



**Office of Inspector General  
Alliance Community & Employment Services, Inc.**

**Report # A-1819DOE-006**

**May 2019**

**Executive Summary**

In accordance with the Department of Education’s fiscal year (FY) 2018-19 audit plan, the Office of Inspector General (OIG) conducted an audit of the employment services agreement between the Division of Vocational Rehabilitation (DVR) and Alliance Community & Employment Services, Inc. (ACES). The purpose of this audit was to determine if ACES has sufficient internal controls to provide effective delivery of employment services and whether DVR is effectively monitoring the agreement.

During this audit, we noted that ACES generally had sufficient controls in place, and DVR provided oversight of the agreement. However, there were instances where improvements could be made to strengthen some of these controls. For example, we cited instances where DVR did not conduct monitoring in accordance with the monitoring plan; ACES did not make timely contact with customers; ACES placed customers in jobs that did not match the customer’s Individualized Plans for Employment (IPE) goal and DVR paid for the placement benchmarks; two ACES employees did not have proper credentials to provide Supported Employment (SE) services; DVR approved a benchmark payment for a service provided by an employee that did not possess a required personnel credential.; and ACES did not obtain approval prior to hiring customers at ACES and DVR paid for benchmarks achieved prior to giving written approval. The Audit Results section below provides details of the instances noted during our audit.

**Scope, Objectives, and Methodology**

The scope of this audit included an examination of employment services provided by ACES during the period of July 1, 2017, through October 31, 2018. We established the following objectives for our audit:

1. Determining if ACES’ internal controls ensure effective delivery of employment services to DVR customers;
2. Ensuring benchmark payments were made in accordance with agreement terms; and
3. Determining if DVR effectively manages and monitors the agreement for compliance.

To accomplish our objectives, we reviewed applicable laws, rules, and regulations; interviewed DVR and ACES staff; reviewed policies and procedures; reviewed risk assessments; reviewed the DVR Employment Services Provider Manual; reviewed quarterly reports and related documents; reviewed customer IPEs; reviewed benchmark payments and related documents; and reviewed customer referrals.

## Background

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The Division of Vocational Rehabilitation (DVR) is a federal-state program committed to helping people who have physical or mental disabilities find and maintain meaningful employment and enhance their independence. DVR accomplishes this by providing employment support and job placement assistance to eligible individuals with disabilities. DVR utilizes vendors for people with disabilities who require specific services or equipment to help them prepare for, gain, and retain employment.

DVR and ACES entered into an agreement on July 1, 2017, to provide employment services to eligible DVR customers in accordance with the DVR Employment Services Provider Manual. The manual defines employment services as services provided to a DVR customer to assist them in achieving a positive employment outcome. Services may include pre-placement training, employment services, supported employment services, or on-the-job training services. DVR pays ACES a fixed rate for accomplishing benchmarks, as defined in the provider manual.

## Audit Results

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### Finding 1: DVR did not conduct monitoring in accordance with the monitoring plan.

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The Provider Manual states, “VR will designate a Provider Manager, housed in VR Headquarters, to work with the Provider on all things related to registration, staff qualifications, and administrative matters. The Provider Manager is also responsible for processing payments and monitoring Provider performance.”

Per the DVR Employment Services Contract Monitoring Plan, “A complete risk assessment is performed on all VR Employment Services contracts prior to contract execution. Risk will be reassessed at the end of each contract year. The assigned risk score drives the type and frequency of monitoring conducted. Monitoring activities include, but are not limited to, reviewing Rehabilitation Information Management System (RIMS) data, including expenditure data and case records; interviewing stakeholders, including VR Counselors, Contract Liaisons, and Customers; and visiting the Provider’s location. Regardless of risk score, all contracts will be monitored at least once per contract term following the Monitoring Activity Plan Process outlined in the VR Employment Services Provider Monitoring Guidebook.”

