

**DEPARTMENT  
OF  
DEVELOPMENTAL SERVICES  
AUDIT  
OF  
FULL SPECTRUM SERVICES, INC.**

**Miscellaneous Program:**

Supplemental Program Support (SPS) – PR0061  
Community Integration Training Program (CITP) – H53324  
Crisis Team-Evaluation and Behavioral Intervention – H53520

**Supported Living Services:**

Supported Living Services (SLS) – H79497

**Transportation Services:**

Transportation Additional Component – H55310

(Audit Period: July 1, 2008 through June 30, 2009)

**Audit Branch**

**Auditors:** Michael Masui, Chief of Vendor Audits  
Alton Kitay, Audit Supervisor  
Treisa Muhammad, Lead Auditor  
Jennifer Bernard, Auditor

# FULL SPECTRUM SERVICES, INC.

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## EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited Full Spectrum Services, Inc. (FSS). The audit was performed upon the following programs: Supported Living Services, Transportation, and Miscellaneous for the period of July 1, 2008 through June 30, 2009.

The last day of fieldwork was September 3, 2010.

The results of the audit disclosed the following issues of noncompliance:

### **Finding 1: Miscellaneous Program – Unsupported Billing and Failure to Bill**

The review of FSS's Supplemental Program Support, Vendor Number PR0061, revealed that FSS had both unsupported billings as well as appropriate support for services that it failed to bill Redwood Coast Regional Center (RCRC). It was found that FSS had a total of \$582 of unsupported billings for the 2:1 sub code and a total of \$288.09 for which it failed to bill for the 1:1 sub code. This resulted in a net total of \$293.91 due to DDS.

### **Finding 2: Supported Living Services (SLS) – Unsupported Billing and Failure to Bill**

The review of FSS's Supported Living Program, Vendor Number H79497, revealed that FSS had both unsupported billings as well as appropriate support for services that it failed to bill to RCRC. It was found that FSS had a total of \$576 of unsupported billings and a total of \$59.32 for which it failed to bill for a net total of \$516.68 due to DDS.

The net total of the unsupported billing discrepancies identified in this audit amounts to \$810.59 due back to DDS. A detailed discussion of these findings is contained in the Findings and Recommendations section of this report.

## **BACKGROUND**

The Department of Developmental Services (DDS) is responsible, under the Lanterman Developmental Disabilities Services Act, for ensuring that persons with developmental disabilities receive the services and supports they need to lead more independent, productive, and normal lives. DDS contracts with 21 private, nonprofit regional centers that provide fixed points of contact in the community for serving eligible individuals with developmental disabilities and their families in California. In order for regional centers to fulfill their objectives, they secure services and supports from qualified service providers and/or contractors. Per Welfare and Institutions Code, Section 4648.1, DDS has the authority to audit those service providers and/or contractors that provide services and supports to the developmentally disabled.

## **OBJECTIVE, SCOPE, AND METHODOLOGY**

The audit was conducted to determine whether FSS's Miscellaneous, Supported Living Services, and Transportation programs were compliant with the applicable Welfare and Institutions (W&I) Code, California Code of Regulations Title 17 (Title 17), and RCRC contracts with FSS for the period of July 1, 2008 through June 30, 2009.

The audit was conducted in accordance with the Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States. The auditors did not review the financial statements of FSS, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of FSS's internal controls to gaining an understanding of the transaction flow and invoice preparation process as necessary to develop appropriate auditing procedures. The audit scope was limited to planning and performing audit procedures necessary to obtain reasonable assurance that FSS complied with required regulations.

### **Miscellaneous Programs**

During the audit period, July 1, 2008 through June 30, 2009, FSS operated three Miscellaneous Programs, which were audited:

- Supplemental Program Support, Vendor Number PR0061, Service Code 111, Sub codes 2:1 and 1:1
- Community Integration Training Program, Vendor Number H53324, Service Code 055
- Crisis Team-Evaluation and Behavioral Intervention, Vendor Number H53520, Service Code 017

The procedures performed at RCRC, the vendoring regional center, and FSS included, but were not limited to, the following:

- Reviewed RCRC vendor files for contracts, rate letters, program designs, purchase of service authorizations, and correspondence pertinent to the review.

- Interviewed RCRC staff for vendor background information and to gain an understanding of the billing processes.
- Interviewed FSS's staff and management to gain an understanding of its accounting procedures and processes for billings.
- Reviewed FSS's service/attendance records to determine if FSS had sufficient and appropriate evidence to support the direct care services billed to the regional centers.
- Performed an analysis of FSS's payroll and attendance/service records to determine if FSS provided the level of staffing required.

### **Supported Living Services**

During the audit period, July 1, 2008 through June 30, 2009, FSS operated one Supported Living Services, Vendor Number H79497, Service Code 896 which was audited.

The procedures performed at RCRC, the vendoring regional center, and FSS included, but were not limited to, the following:

- Reviewed RCRC vendor files for contracts, rate letters, program designs, purchase of service authorizations, and correspondence pertinent to the review.
- Interviewed RCRC staff for vendor background information and to gain an understanding of the billing processes.
- Interviewed FSS's staff and management to gain an understanding of its accounting procedures and processes for billings.
- Reviewed FSS's service/attendance records to determine if FSS had sufficient and appropriate evidence to support the direct care services billed to the regional centers.
- Performed an analysis of FSS's payroll and attendance/service records to determine if FSS provided the level of staffing required.

