

**U.S. Department of Labor**  
**Office of Inspector General – Office of Audit**

**EMPLOYMENT AND TRAINING  
ADMINISTRATION**



**YONKERS WORKFORCE INVESTMENT  
BOARD'S YOUTH OFFENDER  
DEMONSTRATION PROGRAM GRANT**

**Date Issued: February 27, 2006  
Report Number: 02-06-205-03-390**

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# BRIEFLY...

Highlights of Report Number: 02-06-205-03-390, to the Assistant Secretary for Employment and Training.

## WHY READ THE REPORT

The Youth Offender Demonstration Program (YODP) was designed to reduce recidivism and attain long-term employment at livable wage levels for youth between 14 and 24 years old, who were offenders, gang-involved or at-risk of becoming gang-involved. YODP services include education and mental health counseling and referrals, employment training, sports and recreation, youth development, and community service projects.

In 2002, Yonkers WIB received a \$600,000 YODP grant and agreed to enroll an estimated 100 targeted youth from the Yonkers area, and offer various services, including providing over 50 participants with skills training or work experience, and placing 15 in unsubsidized employment.

## WHY OIG DID THE AUDIT

The audit objectives were to determine if Yonkers WIB: (1) provided YODP services to Yonkers, New York, area youth between 14 and 24 years old who were offenders, gang-involved or at-risk of becoming gang-involved; (2) adequately documented the occupational skills training, subsidized and unsubsidized work experience, and placements that were reported to the Employment and Training Administration; and (3) ensured that grant costs were reasonable and allocable to the grant. Our audit period was June 24, 2002 through December 30, 2003.

## READ THE FULL REPORT

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

<http://www.oig.dol.gov/public/reports/oa/2006/02-06-205-03-390.pdf>

**FEBRUARY 2006**

## YONKERS WORKFORCE INVESTMENT BOARD (WIB) YOUTH OFFENDER DEMONSTRATION PROGRAM (YODP) GRANT

## WHAT OIG FOUND

The OIG found that Yonkers WIB:

- Served some targeted youth, however, neither Yonkers WIB nor its largest CBO contractor, Nepperhan Community Center (Nepperhan), could document that the CBO provided YODP services to targeted youth. Yonkers WIB paid Nepperhan \$56,938 without ensuring it had the staff needed to provide YODP services.
- Reported performance data to ETA that was not documented.

Except for Nepperhan costs, nothing came to our attention that would lead us to believe that costs were not reasonable and allocable to the grant.

## WHAT OIG RECOMMENDED

The OIG recommended the Assistant Secretary for Employment and Training recover questioned costs of \$56,938 and ensure that Yonkers WIB establishes an adequate management information system with policies and procedures to manage performance for other DOL grants.

On January 13, 2006, Yonkers WIB responded to the draft report stating that there may be reason to support administrative findings, but it did not believe that there is evidence to support the questioned costs. However, the response did not specifically address the recommendations. Since no additional information was provided, the report findings remain unchanged. The recommendations will be resolved during DOL's formal audit resolution process.

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# Table of Contents

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	PAGE
EXECUTIVE SUMMARY .....	3
ASSISTANT INSPECTOR GENERAL'S REPORT .....	5
1. Inadequate Documentation to Support If Half of Yonkers WIB's Reported Participants Were Targeted Youth and Received YODP Services.....	6
2. Reported Performance Results Were Not Adequately Documented .....	9
3. Except for Nepperhan, Costs Appear Reasonable and Allocable.....	10
APPENDICES .....	11
A. Background.....	13
B. Objectives, Scope, Methodology and Criteria.....	15
C. Acronyms and Abbreviations.....	17
D. Agency Response .....	19

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## Executive Summary

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We conducted a performance audit of the \$600,000 Youth Offender Demonstration Program (YODP) grant (number AF-12404-02-60) awarded to the Workforce Investment Board (WIB) of Yonkers, New York. The YODP was designed to reduce recidivism and attain long-term employment at livable wage levels for youth between 14 and 24 years old, who were offenders, gang-involved or at-risk of becoming gang-involved. YODP services include education and mental health counseling and referrals, employment training, sports and recreation, youth development, and community service projects.