DVR completed a Risk Assessment and Contract Monitoring Plan and rated ACES as medium risk for the contract term of April 1, 2015, through March 31, 2018. According to the monitoring plan, the monitoring based on medium risk should include:

- Semi-annual RIMS data analysis;
- Semi-annual random sample case review, including customer interviews; and
- Full monitoring once every 18 months.

DVR reassessed the Provider's risk during the contract review period of July 1, 2017, through June 30, 2018, and scored ACES as a low risk provider beginning July 1, 2018. Per the 2018 revised monitoring guidelines, the monitoring based on low risk should include annual data analysis and random sampling as well as full monitoring once per contract term.

Per the Provider Manager, there was no documentation of monitoring during our scope of July 1, 2017, through October 31, 2018. DVR provided a completed profile monitoring form for the period of January 1, 2018, through December 31, 2018. However, the form did not contain sufficient monitoring documentation to meet the monitoring guideline requirements. Therefore, we determined DVR did not conduct monitoring in accordance with the monitoring plan.

DVR staff stated, "We have made significant changes to the Monitoring Guide and processes that were in place during this time period. These changes have not yet caught up with our monitoring efforts. The profile form is in place to capture a Provider's activities in one central location. There are now reports in Contract Referral to allow us to analyze data on demand. We now have a dedicated Manager to process invoices. When trends are identified, RIMS data analysis is conducted on an ad hoc basis."

Not monitoring providers based on the risk evaluation increases the risk that noncompliance with the terms of the provider manual will go undetected. For example, some, if not all, of the findings discussed later in this report could have been identified and corrected much sooner had the proper monitoring occurred. In addition, not communicating the monitoring results or providing improvement recommendations limits ACES' ability to improve its processes.

### ***Recommendation***

We recommend DVR conduct monitoring in accordance with the provider's risk assessment and subsequent monitoring plan. In addition, we recommend DVR promptly provide the monitoring results and recommendations for improvement to ACES and ensure corrective action has been initiated on noted deficiencies.

### ***DVR Management Response***

Concur. DVR has put new monitoring processes in place that changed the monitoring frequency associated with each risk level. We have reassessed risk level for all providers. ACES is now considered a medium risk Provider. New monitoring processes now include providing the monitoring results and recommendations to the Provider.

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**Finding 2: ACES did not make timely contact with customers.**

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Per the Provider Manual, “Providers must begin regular contact with the Customer within two weeks of Referral acceptance. If the Provider is unable to contact the Customer within the required two (2) weeks, they must notify the VR Counselor (VRC) in writing.”

During the period of July 1, 2017, to October 31, 2018, DVR referred 272 clients to ACES. We sampled 31 referrals and reviewed the associated monthly progress reports (MPR) to determine whether ACES made contact with the customer within two weeks of referral acceptance. We determined ACES did not contact 6 of the 31 customers (19%) within the required timeframe, ranging from 16 to 55 days after referral acceptance. In several cases, the first recorded contact was the meeting between the client and the Employment Specialist (ES). Per ACES, the ES staff may not be recording their initial contact with the clients in the MPRs. When ACES does not contact referred customers timely, it can negatively affect future customer employment.

***Recommendation***

We recommend ACES begin regular contact with the customers within two weeks of referral acceptance in accordance with contract terms and document the contact with the customers in the MPRs. If ACES is unable to contact the customers, they should notify the VRC in writing to document contact attempts.

***ACES Management Response***

Concur. Management will meet with employment specialists regularly to inform them that contact has to be made two weeks prior to receiving a referral. Management will follow up to make sure that contact is made with clients when a referral is received in the REBA system. Management will notify the employment specialist if they are having a hard time reaching the client to email the VR counselor and copy management on the email.

