



# County of Allegheny

## Office of the Controller

**THE PROGRAM FOR OFFENDERS, INC.  
REPORT ON CONTRACT COMPLIANCE  
PROCEDURES FOR WORK RELEASE SERVICES  
PROVIDED AT THE PROGRAM CENTER (TPC)  
FACILITY FOR THE PERIOD JANUARY 1, 2009  
THROUGH DECEMBER 31, 2011**

**May 10, 2012**

**Chelsa Wagner  
Controller**

**104 County Courthouse  
436 Grant Street  
Pittsburgh, PA 15219  
Phone: (412) 350-4660  
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**CHELSA WAGNER**  
CONTROLLER

# COUNTY OF ALLEGHENY

## OFFICE OF THE CONTROLLER

104 COURTHOUSE • 436 GRANT STREET  
PITTSBURGH, PA 15219-2498  
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April 26, 2012

Mr. William Stickman  
Acting Warden  
Allegheny County Jail  
950 Second Avenue  
Pittsburgh, PA 15219

**SUBJECT: Contract Compliance Procedures Applied to Contract #27723  
between The Program for Offenders, Inc. and Allegheny County for Work Release  
Services provided at The Program Center (TPC) facility  
for the Period January 1, 2009 through December 31, 2011**

Dear Acting Warden Stickman:

We have applied compliance procedures to contract #27723 between Allegheny County and The Program for Offenders, Inc. ("The Program") for to work release services provided at The Program Center ("TPC") facility. These services were provided for female offenders referred by the Allegheny County Jail. We performed these compliance procedures to ensure that The Program was in compliance with the scope and terms of the work release services regarding the TPC program authorized under the contract. We also attempted to determine whether The Program was compensated only for the services it provided under the agreement. Our compliance procedures covered the period of January 1, 2009 through December 31, 2011. Our engagement was performed as a non-audit service, and therefore was not conducted in accordance with *Government Auditing Standards*.

The application of our compliance procedures revealed that The Program needs to take steps to comply with food safety requirements, abolish a service fee charged to escapees for which there is no basis, improve program documentation, and improve its invoicing procedures to prevent overbillings.

We believe that the implementation of our recommendations will improve The Program's compliance with the work release services agreement. The results of the application of our compliance procedures are provided in the attached report.

Chelsa Wagner, Controller

OFFICE OF ALLEGHENY COUNTY CONTROLLER

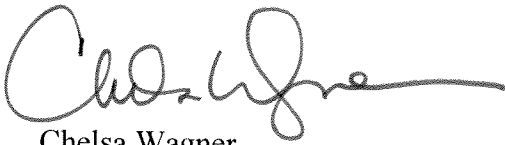
Acting Warden Stickman

April 26, 2012

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We would like to thank the management and staff of The Program and the Allegheny County Jail for their courtesy and cooperation during the performance of our procedures.

Kind regards,



Chelsa Wagner  
Controller



Lori A. Churilla  
Assistant Deputy Controller, Auditing

CW/jv

cc: Honorable Charles Martoni, President, County Council  
Honorable Nicholas Futules, Vice-President, County Council  
Honorable Rich Fitzgerald, Allegheny County Chief Executive  
Mr. James M. Flynn, Jr., County Manager, Allegheny County  
Mr. Warren Finkel, Budget Director, Allegheny County  
Mr. Joseph Catanese, Director of Constituent Services, County Council  
Allegheny County Jail Oversight Board  
Ms. Carol Hertz, Executive Director, The Program for Offenders, Inc.  
Ms. Amy Griser, Deputy Controller  
Mr. Seth Hufford, Chief of Staff, Controller's Office  
Mr. Louis Takacs, Communications Specialist, Controller's Office

## *EXECUTIVE SUMMARY*

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**Purpose of Procedures:**

We performed our compliance procedures to ensure that The Program for Offenders, Inc. (“The Program”) was in compliance with the scope of work release services authorized under the contract and that invoices submitted by The Program were in accordance with the terms of the contracts.

