack of competitive bids; therefore, we question the \$10,050 paid through June 30, 2005, the end of the audit period, plus any subsequent amounts paid.

Moreover, three SMCI invoices totaling \$9,165 and billed to NCBA for the initial contract--the part-time Title V Directors consulting work--were for work performed outside the contract scope. To explain, the first invoice for \$1,705 was submitted on SMCI letterhead for information technology support services performed in January 2005 by a Quetzal Group representative. However, the Quetzal Group billed \$12,000 for

similar work performed during this period under the second contract. A second SMCI invoice for \$5,500 was for work performed from July to October 2004 for “pre-assessment for a web-based application.” This work was within the scope of the second contract with the Quetzal Group that was awarded in January 2005, but was outside the scope of the initial contract, and the SMCI had already billed NCBA for the part-time Title V Director’s monthly consulting fee of \$5,600 for the same period. A third, partial invoice for \$1,960 was for planning meetings and parking costs that were incurred in May 2005, after the initial contract performance period had expired. Therefore, we question the \$9,165 charged to NCBA for these three invoices.

29 CFR, 95.46 states, in part:

Procurement records and files for purchases in excess of the small purchase threshold shall include the following at a minimum: (a) basis for contractor selection, (b) justification for lack of competition when competitive bids or offers are not obtained, and (c) basis for award cost or price.

The NCBA had SOPs in place that mirrored the CFR, but NCBA did not adhere to the open competitive bid solicitation process or justify its noncompetitive selection, resulting in a violation of the CFR and NCBA SOPs. We question the contract amount of \$125,193.

29 CFR 95 states, in part:

The recipient shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award . . .

All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The recipient shall be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. . . .

As was the case with the travel allegations, the ETA FPO conducted little or no monitoring of NCBA over the last 3 years. According to the ETA DOWP SCSEP Handbook, ETA is responsible for conducting general oversight of its grantee programs, including monitoring. See Methodology on pages 19-20.

Grantee Response

NCBA disagreed with our conclusion regarding unjustified sole source contracting actions that resulted in a conflict of interest. NCBA stated that, because of significant personnel changes within its senior management structure in recent years and difficulty in developing a database system, NCBA fashioned contracts it believed were cost-effective and provided maximum flexibility. As such, NCBA considered its actions prudent. However, NCBA officials stated that, in the future, they will ensure that justification is properly documented and maintained in the file. NCBA provided an internal memorandum it has issued to strengthen internal controls and operating procedures related to procurement policies.

NCBA disagreed with questioned costs for two invoices (\$1,705 and \$5,500) for work performed on the old database to correct numerous errors and for manual synchronization processes to match the NCBA database with the DOL database. As such, the \$12,000 billed by Quetzal relates to the new database and has no relationship with the old database. NCBA further stated that the partial invoice of \$1,960 relates to one week of service after the expiration of the contract and was necessary for the SMCI head to orient the staff as to where various SCSEP matters stood, and to finish any outstanding tasks to ensure smooth exit/transition.

OIG Conclusion

The NCBA response did not provide additional information to cause us to revise the findings and recommendations that contracts were awarded sole-source, without written justification, and related invoices were for work performed outside the contract scope. All the recommendations will be resolved as part of the ETA audit resolution process.

Recommendations

We recommend that the Assistant Secretary for Employment and Training:

- Recover questioned procurement costs of \$125,193.
- Recover amounts paid under one of the questioned sole source contracts that occurred subsequent to our audit period ended June 30, 2005.
- Ensure that NCBA adheres to established criteria in the CFR, NCBA Grant Agreement, and its own SOPs, with regard to procuring products and services through the competitive bid process and avoiding conflicts of interest.

Allegation 3: Were salaried NCBA employees paid while working for another company at the same time? Did at least two of these employees work on a business venture in Africa while on the NCBA payroll? Did the part-time Title V Director, who owns a computer company, use his employees as NCBA consultants and NCBA staff?

We found no evidence to substantiate that NCBA paid salaried employees while they worked for another company or while on a business venture in Africa. Furthermore, the part-time Title V Director used his employees as consultants but not as NCBA staff.

The part-time Title V Director made travel arrangements for two newly hired NCBA staff who accompanied him on several trips relating to NCBA business. He paid for their travel on his credit card and was reimbursed by NCBA for staff travel on his travel voucher. Our audit confirmed through interviews with NCBA staff that these two newly hired staff were unaware of the travel procedures and that this lack of knowledge contributed to the part-time Title V Director booking travel for the staff. This arrangement may have had the appearance that NCBA staff worked for the part-time Title V Director instead of the NCBA.

The part-time Title V Director visited Africa during November 2004 for personal reasons and not for NCBA business. NCBA senior management was aware of his planned trip to Africa, and the part-time Title V Director's contract agreement did not specifically state hours required to obtain his fixed monthly contract fee of \$5,600. As a result, the contract agreement was not violated due to his trip to Africa. We found no evidence to substantiate that NCBA staff traveled to Africa for NCBA-related business. We also found no evidence of the part-time Title V Director or his staff being on the NCBA payroll.

Grantee Response

NCBA provided no comments on this unsubstantiated allegation.

OIG Conclusion

We made no recommendations on this unsubstantiated allegation.



Elliot P. Lewis
August 5, 2005

Appendices

PAGE HAS BEEN INTENTIONALLY LEFT BLANK

APPENDIX A

BACKGROUND

NCBA is a national grantee that has promoted effective leadership in making minority participation in aging services a national issue and priority for 34 years. NCBA operates various programs, with the most notable being SCSEP under Title V of the Older Americans Act (OAA). The NCBA mission is to improve the quality of life for elderly African Americans and other minorities.

NCBA has operated the SCSEP for 25 years, promoting and emphasizing the development of useful part-time employment opportunities in community service activities for unemployed low-income persons, and fostering individual economic self-sufficiency to increase the number of persons who may enjoy the benefits of unsubsidized employment. Community service entails social, health, welfare, and educational services (particularly literacy tutoring), legal and other counseling services and assistance, including tax and financial counseling, library, recreational, and other similar services essential and necessary to the community as the Secretary of Labor, by regulation, may prescribe.

NCBA/SCSEP collaborates with 17 Workforce Boards/One-Stop Centers whose jurisdictions cover the authorized counties in which NCBA/SCSEP operates. NCBA coordinates with all area agencies on aging and all state units on aging whose jurisdictions cover the authorized counties in which it operates.

It should also be noted that the PY 2004 appropriation for Title V of the OAA was \$438,650,000. This funding was used to support over 61,323 authorized SCSEP community service positions, and resulted in approximately 85,852 people being served during the program year beginning July 1, 2004. National sponsors accounted for \$329,579,010 and 46,069 of those positions.

NCBA is a direct recipient of the Title V of the OAA SCSEP/DOL grant funds, receiving \$15,309,169 for PY July 1, 2004 – June 30, 2005.

PAGE HAS BEEN INTENTIONALLY LEFT BLANK

APPENDIX B

OBJECTIVE, SCOPE, METHODOLOGY, AND CRITERIA

Objective

Our audit objective was to determine if the following specific allegations contained in the complaint with respect to financial and administrative misuse of Title V funds could be substantiated:

- Did NCBA inappropriately use government funds on car rentals for vacation/pleasure, and to obtain extravagant hotel accommodations, while in Tucson, Arizona, and other cities, while traveling on behalf of NCBA?
- Did the NCBA part-time Title V Director use NCBA operational funds (\$30,000) to finance a computer program designed and implemented by his company? Is this a conflict of interest?
- Were salaried NCBA employees paid while working for another company? Did at least two of these employees work on a business venture in Africa while on NCBA payroll? Did the part-time Title V Director, who owns a computer company, use his employees as NCBA consultants and NCBA staff?

Scope

Onsite fieldwork was conducted from July 1 through August 5, 2005, at the NCBA national office in Washington, DC. The audit covered the grant award period, PY July 1, 2004 through June 30, 2005. We audited NCBA staff and consultant travel and contract expenditures of \$189,392.32, and we questioned costs of \$130,414.

Methodology

The audit was performed in accordance with Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States.

The methodology included addressing the allegations and surrounding circumstances. Our review focused on travel and NCBA procedures and controls over travel and contract procurement. Travel vouchers reviewed consisted of two trips to other cities, and the remaining was for the Arizona conference. Staff processes included personnel files, payrolls, contract agreements, and invoices. We interviewed key NCBA officials and the related Federal representative for this national grantee, as necessary, to document the

roles and responsibilities and the controls involved in the areas of administrative and standard operating procedures. We reviewed costs, as they related to the allegations, to ensure that they were allowable and in compliance with applicable Federal, program, and grant requirements.

Travel: 100 percent of NCBA national office travel vouchers for the Arizona conference during PY July 1, 2004 – June 30, 2005 to ensure compliance with Federal laws, regulations and agency policies and procedures.

Staff: Personnel and payroll documentation, contract agreements and invoices to determine if NCBA contractors were by contract agreement amounts and/or through the NCBA payroll.

We reviewed ETA monitoring processes and internal controls, as they related to the allegations, to determine effectiveness and reliability for providing reasonable assurance that the travel and staff processes complied with applicable laws and regulations. We applied DOL/ETA, DOWP guidelines in making our assessment. These guidelines, contained within the DOWP SCSEP Handbook, list eight specific factors/circumstances that would prompt the FPO to perform onsite monitoring. The eight criteria represent a component of the Department's internal control, as the discovery of problems identified by these eight criteria would prompt hands-on oversight by the Department. The eight criteria and the five (in **bold**) we determined that should have triggered onsite monitoring, are as follows:

- **Date the grant was last monitored;**
- **Allegations of possible abuse;**
- Poor program performance;
- **Significant changes in grantee staff;**
- **Delinquent or inaccurate submittal of reports and responses to other requirements (e.g., monitoring reports, audits, and performance assessments);**
- Serious administrative deficiencies identified in previous monitoring reports, audit reports, and quarterly desk reviews;
- Negative audit determinations; and
- **Need for technical assistance.**

Criteria

OAA - Enacted as Public Law 89-73 on July 14, 1965; amended on September 30, 1992. Currently being reauthorized.