For the period June 24, 2002, through December 30, 2004, Yonkers WIB agreed to enroll an estimated 100 targeted youth from the Yonkers area, and offer various YODP services, including providing over 50 participants with skills training or work experience, and placing 15 in unsubsidized employment. As of December 31, 2003, Yonkers WIB reported 118 youth enrolled, 13 training activities, 29 placements, and Federal outlays of \$290,938.

The audit objectives were to answer whether the Yonkers WIB:

1. Provided YODP services to Yonkers, New York, area youth between 14 and 24 years old who were offenders, gang-involved or at-risk of becoming gang-involved,
2. Adequately documented the occupational skills training, subsidized and unsubsidized work experience, and placements that were reported to the Employment and Training Administration (ETA), and
3. Ensured that grant costs were reasonable and allocable to the grant.

### Results

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1. Yonkers WIB served some targeted youth, but did not document whether half of its reported participants were eligible and received YODP services. To implement the grant, Yonkers WIB contracted with three community-based organizations (CBOs) to expand their existing youth projects to include YODP services. However, Yonkers WIB did not effectively monitor the CBOs to ensure the targeted youth participants received YODP services. Part 29, Sections 95.47 and 95.51(a) of the Code of Federal Regulations (CFR) requires grantees to monitor a contractor's compliance with contract terms, and to monitor and manage each project, program, subaward, function or activity supported by the award.
  - Neither Yonkers WIB nor its largest CBO contractor, Nepperhan Community Center (Nepperhan), could document that the CBO provided YODP services to targeted youth. Moreover, Yonkers WIB paid contract invoices totaling \$56,938 without ensuring Nepperhan had the staff needed to provide YODP services. Nepperhan only fully staffed the project in 4 of 19 months, and there is no

documentation that the CBO provided YODP services at any time. Therefore, we question the \$56,938 paid to Nepperhan as of June 30, 2004.

- Yonkers WIB's two other CBO contractors were able to provide documentation for their YODP participants. The targeted youth received case management services and referrals to various community organizations for training, employment, health care, and other social services.
2. Yonkers WIB reported performance data to ETA that was not documented by either Yonkers WIB or the CBO contractors. For its 118 participants, Yonkers WIB reported 13 training activities and 29 placements. However, documentation from Yonkers WIB and the CBOs only supported 2 training activities; none of the 27 placements tested were adequately supported. The grant solicitation required all grantees to "collect and maintain participant records and compile administrative data from these projects to document results and accomplishments."

Because the grant period expired, we are not making any specific recommendations related to participant performance data for YODP. However, since it administers other DOL grants, Yonkers WIB should establish an adequate management information system with policies and procedures to manage performance. This should include verifying performance data with support documentation maintained by Yonkers WIB or third parties such as contractors, subgrantees, and vendors.

3. Except as noted under number 1 above, nothing came to our attention that would lead us to believe that costs were not reasonable and allocable to the grant.

### Recommendations

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We recommend the Assistant Secretary for Employment and Training recover questioned costs of \$56,938 and ensure that Yonkers WIB establish an adequate management information system with policies and procedures to manage performance for other DOL grants.

### Agency Response

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On January 13, 2006, Yonkers WIB responded to the draft report and stated that there may be reason to support administrative findings, but it did not believe that there is evidence to support the questioned costs. The Yonkers WIB response is included in Appendix D. The attachments to the response have not been included because the material was voluminous; did not address questioned costs, the findings or recommendations; and contains Privacy Act information.

### OIG Conclusion

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The response from Yonkers WIB did not specifically address the recommendations. Since no additional information was provided, the report findings remain unchanged. The recommendations will be resolved during DOL's formal audit resolution process.