**Background:**

Allegheny County contracts with The Program to provide alternative housing and work-release services for female offenders referred by the Allegheny County Jail via The Program Center (“TPC”) program. The TPC program was initiated to address the overcrowding at the Allegheny County Jail and to offer the criminal justice system an alternative to probation, supervision, and long-term security confinements. To be eligible for participation in the alternative housing program, inmates must be medically cleared, non-violent, and low risk offenders 18 years of age or older. The average length of stay for County residents at the TPC program is approximately four to six months. On occasion, The Program also contracts with State and Federal prisons to provide alternative housing, drug and alcohol treatment and work release services to state and federal inmates.

The County entered into contract #27723 for the period January 1, 2004 through December 31, 2006. The contract was extended six times via amendments through December 31, 2011. The Program is paid for up to 42 beds occupied by female County offenders (hereafter “residents”) at a rate of \$46.62 per day, per bed. The contract amount was not to exceed \$1,956,921 in the aggregate for the entire contract period. During the period to which we applied our procedures, The Program billed Allegheny County \$1,500,994 (\$1,555,570 at the established per diem rate less \$6,496 invoice adjustments and \$48,080 collected from residents for room and board).

**Results in Brief:**

While performing our procedures, we found that The Program needs to take steps to comply with food safety requirements, abolish a service fee charged to escapees for which there is no basis, improve program documentation, and improve its invoicing procedures.

## *EXECUTIVE SUMMARY*

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Specifically, we found:

### Finding #1:

- The Program has apparently not filed for a health permit for the TPC facility's kitchen, and consequently has not had the food facility inspected by the Allegheny County Health Department as required.

### Finding #2:

- The Program routinely charges escapees a \$500 service fee for which there is no basis. The Program assessed a combined total of \$1,360 in service fees pertaining to escapees during the period to which we applied our procedures.

### Finding #3:

- The documentary evidence maintained by The Program does not demonstrate that The Program consistently complied with escapee reporting requirements, the provisions of Jail Policy #36 pertaining to community release activities and the requirement to maintain documentation pertaining to grievances contained in the *TPC Resident Handbook*.

### Finding #4:

- Monthly invoices submitted to the County for reimbursement for the period to which we applied our procedures were not prepared using the daily resident head count sheets. The County was overbilled for three resident days for a total of \$140.

## **Recommendations:**

We recommend that The Program's management:

### Recommendation #1:

- Immediately apply for a health permit for the TPC facility's kitchen.
- Take appropriate and timely action to address any food safety issues identified during Allegheny County Health Department's inspection of the TPC facility's kitchen.

## *EXECUTIVE SUMMARY*

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### Recommendation #2:

- Abolish the practice of charging escapees a \$500 service fee and revise the *TPC Resident Handbook* accordingly.
- Immediately remit to the County \$1,360, the aggregate amount of service fees applied to escapees for which there is no basis.

### Recommendation #3:

- Communicate with TPC program staff regarding the importance of maintaining complete and accurate documentation pertaining to escapes, community release activities, and grievances.
- Require that TPC program staff document escapes using the *Escape Information Sheet* prescribed by the Jail, or modify the form currently used to require completion of all of the information required on the *Escape Information Sheet*.
- Take steps to ensure that the *Community Release Sheets* in resident case files clearly and consistently document whether the activities engaged in by residents are supervised or unsupervised.
- Verify that any unsupervised activities engaged in by residents (activities which truly involve community release) are authorized by Jail Policy #36.
- Retain minutes of TPC program house meetings which document grievances and their resolutions for the contractually-mandated retention period.

### Recommendation #4:

- Utilize daily head count sheets as part of the invoice review process to help ensure that the County is only billed for days that residents are in fact staying at the TPC facility.
- Immediately repay to the County \$140, the amount of excess compensation The Program received attributable to the overcharge for three days.

