

**DEPARTMENT  
OF  
DEVELOPMENTAL SERVICES  
AUDIT  
OF  
SEEK Education, Inc.**

**Miscellaneous Services:**

Client/Parent Support Behavior Intervention Training - PE0204, DE0204  
Community Integration Training Program – PE1901  
Socialization Training Program - PP1596, PP4243, PP4245, PP4632, and PP4837

**Community Services:**

Behavior Management Consultant - PE2225

(Audit Period: July 1, 2008 through June 30, 2011)

**Audit Branch**

**Auditors:** Michael Masui, Chief of Vendor Audits  
Alimou Diallo, Audit Supervisor  
Agnieszka Mozdzen, Lead Auditor  
Jennifer Bernard, Auditor  
Wilfredo Golez, Auditor

# SEEK Education, Inc.

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## EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited SEEK Education, Inc. (SEEK). The audit was performed upon SEEK's Client/Parent Support Behavior Intervention Training, Community Integration Training Program, Socialization Training Program and Behavior Management Consultant for the period of July 1, 2008, through May 31, 2011. For the Socialization Training Program the audit period was July 1, 2008, through February 28, 2011.

The last day of fieldwork was October 14, 2011.

The results of the audit disclosed the following issues of non-compliance:

**Finding 1: Client/Parent Support Behavior Intervention Training – Unsupported Billings and Failure to Bill**

The review of SEEK's Client/Parent Support Behavior Intervention Training, for the Vendor Number PE0204, revealed that SEEK had both unsupported billings as well as appropriate support for services that it failed to bill the Eastern Los Angeles Regional Center (ELARC) and San Gabriel/Pomona Regional Center (SGPRC). SEEK had a total of \$213,319.02 of unsupported billings and a total of \$9,788.24 for which it failed to bill.

**Finding 2: Community Integration Training Program – Unsupported Billings and Failure to Bill**

The review of SEEK's Community Integration Training Program, Vendor Number PE1901, revealed that SEEK had both unsupported billings as well as appropriate support for services that it failed to bill ELARC and Westside Regional Center (WRC). SEEK had a total of \$13,756.89 of unsupported billings and a total of \$21.70 for which it failed to bill.

**Finding 3: Socialization Training Program – Unsupported Billings**

The review of SEEK's Socialization Training Program, Vendor Number PP1596, PP4245, PP4632, and PP4837, revealed a lack of supporting documentation for services billed to ELARC and SGPRC. SEEK had a total of \$10,817.24 in unsupported billings.

**Finding 4: Behavior Management Consultant – Unsupported Billings and Failure to Bill**

The review of SEEK's Behavior Management Consultant, Vendor Number P2225, revealed that SEEK had both unsupported billings as well as appropriate support for services that it failed to bill ELARC, WRC and SGPRC. SEEK had a total of \$4,688.94 of unsupported billings and a total of \$1,472.26 for which it failed to bill.

**Finding 5: Client/Parent Support Behavior Intervention Program – Self Determination Training – Unsupported Billings and Failure to Bill**

The review of SEEK's Client/Parent Support Behavior Intervention Program – Self Determination Project, Vendor Number DE0204, revealed that SEEK had both unsupported billings as well as appropriate support for services that it failed to bill ELARC. SEEK had a total of \$743.02 of unsupported billings and a total of \$311.25 for which it failed to bill.

The net total of the unsupported billing discrepancies identified in this audit amounts to \$231,731.66 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 (W&I), Section 4648.1, DDS has the authority to audit those service providers and contractors that provide services and supports to the developmentally disabled.

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

The audit was conducted to determine whether SEEK's Miscellaneous Services: Client/Parent Support Behavior Intervention Training, Community Integration Training Program, Socialization Training Program, and Community Services: Behavior Management Consultant are in compliance with the applicable Welfare and Institutions (W&I) Code, California Code of Regulations (CCR, Title 17), and ELARC contracts with SEEK for the period of July 1, 2008, through May 31, 2011.

SEEK was vendorized by ELARC and provided services to user regional centers such as SGPRC, WRC, Harbor Regional Center (HRC) and Regional Center of Orange County (RCOC).