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**Finding 3: ACES placed customers in jobs that did not match the customer’s Individualized Plan for Employment goal, and DVR paid for the placement benchmarks.**

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Per the Provider Manual, an Individualized Plan for Employment (IPE) is “a plan developed by the Customer and the VRC that describes the Customer’s responsibilities and the specific rehabilitation services needed for the Customer to achieve the employment outcome specified in the IPE. The VRC must develop an IPE with the Customer that is specific to the Customer’s unique needs and chosen job goal. The VRC ensures that the placement is consistent with the IPE job goal. If the provider and customer determine that a different job goal is desired, an approved IPE amendment will be ordered. The Employment Specialist (ES) works in partnership with the VRC and the Customer to meet the Customer’s identified needs. The ES also provides opportunities for the Customer to discover occupations of interest and skill match, in accordance with the IPE. Jobs must match the stated employment outcome on the IPE as agreed upon by the Customer, VRC, and the Provider.”

In addition, the Provider Manual states, “VR will make payment only for services listed on the invoice completed in accordance with the terms and conditions of this manual. VR may reject an invoice and /or request repayment for any service determined to be out of compliance. VR reserves the right to reject invoices submitted more than ninety (90) days after service is rendered.”

During the scope of our audit, ACES submitted 255 invoices for services provided to 127 customers. DVR subsequently approved and paid 250 invoices. We reviewed the IPEs for 34 sampled customers for which ACES submitted invoices and compared their IPE goals to the jobs obtained. ACES did not obtain placement for six of the 34 customers. Those six customers only met pre-placement training, on the job training, or individual career plan benchmarks. We determined for 7 of the 28 (25%) remaining customers, ACES obtained placement for individuals outside of their chosen IPE goal. We noted that the customer subsequently modified their IPE to match the job obtained 7 to 239 days after their job placement. In all seven cases, DVR paid ACES for the placement benchmark.

Customer ID	Employment Placement Date	Job Title	IPE Amendment Date and Goal Change	Date NOA submitted by ACES	Date Invoice submitted by ACES
VR0802558	4/5/2018	After School Counselor	Amendment # 2 - 4/12/18 - goal changed to Counselor from previous Amendment #1 (12/12/17) Security Guard	4/12/18	4/12/2018
VR0828810	5/15/2017	Real Estate Assistant	Amendment # 1- 11/6/17 - goal changed to Property, Real Estate & Community Association Managers from original IPE (2/22/17) Paralegals and Legal Assistants	11/21/17	12/11/2017
VR0555722	10/26/2017	Retail Salesperson	Amendment # 1- 11/2/17 - goal changed to Retail Salesperson from original IPE (7/13/17)Secretary/Admin Assistant	11/3/17	11/6/2017
VR0777477	5/7/2018	After School Counselor	Amendment # 2- 5/17/18 - goal changed to School Guidance Counselor from Amendment #1 (12/29/17) Office Clerk	5/11/18	6/13/2018
VR0810264	10/31/2017	Food Preparation Crew	Amendment # 2- 12/4/17 - goal changed to Food Preparation Crew from Amendment #1 (6/26/17) Security Guard	12/4/17	12/7/2017
VR0775103	9/27/2018	Customer Service Representatives	Amendment # 4- 10/10/18 - goal changed to Customer Service Representative from Amendment #3 (8/20/18) Janitor/Cleaner	10/15/18	10/17/2018
VR0816718	6/14/2017	Prepress Technicians and Workers	Amendment # 1- 1/29/18 - goal changed to Prepress Technician from original IPE (11/2/16)Stock Clerks and Order Fillers	7/5/18	7/6/2018

We observed, in six of the seven identified cases, ACES submitted the Notice of Approval (NOA) and invoices to DVR on or after the IPE amendment date and 7 to 386 days after the employment placement date. ACES circumvented the DVR invoice payment controls by submitting the NOAs and invoices after the customer and counselor amended the IPEs. Holding the NOAs and invoices until after the amendment of the IPE ensured that when the DVR contract

manager reviewed and approved the NOAs and invoices for payment, the job obtained would match the IPE goal. In all but one of the cases, the same DVR counselor that amended the IPE subsequently approved the NOA.