## I. Introduction

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### Background

Allegheny County contracts with The Program For Offenders, Inc. (“The Program”) to provide alternative housing and work-release services for female offenders referred by the Allegheny County Jail via The Program Center (“TPC”) program. The TPC program was initiated to address the overcrowding at the Allegheny County Jail and to offer the criminal justice system an alternative to probation, supervision, and long-term security confinements.

The County entered into contract #27723 for the period January 1, 2004 through December 31, 2006. The contract was extended six times via amendments through December 31, 2011. The original contract amount was not to exceed \$612,587. The compensation to The Program pertaining to the contract extensions was not to exceed \$3,307,223. The aggregate not to exceed amount for the entire contract period was \$3,919,810. Under the agreement, The Program is paid for up to 42 beds occupied by female County offenders (hereafter “residents”) at a rate of \$46.62 per day, per bed. The Program billed Allegheny County a gross amount \$1,555,570 under the agreement for the period January 1, 2009 through December 31, 2011. This gross amount was reduced by \$6,496 invoice adjustments and \$48,080 in room and board that The Program collected from residents for the period, resulting in net billings of \$1,500,994 for the period.

The TPC program’s resident population includes up to 42 female residents from the Allegheny County Jail, all of whom must be medically cleared, non-violent, and low risk offenders 18 years of age or older. The average length of stay for County residents at the TPC program is approximately four to six months.

The TPC program provides a structured, supervised work release facility that prepares residents to return to society as responsible citizens. It does this by providing the following services:

- Counseling designed specifically to address criminal behavior and substance abuse.
- A controlled drug free environment with urinalysis and breathalyzer testing.
- Parenting and counseling programs to encourage and promote successful parent-child relationships.
- Networking with social service agencies to assist the residents in finding employment.
- Assistance in developing an individual program plan which becomes the resident’s contract and outlines their personal



## **I. Introduction**

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goals which they are to pursue in such areas as substance abuse treatment, vocational and educational training, family counseling, financial management and community service.

While in the program, all residents are expected to secure employment or education, remain drug and alcohol free, and participate in counseling and community services. As part of the work release program, residents must turn over their income, in full, to The Program. The resident's net income is reduced by 20% for room and board, 10% for court costs, fines, and restitution, and 20% for savings. A budgeted amount is given to the resident to encourage fiscal responsibility and is to be used to contribute towards family support, any outstanding debts, and personal spending. All room and board collected from residents is considered program income and is offset against Allegheny County contract billings. In addition, the court costs collected are remitted monthly to the applicable sentencing court.

## II. Scope and Methodology

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We applied compliance procedures to contract #27723 between Allegheny County and The Program related to work release services for female offenders referred by the Allegheny County Jail. We performed these procedures to ensure that The Program was in compliance with the scope and terms of the work release services authorized under the contract, and to determine whether The Program was compensated only for the services it provided under the agreement. Our compliance procedures covered the period of January 1, 2009 through December 31, 2011.

Specifically, we performed the following procedures:

- Gained an understanding of the processes and controls in place to help ensure that services are provided in accordance with applicable laws and regulations, the *TPC Resident Handbook*, and the scope and provisions of contract #27723. This was accomplished by reviewing the contracts, the *TPC Resident Handbook*, The Program's Policies and Procedures and other relevant documents, and by interviewing The Program's personnel involved in the administration of the contract.
- Reviewed the most recent contract compliance report issued by the Audit Division and evaluated the implementation status of our prior recommendations.
- Verified on a test basis that residents were referred to The Program by the Allegheny County Jail and met the established eligibility requirements for participation in the alternative housing program, including the required analysis of the nature of the inmates' criminal offenses.
- Examined case files, head counts, invoices, and other records of The Program relevant to the administration of the work release services agreement to assess The Program's compliance with the agreement. Also determined whether The Program was compensated only for the services it provided.
- Applied procedures (on a test basis) to assess whether resident funds were handled and accounted for properly. These procedures addressed both the initial transfer of inmate account balances from the Allegheny County Jail as well as funds earned via employment by residents during their stay.