Office of Management and Budget Circulars:

- A-122 - Cost Principles for Non-profit Organizations (for use by nonprofit grantees)
- A-133 - Single Audit Act (for use by SCSEP grantees)

29 CFR Part 95 - Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations, and with Commercial Organizations, Foreign Governments, Organizations Under the Jurisdiction of Foreign Governments, and International Organizations

29 CFR Part 97 - Uniform Administrative Requirement for Grants and Cooperative Agreements to State and Local Governments

41 CFR Part 301 (FTR) - TDY Travel Allowances

SCSEP Implementing Regulations (20 CFR Part 641) issued in the Federal Register on April 9, 2004

SCSEP Handbook

PAGE HAS BEEN INTENTIONALLY LEFT BLANK

APPENDIX C

PROCUREMENT QUESTIONED COSTS

Procurement Questioned Costs				
	Contractor	Amount	Description of Work Performed	Period of Performance
#1	SMCI	\$67,978	The initial contract with SMCI was for consultation support services on an in-house basis, awarded as a sole source contract, without written justification.	May 1, 2004 - April 30, 2005
#2	Quetzal Group	\$38,000	The second contract with the Quetzal Group, Inc., was for the creation of a web-based computer program, awarded as a sole sourced contract, without written justification.	January 1, 2005 - April 30, 2005
#3	Quetzal Group Representative	\$10,050	The third contract with a representative of the Quetzal Group, Inc., to maintain the web-based program developed by the representative, was awarded a sole source contract, without written justification.	April 29, 2005 - Post review period
#4	SMCI (Invoices)	\$5,500	Pre-assessment work for the web-based application/data scrubbing (150 hours)	July, August, October 2004
		\$1,705	IT Support	January 2005
		\$1,960	Planning Meeting & Parking	May 2-11, 2005
	Total Billed	\$125,193		

PAGE HAS BEEN INTENTIONALLY LEFT BLANK

APPENDIX D

ACRONYMS AND ABBREVIATIONS

CFR	Code of Federal Regulations
CONUS	Continental United States
DOL	Department of Labor
DOWP	Division of Older Worker Programs
ETA	Employment and Training Administration
FPO	Federal Project Officer
FTR	Federal Travel Regulations
M&IE	Meals and Incidental Expenses
NCBA	National Caucus and Center on Black Aged, Inc.
OAA	Older Americans Act
OIG	Office of Inspector General
PY	Program Year
QPR	Quarterly Progress Report
SCSEP	Senior Community Service Employment Program
SMCI	Strategic Management Concepts, Inc.
SOPs	Standard Operating Procedures
TDY	Temporary Duty

PAGE HAS BEEN INTENTIONALLY LEFT BLANK

GRANTEE RESPONSE

December 18,, 2006

Mr. Zaunder C. Saucer
Acting Director
National Audit and Evaluations Office
Department of Labor/OIG
200 Constitution Ave.
Room N 4633
Frances Perkins Bldg.
Washington, DC. 20010

Re: Alleged Violations of Financial & Administrative of Title V Funds

Dear Mr. Saucer:

We are in receipt of your draft copy of your report relating to the "alleged violations of financial and administrative misuse of Title V funds by the National Caucus and Center on Black Aged, Inc. (NCBA). Before responding to the findings, we would like to assure you that NCBA did not directly or indirectly misuse Title V or any other public or private funds. Unintended omissions or errors may have occurred, but never in its long history, NCBA ever misused or wavered from its commitment to serve low-income aged individuals who are hard to serve due to various barriers, such as, age, race, education, etc.

Part-time Title V Director (SMCI):

In recent years, NCBA was undergoing major reorganization because in January of 2003 the President and CEO of NCBA, Mr. Samuel J. Simmons, who served the organization for over 25 years, suddenly died due to medical conditions. In the same year, Mr. Lawrence Crecy who was in charge of SCSEP for over 20 years died while he was traveling on SCSEP business. These tragic situations had a considerable impact on NCBA's operations and moral of the staff. The current President and CEO, Ms. Karyne Jones, immediate actions were to search for a qualified replacement to head the SCSEP and reorganize NCBA by making staff changes and also introduce tools that allow staff to have better control and effectiveness. Employment advertizement and solicitation for referrals through our contacts in the Department of Labor and other sources to find a qualified candidate to replace the head of SCSEP was unsuccessful.

*Improving the
quality of life
for elderly
African Americans
and low income
minorities*



NCBA recognizing that this vital program (SCSEP) can not run without a project director for an extended period of time, a temporary solution was sought. To this end, a consulting firm, Strategic Management Concepts, Inc. (SMCI), headed by Mr. Kevin Grant who has extensive grant management experience and who had previous working relationship with NCBA, was retained on a part-time bases until a suitable candidate was found. Although the contract with Mr. Kevin Grant (SMCI) reads for one year period, there was an understanding and a clause in the contract that says that NCBA can terminate the contract in whole or in part with or without cause (see Exhibit I for clause of Termination of Agreement). Therefore, if NCBA had found within a week or a month a qualified person to head the program, NCBA would have terminated the contract immediately. Because it was NCBA's desire to fashion the contract in a manner that would allow NCBA a maximum flexibility to terminate the contract, and because it was difficult to predict when a qualified person could be found, it was not conducive to solicit bids from other sources. Furthermore, before NCBA took this action, NCBA's President communicated the plan of action to Ms. Ria Moore Benedict, who was the chief of Division of Older Workers Program at that time. Subsequently, when Mr. Kevin Grant joined NCBA, he was introduced to Ms. Ria Moore Benedict and during the course of that meeting various aspects of the program including the relationship of Mr. Grant (SMCI) with NCBA was discussed.

During his short one year tenure, Mr. Grant made significant contribution to the program in the areas of program administration, personnel development and management, resources utilization and community relations. He was instrumental in developing a highly advanced web based SCSEP participants management tools that enabled NCBA to transmit required reports, such as, QPR. He created staff training and monitoring guidelines which enhanced staff performance.

Therefore, given the sudden loss of the Director of SCSEP and the President of NCBA, the efforts made to find a qualified replacement through various sources, the communication that we made with the Chief of the Division of Older Workers Program regarding Mr. Kevin Grant, and the type of contract signed with SMCI that allowed NCBA to terminate at any time without notice as soon as a suitable Director was found, should indicate that NCBA has taken prudent actions and, therefore, did not award the contract to a sole source service provider.

Funds were used to award a sole source contract without justification (Quetzal Group).

For many years, NCBA was experiencing difficulty in developing a sound database system that captures participants data, provide management information, transmit online quarterly progress report (QPR) and other information required by DOL effectively.

Prior to the third quarter of 2004, NCBA used a Microsoft access application designed and created by [REDACTED] the person that NCBA suspects to be responsible for filing this false allegation against NCBA. The application designed and created by [REDACTED] was not functional. For a number of years he attempted to correct the problem without any success. Finally he presented us with a plan to upgrade the system for \$110,000 which NCBA rejected. At that time, he made a threat that he was going to report us to OIG. Some of the major problems with the database that he created were:

1. Failed to meet QPR submission requirements.
2. No error checking features.
3. Transfer of disks through mail was insecure and was an unreliable way to synchronize data.
4. Software updates could not be done instantly.
5. It was not possible to produce real time reports.
6. The underlying technologies running the application were out dated and could not meet the needs of NCBA DOL requirements.
7. Multiple versions of the software were being used causing inconsistency between state offices.
8. The application forced NCBA to under utilize its resources by limiting data entry to only one computer per state.
9. Frequent crashes and errors occurred forcing the states to use an unreliable application.

The database application made it impossible for NCBA to adequately manage the data that were required to collect for SCSEP. DOL relies strictly on the QPR submissions for data measurements which the application was unable to properly produce. The amount of time, energy and other resources to try to correct errors and manually fix reports far exceeded the amount of time available to NCBA's staff. Furthermore, NCBA had to make so many corrections which made the reports unreliable. And the situation was getting worse with every DOL update.

To solve the problem, NCBA invited two companies (Adonix Corporation and MVS Inc.) to assess the application and make recommendations. These companies assessments were that the underlying programming language behind this application was outdated and inadequate for managing the amount of information required by DOL for SCSEP. According to Adonix and MVS, to develop a new database that meets the DOL requirement would cost over \$130,000. The proposal from MVS Inc. and their fee for \$135,000 to develop a new database and for data migration is enclosed herewith (see Exhibit No. II). When archiving documents, we misplaced the proposal from Adonix, however, we will keep trying to locate it. Also, we attempted to get a copy of the proposal from Adonix, however, the company either merged with or sold to another company. The price quoted by Adonix was also about the same as MVS Inc.

Since NCBA did not have such resources, it requested the assistance of Mr. Kevin Grant, NCBA's Title V Part-time Director, who has extensive knowledge in IT related matters. To seek proposals from a large number of developers, the challenges that confronted NCBA were that NCBA neither have the skills and ability to produce specifications for solicitation of database developers, nor does it have the resources to write the specifications and for the development of the database required by DOL. Furthermore, even if we have received several proposals, we do not anticipate their price will be as low as \$38,000. Therefore, because of resources limitations, NCBA requested Mr. Grant if his affiliate company (Quetzal Group) could assist.