The initial review of SEEK's Miscellaneous and Community Services programs consisted of a two-month sample period selected from the audit period of July 1, 2008, through May 31, 2011. Within the two months that were selected (December 2010 and January 2011), the audit sample demonstrated a large percentage of unsupported billings, mainly due to the billing for services not yet provided called banking hours. As a result, the audit period was expanded to include all billings for the period of July 1, 2008, through May 31, 2011.

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 SEEK, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of SEEK's internal controls to gain 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 SEEK complied with CCR, Title 17.

## **Miscellaneous Programs**

During the audit period, SEEK operated four Miscellaneous Programs. The audit included the review of three of SEEK's Miscellaneous Programs. The programs audited are listed below:

- Client/Parent Support Behavior Intervention Training, Vendor Numbers DE0204 and PE0204, Service Code 048,
- Community Integration Training Program, Vendor Numbers PE1901, Service Code 055
- Socialization Training Program, Vendor Numbers PP1596, PP4243, PP4245, PP4632, PP4837, Service Code 028

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

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

## **Community Services**

During the audit period, SEEK operated three Community Services. The audit included the review of one of SEEK's Community Services. The program audited is Behavior Management Consultant, Vendor Number PE2225, Service Code 620.

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

- Reviewed ELARC's vendor files for contracts, rate letters, program designs, purchase of service authorizations, and correspondence pertinent to the review.
- Interviewed ELARC's staff for vendor background information and to gain an understanding of the billing processes.

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

## **CONCLUSION**

Based upon items identified in the Findings and Recommendations section, SEEK did not comply with the requirements of CCR, Title 17.

## **VIEWS OF RESPONSIBLE OFFICIALS**

The DDS issued a draft audit report on May 22, 2012. The findings in the report were discussed at the exit conference with SEEK's President, Sharon Chien, on May 31, 2012. The Audit Branch received SEEK's response to the draft audit report via email on June 15, 2012. SEEK conveyed via the e-mail that it is in full agreement with the audit findings and recommendations of the draft report.

## **RESTRICTED USE**

This report is solely for the information and use of the DDS, Department of Health Care Services, ELARC, SGPRC, WRC, HRC, RCOG and SEEK. This restriction is not intended to limit distribution of this report, which is a matter of public record.

## FINDINGS AND RECOMMENDATIONS

### **Finding 1: Client/Parent Support Behavior Intervention Training - Unsupported Billings and Failure to Bill**

The review of SEEK's Client/Parent Support Behavior Intervention Training, Vendor Number PE0204, Service Code 048, for the months of July 1, 2008, through May 31, 2011, revealed that SEEK had unsupported billings as well as appropriate support for services that it failed to bill to ELARC and SGPRC.

Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to ELARC and SGPRC. The failure to bill occurred when SEEK had appropriate documentation reflecting services provided, but did not bill ELARC and SGPRC.

SEEK was not able to provide appropriate supporting documentation for 2,612.77 hours of services billed to ELARC and 1,243.91 hours for services billed to SGPRC. This lack of documentation resulted in unsupported billings to ELARC and SGPRC in the amount of \$145,188.44 and \$68,130.58, respectively.

In addition, SEEK failed to bill ELARC for 142.25 hours and SGPRC for 47.00 hours of services that were performed and supported. This resulted in unbilled amounts of \$7,228.99 to ELARC and \$2,559.25 to SGPRC.

The net total of the billing discrepancies resulted in \$203,530.78 of unsupported billings due back to DDS. (See Attachment A.)

The vast amount of unsupported hours derives from SEEK billing for services not provided. SEEK billed according to authorized hours, even if services were not provided, with the intent to provide the service at a future date. SEEK described this billing practice as banking of service hours. This is not in compliance with CCR, title 17 and all such instances were disallowed and treated as unsupported billings.

CCR, title 17, section 54326 (a) states in pertinent part:

“(a) All vendors shall:

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

(B) Records must include for each consumer the information specified in section 50604 (d) (3) (A), (B), (C), (D), (E) or (F), as applicable...