### **Transportation Services**

During the audit period, July 1, 2008 through June 30, 2009, FSS operated one Transportation Services Program, Vendor Number H55310, Service Code 880, which was audited.

The procedures performed at RCRC, the vendoring regional center, and FSS included, but were not limited to, the following:

- Reviewed RCRC vendor files for contracts, rate letters, program designs, purchase of service authorizations, and correspondence pertinent to the review.

- Interviewed RCRC staff for vendor background information and to gain an understanding of the billing processes.
- Interviewed FSS's staff and management to gain an understanding of its accounting procedures and processes for billings.
- Reviewed FSS's service/attendance records to determine if FSS had sufficient and appropriate evidence to support the direct care services billed to the regional centers.
- Performed an analysis of FSS's payroll and attendance/service records to determine if FSS provided the level of staffing required.

## **CONCLUSION**

Based upon the procedures performed, we have determined that except for the items identified in the Findings and Recommendation section, FSS has complied with the requirements of Title 17.

## **VIEWS OF RESPONSIBLE OFFICIALS**

The DDS issued a draft audit report on April 28, 2011. The findings in the report were discussed at the exit teleconference with Full Spectrum's Executive Director, Mike Bern on May 9, 2011. The response to the audit report was sent by Full Spectrum's Executive Director on June 2, 2011 by e mail. The response indicates agreement with the draft audit report.

## **RESTRICTED USE**

This report is solely for the information and use of the DDS, Department of Health Care Services, RCRC and FSS. This report is not intended and should not be used by anyone other than those specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

## FINDINGS AND RECOMMENDATIONS

### **Finding 1: Miscellaneous Programs – Unsupported Billing and Failure to Bill**

The review of FSS's Supplemental Program Support for the sample period of May and June 2009 for Vendor Number PR0061 revealed that FSS had both unsupported billings as well as appropriate support for services that it failed to bill RCRC.

Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to RCRC. The failure to bill occurred when FSS had appropriate supporting documentation, but it did not bill RCRC. The following are the discrepancies identified:

FSS was not able to provide appropriate supporting documentation for 31.25 hours of services billed under Vendor Number PR0061, sub code 2:1. This lack of documentation resulted in unsupported billings to RCRC in the amount of \$1,455.

In addition, FSS provided appropriate supporting documentation for 18.75 hours of service under Vendor Number PR0061, sub code 2:1, which was not billed to RCRC. This resulted in a failure to bill amount of \$873.

FSS was also unable to provide appropriate supporting documentation for 46.25 hours of services billed under Vendor Number PR0061, sub code 1:1. This lack of documentation resulted in unsupported billings to RCRC in the amount of \$1,480.46.

In addition, FSS provided appropriate supporting documentation for 55.25 hours of service under Vendor Number PR0061, under sub code 1:1, which was not billed to RCRC. This resulted in a failure to bill amount of \$1,768.55.

The net total of the billing discrepancies resulted in \$293.91 of unsupported billings due back to DDS. (See Attachment A.)

Title 17, Section 54326 (a) states:

“All vendors shall:

(3) Maintain records of service provided to consumers in sufficient detail to verify delivery of the units of service billed.

(10) Bill only for services which are actually provided to consumers and which have been authorized by the referring regional center.”



Also, Title 17, Section 50604 (d) and (e) state:

“(d) All service providers shall maintain complete service records to support all billing/invoicing for each regional center consumer in the program.

(e) All service providers’ records shall be supported by source documentation.”

**Recommendation:**

FSS should reimburse to DDS the \$293.91 for the unsupported billings. FSS should develop and implement policies and procedures to ensure that proper documentation is maintained to support the amounts billed to RCRC.

**FSS’s Response:**

FSS’s stated that they are in agreement with the audit findings and through the audit process they have learned how to improve their internal systems in order to better track and substantiate the services they provide.

See Attachment B for the full text of FSS’s response to the draft audit report and Attachment C for DDS’s evaluation of FSS’s response.

**Finding 2: Supported Living Services (SLS) – Unsupported Billing and Failure to Bill**

The review of FSS’s Supported Living Services, Vendor Number H79497, for the sample months of May and June 2009 revealed that FSS had both unsupported billings as well as appropriate support for services that it failed to bill RCRC.

Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to RCRC. The failure to bill occurred when FSS had appropriate supporting documentation, but it did not bill RCRC. The following are the discrepancies identified:

FSS was not able to provide appropriate supporting documentation for 19.42 hours of services billed under Vendor Number H79497. The lack of documentation resulted in unsupported billings to RCRC in the amount of \$576.00.

In addition, FSS provided appropriate supporting documentation for 2 hours of service under Vendor Number H79497, which was not billed to RCRC. This resulted in a failure to bill amount of \$59.32.

The net total of the billing discrepancies resulted in \$516.68 of unsupported billings due back to DDS. (See Attachment A.)