Mr. Grant, considering the limitation in resources, agreed to assist in capping the fee under \$25,000. Quetzal Group devoted extensive amount of time to develop a highly sophisticated web-based software application that provides the management capabilities for SCSEP to

comprehensively collect all the required data and other information. It made the program extremely effective in producing and maintaining the data by structuring the data collection process.

Highlights of the new database system:

- o The database is a centralized online data collection system, located on one machine which is made accessible to all NCBA authorized users.
- o Software updates can be done on one machine which is instantly available to all users.
- o The new database is in compliance with DOL SCSEP requirements for data collection and QPR data submission.
- o It is available 24 hours a day 7 days a week to all authorized users via any computer with internet access.
- o No specific hardware is required to access the system.
- o All NCBA data is backed up and monthly archives are created. At any point, NCBA can roll back to a previous back up or view older data for record keeping.
- o The database allows NCBA to pull down custom real time performance based on reports of all their sub-grantees (state offices) which are also available to sub-grantees individually.
- o NCBA has the ability to monitor the data collection process. This includes who is accessing the system, which user is entering data into the system, and who reviews/modifies records. NCBA can monitor to ensure that all time sensitive reports are done on a regular basis.
- o NCBA staff can review all data entered into the system for accuracy.
- o The application itself monitors all data entry for accuracy based upon DOL regulations.
- o Data is protected by multiple layers of passwords and data transmitted to and from the users system is encrypted with a high grade 256 bit secure server layer certificate.

After the database was developed, Mathematica, the DOL contractor, requested for several changes and revisions that were not part of the original agreement. The changes and modifications that Mathematica was requesting increased in frequency and in some instances required major changes to the database (see exhibit III for examples of changes requested by Mathematica).

Based on our original agreement, the database development cost would have remained below the small purchase threshold of \$25,000, therefore, it would not have required a competitive bids. It was the changes that DOL/Mathematica required after the program was developed that caused the fee to rise to \$38,000. Furthermore, even if we had anticipated the cost to exceed the \$25,000 limit, to bring an expert to write specifications for bid process would have been costly and serve no logical purpose because, as the quote from MVS Inc. indicates, the database development cost would have been \$135,000 which was too high to consider as you see in Exhibit II. We also feel that there is no conflict of interest in this case, because NCBA requested the assistance of Mr. Grant, the part-time SEP Director, for lack of resources. Most of the work that was devoted for the development of the database was on pro bono, therefore, would not constitute to be a conflict of interest. The existence of the relationship between SMCI and Quetzal was beneficial to the program because without the relationship, the new database would not have materialized.

In the future, NCBA will insure that justification is properly documented and maintained in the file (see Exhibit IV).

The two invoices in question (\$1,705 and \$5,500) were for work done on the old database to correct numerous errors and for manual synchronization process to match NCBA's database with DOL's database (SPARQ) system. It has no relationship with development of the new online database system. Therefore, the \$12,000 billed by Quetzal relates to the new database and has no relationship with the old database. With respect to the partial invoice of \$1,960 which relates to the one week service after the expiration of the contract, it was necessary that Mr. Grant orient the staff where various SEP matters stand and to finish any outstanding tasks to ensure smooth exit/transition.

With respect to the development of the new database, though the relationship of the part-time SCSEP Director and Quetzal give the appearance of conflict of interest, we strongly believe that SCSEP benefitted from the relationship. In support of this claim, if the quote from MVS Inc. for \$135,000 is not convincing enough, we would like to invite OIG to send an IT person to review and assess the new database to determine what the development cost would be in an open competitive market.

As you see from the attached memorandum, staff are reminded to the procurement policy of NCBA including the requirement of written justification and authorization when considering a sole source service provider.

Lodging Cost:

For the SCSEP Training Conference in Tucson, Arizona, NCBA compared prices of three hotels in Tucson:-

1. Hacienda Del Sol Guest Ranch, 5601 N. Hacienda Del Sol Rd., Tucson, AZ.
2. Four Points By Sheraton Tucson University Plaza, 1900 E. Speedway, Tucson, AZ.
3. Hilton El Conquistador, 1000 N. Oracle Road, Tucson, AZ.

Of the above three hotels, only Four Points was willing to adjust its rate to CONUS but its overall cost was higher than the Hilton (See Exhibit V). Although the room rate charged by Hilton is more than the allowed rate, the overall savings made by selecting Hilton El Conquistador hotel more than offsets the total difference between the actual room charges and the allowed COUNS rates.

Meals:

NCBA provided meals to the staff on January 24, 2005, accordingly NCBA staff did not receive per diem for that day (See Exhibit VI)

M & IE:

In computation of M & IE, staff used the old quarter bases of reimbursement for the first and last days of travel instead of the 75% rule. Staff is reminded to constantly monitor changes in travel regulation (See Exhibit VII).

Rental Cars:

NCBA made arrangements for three cars to transport staff, equipment, materials and supplies that were needed for the conference to be transported to and from two airports arriving and departing at different times. NCBA made evaluation of the number of cars needed and costs of using other methods of transportation, such as, taxi or bus. The mode of transportation selected by NCBA was efficient, economical and advantageous for the program. NCBA reserved economy class cars, however, a staff member who was assigned to be in charge of the rental cars and who was also fairly new in the program was informed at the airport that the type of cars reserved by NCBA were not available. The staff was also informed that the daily rate would remain the same but, was not properly informed about the upgrade fee which totaled about \$92.00.

NCBA absolutely forbids renting non-economy class cars of any type. To this effect a memorandum was issued to remind staff to adhere to NCBA travel policy and not to accept upgrades (see Exhibit VII). Also based on the recommendation of our insurance company, it is NCBA's policy to take loss damage waiver coverage (LDW) when employees rent a car for NCBA's business.

NCBA always strives to search for the best prices when it procures goods and services and looks for avenues that are advantageous to the programs that NCBA conducts. Although, NCBA could have ascertained more documentation than it has to justify its action for awarding the contract to a sole source (SMCI), including the relationship of SMCI and Quetzal, there is no doubt that SCSEP benefitted from the relationship of the two companies and the contract with SMCI. Otherwise the cost of developing the new database would have been prohibitive as you see from MVS Inc. quote of \$135,000. NCBA believes that it has acted in a prudent manner and some of the minor errors relating to travel should not be ground to disallow costs. As the result of the

new database, SCSEP has better control of participants enrollment, placement, retention and other information that the program needs. All performance indicators show significant improvements than ever before which are attributable, in part, to the new management tools. Also, as you see from the attached exhibits, NCBA has reasonably adequate documentation in support of its action and also has taken the necessary actions to strengthen its internal control policies and procedures to ensure compliance to the established program regulations.

We hope after reviewing the facts, including documents provided in support of its action, and measures taken to strengthen its internal controls and operating procedures relating to travel and procurement policies, we hope that the OIG will rescind its recommendations to disallow/recover costs.

Sincerely,



Elias Hussein
Executive Vice President

EXHIBIT I

PROFESSIONAL SERVICES AGREEMENT

In mutual consideration for the promises contained herein, Strategic Management Concepts, Inc. (hereinafter referred to as "SMCI ") and the National Caucus and Center on Black Aged, Inc. (hereinafter referred to as " NCBA "), agree to the following terms and conditions.

Services To Be Rendered: SMCI agrees to provide the services described in the attached Statement of Work (hereinafter referred to as "Attachment A") for NCBA in the performance of NCBA-SCSEP grant. The works delineated on the Attachment A shall be incorporated as an addendum to this agreement.

Compensation: For its consulting services, SMCI shall be paid at a rate of \$ 5,600.00 (five thousand six hundred) dollars on a monthly basis upon submitted invoices which must include invoice date, the month the service is rendered, services delivered and total amount billed.

Products Produced by SMCI: The products and materials produced by SMCI or its designated agent under this agreement shall remain the exclusive property of NCBA. SMCI further agrees that, unless it secures the prior written consent of NCBA, it shall not, either during the period of this agreement or at anytime thereafter divulge, use for the benefit of, or make accessible to any person either (1) materials or products developed under this agreement, (2) information gathered in the course of developing products and materials, and/or (3) work products pursuant to this agreement.

Contact Persons: The contact person for NCBA is Ms. Karyne Jones, President and CEO, or her designated agent, who shall receive (including making recommendations for revisions and approving) all products, reports, and materials produced by SMCI for NCBA under this agreement and approve related invoices. The contact person for SMCI is Mr. Kevin Grant, President and CEO, who shall be the primary interface with NCBA and its staff and shall direct and coordinate all activities related to this agreement. Mr. Kevin Grant shall revise materials and products to incorporate revisions suggested by NCBA's contact persons or his designated agent.

Travel and Related Expenses Away from Home: Reimbursement for travel and related expenses away from home by SMCI's principal or its designated agent on behalf of NCBA shall be covered and paid in a manner as SMCI and NCBA mutually agree.

Indemnification: SMCI shall indemnify NCBA, its subsidiaries, affiliates, successors, and assigns, and defend and hold them harmless from any and all loss, damage or expenses, including reasonable attorney fees, that may be suffered or incurred by reason of breach of this agreement or otherwise arising therefrom.

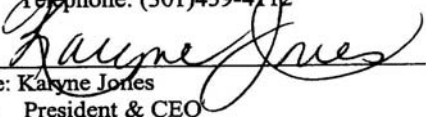
Termination of Agreement: This agreement may be terminated by NCBA in whole or in part with or without cause whenever NCBA shall determine that the termination is in the best

interest of NCBA, including without limitation, if SMCI fails to satisfactorily deliver materials, products or reports in a timely manner. Any such terminations shall be in the form of a written thirty (30) -day notice to the SMCI. This written notice shall state the reason(s) for the termination of this agreement (in whole or in part). Payment for satisfactory materials, products or reports up to the date of termination, computed in accordance with the terms of this agreement, shall be made to SMCI, but not in excess of the total amount provided for by the agreement. NCBA will not be obligated to make any further payments to SMCI after the agreement is terminated. However, every effort shall be made on the part of SMCI and NCBA to resolve any existing problems or potential future problems to permit this agreement to continue.