**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  
U. S. Department of Labor  
200 Constitution Avenue, NW  
Washington, DC 20210

We conducted a performance audit of the \$600,000 Youth Offender Demonstration Program (YODP) grant (number AF-12404-02-60) awarded to the Workforce Investment Board (WIB) of Yonkers, New York. The YODP was designed to reduce recidivism and attain long-term employment at livable wage levels for youth between 14 and 24 years old, who were offenders, gang-involved or at-risk of becoming gang-involved. YODP services include education and mental health counseling and referrals, employment training, sports and recreation, youth development, and community services projects. Appendix A provides additional background information on YODP and the Yonkers WIB.

For the period June 24, 2002, through December 30, 2004, Yonkers WIB agreed to enroll an estimated 100 targeted youth from the Yonkers area, and offer various YODP services, including providing over 50 participants with skills training or work experience, and placing 15 in unsubsidized employment. As of December 31, 2003, Yonkers WIB reported 118 youth enrolled, 13 training activities, 29 placements, and Federal outlays of \$290,938.

The audit objectives were to answer whether the Yonkers WIB:

1. Provided YODP services to Yonkers, New York, area youth between 14 and 24 years old who were offenders, gang-involved or at-risk of becoming gang-involved,
2. Adequately documented the occupational skills training, subsidized and unsubsidized work experience, and placements that were reported to ETA, and
3. Ensured that grant costs were reasonable and allocable to the grant.

We conducted our audit in accordance with Government Auditing Standards for performance audits. Our objectives, scope, methodology and criteria are detailed in Appendix B.

**Objective 1 - Did Yonkers WIB Provide YODP Services to Yonkers, New York, Area Youth Between 14 and 24 Years Old Who Were Offenders, Gang-involved or At-risk of Becoming Gang-involved?**

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**Results and Findings – Inadequate Documentation to Support If Half of Yonkers WIB's Reported Participants Were Targeted Youth and Received YODP Services**

Part 29, Section 95.51(a) of the Code of Federal Regulations (CFR) requires grantees to manage and monitor each project, program, subaward, function or activity supported by the award. Under the grant, Yonkers WIB agreed to enroll an estimated 100 targeted youth and provide various YODP services including the following activities and outcomes.

- 50 youth – enrolled in skills training
- 55 youth – enrolled in work experience
- 15 youth – placed in unsubsidized employment

To implement the grant, Yonkers WIB contracted with three community-based organizations (CBOs) to expand their existing youth projects by funding additional staff to provide YODP services. However, the Yonkers WIB failed to develop an adequate information system to manage performance. In addition, Yonkers WIB did not effectively monitor the CBOs to ensure the contractors added the staff and provided YODP services to targeted youth participants. As a result, Yonkers WIB was only able to document that half of its reported participants (1) were youth from the Yonkers area, between 14 and 24 years old, and offenders, gang-involved or at risk of becoming gang-involved; and (2) received YODP services.

Nepperhan Community Center

Neither Yonkers WIB nor its largest CBO contractor, Nepperhan Community Center (Nepperhan), could document that the CBO provided YODP services to targeted youth. Yonkers WIB's grant stated that Nepperhan would establish a YODP project for offenders and at-risk youth, ages 14 through 17. YODP would add job readiness and employment services components to Nepperhan's existing services of academics, case management, life skills, counseling, and entrepreneurial training. Under a 2-year contract with Yonkers WIB, Nepperhan agreed to provide two full-time staff: an employment counselor to provide YODP services and a project aide.

As of June 30, 2004, Yonkers WIB paid Nepperhan \$56,938, but did not adequately monitor the CBO to ensure it complied with contract terms in establishing a YODP project and serving area youth.

- Nepperhan did not have adequate staff to provide the required YODP services. Over a 19-month period, the YODP project had a full-time aide, but only had an employment counselor for 4 months – August and September 2002, and May and June 2003.