## **II. Scope and Methodology**

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- Assessed the adequacy of measures taken by The Program to help qualifying residents find employment in a timely fashion.
- Analyzed The Program's Policies and Procedures pertaining to resident medications and evaluated the effectiveness of the actual implementation of those policies and procedures.
- Assessed The Program's monitoring of residents who participate in activities outside of the alternative housing facility. Also assessed compliance with the directives and policies in effect that impose requirements on alternative housing facilities in the event of escapes from the facilities.
- Tested on a limited basis The Program's compliance with other applicable laws and regulations.

We performed these procedures from January to February of 2012. We provided a draft copy of this report to the Executive Director of The Program for comment (see page 18).

### **III. Findings and Recommendations**

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Finding #1

#### **Noncompliance with Food Safety Requirements**

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Allegheny County Health Department (“ACHD”) Rules & Regulations, Article III Food Safety, Section 330 - Permits, indicates that “it shall be unlawful for any person to operate a food facility in the County of Allegheny without first obtaining a valid health permit from the Director”, and that “only persons who comply with all applicable Department rules and regulations, state and federal laws shall be entitled to receive and retain such a permit”.

During a tour of the TPC program facility, we observed that an ACHD inspection sticker was not prominently displayed in or near the kitchen or dining areas. We inquired of management and were advised that the ACHD has not recently inspected the kitchen. It appears that The Program may not have applied for a health permit as required under the aforementioned section of ACHD’s Rules and Regulations.

It appears that this condition may have occurred because The Program’s management may have believed that the TPC program facility was exempt from the requirement to obtain a health permit. The effect of this condition is that The Program is not in compliance with ACHD Rules & Regulations, Article III Food Safety, Section 330 – Permits.

#### **Recommendations**

We recommend that the management of The Program:

- Immediately apply for a health permit for the TPC facility’s kitchen.
- Take appropriate and timely action to address any food safety issues identified during ACHD’s inspection of the TPC facility’s kitchen.

### III. Findings and Recommendations

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Finding #2

#### **Service Fee Applied to Residents Who Escape Lacks Proper Basis**

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Contract #27723 incorporates by reference the *TPC Center Guidebook* (now referred to as the *TPC Resident Handbook*) which describes the services to be provided at the TPC facility. The contract also indicates that the “contractor agrees that these services shall be maintained and shall not be modified or altered without prior approval of the Warden.”

The “Finances” section of the *TPC Resident Handbook* currently indicates “residents who escape will be charged a \$500 service fee, which will be withdrawn from their account. Account funds remaining will be forwarded to the Allegheny County Jail.” In practice, the fee actually charged was up to \$500, as The Program reduced its service fee to the amount remaining in the resident’s account at the time of the escape if that amount was less than \$500. The Program assessed a combined total of \$1,360 in service fees pertaining to escapes during the period to which we applied our procedures.

It appears that the service fee being assessed by The Program actually constitutes a penalty, since the fee is not based on specific costs incidental to a resident’s escape. In addition, any such costs are to be covered by the per diem reimbursement rate that was established for the service. The current Jail Administration has indicated that the practice of charging escapees a \$500 service fee is not an approved practice.

It appears that this condition occurred because The Program did not follow the proper procedure to institute program changes. The Controller’s Office Audit Division performed contract compliance procedures to assess The Program’s compliance with the scope and provisions of contract #27723 for alternative housing work release services for the period from April 1, 2007 through December 31, 2008, and issued a report on those procedures dated November 13, 2009. Finding #2 in that report indicated that The Program retained escapee funds instead of returning them to the Allegheny County Jail. The report contained a recommendation for The Program to remit all escapee funds to the Allegheny County Jail in the month that the residents escape to facilitate the Jail’s compliance with requirements applicable to abandoned and unclaimed property. The Program’s response to that report indicated that the \$500 escapee service fee would be assessed

### **III. Findings and Recommendations**

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instead of The Program retaining all escapee funds. However, the mere inclusion of The Program's response in the final report did not constitute the acceptance of the proposed practice by the Controller's Office or the Allegheny County Jail. The Program was required to obtain the Warden's approval prior to making any program changes. The Program has not been able to produce any documentation that indicates that the practice of charging the \$500 escapee service fee was approved by the Warden at that time.