Term of Agreement: This agreement shall begin on May 1, 2004 and it shall terminate on April 30, 2005. However, SMCI and NCBA may mutually agree to extend this agreement for such period as they mutually agree to be appropriate.

By:  April 26, 2004
Name: Kevin Grant _____
Title: President & CEO Date

SMCI
9470 Annapolis Road, Suite 220
Lanham, MD 20706
Telephone: (301)459-4112

By:  April 26, 2004
Name: Karyne Jones _____
Title: President & CEO Date

NCBA, Inc.
1220 L Street, NW., Suite 800
Washington, DC 20005
Telephone: (202)637-8400

ATTACHMENT A

STATEMENT OF WORK

DESCRIPTION OF SERVICES:

In addition to the terms and conditions set forth under this agreement, the following provisions shall apply.

SMCI will provide consultation support services to the NCBA in-house team presently designated as key personnel on the SCEP grant issued by DOL-ETA. In this role, SMCI will provide counsel and advice on strategic direction, overall program guidance, planning and implementation of recently issued final regulations governing frame-up, development of planning and related collateral tools, general compliance, evaluation and performance monitoring and report results to the SCSEP Program Officer.

Some of these services may include:

- Coordination and integration of in-house team approach to program planning, and implementation;
- Design, Writing and Production of Mandated Planning Tools;
- Design and Deployment of Database for E & M requirements;
- Writing of Guidelines for State Project Directors, in re: stakeholding with the WIA, OAA, State Plans and ED reports, among others;
- Develop Toolkit for State Directors to further their work efforts surrounding issues of program implementation, stakeholding and performance enhancement:
 - Template MOUs - best in-class
 - Success Stories (e.g. State of Mississippi) to further improvements in NCBA 10 state footprint and DC
 - State plan and ED Report
 - Tips on Coalition Building
 - Tips on Media interaction - getting your message out
 - Stakeholding Strategy
 - FAQs on Final Regulations
 - Work with the NCBA Team to negotiate fair and equitable performance monitoring goals for each state program in consultation with DOL-SCSEP Program Officer
 - Develop Matrix on Results Report
 - Timelines, Types of Report
 - Information and Data Collection Requirements

- Make improvements to the present 502(e) program to ensure that it meets/exceeds performance standards;
- Development of SCSEP Program Operations Procedures Manual.
- Other Deliverables as reviewed and approved by NCBA's President and CEO or designated agent.

- All work performed under this Agreement, is to be performed by or under the direction of Mr. Kevin Grant, President and CEO, SMCI.

EXHIBIT II

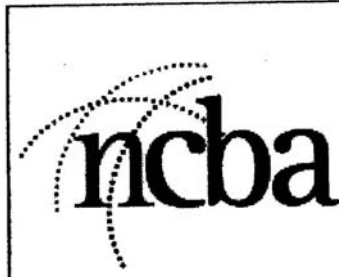


MVS Inc.

WE EXCEED EXPECTATIONS

PROVIDING IT SOLUTIONS TO LOCAL, STATE AND FEDERAL GOVERNMENT

The National Caucus and Center on Black Aged, Inc.



NCBA SCSEP

Prepared by

MVS Inc.

May 30, 2004

PAGE 1 OF 7

**SCSEP SYSTEM PROPOSAL
MVS Inc.**



MVS Inc.

WE EXCEED EXPECTATIONS

PROVIDING IT SOLUTIONS TO LOCAL, STATE AND FEDERAL GOVERNMENT

Introduction of SCSEP:

NCBA is one of thirteen (13) national organizations that administer the U.S. Department of Labor's Title V Senior Community Service Employment Program (SCSEP) which is funded under the Older Americans Act (OAA). NCBA became one of the national aging organizations to sponsor SCSEP in 1978.

NCBA SCSEP utilizes the training resources of 1,002 mixed community-based organizations, local, state and federal agencies commonly called "Host Agencies," to provide a wide variety of work experience training sites for low-income difficult to employ persons 55 years and older.

Currently NCBA SCSEP supports approximately 2,000 part-time positions located in ten (10) states and the District of Columbia, at the federal or state minimum wage level (whichever is higher). These training sites provide workplace settings and supervision for SCSEP participants to develop new skills and talents toward alternate career opportunities through enhanced work experience and exposure to various jobs during their enrollment in community service activities.

SCSEP workers are not federal employees, nor are they employees of the grantee organization. They are NCBA SCSEP participants. Their salary, benefits, vacation and sick leave, and any personnel actions or issues are administered by the grantee organization.

Types of SCSEP participant training sites include:

- Schools, hospitals, senior centers, nutrition sites, literacy instruction programs, fire and safety departments, day-care centers and numerous other community-based occupational training sites

NCBA SCSEP operates in the following ten (10) states and the District of Columbia:

- Arkansas
- District of Columbia
- Florida
- Georgia
- Illinois
- Maryland
- Michigan
- Mississippi
- North Carolina
- Ohio
- Pennsylvania

PAGE 1 OF 7

SCSEP SYSTEM PROPOSAL
MVS INC.



MVS Inc.

WE EXCEED EXPECTATIONS

PROVIDING IT SOLUTIONS TO LOCAL, STATE AND FEDERAL GOVERNMENT

Problem Statement:

[

]

Solution:

3.1 CENTRALIZED SOFTWARE

[

]

3.2 CENTRALIZED DATABASE

[

]

User Access Groups

3.2.1 Top Level: NCBA

3.2.2 Secondary Level: Individual sub grants

PAGE 1 OF 7

SCSEP SYSTEM PROPOSAL
MVS INC.



MVS Inc.

WE EXCEED EXPECTATIONS

PROVIDING IT SOLUTIONS TO LOCAL, STATE AND FEDERAL GOVERNMENT

[REDACTED]

3.3 SOFTWARE SECTIONS

3.3.1 Data (Top Level and Secondary Level)

[REDACTED]

3.3.2 Reports (Top Level and Secondary Level)

[REDACTED]

3.4 SECURITY

3.4.1 SSL

[REDACTED]

PAGE 1 OF 7

SCSEP SYSTEM PROPOSAL
MVS Inc.



MVS Inc.

WE EXCEED EXPECTATIONS

PROVIDING IT SOLUTIONS TO LOCAL, STATE AND FEDERAL GOVERNMENT

3.4.2 Client and Server Side Validation



3.4.3 Least Privileged



3.5 CREATIVE ERROR CHECKING



3.6 BACKUP AND RECOVERY STRATEGY

3.6.1 Backup



3.7 HELP GUIDE

3.7.1 Online



PAGE 1 OF 7

SCSEP SYSTEM PROPOSAL
MVS INC.



MVS Inc.

PROVIDING IT SOLUTIONS TO LOCAL, STATE AND FEDERAL GOVERNMENT

WE EXCEED EXPECTATIONS

[

3.7.2 Manual

]

[

3.8 OTHER FEATURES

]

[

Platform

]

[

System requirements and specifications

]

[

Output

]

[

Utility Functions

]

[

]

PAGE 1 OF 7

SCSEP SYSTEM PROPOSAL
MVS Inc.



PROVIDING IT SOLUTIONS TO LOCAL, STATE AND FEDERAL GOVERNMENT

Implementation and Training

Data Cleanup and Conversion Services

Pricing of the Solution

The total pricing for this solution is [REDACTED]

MVS INC
 7600 Georgia Ave, NW - Suite 403 - Washington, DC 20012
 Phone: 202-722-7981 - Fax: 202-722-7982 - Email: vdesai@mvsconsulting.com



INVOICE

Date	Quote #
03/29/04	AAA11072

Sold To: NCBA
 Mr. Elias Hussein
 1220 L Street, NW
 Suite 800
 Washington, DC 20015

 Phone: 202-624 1139
 Fax: 202-347 0895

Ship To:

 Phone:
 Fax:

Terms	Rep	P.O. Number	Ship Via
	Vishal Jain		

Qty	Part Number	Description	Unit Price /Hr	Ext. Price
		NCBANATSCSEP (Access 2002) Database for Error Checking and generating the reports		\$425.00
1		Access 2002 Software Upgrade License	\$115.00	\$115.00
		Network Assessment and Support - Network Analysis, recommendations and Onsite Support		\$4,080.00
Subtotal				\$4,620.00
Sales Tax				\$0.00
Shipping				\$0.00
Total				\$4,620.00

PAID MAR 31 2004

REMIT TO:

Attn: Vipin Desai
 MVS INC.
 301 NOVA CT,
 SILVER SPRING, MD 20914

EXHIBIT III

[REDACTED]

From: [REDACTED]@smci.info
Sent: Friday, February 04, 2005 1:29 PM
To: [REDACTED]
Subject: RE: [REDACTED]

Hi [REDACTED]

I have been communicating with Mathematica the past two days. They are still in the process of registering our database in the system. [REDACTED] just called me and told me she hopes to have this process done in the next 2 hours. Since we have the XML ready to import we just need the go ahead.

Please retrieve the password and link from Awad so we can submit as soon as we get the go ahead.

I am out to lunch for the next 30 minutes, reach me on my cell if you need.

Thanks,

[REDACTED]

-----Original Message-----
From: [REDACTED] [mailto:[REDACTED]@ncba-aged.org]
Sent: Friday, February 04, 2005 11:10 AM
To: [REDACTED]
Subject: RE: [REDACTED]

What's the QPR update?