- Nepperhan claimed to have served 60 area youth with 5 placed in unsubsidized employment, but neither Yonkers WIB nor Nepperhan provided documentation that all 60 youth were from the target group, and that claimed job readiness and/or employment services were provided. Nepperhan submitted participant data collection forms claiming enrollments and placements, which were not documented with participant case files or employment counselor records.
- At the audit exit conference, Yonkers WIB provided a list of 45 Nepperhan students who would have been eligible for YODP. We compared this list to the information obtained from the enrollment data sheets during fieldwork. We verified that 27 of the 45 students were enrolled in Yonkers WIB's YODP project as of December 31, 2003. However, Yonkers WIB still could not document that these individuals received any YODP job readiness and/or employment services.

Office of Management and Budget (OMB) Circular A-122, Attachment A, states: "to be allowable . . . costs must be adequately documented." As a result, we question \$56,938 for undocumented Nepperhan YODP costs.

#### CLUSTER and Renaissance

Yonkers WIB's two other CBO contractors, Congregations Linked in Urban Strategy to Effect Renewal, Inc. (CLUSTER), and the Renaissance Project, Inc. (Renaissance), established YODP projects and served 58 youth from the Yonkers, New York, area. The YODP projects provided expanded case management services to their existing services to the target population.

- CLUSTER served 20 youth, ages 14 through 24, who were offenders or at-risk youth in need of supervision. For CLUSTER, YODP funded an additional case manager to double the number of clients the CBO could serve and provide them with more extensive aftercare services. Through its case managers, CLUSTER provided pre-release planning to address the immediate needs of the offender after discharge and to help the youth set definitive goals for reentry into the community. In addition, it provided aftercare counseling services for the youth and their families; advocacy services with the Board of Education and the Department of Social Services; and referrals to substance abuse, mental health and related services, as needed by the youth.
- Renaissance served 38 older youth, ages 18 through 24, with substance abuse problems. YODP funded a Certified Alcohol and Substance Abuse Counselor to provide case management and treatment services to the YODP youth mandated for treatment by the City of Yonkers, Drug Treatment Court, and sent to Renaissance from other social services programs. Renaissance referred youth to various community organizations for training, employment, health care, and other social services.

## **Recommendation**

1. We recommend the Assistant Secretary for Employment and Training recover from Yonkers WIB questioned costs of \$56,938 paid to Nepperhan.

## **Agency Response**

Yonkers WIB responded:

...[A]ctions were taken to remove the former WIB staff contractor and cease and [desist] payments to the contractor in question. The City WIB staff assumed the operation of the Youth Offender Program and youth continued to receive services to ensure no break in service to the at-risk youth in the program.

The research conducted by the City of Yonkers and the Workforce Board does not support the questioning of \$56,938.00....

1. Invoices are supported with adequate time and attendance records to support the allowability of personnel and related fringe benefit costs; and,
2. The corrective action taken by the City of Yonkers and ETA grant modifications to ensure that services continued for the youth who were being served supported the viability and allowability of services.

## **OIG's Conclusion**

The response from Yonkers WIB did not specifically address the recommendations. Since no additional information was provided, the report findings remain unchanged. The recommendations will be resolved during DOL's formal audit resolution process. With its response, Yonkers WIB provided documentation to support modifications to the grant agreement and fiscal documentation of costs incurred by Nepperhan. However, Yonkers WIB has not documented that Nepperhan provided youth participants with YODP job readiness and/or employment services.

## **Objective 2 – Did Yonkers WIB Adequately Document the Occupational Skills Training, Subsidized and Unsubsidized Work Experience, and Placements That Were Reported to ETA?**

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### **Results and Findings - Reported Performance Results Were Not Adequately Documented**

The Solicitation for Grant Applications (SGA/DFA 01-109), Part II-C-1, requires:

All demonstration sites must collect and maintain participant records and compile administrative data from these projects to document results and accomplishments, and provide a learning experience for the workforce development system, DOL, DOJ and DHHS.