The effect of this condition is that The Program appears to be technically out of compliance with contract #27723.

#### **Recommendations**

We recommend that the management of The Program:

- Abolish the practice of charging escapees a \$500 service fee and revise the *TPC Resident Handbook* accordingly.
- Immediately remit to the County \$1,360, the aggregate amount of service fees applied to escapees for which there is no basis.

### **III. Findings and Recommendations**

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Finding #3

#### **Recordkeeping Should Be Improved**

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Contract #27723 requires The Program to administer its TPC facility alternative housing program in the manner described in the *TPC Resident Handbook*, and in compliance with all applicable Jail Policies and Directives, laws and regulations. Consequently, recordkeeping is a very important component of the administration of the TPC program. In addition to ensuring that useful information about program activities is available when needed without relying on the recollection of staff, the maintenance of complete and accurate records is also essential in demonstrating The Program's compliance with the aforementioned requirements.

We identified three areas in which The Program's recordkeeping should be improved:

##### Documentation Pertaining to Escapes

Administrative Directive #67 requires alternative housing programs to notify the Jail by phone if an inmate fails to return to the alternative housing facility within four to six hours after their scheduled return. The alternative housing program is also required to complete the Escapee Information Sheet and fax it to the Jail, and submit a written report about the escape to the Jail within 72 hours after the initial escape notification was made. We selected a sample of 10 escapees during the period to which we applied our procedures to verify that The Program complied with the established escape notification requirements.

We determined that one of the sampled escapee case files contained only one fax notification instead of the two required by the Jail Administrative Directive #67. Our procedures also disclosed that the escape checklist used to report the escape for the escapees tested did not indicate the time that the resident actually escaped or was observed to be absent, only the time that the escape report was filed. The Program uses a different form from the form prescribed by the Jail, which does enable a reviewer to determine whether The Program complied with the notification requirements. Although the Jail or other law enforcement agencies may not take immediate action to locate escapees, having complete and accurate information about escapes, including when the escapees actually escaped, is critical to any attempts to locate them. It appears that this condition occurred because there was confusion regarding the information required to be documented with respect to escapees.

### III. Findings and Recommendations

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The effect of this condition is that the records do not demonstrate The Program's compliance with Administrative Directive #67.

#### Documentation Pertaining to Community Release

Jail Policy #36 restricts community release activities to work and/or school release, drug and mental health counseling and dental appointments unless the activities are court-ordered. Supervised recreational and group activities are permitted and should be clearly documented in the resident case files. We selected a sample of 10 resident case files to verify that The Program complied with the established community release requirements. We determined that for 1 of 10 resident case files tested (10%), the *Community Release Sheet* in the case file did not enable us to ascertain whether community releases that appear to be outside of the scope of Jail Policy #36 were supervised or unsupervised. This condition may have occurred because management may not have communicated to the TPC program staff the extent of documentation required in the residents' case files or adequately monitored the preparation of resident case files. The effect of this condition is that the records maintained by The Program do not consistently demonstrate to the Jail and others attempting to assess compliance that The Program complied with Jail Policy #36.

#### Documentation Pertaining to Grievances

Residents are afforded opportunities to express concerns or grievances while they are living at the TPC facility. The opportunities are in the form of house meetings which are held weekly. During house meetings grievances are voiced and presented to the TPC program management for resolution. In accordance with the TPC Resident Handbook, minutes from the weekly house residents' meetings are required to be recorded. We asked to review notes of grievances filed during the weekly residents' meetings while performing our procedures. Management indicated to us that the notes are destroyed once the grievances are resolved. Consequently we performed alternative procedures to verify whether The Program implemented a system for residents to voice their grievances. We selected and interviewed one resident at the TPC facility. During the interview, we determined that the residents meet one day of the week to voice their grievances. We also determined that The Program takes informal notes during deliberations and resolution of grievances. We made additional inquiries and performed follow-up procedures to assess whether grievances were appropriately resolved in a timely manner during