From: [REDACTED] [mailto:[REDACTED]@smci.info]
Sent: Thursday, February 03, 2005 12:08 PM
To: [REDACTED]
Subject: FW: P.S. -

fyi

-----Original Message-----
From: [REDACTED] [mailto:[REDACTED]@mathematica-mpr.com]
Sent: Thursday, February 03, 2005 12:04 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: P.S. -

[REDACTED] usually handles the registrations, but since DOL does them in batch mode, it will probably be tomorrow. We'll keep you posted.

-----Original Message-----

**Alleged Misuse of Financial and
Administrative Title V Funds by NCBA**

From: [redacted] [mailto:[redacted]@smci.info]
Sent: Thursday, February 03, 2005 11:38 AM
To: [redacted]
Subject: RE: P.S. -

Hi [redacted]

Do you have any idea when our DB will be registered with SPARQ?

Thanks,

[redacted]
NCBA

-----Original Message-----

From: [redacted] [mailto:[redacted]@mathematica-mpr.com]
Sent: Thursday, February 03, 2005 9:55 AM
To: [redacted]@smci.info
Subject: RE: P.S. -

I'm sorry, it was the end of a long day. I'm lucky I was making any sense!

-----Original Message-----

From: [redacted]@smci.info [mailto:[redacted]@smci.info]
Sent: Wednesday, February 02, 2005 5:53 PM
To: [redacted]
Cc: [redacted]@smci.info; [redacted]
Subject: RE: P.S. -

Hi [redacted]

[redacted] is the alternate contact, I am [redacted]:).

Anyways thanks for the heads up and quick emails. I will wait for [redacted] to register our db and then proceed. Have a good night.

Best Wishes,

[redacted]
> [redacted]
>

> I was asking about the size of your file because we've had some
> problems with the larger files (e.g., AAPR). Your file is small enough
> that it should be able to go through the submission process without
> difficulty, although it will take a while (maybe 5-10 minutes).

> But keep us posted and if you do run into problems, we can always go
> to Plan B.
> Have a good night.

> [redacted]
>
>
>

> -----Original Message-----

> From: [REDACTED]@smci.info [mailto:[REDACTED]@smci.info]
> Sent: Wednesday, February 02, 2005 5:42 PM
> To: [REDACTED]
> Cc: [REDACTED]@smci.info; [REDACTED]
> Subject: Re: P.S. -
>
>
> Hi [REDACTED]
>
> Thank you for getting back to me so quickly. That is what I thought
> about the submit file link.
>
> The XML file is about 30 megs.
>
> If you would like I can upload it to our server.
>
> Thanks,
>
> [REDACTED]
>
> [REDACTED]
>> [REDACTED] -
>>
>> Sorry, I'm back with a question for you. Can you tell me how large
>> your xml file is?
>>
>>
>> -----Original Message-----
>> From: [REDACTED]
>> Sent: Wednesday, February 02, 2005 5:36 PM
>> To: [REDACTED]@smci.info'; SCSEP Submit
>> Cc: *SCSEP -
>> Subject: RE: FW: NCBA, QPR Data Questions *
>>
>> [REDACTED]
>>
>> [REDACTED]ust left for the day and I happened to see your e-mail, so I
>> am responding for her.
>>
>> The reason you are not seeing the Submit a File option is because we
>> have not yet registered your database in SPARQ. Basically, although
>> you have a valid password, the system doesn't know what permissions
>> it should give you yet, so it doesn't give you any.
>>
>> So, as soon as [REDACTED] gets your database submitted, your 'problem'
>> should be resolved. Continue to use the SPARQ button, not the old QPR
>> one.
>>
>> If you have any additional questions, feel free to contact me or
>> [REDACTED]
>> [REDACTED]
>> [REDACTED]
>>
>> -----Original Message-----
>> From: [REDACTED]@smci.info [mailto:[REDACTED]@smci.info]
>> Sent: Wednesday, February 02, 2005 5:26 PM
>> To: SCSEP Submit
>> Cc: [REDACTED]@smci.info; [REDACTED] *SCSEP; [REDACTED]
>> Subject: Re: FW: NCBA, QPR Data Questions
>>
>>
>> Hi [REDACTED]
>>
>> Here is the information requested on those pages:

>>> ddc4050f-ff11-4cb9-aeb9-2c8dc4050e60
>>>
>>>
>> * Please note, We already have a password to the SPARQ system. We
>> have logged in and did not see the 'Submit a file' link on the home page.
>> Since we submitting late I believe we may have to use the QPR button
>> (rather than the SPARQ button) and pull up the old information. This
>> might be resolved once you registrar our database in SPARQ but I
>> wanted to bring this to your attention.
>>>
>> If I am not available you can contact, [REDACTED] at [REDACTED]
>> [REDACTED]
>>>
>> Thanks,
>>>
>> [REDACTED]
>> [REDACTED]@smci.info
>> NCBA: [REDACTED]
>> CELL: [REDACTED]
>>>
>>> Hi, [REDACTED]
>>>
>>> The next step is for your database to get registered in SPARQ. You
>>> will need to follow the steps on pages 24 through 26 of the
>>> instructions found here:
>>> <http://scsep.mathematica-mpr.com/XML/NONDCSXMLEInstallSubmission.doc>
>>>
>>> Please let me know if you have any questions, [REDACTED]
>>> [REDACTED]
>>>
>>> -----Original Message-----
>>> From: [REDACTED]@smci.info [mailto:[REDACTED]@smci.info]
>>> Sent: Wednesday, February 02, 2005 3:38 PM
>>> To: [REDACTED]
>>> Cc: [REDACTED]@smci.info; *SCSEP
>>> Subject: RE: NCBA, QPR Data Questions
>>>
>>> Hi [REDACTED]
>>>
>>> Thanks for your help this morning. We have generated the XML file
>>> without any flags going off. Do we need to send you anything for
>>> verification before we proceed to SPARQ?
>>>
>>> Thanks again.
>>> Best wishes,
>>> [REDACTED]
>>>
>>> How does 10am sound?
>>> Thanks.
>>> -----Original Message-----
>>> From: [REDACTED]@smci.info [mailto:[REDACTED]@smci.info]
>>> Sent: Tuesday, February 01, 2005 5:54 PM
>>> To: [REDACTED]
>>> Subject: RE: NCBA, QPR Data Questions
>>>>

>>>> Hi [REDACTED]
>>>>
>>>> Can we arrange a phone call on Wednesday some time? We ran the
>>>> submission again and got about 755 errors. This was a great relief
>>>> from the original 6000 and I believe many of the new ones are about
>>>> wrong date formats. There were some other questions and errors that
>>>> I would like to walk through with you. Please let me know a good
>>>> time.
>>>>
>>>> Thanks again.
>>>>
>>>>
>>>> [REDACTED]
>>>> NCBA
>>>>
>>>> -----Original Message-----
>>>> From: [REDACTED]@smci.info [mailto:[REDACTED]@smci.info]
>>>> Sent: Monday, January 31, 2005 1:30 PM
>>>> To: [REDACTED]
>>>> Subject: RE: NCBA, QPR Data Questions
>>>>
>>>> Hi [REDACTED]
>>>>
>>>> That sounds great, thanks!
>>>>
>>>> Best Wishes,
>>>>
>>>> [REDACTED]
>>>>
>>>>>> I can give you a call around 4pm today? Is that ok?
>>>>>> Thanks.
>>>>>>
>>>>>> -----Original Message-----
>>>>>> From: [REDACTED]@smci.info [mailto:[REDACTED]@smci.info]
>>>>>> Sent: Monday, January 31, 2005 10:47 AM
>>>>>> To: *SCSEP
>>>>>> Subject: NCBA, QPR Data Questions
>>>>>>
>>>>>>
>>>>>> Hi,
>>>>>>
>>>>>> My name is [REDACTED] and I am working with NCBA to submit their
>>>>>> QPR. I have spoken briefly with [REDACTED]
>>>>>>
>>>>>> There are some points of clarification I need for the data
>>>>>> requirements to submit the QPR. For example in the participant
>>>>>> form question 13 (Employed prior to participation?), I am not sure
>>>>>> how our selection should be listed. Currently for that item we
>>>>>> have it like, '003_Not employed'.
>>>>>>
>>>>>> Do you have a document listing how the data should look? If not,
>>>>>> can we arrange a phone call (hopefully today) to walk through the
>>>>>> fields of confusion in the different forms?
>>>>>>
>>>>>> NCBA is past the deadline for the 1st QPR which is why I am
>>>>>> requesting this help and really appreciate it as well.
>>>>>>
>>>>>> You can contact me at NCBA, [REDACTED] extension [REDACTED] if for
>>>>>> some reason you cannot get through please call me on my cell at,
>>>>>> [REDACTED]
>>>>>>
>>>>>> Thank you!

```
>>>>>
>>>>> Best Wishes,
>>>>>
>>>>> ██████████
>>>>> ██████████@smci.info
>>>>> NCBA: ██████████
>>>>> CELL: ██████████
>>>>>
>>>>>
>>>>>
```


[REDACTED]
From: [REDACTED]@smci.info
Sent: Friday, February 04, 2005 11:24 AM
To: [REDACTED]
Cc: [REDACTED]; *SCSEP Submit; *SCSEP; [REDACTED]
Subject: RE: NCBA, QPR Data Questions

Hi [REDACTED]

Will NCBA be able to submit their QPR today? We are under the deadline of DOL to get our first quarter in at the latest today. Any help to expedite this process would be greatly appreciated!