The grantee reported 118 participants, 13 training activities and 29 placements, but did not have an adequate management information system with policies and procedures to manage the data. According to Yonkers WIB, the reports to ETA were based on information received from its contractors on participant data collection forms, which contain limited data to tally program activities and outcomes. However, neither Yonkers WIB nor the CBO contractors could match up the data reported with the individual participant activities and outcomes. We used the data collection forms to recompile the reported data and verified that the forms identified 118 youth enrolled, but only 4 training activities and 28 placements (1 participant claimed as both). The grantee could not explain the difference.

Moreover, Yonkers WIB did not verify that the information on the data collection forms was documented in participant records. We non-statistically selected 30 participants claimed as trained and placed, including the participant claimed as both. From the contractors, we requested documentation to support the services and outcomes recorded on the data collection forms for 30 participants with 4 training activities and 27 placements.

- Nepperhan provided no documentation for the five sampled participants that the CBO claimed were enrolled and placed.
- CLUSTER and Renaissance provided documentation for 25 sampled participants. Counselors' notes mentioned 2 of 4 training activities and the 22 placements. However, the CBOs did not provide documentation that confirmed participants attended and completed training, and/or were employed and retained in employment.

Because the grant period expired, we are not making specific recommendations related to participant performance data for YODP. However, since it administers other DOL grants, Yonkers WIB should establish an adequate management information system with policies and procedures to manage performance. This should include verifying

performance data with support documentation maintained by Yonkers WIB or third parties such as contractors, subgrantees, and vendors.

### **Recommendation**

2. We recommend the Assistant Secretary of Employment and Training ensure that Yonkers WIB establishes an adequate management information system with policies and procedures to manage performance for other DOL grants.

### **Agency Response**

Yonkers WIB did not comment on this recommendation.

### **OIG's Conclusion**

The response from Yonkers WIB did not specifically address the recommendation. Since no additional information was provided, the report findings remain unchanged. The recommendation will be resolved during DOL's formal audit resolution process.

### **Objective 3 - Did Yonkers WIB Ensure That Grant Costs were Reasonable and Allocable to the Grant?**

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#### **Results – Except for Nepperhan, Costs Appear Reasonable and Allocable**

Except as noted under Objective 1, nothing came to our attention that would lead us to believe that costs were not reasonable and allocable to the grant.



Elliot P. Lewis  
July 2004

## **Appendices**

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APPENDIX A

**BACKGROUND**

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At congressional direction, DOL and the Department of Justice (DOJ) have funded grants under the Youth Offender Demonstration Program (YODP) since 1998. The grants provide services to youth (ages 14 to 24) who are offenders, gang-involved, or at risk of becoming gang-involved. YODP's primary goals are to enhance youth functioning, decrease recidivism, and promote enduring workforce participation.

Youth Offender Demonstration Programs

In 2002, ETA awarded 29 YODP grants, totaling \$31.5 million. Grants awarded in this third round of competition place particular emphasis on enhancing existing case management, treatment, youth development, family involvement and support, and job placement services throughout the employment search continuum, i.e., from the beginning of employment search until well after obtaining employment.

YODP grants projects operate in heavily impoverished communities in need of comprehensive community-wide approaches to assist YODP's offenders and are required to expand services in each of three areas: 1) gang prevention and suppression activities; 2) alternative sentencing for offenders; and 3) aftercare and case management. Services must include education and mental health counseling and referrals, employment training, sports and recreation, youth development, and community services projects designed to reduce recidivism and attain long-term employment at livable wage levels. In addition, all grantees must collect and maintain participant records and administrative data, and agree to participate in a separately funded evaluation to identify effective practices, and disseminate these practices to other communities.