The remaining customer (VR077477) did not sign the amended IPE, which contained the modified employment goal. Per the contract manager, “The case is currently closed as Rehabilitated, the customer agreed to the closure of the case without signing Amendment #2.”

Per the Provider Manual, “DVR reserves the right to reject invoices submitted more than ninety (90) days after service is rendered.” In two of the seven cases identified above ACES submitted invoices 210 and 386 days after rendering services, and DVR subsequently paid for the benchmarks.

Per ACES, “It the responsibility of VRC to obtain all signatures for IPE amended before any payment can be issued to a provider such as ACES.” This contradicts the Provider manual agreement, which states the Provider ES responsibilities include: “Advising the customer and VR counselor if a different job goal seems appropriate and securing approval from both parties to pursue that goal (**after** the VRC and customer complete and approved IPE amendment).”

Changing an IPE after the actual job placement gives the appearance of going against the intent of the IPE and any desires the client may have for a particular field of work for the sake of simply placing the client in a job and receiving payment.

### ***Recommendation***

We recommend that ACES obtain placement for customers that matches the current IPE goal, as developed by the customer and VR Counselor. Should the customer have a desire to revisit and amend an IPE, any amendment should precede actual job placement.

We recommend DVR review ACES placement benchmarks and ensure the jobs obtained match the IPE goal at the time of placement. For any payments made for placement benchmarks not matching the IPE goal, we recommend DVR consider asking ACES for repayment. We additionally recommend DVR include in their monitoring efforts a review of amendment dates compared to placement benchmark dates.

We recommend DVR ensure counselors are appropriately trained and instructed to only approve NOAs in which the job goals match the IPE goal at the time of placement. In the event, the amendment occurred after the placement, the counselors should reject the NOA.

### ***DVR Management Response***

Concur. Current system limitations restrict the Provider Manager from confirming when an IPE amendment is signed off by the Customer or Customer’s representative and a qualified VR Counselor. DVR is working to secure a new case management system at which time better reporting mechanisms can be put in place to verify this information. In the interim, DVR will conduct random post audits of IPE amendments to verify whether placement occurred prior to

IPE amendment. The Bureau of Vendor & Contracted Services (BVCS) will share the results of these audits with Bureau of Field Services (BFS) management so that they may provide technical assistance to counseling staff.

### *ACES Management Response*

Concur. Management will inform the employment specialist at the initial meeting with the client, if the client suggests another employment goal, to notify the VR Counselor right away that the client has requested a different IPE goal before the client accepts employment under a different IPE goal.

Finding 4: Two ACES employees did not have proper credentials to provide SE services, and DVR approved a benchmark payment for a service provided by an employee that did not possess a required personnel credential.

The Vendor Registration Requirements of the Provider Manual states, “The Provider must submit a list of all staff currently engaged in the provision of VR services to the Provider Manager no later than thirty (30) days after the end of each quarter.”

The Provider Manual also states, “All Provider staff assigned to work with VR customers must be approved by VR’s Vendor Registration Unit. The Provider must submit a completed Employee Contact Form to the VR Vendor Registration unit within five (5) days of hiring for all employees hired after initial vendor registration who will be providing direct services. Newly hired employees may not provide services to VR customers until VR has approved and registered the employee. The Provider must also submit an Employee Contact Form within five (5) days of termination to remove any employee no longer providing direct services to VR Customers. The Provider must submit a list of all staff currently engaged in the provision of VR services to the Provider Manager no later than thirty (30) days after the end of each quarter. Failure to comply with all Vendor Registration requirements is cause for benchmark payment denial, suspension, and/or revocation of registration. Additionally, the Provider may be required to provide repayment of any services deemed to have been provided during the period of non-compliance.”

Per the DVR Vendor Qualifications Manual, “All employees who will provide Supported Employment Services must also have a training certificate in Supported Employment from a state or nationally recognized Supported Employment Program. This applies to all Providers, including those accredited by CARF or JCAHO.”