Thanks,

[REDACTED]
NCBA

-----Original Message-----
From: [REDACTED] [mailto:[REDACTED]@mathematica-mpr.com]
Sent: Wednesday, February 02, 2005 4:48 PM
To: [REDACTED]@smci.info
Cc: [REDACTED]@smci.info; *SCSEP; SCSEP Submit
Subject: FW: NCBA, QPR Data Questions

Hi, [REDACTED]

The next step is for your database to get registered in SPARQ. You will need to follow the steps on pages 24 through 26 of the instructions found here:
<http://scsep.mathematica-mpr.com/XML/NONDCSXMLInstallSubmission.doc>

Please let me know if you have any questions,
[REDACTED]
[REDACTED]

-----Original Message-----
From: [REDACTED]@smci.info [mailto:[REDACTED]@smci.info]
Sent: Wednesday, February 02, 2005 3:38 PM
To: [REDACTED]
Cc: [REDACTED]@smci.info; *SCSEP
Subject: RE: NCBA, QPR Data Questions

Hi [REDACTED],

Thanks for your help this morning. We have generated the XML file without any flags going off. Do we need to send you anything for verification before we proceed to SPARQ?

Thanks again.

Best wishes,

10/30/2006

[REDACTED]

> How does 10am sound?
> Thanks.
> -----Original Message-----
> From: [REDACTED]@smci.info [mailto:[REDACTED]@smci.info]
> Sent: Tuesday, February 01, 2005 5:54 PM
> To: [REDACTED]
> Subject: RE: NCBA, QPR Data Questions

> Hi [REDACTED]

> Can we arrange a phone call on Wednesday some time? We ran the
> submission again and got about 755 errors. This was a great relief from
> the original 6000 and I believe many of the new ones are about wrong
> date formats. There were some other questions and errors that I would
> like to walk through with you. Please let me know a good time.

> Thanks again.

> [REDACTED]
> NCBA

>> -----Original Message-----
>> From: [REDACTED]@smci.info [mailto:[REDACTED]@smci.info]
>> Sent: Monday, January 31, 2005 1:30 PM
>> To: [REDACTED]
>> Subject: RE: NCBA, QPR Data Questions

>> Hi [REDACTED]

>> That sounds great, thanks!

>> Best Wishes,

>>> I can give you a call around 4pm today? Is that ok?

>>> Thanks.

>>> -----Original Message-----
>>> From: [REDACTED]@smci.info [mailto:[REDACTED]@smci.info]
>>> Sent: Monday, January 31, 2005 10:47 AM

10/20/2006

>>> To: *SCSEP
>>> Subject: NCBA, QPR Data Questions
>>>
>>>
>>> Hi,
>>>
>>> My name is [REDACTED] and I am working with NCBA to submit their
>>> QPR. I have spoken briefly with [REDACTED]
>>>
>>> There are some points of clarification I need for the data
>>> requirements to submit the QPR. For example in the participant form
>>> question 13 (Employed prior to participation?), I am not sure how our
>>> selection should be listed. Currently for that item we have it like,
>>> '003_Not employed'.
>>>
>>> Do you have a document listing how the data should look? If not, can
>>> we arrange a phone call (hopefully today) to walk through the fields
>>> of confusion in the different forms?
>>>
>>> NCBA is past the deadline for the 1st QPR which is why I am
>>> requesting this help and really appreciate it as well.
>>>
>>> You can contact me at NCBA, [REDACTED] extension [REDACTED]. If for some
>>> reason you cannot get through please call me on my cell at,
>>> [REDACTED]
>>>
>>> Thank you!
>>>
>>> Best Wishes,
>>>
>>> [REDACTED]
>>> [REDACTED]@smci.info
>>> NCBA [REDACTED]
>>> CELL: [REDACTED]
>>>
>>>
>>>

[REDACTED]

From: [REDACTED]@mathematica-mpr.com]
Sent: Friday, February 04, 2005 4:32 PM
To: [REDACTED]@smci.info
Cc: [REDACTED]; SCSEP; SCSEP Submit
Subject: RE: [NCBA] QPR Data Questions

SPARQ is now ready to receive your data, so please inform your Grantee that they can proceed to Step III in the DCS XML FILE SUBMISSION PROCESS (starting on page 15 of our "Step-by-step Procedure Guide").

If you, or they, have any questions, please let us know.

[REDACTED]
[REDACTED]

-----Original Message-----

From: [REDACTED]
Sent: Friday, February 04, 2005 11:53 AM
To: [REDACTED]@smci.info
Cc: [REDACTED]; SCSEP; SCSEP Submit
Subject: [NCBA] QPR Data Questions

Hi, [REDACTED]

We've reviewed your data and you are ready to proceed to the next step, creating the XML file (see Step 2 in the Submission Guide, page 11). You will not be able to submit the file to SPARQ until SPARQ is properly loaded with your basic information. We will notify you when the system is ready for you to submit.

Please let me know if you have any questions.

[REDACTED]
[REDACTED]

-----Original Message-----

From: [REDACTED]@smci.info [mailto:[REDACTED]@smci.info]
Sent: Wednesday, February 02, 2005 5:26 PM
To: SCSEP Submit
Cc: [REDACTED]@smci.info; [REDACTED]; SCSEP; [REDACTED]
Subject: Re: FW: NCBA, QPR Data Questions

Hi [REDACTED]

Here is the information requested on those pages:

ddc4050f-ff11-4cb9-aeb9-2c8dc4050e60

* Please note, We already have a password to the SPARQ system. We have logged in and did not see the 'Submit a file' link on the home page. Since we submitting late I believe we may have to use the

10/20/2006

QPR button (rather than the SPARQ button) and pull up the old information. This might be resolved once you registrar our database in SPARQ but I wanted to bring this to your attention.

If I am not available you can contact, [REDACTED] at [REDACTED]

Thanks,

[REDACTED]
[REDACTED]@smci.info
NCBA: [REDACTED]
CELL: [REDACTED]

> Hi, [REDACTED]
>
> The next step is for your database to get registered in SPARQ. You will
> need to follow the steps on pages 24 through 26 of the instructions
> found here:
> <http://scsep.mathematica-mpr.com/XML/NONDCSXMLInstallSubmission.doc>
>

> Please let me know if you have any questions,
> [REDACTED]
> [REDACTED]
>
>

> -----Original Message-----
> From: [REDACTED]@smci.info [mailto:[REDACTED]@smci.info]
> Sent: Wednesday, February 02, 2005 3:38 PM
> To: [REDACTED]
> Cc: [REDACTED]@smci.info; *SCSEP
> Subject: RE: NCBA, QPR Data Questions
>
>

> Hi [REDACTED]
>

> Thanks for your help this morning. We have generated the XML file
> without any flags going off. Do we need to send you anything for
> verification before we proceed to SPARQ?
>

> Thanks again.
>

> Best wishes,
>
> [REDACTED]
>
>
>
>

10/30/2006

>> How does 10am sound?
>> Thanks.
>> -----Original Message-----
>> From: [REDACTED]@smci.info [mailto:[REDACTED]@smci.info]
>> Sent: Tuesday, February 01, 2005 5:54 PM
>> To: [REDACTED]
>> Subject: RE: NCBA, QPR Data Questions

>>
>>
>> Hi [REDACTED]
>>
>> Can we arrange a phone call on Wednesday some time? We ran the
>> submission again and got about 755 errors. This was a great relief
>> from the original 6000 and I believe many of the new ones are about
>> wrong date formats. There were some other questions and errors that I
>> would like to walk through with you. Please let me know a good time.
>>
>> Thanks again.

>>
>>
>> [REDACTED]
>> NCBA

>>>> -----Original Message-----
>>>> From: [REDACTED]@smci.info [mailto:[REDACTED]@smci.info]
>>>> Sent: Monday, January 31, 2005 1:30 PM
>>>> To: [REDACTED]
>>>> Subject: RE: NCBA, QPR Data Questions

>>>>
>>>>
>>>> Hi [REDACTED]
>>>>
>>>> That sounds great, thanks!
>>>>
>>>> Best Wishes,

>>>>
>>>>
>>>> [REDACTED]
>>>>
>>>> I can give you a call around 4pm today? Is that ok?
>>>> Thanks.

>>>> -----Original Message-----
>>>> From: [REDACTED]@smci.info [mailto:[REDACTED]@smci.info]
>>>> Sent: Monday, January 31, 2005 10:47 AM
>>>> To: *SCSEP
>>>> Subject: NCBA, QPR Data Questions

>>>>
>>>>
>>>>

10/20/2006

>>>> Hi,
>>>>
>>>> My name is [REDACTED] and I am working with NCBA to submit their
>>>> QPR. I have spoken briefly with [REDACTED]
>>>>
>>>> There are some points of clarification I need for the data
>>>> requirements to submit the QPR. For example in the participant form
>>>> question 13 (Employed prior to participation?), I am not sure how
>>>> our selection should be listed. Currently for that item we have it
>>>> like, '003_Not employed'.
>>>>
>>>> Do you have a document listing how the data should look? If not, can
>>>> we arrange a phone call (hopefully today) to walk through the fields
>>>> of confusion in the different forms?
>>>>
>>>> NCBA is past the deadline for the 1st QPR which is why I am
>>>> requesting this help and really appreciate it as well.
>>>>
>>>> You can contact me at NCBA, [REDACTED] extension [REDACTED] if for some
>>>> reason you cannot get through please call me on my cell at,
>>>> [REDACTED]
>>>>
>>>> Thank you!
>>>>
>>>> Best Wishes,
>>>>
>>>> [REDACTED]
>>>> [REDACTED]@smci.info
>>>> NCBA: [REDACTED]
>>>> CELL: [REDACTED]
>>>>
>>>>
>>>>

[REDACTED]
[REDACTED]
From: [REDACTED]@smci.info
Sent: Tuesday, March 15, 2005 5:31 PM
To: [REDACTED]
Subject: Web-based app, status

Hi [REDACTED]

Here is a quick update on the web-based application.