### III. Findings and Recommendations

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the period to which we applied our procedures. As a result of those limited procedures nothing came to our attention that leads us to believe that such grievances were not resolved appropriately and timely. It appears that this condition occurred because TPC program management was not aware that it was required to keep minutes of weekly house meetings in which grievances are raised for more than a few weeks. The effect of this condition is that the lack of documentary evidence regarding grievances and their resolution limits the ability of the Jail and others to effectively assess program performance, and does not demonstrate The Program's adherence to the TPC Resident Handbook, which is required by contract #22773.

#### Recommendations

We recommend that the management of The Program:

- Communicate with TPC program staff regarding the importance of maintaining complete and accurate documentation pertaining to escapes, community release activities, and grievances.
- Require that TPC program staff document escapes using the *Escape Information Sheet* prescribed by the Jail, or modify the form currently used to require completion of all of the information required on the *Escape Information Sheet*.
- Take steps to ensure that the *Community Release Sheets* in resident case files clearly and consistently document whether the activities engaged in by residents are supervised or unsupervised.
- Verify that any unsupervised activities engaged in by residents (activities which truly involve community release) are authorized by Jail Policy #36.
- Retain minutes of TPC program house meetings which document grievances and their resolutions for the contractually-mandated retention period.

### **III. Findings and Recommendations**

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Finding #4

#### **Invoicing Procedures Should Be Improved**

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Contract #27723 established a per diem rate which represents the compensation The Program is entitled to receive for the services it provides under the agreement.

One of the tests we conducted to verify the accuracy of The Program's monthly invoices to the County involved selecting a sample of 2 months and applying procedures to verify that the resident days for which the County was billed over the course of the residents' stays matched the number of days that they were actually in residence per the daily head counts. We determined that the days billed did not agree to the days in residence for 3 of 61 (5%) days tested. We determined that there was an overcharge of three resident days for a total of \$140.

It appears that this condition was attributable to the fact that monthly invoices were not prepared based on the daily head count sheets, and the resident days billed were also not verified by utilizing the daily head counts sheets. The effect of this condition is that The Program's monthly billings to the County could contain unidentified errors that may result in The Program being overcompensated or undercompensated for the services it provides under the agreement.

#### **Recommendations**

We recommend that the management of The Program:

- Utilize daily head count sheets as part of the invoice review process to help ensure that the County is only billed for days that residents are in fact in staying at the TPC facility.
- Immediately repay to the County \$140, the amount of excess compensation The Program received attributable to the overbilled days.

**THE PROGRAM FOR OFFENDERS, INC.**  
**THE PROGRAM CENTER (TPC)**  
**SCHEDULE OF CONTRACT PAYMENTS**  
**FOR THE PERIOD JANUARY 1, 2009 THROUGH DECEMBER 31, 2011**

