APPENDIX D

AGENCY RESPONSE TO DRAFT REPORT

Yonkers Workforce New York
Put us to work for you

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 decease 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.

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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