



**Office of Inspector General
Red Lion Jobs, Inc.**

Report # A-1718DOE-021

November 2018

Executive Summary

In accordance with the Department of Education’s fiscal year (FY) 2017-18 audit plan, the Office of Inspector General (OIG) conducted an audit of the employment services agreement between the Division of Vocational Rehabilitation (DVR) and Red Lion Jobs, Inc. The purpose of this audit was to determine if Red Lion has sufficient internal controls to provide effective delivery of employment services in compliance with agreement terms and whether DVR is effectively monitoring the agreement.

During this audit, we noted that, in general, Red Lion had sufficient controls in place and DVR provided effective 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; DVR did not effectively monitor personnel credentials; and Red Lion assigned an employment specialist to supported employment consumers prior to receiving the required certification. 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 Red Lion Jobs, Inc. during the period of July 1, 2017, through June 30, 2018. We established the following objectives for our audit:

1. Determining if Red Lion’s internal controls ensure effective delivery of employment services to DVR customers;
2. Ensuring benchmark payments are 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 Red Lion staff; reviewed policies and procedures; 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

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 Red Lion Jobs, Inc. entered into an agreement on May 26, 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 Red Lion a fixed rate for accomplishing benchmarks, as defined in the provider manual.

Audit Results

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

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.

Risk based monitoring will be performed as follows:

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

DVR completed a Risk Assessment and Contract Monitoring Plan and rated Red Lion as medium risk. We determined DVR did not conduct monitoring in accordance with the

monitoring plan. DVR provided a monitoring summary report from July 1, 2016, to March 7, 2018. However, the report appeared to be a spreadsheet of raw data. Per DVR staff, they initiated the desktop monitoring in September 2017, but due to internal assignment changes, they did not complete the monitoring and did not send the results to Red Lion. The current DVR monitoring consists of reviews of the submitted invoices and supporting documentation, as well as review of the quarterly reports.

Not monitoring providers based on the risk evaluation increases the risk that noncompliance with the terms of the provider manual will go undetected. In addition, not communicating the monitoring results or providing improvement recommendations limits Red Lion's ability to improve its processes.

Recommendation

We recommend DVR conduct semi-annual RIMS data analyses and sample case reviews and conduct full monitoring once every 18 months of the Red Lion agreement based on the risk evaluation. In addition, we recommend DVR promptly provide the monitoring results and recommendations for improvement to Red Lion 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. Red Lion Jobs, Inc. is now considered a low risk Provider, requiring full monitoring every 36 months. New monitoring processes now include providing the monitoring results and recommendations to the Provider.

Finding 2: One Red Lion employee did not have proper credentials to provide supported employment services, and DVR did not ensure required personnel credentials were obtained prior to approval.

Per the Employment Services Provider Manual, "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 engage 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."

The Florida Agency for Persons with Disabilities (APD) requires Supported Employment Coaching Training to be successfully completed to provide supported employment services.

During the period of July 1, 2017, through June 30, 2018, Red Lion reported 33 personnel as providing employment services to DVR customers. Of the 33 personnel, Red Lion reported 20 as supported employment specialists. We reviewed the files of all 20 reported supported employment specialists 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 one of the Red Lion specialists did not obtain the SE training prior to providing supported employment services. The specialist obtained the SE training from APD August 24-25, 2017, and Red Lion reported the personnel as a supported employment specialist during the first and second quarters of 2017. Red Lion previously reported the individual as an employment specialist. The specialist departed with Red Lion on October 17, 2017. Per RIMS data, the Red Lion specialist provided supported employment services to four supported employment customers prior to August 24, 2017. The cases are as follows:

1. VR0812044 – Referral Date 7/5/2017
 - a. Benchmark Date: 7/17/17 for SE-Individual Care Plan
 - i. DVR approved the invoice on 9/6/17 and paid Red Lion \$1,334.00.
2. VR0522727 – Referral Date 1/27/2017
 - a. The specialist did not make contact with the consumer and DVR closed the case due to non-response.
3. VR0625480 – Referral Date 12/15/2014
 - a. While the specialist did provide services, Red Lion did not achieve any benchmarks.
4. VR0762371 – Referral Date 6/22/2017
 - a. Benchmark Date: 9/4/17 for SE-Job Placement
 - i. DVR approved the invoice on 1/23/18 and paid Red Lion \$1,334.00.
 - b. Benchmark Date: 10/3/17 for SE-Stabilization
 - i. DVR approved the invoice on 1/23/18 and paid Red Lion \$1,779.00.

While Red Lion only achieved one benchmark prior to the specialist obtaining her SE certification in the four cases identified above, Red Lion assigned the specialist to all four cases prior to her certification. DVR did not have a copy of the specialist's SE certification on file and did not verify the SE credentials upon receipt of the quarterly report. Through monitoring of RIMS, DVR should have identified that Red Lion assigned supported employment customers to a non-certified employment specialist and denied payment for benchmarks in which the specialist provided supported employment services prior to SE certification.

Per Red Lion staff, the identified specialist signed up for the first SE training class that had a seat available after her clearance by the state to be an employment specialist. The first seat available was August 2017. Meanwhile, the specialist rendered professional services for the identified

supported employment consumers so as not to let the cases “sit” without service. Red Lion Jobs was in error in assigning the cases to the specialist prior to the State certification class.

Allowing Red Lion employment specialists, who have not completed required SE training, provide services to supported employment customers could lead to DVR customers not receiving the needed assistance to gain and maintain employment.

Recommendation

We recommend DVR, upon receipt of the quarterly staff reports, ensure the required credentials are on file prior to approval to provide direct services. 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 Red Lion 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).

We recommend Red Lion ensure all employees obtain SE certification prior to assignment to DVR SE customers.

DVR Management Response

Concur. DVR will conduct a review of employment specialist credentials to ensure qualifications are accurately reflected in RIMS. It is the practice of DVR to deny benchmark payments when it is confirmed that an Employment Specialist is not qualified to provide services. DVR will include the recommended requirement in the next revision of the provider manual.

Red Lion Jobs, Inc. Management Response

Concur. DVR and Red Lion Jobs, Inc. were both in error. Red Lion Jobs will ensure Employment Specialists have required certification prior to assigning supported employment cases. Red Lion Jobs, Inc. was in error in assigning any case to an Employment Specialist prior to them obtaining the two day Certification for the Supported Employment Specialist title. All of our current Employment Specialists are Certified Supported Employment Specialists. As we hire new Employment Specialists, we will get them certified as soon as possible given the class schedules offered by APD. We will submit a copy of the Certification to the State as soon as it is obtained. Until certified as a Supported Employment Specialist, Red Lion Jobs, Inc. will not be assigning any supported cases to that Employment Specialist. There was only one benchmark met, that of an ICP, during the time the Employment Specialist worked the cases. It will be most helpful if DVR conducts monitoring in accordance with monitoring plans.

Closing Comments

The Office of the Inspector General would like to recognize and acknowledge the Department of Vocational Rehabilitation and staff, as well as Red Lion Jobs, Inc. 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 Bradley Rich and supervised by Tiffany Hurst, CIA, Audit Director.

Please address inquiries regarding this report to the OIG's Audit Director by telephone at 850-245-0403. Copies of final reports may be viewed and downloaded via the internet at <http://www.fldoe.org/ig/auditreports.asp#F>. Copies may also be requested by telephone at 850-245-0403, by fax at 850-245-9419, and in person or by mail at the Department of Education, Office of the Inspector General, 325 West Gaines Street, Suite 1201, Tallahassee, FL 32399.