The following intakes forms have been completed:

Participant
Enrollment
Assignment
Exit
Placement
Follow-Up

These forms have not been completed yet:

IEP
Recertification
General Notes (not a priority)

The IEP will be fairly routine (in terms of work already completed), however the recertification is a larger challenge. There are two ways to do the recertification:

- 1) You update the current participant form with the new information and store the old information in a separate table
- 2) You keep the original participant form and add the recertification information to a new table.

Either way would require the system to pull the data from the appropriate table to generate the proper report. I think we should use method 1 from above. This way when you pull the file you will see the most recent information. We will have to make sure we train everyone to use the recertification table. It will not be enough to just 'edit' the participant form.

The next stage will be to add the 'print' functionality to all forms to match NCBA's forms.

With the different stages in place, error checking will be added for participant stages. For example, you cannot add a new assignment if you have an active placement. It will force the states to complete the correct forms in the right order. In the above example, they would have to put an exit date into their placement, close out any follow ups, re-enroll them and then add a new assignment.

Once the above forms are finished and all the different stages are put into the system, work will begin on adding reports. There are many different reports that are required by the states all of which are included.

As always, let me know if you have any questions about the above information.

Thanks,
[REDACTED]

[REDACTED]
[REDACTED]
From: [REDACTED] smci.info
Sent: Monday, April 04, 2005 10:55 AM
To: [REDACTED]
Subject: Status on Data Import

Hi [REDACTED]

When you get this please give me a call. This email got a little long so it would probably be easier to walk through it together so you know where things stand.

Best Wishes,
[REDACTED]

Here is an update for transferring all the data over to SCSEP Online. Overall everything went really really well. The data transferred over very quickly and for the most part very efficient. I used both DC and MD to test and encountered very few problems. Here are some of the areas that need to be focused on:

Participant Emergency Contact Information - Only a first/last name and phone number exists in the old database. Moving forward the form will require address information as well.

There are some gaps of information for Employers and Host Agencies but nothing too serious, just some missing contact information (address, phone number...).

There needs to be a decision about how the current IEPs are going to be migrated into the new form (NY model). The current IEP has the following fields:

Current Skills
Training Needed
Supportive Services Needed
Planned Outline

I think we should just add these four fields into the new IEP. That way all their old information will be transferred over and they can begin working on the new form. I assume moving forward all new participants need to use the new model. What is the plan for the older participants?

The biggest challenge is importing records for participants who have been re-enrolled (previously placed). There is no way to extract all the information into the new system perfectly because the information does not exist in the old. There are two ways to approach this:

- 1) SCSEP Online can produce a report that lists all the placed participants (unsubsidized placements). The state offices can match their records against these numbers and correct any missing information into the new system.
- 2) I can pull from the old database a list of participants who have duplicate entries (participants, assignments, exits, placements). They will need to pull the paperwork on these participants and correct them in the new system.

I have the import software flagging any errors which will typically occur when there is a record for someone in the database that relies on a previous record which doesn't exist. For example in DC there are a couple of errors importing exit information because there is no assignment record on file. For these errors we need to pull the paperwork and correct these mistakes.

The process of transferring all the data into the new application will take about 3-4 days. If everyone was trained on SCSEP Online I would assume it would take about 1 week of hard work to correct the above errors. Because they have not been trained, I think it

can take between 1-4 weeks to have accurate information in the system. Once that process is finished, moving forward SCSEP Online will force the user to keep their records accurate.

[REDACTED]

From: [REDACTED]@smci.info]
Sent: Monday, April 11, 2005 9:49 AM
To: [REDACTED]
Subject: qpr3 / new software roll-over

Hi [REDACTED]

Hope you had a good weekend!

As you know, the current software does not manage re-enrollments properly. When the data is transferred over for the 3rd quarter QPR we need to make sure we have an accurate account of all participants. To help facilitate that process each state needs to pull together a list of ALL participants who were placed since July 2004. This way we can check their report against the new system and correct any errors.

I know we mentioned that Friday afternoon would be the time when we switched everyone off the old system onto the new. Please let me know if this is still the plan you have in mind. That means each state would stop using the current system on Thursday evening and I would begin collecting and importing their data in on Friday.

I am thinking next week I can begin distributing some training materials and by May 1st they can begin using the new system. This would mean that for about a two-week period they would not be using any software and would have to manage the process by paperwork. Once they are ready to use the software they would have to catch-up and enter all information for that two-week period.

Let me know what you think!

Thanks,
[REDACTED]

[REDACTED]

From: [REDACTED] smci.info]
Sent: Friday, May 13, 2005 10:37 AM
To: [REDACTED]@mathematica-MPR.com
Cc: [REDACTED] SCSEP@mathematica-mpr.com
Subject: RE: Error Submitting QPR through SPARQ

Hi [REDACTED]

Thank you for your email. We got confirmation that the QPR processed and shortly after we were able to upload the latest QPR to SPARQ without a problem.

We are still having a problem though. Yesterday around 6pm we submitted another QPR without any errors. This morning it was not processed. We were under the impression that these reports run every night. Is it possible to run it during the day so we can fix any outstanding errors?

Finally, what is the final submission date?

Thanks,

[REDACTED]
[REDACTED]@ncba-aged.org
NCBA

> [REDACTED]
>
> I have reviewed your current submission status in SPARQ, and the
> submission you made last night has been processed. New QPRs and DQRs
> are now available for review.
>

> [REDACTED]
>
> -----Original Message-----
> From: [REDACTED]mailto:[REDACTED]smci.info]
> Sent: Tuesday, May 10, 2005 5:32 PM
> To: SCSEP
> Cc: [REDACTED]ncba-aged.org
> Subject: Error Submitting QPR through SPARQ
>

> Hi [REDACTED]
>
> Yesterday, May 9th NCBA submitted their 3rd Quarter QPR through SPARQ.
> Typically in the morning we can see the actual QPR (it processes during
> the night). For some reason this morning we did not get notification
> that it was processed and the report was not available.
>

> Today, May 10th we did a series of data corrections and attempted to
> submit the file again to SPARQ. After we created the XML file and about
> five minutes into the submission process through SPARQ, the page loaded
> with the following error message (screen shot attached):
> SPARQ SYSTEM ERROR
> An error occurred while loading the page. null null
> The error occurred on line -1.
>
> Typically when the page reloads at that point it runs for a couple
> seconds and then gives us confirmation that it was submitted. We have
> been following the same process in our previous submissions so I would
> find it hard to believe that the problem is from our end. Can you
> please get back to me to let us know what we should do. We were last
> informed that we have until the end of this week to approve our QPR. It
> is really important that we can actually view the QPR so we can see
> where errors exist with our internal QPR.
>
> Thanks!
>
> Best Wishes,
>
>
> [REDACTED]
> NCBA
> [REDACTED]@ncba-aged.org

10/30/2006

From:
Sent:
To:

Tuesday, June 21, 2005 12:34 PM

Cc:



SPARQ 2 DATA
CHANGES 0615.xls..

To all SCSEP Grantees:

As you know, Program Year 2005 is fast approaching and with the start of the new year, some significant changes will need to be implemented. One important area involves the data that is to be collected for the SCSEP program. New versions of the SCSEP data collection forms can be found on the Charter Oak Group website; however, for your convenience, we have summarized the known changes in the attached spreadsheet which should help you to prepare for the new year.

<<SPARQ 2 DATA CHANGES 0615.xls>>

In addition, there will be many changes in grantee - sub-grantee relationships that take effect at the start of the new program year and these will result in a the transfer of participants and their records from one organization to another. We are currently preparing a document that will discuss the different scenarios (e.g., addition of a new sub-grantee, replacement of an existing grantee/sub-grantee with a new one, etc.) and explain what action will be required from all parties involved. Once that document is finalized, we will distribute it to all grantees so you can plan for what work you may need to do.

In case you're not already aware, we also want to bring to your attention that we have recently posted several kinds of QPR documentation to our SCSEP website (scsep.mathematica-mpr.com). Specifically, they are:

Specifications for the Quarterly Performance Report Calculations

These are technical specifications which explain precisely how each report element in the QPR is calculated using the data elements and values in the SCSEP data base.

Specifications for the QPR Edits

These are technical specifications which explain precisely how each edit condition is tested and which message is generated to the grantee on the DQR.

Analysis of Timing Of SCSEP Performance Measurement

SCSEP performance measurement is driven by the timing of exit, initial placement and follow up completion dates. Whoever said "timing is everything" must have been thinking of SCSEP performance. This document explains all of the rules for understanding how timing impacts performance and provides timing examples for each measure. Reviewing these materials may be very helpful to you in understanding and interpreting your QPRs. For your information, MPR will also be making a less technical presentation to explain these documents at the SCSEP conference in Philadelphia next month. In addition, MPR will be presenting a second conference workshop that will focus on the changes in data collection, the transition to the web-based system for the first quarter of PY 2005 and procedures for handling changes in SCSEP organizations (including participant transfer). If you have questions on any of the documents mentioned above, please don't hesitate to contact [REDACTED]@mathematica-mpr.com or [REDACTED] or myself. You may also contact us at scsep@mathematica-mpr.com.