Invoice Month	Gross Billings for Services	Less: 20 % Room and Board Paid by Residents	Less Adjustments (See Note)	Amount Paid to The Program by the Jail
Jan-09	\$ 51,748.20	\$ 1,523.64	\$ -	\$ 50,224.56
Feb-09	50,396.22	1,343.88	-	49,052.34
Mar-09	53,426.52	1,027.56	-	52,398.96
Apr-09	53,006.94	2,970.34	-	50,036.60
May-09	52,167.78	1,559.37	-	50,608.41
Jun-09	51,002.28	1,630.65	-	49,371.63
Jul-09	52,261.02	2,625.94	-	49,635.08
Aug-09	52,633.98	2,033.08	-	50,600.90
Sep-09	49,790.16	1,220.78	-	48,569.38
Oct-09	37,296.00	2,387.16	6,386.94	28,521.90
Nov-09	28,857.78	1,289.76	-	27,568.02
Dec-09	40,233.06	1,152.78	108.99	38,971.29
Jan-10	42,750.54	650.29	-	42,100.25
Feb-10	42,097.86	558.69	-	41,539.17
Mar-10	42,610.68	515.65	-	42,095.03
Apr-10	43,962.66	1,409.44	-	42,553.22
May-10	48,438.18	1,770.82	-	46,667.36
Jun-10	48,018.60	1,874.01	-	46,144.59
Jul-10	48,018.60	1,418.99	-	46,599.61
Aug-10	42,657.30	1,507.29	-	41,150.01
Sep-10	42,330.96	2,007.47	-	40,323.49
Oct-10	41,165.46	1,472.57	-	39,692.89
Nov-10	29,603.70	901.85	-	28,701.85
Dec-10	24,475.50	794.26	-	23,681.24
Jan-11	28,438.20	417.88	-	28,020.32
Feb-11	28,764.50	108.20	-	28,656.30
Mar-11	32,074.56	355.04	-	31,719.52
Apr-11	38,041.92	568.66	-	37,473.26
May-11	43,449.84	530.22	-	42,919.62
Jun-11	45,314.64	1,672.59	-	43,642.05
Jul-11	47,179.44	1,585.87	-	45,593.57
Aug-11	46,573.38	1,844.95	-	44,728.43
Sep-11	52,121.16	730.00	-	51,391.16
Oct-11	46,713.24	1,363.21	-	45,350.03
Nov-11	40,466.16	1,930.00	-	38,536.16 *
Dec-11	37,482.48	1,327.05	-	36,155.43 *
<b>Totals</b>	<b>\$ 1,555,569.50</b>	<b>\$ 48,079.94</b>	<b>\$ 6,495.93</b>	<b>\$ 1,500,993.63</b>

\* Invoice was not paid as of December 31, 2011

**Note:** Amount due to the County from prior year audit findings of \$108.99 was deducted from the October, 2009 invoice, and \$6,386.94 due to the County from overcharged resident days in September, 2009 was deducted from the October 2009 invoice.

## **THE PROGRAM**

*for Offenders, Inc.*

564 Forbes Avenue  
Suite 930  
Pittsburgh, PA 15219  
412/281-7380  
Fax: 412/535-4344

May 3, 2012

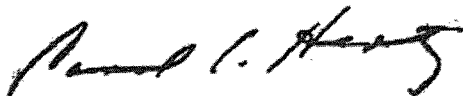
Ms. Chelsa Wagner  
Allegheny County Controller  
104 Courthouse  
436 Grant Street  
Pittsburgh, PA 15219

Dear Ms. Wagner:

Enclosed for your review is a copy of our response to the audit report entitled *THE PROGRAM for Offenders, Inc. Contract (# 27723) Compliance Procedures for Work Release Services Provided at The Program Center (TPC) Facility for the Period January 1, 2009 through December 31, 2011*. An electronic copy will also be forwarded to your email address.

If you should have any questions or require additional information, please do not hesitate to contact me at [chertz@tpfo.org](mailto:chertz@tpfo.org) or (412) 535-4310.

Sincerely,



Carol A. Hertz  
Executive Director  
THE PROGRAM for Offenders, Inc.

Enclosures

*THE PROGRAM for Offenders, Inc.  
provides supportive services for offenders  
to give them a second chance and  
to give their children  
a first chance.*

THE PROGRAM for Offenders, Inc.

Responses to Allegheny County Controllers Audit

For Contract # 27723

Audit Period January 1, 2009 through December 31, 2011

***Finding #1: THE PROGRAM has apparently not filed for a health permit for the TPC facility's kitchen, and consequently has not had the food facility inspected by the Allegheny County Health Department as required.***

***Response to Finding # 1: THE PROGRAM was recently inspected by the Pennsylvania Department of Health as part of its application for a treatment license and was in full compliance with the Commonwealth's regulations. THE PROGRAM was not aware that it also had to have an inspection by the Allegheny County Department of Health. However, per the recommendation of the Auditors, THE PROGRAM has contacted the Allegheny County Department of Health, submitted an application for a permit with the required fee, and an inspection has been scheduled.***