Yonkers Workforce Investment Board (WIB)

Yonkers WIB received a Youth Offender demonstration grant (AF-12404-02-60) in the amount of \$600,000, to provide youth offenders, gang members and at-risk youth with employment and developmental activities for the period June 24, 2002, through December 30, 2004. Under the grant, Yonkers WIB agreed to enroll an estimated 100 targeted youth and provide various YODP services including the following activities and outcomes:

- 50 youth – enrolled in skills training
- 55 youth – enrolled in work experience
- 15 youth – placed in unsubsidized employment

Yonkers WIB oversees the strategic planning and coordination of all workforce development programs within the local workforce area that are funded through the U.S. Department of Labor's Workforce Investment Act.

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APPENDIX B

**OBJECTIVES, SCOPE, METHODOLOGY, AND CRITERIA**

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**Objectives**

The audit objectives were to answer whether the Yonkers WIB:

1. Provided YODP services to Yonkers, New York, area youth between 14 and 24 years old who were offenders, gang-involved or at-risk of becoming gang-involved,
2. Adequately documented the occupational skills training, subsidized and unsubsidized work experience, and placements that were reported to ETA, and
3. Ensured that grant costs were reasonable and allocable to the grant.

**Scope**

Our performance audit was conducted in accordance with Government Auditing Standards issued by the Comptroller General of the United States and included such tests as we considered necessary to satisfy the audit's objectives. We audited the YODP project operated by Yonkers WIB under a grant agreement (number AF-12404-02-60) for the period June 24, 2002, through December 31, 2003. Audit fieldwork was conducted June 15, 2004, through July 1, 2004, at grantee and contractors offices in Yonkers, New York. Results were discussed with Yonkers WIB's grant management on July 1, 2004, and an exit conference was held on November 2, 2005. Yonkers WIB responded to the draft report on January 13, 2006.

As of December 31, 2003, Yonkers WIB reported cumulative enrollments of 118 youth and cumulative net Federal outlays of \$290,938. Our audit focused on key performance measures for occupational training and placements, specifically: skills training, college, subsidized and unsubsidized work experience, and placements in unsubsidized employment. As of December 31, 2003, Yonkers WIB reported 13 training activities and 29 placements for those key measures. We selected 97 percent of participants receiving training activities and placements for testing.

We also obtained financial data through June 30, 2004, to determine the cumulative effect for our reportable findings through the end of fieldwork. As of June 30, 2004, Yonkers WIB reported cumulative Federal outlays of \$426,882, of which \$135,944 were incurred during the period January 1, 2004, through June 30, 2004.

**Methodology**

We obtained an understanding of internal controls through inquiries with appropriate personnel, inspection of relevant documents, and observations of Yonkers WIB's operations. The nature and extent of our testing was based on the auditor's judgment.

We interviewed staff from ETA, reviewed the grant solicitation and the grant agreement, as amended, to determine the requirements and performance measures of the grant.

To assess project implementation and participant targeting, we interviewed staff and reviewed board minutes, data sheets, counselors' notes, memoranda of understanding between partners, and contracting documents with the three CBOs. We reviewed counselors' notes and enrollment, assessment, and training documents from participant case files supporting performance reported for the period ending December 31, 2003, and tested whether the performance goals were tracked, verifiable, and reported.

As of December 31, 2003, Yonkers WIB reported 118 participants enrolled with 13 training activities and 29 placements. Yonkers WIB did not have a participant listing, so we compiled a list from the participant data sheets submitted by the CBOs. Based on the data sheets, 118 participants were enrolled but only 4 participants received training and 28 were placed (1 participant was trained and placed). We non-statistically selected 30 of the 31 participants who were trained and/or placed and compared reported data for eligibility, enrollment, training and placement, to documentation in the participant case files to verify there was adequate support for eligibility and the activities found in the compilation.

As of December 31, 2003, Yonkers WIB reported cumulative net Federal outlays of \$290,938. To assess reasonableness and allocability of costs, we interviewed staff and reviewed the fiscal agent's Single Audit report, financial status reports, trial balance, CBO contracts and invoices. We reviewed detailed costs for allocability under Federal requirements and in comparison to the grant budget. Because the grantee did not submit an indirect cost proposal, we identified the indirect costs charged during the first 90 days and subsequent charges through June 30, 2004. We analyzed Nepperhan's payroll charges on their invoices paid through June 30, 2004 to determine the number of months that its project was fully staffed and determine the extent of questioned costs.