[REDACTED]
Mathematica Policy Research, Inc.
P.O. Box 2393
Princeton, NJ 08543-2393
[REDACTED]
[REDACTED]@mathematica-mpr.com

As of: 6/16/2006

SPARO 2.0 DATA CHANGES

Participant	Change of subgrantee (Y/N)	Local Site	Case Worker Name
	Change of subgrantee code		Receiving Public Assistance (SDI)
	Date of Last Physical		Transferred from another project (Y/N)
	Date of Last IEP		Transferred from grantee code
	Community Service Assignment (Y/N)		
	Recertification # in family		
	Recertification 6-mo family income		
	Recertification Eligibility (Eligible/Ineligible)		
	Recertification Ineligibility Reason Income		
	Recertification Ineligibility Reason Failed to Complete Application		
	Recertification Ineligibility Reason Other		
	Recertification Director's Signature		
	Recertification Most Recent Date		
	Recertification Comments		
CSA	Contact Person Organization Address line	Local Site	Types of training received None
	Contact Person salutation	Case worker name	
	Approved break in participation Start Date		
	Approved break in participation End Date		
UIE	Contact Person Organization Address line	Local Site	
	Contact Person salutation	Case worker name	
	High Growth Industry Automobile	1st Otr wages after placement amount	
	High Growth Industry Advanced Manufacturing		
	High Growth Industry Biotechnology		
	High Growth Industry Construction		
	High Growth Industry Energy		
	High Growth Industry Financial Services		
	High Growth Industry Geospatial		
	High Growth Industry Health Care		
	High Growth Industry Hospitality		
	High Growth Industry Information Technology		
	High Growth Industry Retail		
	High Growth Industry Transportation		
	High Growth Industry None		
	2nd Otr wages after placement amount		
Exit	Non-Exit Reason Transferred to grantee code	Local Site	Non-Exit Reason: Add "Moved to another sub-grantee"
	Non-Exit Reason Transferred to sub-grantee code	Case worker name	Exit Reason not due to UIE: Delete "Other"
	Exit Reason 1 Transferred	Exit Reason 1 Transferred	
	Exit Reason 2 Other	Exit Reason 2 Other	

From: [REDACTED]@mathematica-mpr.com]
Sent: Thursday, July 28, 2005 1:30 PM
To:

Cc:
Subject: SPARQ Release v1.4

To all SCSEP Grantees:

A new release of SPARQ is now available. Version 1.4 contains additional refinements to the QPR calculations and edits, as well as additional Common Measures (E9, E10, F3 and F4). Two new edits have also been added:

- If a participant shows a gap between assignments, a warning message will be generated.
Note: Since SCSEP policy disallows assignment gaps, this warning will change to a reject at some future time.
- If a participant exited prior to 7/1/2004, the record will be rejected.

In addition, on the Submit a File screen in SPARQ, you will see that the dropdown for Quarter has been revised. Instead of separate choices for Q4 and Final, the two have been combined into one selection.

Updated QPR/DQR documentation reflecting SPARQ v1.4 functionality has been posted to the MPR SCSEP website (<<http://scsep.mathematica-mpr.com/>>). Please review this material if you are interested in the details of the Version 1.4 changes.

Since SPARQ v1.4 changes directly affect the QPRs and DQRs, it is important that you access the new versions of those reports (available now) to review them for possible new error messages. Please do NOT approve your Q4 QPRs until you review the version based on SPARQ v1.4.

If you have any questions concerning SPARQ v1.4, feel free to contact us at SCSEP@mathematica-mpr.com.

[REDACTED]
Mathematica Policy Research, Inc.
P.O. Box 2393
Princeton, NJ 08543-2393
[REDACTED]
[REDACTED]@mathematica-mpr.com

EXHIBIT IV



1220 L STREET, NW
SUITE 800
WASHINGTON, DC 20005
202.289.1700
202.289.1777 FAX
www.ncba-aged.org

REMINDER

TO : ALL NCBA STAFF

FROM : Elias Hussein, Executive Vice President *Elias Hussein*

SUBJECT : Professional Service and Sole Sourcing

DATE : January 20, 2006

This memo serves as a reminder requesting all staff to adhere to the NCBA Standard Operating Procedures when seeking to hire the services of a Professional or a Consultant.

Selection for a responsible contractor must be based on bids. In the event when only a sole source Professional or Consultant is to be considered, a written justification must first be submitted to the Office of NCBA President/CEO or the Executive Vice President for approval. No staff is allowed to award a sole source contract on behalf of NCBA without a prior written approval.

Non-compliance with this guideline may result in termination from NCBA and/or the employee bearing the full responsibility for damages and expenses incurred.

If you need additional clarification on this matter, please refer to NCBA's Standard Operating Procedures manual in section 6 or contact your Program Director and/or the Headquarter Finance Department.

Thank you.

*Improving the
quality of life
for elderly
African Americans
and low income
minorities*

EXHIBIT V



MEMORANDUM

To: Elias Hussein, Executive Vice President

Fr: Daniel R. Wilson

A handwritten signature in black ink, appearing to read "Daniel R. Wilson", is written over the printed name in the "Fr:" field.

Date: Friday, October 13, 2006

Re: NCBA SCSEP 2005 Training

When planning the SCSEP training conference, I looked at several variables when determining the location for the conference. There are three locations in the Tucson area that I contacted to get price quotes and comparing the room rate and the food and beverage costs, the Tucson Hilton El Conquistador was the best option. (See Attached)

Hotel

1. Hacienda Del Sol Guest Ranch
5601 N. Hacienda Del Sol Road
Tucson, AZ

2. Four Points by
Sheraton Tucson University Plaza
1900 E. Speedway
Tucson, AZ

3. Hilton El Conquistador
1000 N. Oracle Road
Tucson, AZ

*Improving the
quality of life
for elderly
African Americans
and low income
minorities*

SCSEP Conference - January 19th-24th
Tucson, Arizona - 50 attendees
Average/5 nights
~~Ground Transportation~~
needed from airport.

Sheraton Hotel -

\$105/night + tax = \$116.03
Conference room charge = \$996.00/day
food & beverage charge = \$180.40/person
audio visual needs = \$400.00/day
total = \$ ~~34,048.77~~ 34,048.77 approx.

Hacienda Hotel

\$135/night + tax = \$149.18/night
conference room charge = \$560 per day
food & beverage charge = \$139.60/person
audio visual needs = \$300/day
total = \$ 34,699.62 approx.

~~Hilton Tucson El Conquistador~~ ~~complimentary welcome~~
Accepted
\$129/night + tax = \$142.55/night
conference room charge = no charge
food & beverage = \$130/person
audio visual = \$275/day
total = \$ 30,265.45 approx.

EXHIBIT VI

EXHIBIT VII



1220 L STREET, NW
SUITE 800
WASHINGTON, DC 2000
202.289.1700
202.289.1777 FAX
www.ncba-aged.org

MEMORANDUM

TO : ALL NCBA STAFF

FROM : Elias Hussein, Executive Vice President *Elias Hussein*

SUBJECT : GUIDELINES FOR TRAVEL

DATE : January 17, 2006

NCBA employees who travel and who frequently drive private or rental vehicles when performing their assignments are required to adhere to the following travel guidelines.

I - Approval for Travel

Before making the travel, complete the Request for Travel Authorization and Travel Advance form and submit it to the appropriate officer for approval.

II - Lodging

1. The Federal Travel Regulation provides an up-to-date Hotel Lodging per diem rates. Reimbursement for hotel lodging charges are only up to the allowed rates.
2. If the hotel lodging rate is above the allowed CONUS rate as stipulated in the Federal Travel Regulation, a prior approval must be obtained from the NCBA President/CEO or the Executive Vice President stating the justifications or reasons for requesting a higher rate.

III - Meals

The current Federal Travel Regulation provides the following per diem rates for Meals and Incidentals (M & IE):

- For travel of more than 12 but less than 24 hours, reimbursement for Meals and Incidentals is 75 percent of the applicable M & IE rate.

*Improving the
quality of life
for elderly
African Americans
and low income
minorities*

- For travel of 24 hours or more, on the day of departure your allowance is 75 percent , on full days of travel your allowance is 100 percent and on the last day of travel your allowance is 75 percent of the applicable M & IE rate. Stop immediately using the old quarterly method of figuring allowances for day of departure and last day of travel.

IV - Rental Automobiles

1. NCBA employees who use rental vehicles for authorized travel as part of their assignments are advised to accept collision insurance coverage (Loss Damage Waiver-LDW) offered by the Car Rental Company. The authorized employees are required to hire, rent or lease only Economy class autos from any authorized rental car company and should not include personal autos. Employees are strongly advised to refrain from renting luxury type of cars or accept upgrade offers from rental companies.

2. Only the authorized NCBA employee for whom the rental vehicle has been reserved is allowed to drive the rental vehicle. Other NCBA employees traveling in the same vehicle may be allowed to drive the rental vehicle only if prior authorization is given by the NCBA Program Directors. Persons who are not NCBA employees are not authorized to drive or ride in the rental vehicles which are reserved for NCBA program staff and/or purpose.

3. If an employee is involved in an accident while on official travel and while using authorized rental vehicle, the employee must notify the Program Director or the Headquarters Finance Department immediately or as soon as you are able to do so.

4. Employees are advised that non-compliance with all the guidelines outlined in items 1, 2 and 3 may result in termination from NCBA and/or the employee bearing the full responsibility for damages and expenses incurred, or revocation of rental vehicle privileges.

V- Receipts

1. Upon returning from a trip, complete the Travel Expense Report, attach all required receipts and submit it to your Program Director. Receipts are always required for lodging, public transportation, rental vehicles, gas, tolls, etc. However, meals and incidentals (this includes breakfast, lunch and dinner) are reimbursable without receipts and are guided by the Federal Travel regulations.

NCBA uses the Federal Regulations as a guide and you can obtain the most current per diem and milage rate information on the internet at:
<http://www.gsa.gov>.

You are also advised to refer to the NCBA Employee Handbook and the Standard Operating Procedures under travel and other related expense sections. If you need additional clarification on travel guidelines and requirements, please contact your Program Director or the Headquarter Finance Department.

Thank you.