During the period of July 1, 2017, to October 31, 2018, nine ACES employees provided SE services. We reviewed the personnel files of the nine employees to verify that the employees obtained the required Supported Employment (SE) training prior to providing supported employment services and that DVR confirmed the personnel credentials prior to payment of benchmarks.

We determined two of the ACES specialists did not obtain the SE training prior to providing SE services. One specialist obtained an SE training certificate on December 22, 2018. ACES did not report the person as an SE specialist on the quarterly staff reports during the scope of the

audit. Per RIMS data, the ACES specialist provided SE services to one SE customer prior to December 22, 2018. MPR's indicate ACES assigned the specialist to an SE customer in May 2018, with the first activity date of May 20, 2018. ACES met the stabilization benchmark for the SE customer on June 10, 2018, and DVR paid the stabilization payment in the amount of \$1,779.00.

The second specialist also obtained an SE training certificate on December 22, 2018. ACES did not report the person as an SE specialist on the quarterly staff reports during the scope of the audit. Per RIMS data, the ACES specialist provided SE services to one SE customer prior to December 22, 2018. MPR's indicate ACES assigned the specialist to an SE customer in October 2018, with the first activity date of October 22, 2018. ACES did not achieve any benchmarks for the SE customer after the assignment of the specialist.

While ACES only achieved one benchmark prior to the specialists obtaining their SE certifications in the two cases identified above, ACES assigned the specialists prior to their certifications and did not identify the employees as SE specialists on the quarterly reports. DVR did not have a copy of the specialists' SE certification on file. Through the monitoring of RIMS, DVR should have identified that ACES assigned SE customers to a non-certified employment specialist and denied payment for benchmarks in which the specialist provided SE services prior to SE certification.

According to ACES, a member of past management who was assisting with the assigning of clients to coaches made these mistakes. Allowing ACES employment specialists who have not completed required SE training to provide services to SE customers could lead to DVR customers not receiving the needed assistance to gain and maintain employment.

### ***Recommendation***

We recommend ACES provide accurate quarterly staff reports to DVR in accordance with the Provider Manual and ensure all employees obtain SE certification prior to assignment to DVR SE customers.

We recommend DVR review RIMS documentation on a periodic basis and ensure the specialists assigned and working on DVR customer cases obtained the proper credentials to provide the services assigned. We recommend DVR deny benchmark payments to ACES in cases where uncertified specialists assist DVR SE customers. We additionally recommend DVR revise the provider manual to require the providers to submit an employee contact form upon modification of a specialist's status (Ex. Status change from an employment specialist to a supported employment specialist).

### ***DVR Management Response***

Concur. RIMS data is compared to staffing reports on a quarterly basis to ensure Employment Specialists are certified in RIMS with the appropriate credentials. DVR recently completed a



review of all Employment Specialists certified to provide SE services to verify if a SE certificate is on file. That project is now complete.

### *ACES Management Response*

Concur. Management will be careful when assigning supported employment clients to employment specialists that are not qualified to provide supported employment services under the requirement of the VR manual.

### Finding 5: ACES did not obtain approval prior to hiring customers at ACES, and DVR paid for benchmarks achieved prior to approval.

Per the Provider Manual, “The Provider must obtain written approval from the VR Counselor and the VR Area Supervisor or VR Counselor Analyst prior to hiring a Customer for any position in a business in which the Provider has an ownership interest. Failure to obtain prior written approval will result in denial of all associated benchmark payments.” We identified two customers ACES hired within its own business and received benchmark payments during the period of July 1, 2017, through October 31, 2018. ACES placed one customer as a bookkeeper on April 17, 2017. ACES submitted a request for approval to hire the customer on March 28, 2017, and received approval from the VR Counselor and Supervisor July 26, 2017. The customer met all benchmarks prior to approval, and DVR paid the placement, 45-day, and 90-day benchmarks.