## **Criteria**

We tested compliance with grant requirements and Federal regulations using the following criteria:

- The Workforce Investment Act (Public Law 105–220; August 7, 1998)
- Executed Grant Agreement, as modified (AF-12404-02-60)
- Grant Solicitation, "*Notice Inviting Proposals for Selected Demonstration Projects for Youth Offenders*" (SGA/DFA 01-109; June 1, 2001).
- 29 CFR 95, "*Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*"
- OMB Circular A-122, "*Cost Principles for Non-Profit Organizations*"

**APPENDIX C**

**ACRONYMS AND ABBREVIATIONS**

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CBO	Community-Based Organization
CFR	Code of Federal Regulations
CLUSTER	Congregations Linked in Urban Strategy to Effect Renewal, Inc.
DHHS	Department of Health and Human Services
DOJ	Department of Justice
DOL	Department of Labor
ETA	Employment and Training Administration
Nepperhan	Nepperhan Community Center, Inc.
OIG	Office of Inspector General
OMB	Office of Management and Budget
Renaissance	The Renaissance Project, Inc.
WIB	Yonkers Workforce Investment Board
YODP	Youth Offender Demonstration Program

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APPENDIX D

**AGENCY RESPONSE TO DRAFT REPORT**



January 13, 2006

Mr. Mark L. Schwartz  
Regional Inspector General for Audit  
U.S. Department of Labor  
Office of Inspector General  
201 Varick Street  
New York, NY 10014

**RE:   OIG Report Number 02-06-205-03-390**  
**Nepperhan Community Center Contract: 6/24/2002 – 6/30/2004**  
**Funds Questioned: \$56,938.00**

Dear Mr. Schwartz:

The City of Yonkers and the Yonkers Workforce Investment Board are pleased to provide the following response and supporting documentation concerning the items in question resulting in a proposed questioned cost of \$56,938.00.

In response to your letter of December 16, 2005 we have conducted extensive research of the files, invoices with supporting documentation and payments made to the contractor in question. Furthermore, we have examined the records of services provided to the participants served under this grant by the contractor in question. It is the opinion of the City of Yonkers and the Yonkers Workforce Investment Board that the program could have operated more smoothly by the former WIB board contractor, the Yonkers Chamber of Commerce, we do not believe that there was any willful disregard or gross neglect of the law, regulations or grant agreement.

As soon as the City of Yonkers, the grant recipient, became aware of the concerns of the US Department of Labor, the City took prompt and aggressive corrective action to remedy any perceived weaknesses in the administration of the grant. You will note in the communication between the City and the ETA that actions were taken to remove the former WIB staff contractor and cease and decrease payments to the contractor in question. The City WIB staff assumed the operation of the Youth Offender Program and youth continued to receive services to ensure no break in service to the at-risk youth in the program.



City of Yonkers  
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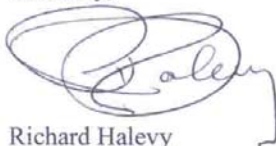
**APPENDIX D**

The research conducted by the City of Yonkers and the Workforce Board does not support the questioning of \$56,938.00. Based on the exhibits to this response we believe that you will agree that:

1. Invoices are supported with adequate time and attendance records to support the allowability of personnel and related fringe benefit cost; and,
2. The corrective action taken by the City of Yonkers and ETA grant modifications to ensure that services continued for the youth who were being served supported the viability and allowability of services.

Attached to this report you will find Exhibits A – E to support our belief that the \$56,938.00 should be allowed. Although there may be reason to support administrative findings we do not believe that there is evidence to support the question or disallowance of cost.

Sincerely,



Richard Halevy  
Executive Director  
Yonkers Workforce Investment Board