***Finding #2: THE PROGRAM routinely charges escapees a \$500 service fee for which there is no basis. THE PROGRAM assessed a combined total of \$1,360 in service fees pertaining to escapes during the period to which we applied our procedures.***

***Response to Finding # 2: THE PROGRAM will submit the balance of escapees' monies to the jail less what is owed to THE PROGRAM.***

THE PROGRAM has historically retained the money left behind by a resident when they escape. This policy is stated in THE PROGRAM's handbook, which each resident receives upon arrival at the residential site. A signed acknowledgment of receipt of the handbook is maintained in the resident case file. In addition, inmates at the jail are required to sign an Escape from Custody form detailing this practice before being transferred from the jail to THE PROGRAM's residential sites. They also review and sign it a second time when they arrive. This policy was enacted in 1984 as one way to deter residents from escaping. Any funds collected are deposited into THE PROGRAM's Client Maintenance Fund, which is used for client-related expenses such as medication co-pays, transportation loans, client maintenance loans and group activities, etc.

In accordance with the auditor's recommendation of November 2009, THE PROGRAM began remitting the monies retained from escapees' to the jail in the month in which they escaped. THE PROGRAM first withheld any monies owed to THE PROGRAM by the escapee, such as funds owed for medication co-pays, transportation and client maintenance loans. In addition, THE PROGRAM charged the escapee's account a processing fee of \$500.00 for costs incurred during the screening and transfer

process. Any fees collected by THE PROGRAM, continued to be deposited into the Client Maintenance Fund to benefit current residents. All remaining monies in the escapee's account were then forwarded to the jail. This change was agreed upon by THE PROGRAM, the Warden of the Allegheny County Jail and the Allegheny County Controller, as evidenced by the final audit report issued by the Controller's office dated November 3, 2009. THE PROGRAM was in full compliance of the procedures agreed upon in November 2009, throughout the audit period.

THE PROGRAM respectfully requests the opportunity to further discuss this matter with the Warden of the Allegheny County Jail and the Allegheny County Controller to determine how we will proceed going forward.

***Finding #3: The documentary evidence maintained by THE PROGRAM does not demonstrate that THE PROGRAM consistently complied with escapee reporting requirements, the provision of Jail Policy #36 pertaining to Community Release activities and the requirement to maintain documentation pertaining to grievances contained in the TPC Resident Handbook.***

***Response to Finding # 3: THE PROGRAM has reviewed its procedures and made necessary changes to improve documentation.***

THE PROGRAM complies with the escapee reporting requirements as directed by the Allegheny County Jail Internal Affairs Department. THE PROGRAM follows all directives received with regards to escapee information. THE PROGRAM does not have the authority to require its staff to use the Escape Information Sheet unless directed to do so by Internal Affairs.

THE PROGRAM has changed its internal Escape/Walk Off Form to reflect the actual time of the escape in addition to the date/time of the report. This additional required piece of information will be communicated to staff during monthly training sessions.

THE PROGRAM will revise its Community Release Sheet to clearly show whether an activity is supervised or unsupervised. This change will be communicated to staff through monthly training sessions.

THE PROGRAM will retain a file containing the minutes from each house meeting and documentation of any resolutions for grievances.

***Finding #4: Monthly invoices submitted to the County for reimbursement for the period to which we applied our procedures were not prepared using or reconciled using the daily resident headcount sheets. The County was overbilled for one resident day in the amount of \$140.***

***Response to Finding # 4: THE PROGRAM has reviewed its procedures and taken steps to improve controls applied to our invoicing procedure to minimize errors in the future. In addition, THE PROGRAM will reimburse the County \$140.00***

We agree that TPC did overcharge the County for extra days during the audit period. We will make arrangements to reimburse the County \$140 for the resulting overpayments. We believe that these were isolated instances. Nevertheless, we have reviewed our procedures and taken steps to improve controls applied to our invoicing procedure to minimize the risk of such an error in the future.