VR ID	Benchmark	Date Benchmark Achieved	NOA Submittal Date	NOA Approval Date	Invoice Submittal Date	Invoice Approved Date	Amount Paid	Employer Name
VR0779899	G10570 Employment Services Placement	4/17/2017	4/25/2017	7/28/2017	5/1/2017	8/2/2017	\$ 1,509.00	Alliance Community & Employment Services
VR0779899	G10571 Employment Services 45-day benchmark	6/1/2017	8/15/2017	9/25/2017	9/15/2017	9/26/2017	\$ 1,509.00	Alliance Community & Employment Services
VR0779899	G10572 Employment Services 90-day benchmark	7/17/2017	9/15/2017	9/15/2017	9/15/2017	9/18/2017	\$ 2,415.00	Alliance Community & Employment Services

ACES placed the second customer as a Teacher/Vocational Instructor with ACES on June 5, 2018. ACES submitted a request for approval to hire the customer on June 1, 2018, and received approval from the VR Counselor and Supervisor on July 27, 2018. The customer met two benchmarks prior to approval, and DVR paid the placement and 45-day benchmarks.

VR ID	Benchmark	Date Benchmark Achieved	NOA Submittal Date	NOA Approval Date	Invoice Submittal Date	Invoice Approved Date	Amount Paid	Employer Name
VR0561208	G10571 Employment Services 45-day benchmark	7/20/2018	8/28/2018	9/11/2018	9/11/2018	9/12/2018	\$ 1,509.00	Alliance Community and Employment Services,inc
VR0561208	G10570 Employment Services Placement	6/5/2018	8/16/2018	8/28/2018	8/28/2018	8/29/2018	\$ 1,509.00	Alliance Community and Employment Services,inc

DVR stated they are making changes to the Employment Services Manual and will address the payment of benchmarks met prior to approval. In both cases, payment was not made until after the Prior Approval form was completed and attached to the customer’s NOA.

Per ACES, the customers were hired in available positions after sending requests for approval to DVR. The practice of hiring customers in positions that the Provider has an ownership interest prior to receiving approval from DVR could prevent customers from being placed in desired employment settings. DVR approving invoices and paying for benchmarks prior to approving a Provider's request to hire a customer within the Provider's business is contrary to the Provider Manual and could result in funds being spent inappropriately.

### ***Recommendation***

We recommend ACES refrain from placing customers in businesses in which the provider has an ownership interest until after written approval from the VR Counselor and the VR Area Supervisor or VR Counselor Analyst.

We recommend DVR reject NOAs and invoices for benchmarks met prior to receiving written approval in cases where the customer is hired in a position in which the provider has an ownership interest. We additionally recommend DVR add timeframes in which the DVR counselors must approve or deny prior approval requests to the next iteration of the Provider Manual.

### ***DVR Management Response***

Concur. The Provider Manager will begin verifying signature dates on placement prior approval forms. BVCS will also work with BFS to establish timeframes for counselors. Once established, leadership will share this expectation with counseling staff and included in appropriate training and technical assistance documents.

### ***ACES Management Response***

Concur. Management will make sure before considering any VR participant for employment with ACES and will notify the VR Counselor and the area supervisor that ACES is considering the VR client as a staff member for ACES.

### ***Closing Comments***

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The Office of the Inspector General would like to recognize and acknowledge the DVR and staff, as well as ACES and staff, for their assistance during the course of this audit. Our fieldwork was facilitated by the cooperation and assistance extended by all personnel involved.

*To promote accountability, integrity, and efficiency in state government, the OIG completes audits and reviews of agency programs, activities, and functions. Our audit was conducted under the authority of section 20.055, F.S., and in accordance with the International Standards for the Professional Practice of Internal Auditing, published by the Institute of Internal Auditors, and Principles and Standards for Offices of Inspector General, published by the Association of Inspectors General. The audit was conducted by Clinton Albritton and supervised by Tiffany Hurst, CIA, Audit Director.*

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