Title 17, Section 54326 (a) states:

“All vendors shall:

(3) Maintain records of service provided to consumers in sufficient detail to verify delivery of the units of service billed.

(10) Bill only for services which are actually provided to consumers and which have been authorized by the referring regional center.”

Also, Title 17, Section 50604 (d) and (e) state:

“(d) All service providers shall maintain complete service records to support all billing/invoicing for each regional center consumer in the program.

(e) All service providers’ records shall be supported by source documentation.”

**Recommendation:**

FSS should reimburse to DDS the \$516.68 for the unsupported billings. In addition, FSS should develop and implement policies and procedures to ensure that proper documentation is maintained to support the amounts billed to RCRC.

**FSS’s Response:**

FSS’s stated that they are in agreement with the audit findings and through the audit process they have learned how to improve their internal systems in order to better track and substantiate the services they provide.

See Attachment B for the full text of FSS’s response to the draft audit report and Attachment C for DDS’s evaluation of FSS’s response.

**Full Spectrum Services, Inc.**  
**Summary of Unsupported Billing and Failure to Bill**  
**Fiscal Year- 2008-09**

Finding #	Vendor	Svc Code	Description	Sample Months	A	B		C=A*B	D	E=A*D	Amount Due to DDS	
					Rate	Units	Amount	Units	Amount			
1	<b><u>Miscellaneous Program</u></b>											
	PR0061	111	Tutor Services 2:1	May-09	46.56	26.75	\$1,245.48	13.25	\$	616.92		
				Jun-09	46.56	4.50	\$209.52	5.50	\$	256.08		
			<b>Total Miscellaneous Programs</b>				<b>31.25</b>	<b>\$1,455.00</b>	<b>18.75</b>	<b>\$</b>	<b>873.00</b>	<b>\$582.00</b>
	PR0061	111	Tutor Services 1:1		32.01	35.25	\$1,128.35	43.50	\$	1,392.44		
				Jun-09	32.01	11.00	\$352.11	20.00	\$	640.20		
			<b>Total Miscellaneous Programs</b>				<b>46.25</b>	<b>\$352.11</b>	<b>63.50</b>	<b>\$</b>	<b>640.20</b>	<b>(\$288.09)</b>
2	<b><u>Supported Living Services (SLS)</u></b>											
	H79497	896	Supported Living Services	May-08	29.66	10.42	\$309.06					
				Jun-09	29.66	9.00	\$266.94	2.00	\$	59.32		
			<b>Total Supported Living Services</b>				<b>19.42</b>	<b>\$576.00</b>	<b>2.00</b>	<b>\$</b>	<b>59.32</b>	<b>\$516.68</b>
3	<b><u>Transportation Program</u></b>											
	H55310	880	Transportation	May-09	1.19	85.00	\$101.15	154.00	\$	183.26		
				Jun-09	1.19	134.00	\$159.46	106.00	\$	126.14		
			<b>Total Transportation Services</b>				<b>219.00</b>	<b>\$260.61</b>	<b>260.00</b>	<b>\$</b>	<b>309.40</b>	<b>(\$48.79)</b>
<b>TOTAL UNSUPPORTED BILLINGS:</b>											<b>\$761.80</b>	

<sup>1</sup>These payments were authorized by the RC(s), were paid to the vendor but were not provided by the vendor.

<sup>2</sup>These payments were authorized by the RC(s), were provided by the vendor but the vendor failed to bill.

Tutor Services 1:1 provided more hours than authorized, credit was given to zero unsupported

**From:** Full Spectrum Services, Inc. [REDACTED]  
**Sent:** Thursday, June 02, 2011 5:16 PM  
**To:** Muhammad, Treisa@DDS  
**Subject:** Re: Final Report

Hello Treisa, Things are going well up here in Redwood country. Though, like you we are still waiting to see if spring or summer will show up this year.

With respect to the audit findings, I do agree with what the audit team determined. While I know that we provide more services than we bill for on a daily and monthly basis, I realize and take responsibility for that fact that our substantiation of some of the service and support hours in question did not meet our reporting requirements.

I appreciated the feedback given in our phone conference indicating the effort and quality that we put into our processes and paper trail. In addition, we learned through the audit process how to improve our internal systems in order to better track and substantiate the services we do provide.

Again, I'd like to thank both yourself and Jennifer for the professional and respectful way in which you carried yourselves while at our work location, and also the audit team as a whole for making this a process about improving and getting better.

On behalf of the whole team here at Full Spectrum, Thank you.

Sincerely,  
Mike Bern

**Full Spectrum Services, Inc.**  
P.O. Box 592  
Crescent City, CA 95531

**THE DEPARTMENT OF DEVELOPMENTAL SERVICES' (DDS)  
EVALUATION OF FULL SPECTRUM SERVICES, INC.'S RESPONSE (FSS)**

As part of the vendor audit report process, Full Spectrum Services, Inc. was afforded the opportunity to respond to the draft audit report and provide a written response to the finding. On June 02, 2011, FSS submitted a response to the draft audit report. Upon receipt of FSS' written response, DDS evaluated the response and determined that FSS accepted the draft audit report findings.