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

Further, CCR, title 17, section 50604 (d) and (e) provides in relevant part:

- “(d) All service providers shall maintain complete service records to support all billing/invoicing for each regional center consumer in the program. Service records used to support service providers’ billing/invoicing shall include, but not be limited to:
- (1) Information identifying each regional center consumer including the Unique Consumer Identifier and consumer name;
  - (2) Documentation for each consumer reflecting the dates for program entrance and exit, if applicable, as authorized by a regional center;
  - (3) A record of services provided to each consumer...
- (e) All service providers’ records shall be supported by source documentation...”

**Recommendation:**

SEEK must reimburse to DDS \$203,530.78 in unsupported billings and cease the practice of banking service hours to be provided at a future date. In addition, SEEK should develop and implement policies and procedures to ensure that proper documentation is maintained to support the amounts billed to ELARC and SGPRC.

**SEEK’s Response:**

SEEK accepts the audit finding and has agreed to reimburse DDS the total amount identified in the draft audit report. See Attachment B for the full text of SEEK’s response to the draft audit report.

**Finding 2: Community Integration Training Program – Unsupported Billings and Failure to Bill**

The review of SEEK’s Community Integration Training Program, Vendor Number PE1901, Service Code 055, for the months of July 1, 2008, through May 31, 2011, revealed that SEEK had unsupported billings as well as appropriate support for services that it failed to bill to ELARC and WRC.

Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to ELARC and WRC. The failure to bill occurred when SEEK had appropriate documentation reflecting services provided, but did not bill ELARC.

SEEK was not able to provide appropriate supporting documentation for 311.34 hours of services billed to ELARC and 5.00 hours of services billed to WRC. The lack of documentation resulted in unsupported billings to ELARC and WRC in the amount of \$13,539.94 and \$216.95 respectively.

In addition, SEEK failed to bill ELARC for 0.50 hours for services that were performed and supported. This resulted in an unbilled amount of \$21.70.

The net total of the billing discrepancies resulted in \$13,735.19 of unsupported billings due back to DDS. (See Attachment A.)

CCR, title 17, section 54326(a) states in pertinent part:

“(a) All vendors shall:

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

(B) Records must include for each consumer the information specified in section 50604 (d) (3) (A), (B), (C), (D), (E) or (F), as applicable...

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

Further, CCR, title 17, section 50604 (d) and (e) provides in relevant part:

“(d) All service providers shall maintain complete service records to support all billing/invoicing for each regional center consumer in the program. Service records used to support service providers’ billing/invoicing shall include, but not be limited to:

(1) Information identifying each regional center consumer including the Unique Consumer Identifier and consumer name;

(2) Documentation for each consumer reflecting the dates for program entrance and exit, if applicable, as authorized by a regional center;

(3) A record of services provided to each consumer...

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

**Recommendation:**

SEEK must reimburse to DDS \$13,735.19 for the unsupported billings. In addition, SEEK should develop and implement policies and procedures to ensure that proper documentation is maintained to support the amounts billed to ELARC and WRC.

**SEEK's Response:**

SEEK accepts the audit finding and has agreed to reimburse DDS the total amount identified in the draft audit report. See Attachment B for the full text of SEEK's response to the draft audit report.

**Finding 3: Socialization Training Program – Unsupported Billings**

The review of SEEK's Socialization Training Program, Vendor Numbers PP1596, PP4245, PP4632, PP4837, Service Code 028, for the sample period of July 1, 2008, through February 28, 2011, revealed that SEEK had unsupported billings to ELARC and SGPRC.

Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to ELARC and SGPRC.

SEEK was not able to provide appropriate supporting documentation for 206.67 hours of services billed to ELARC and 327.00 hours for services billed to SGPRC. This lack of documentation resulted in unsupported billings to ELARC and SGPRC in the amount of \$3,476.18 and \$7,341.06, respectively.

The net total of the billing discrepancies resulted in \$10,817.24 of unsupported billings due back to DDS. (See Attachment A.)

CCR, title 17, section 54326 (a) states in pertinent part:

“(a) All vendors shall:

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

(B) Records must include for each consumer the information specified in section 50604 (d) (3) (A), (B), (C), (D), (E) or (F), as applicable...

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

Further, CCR, title 17, section 50604 (d) and (e) provides in relevant part:

- “(d) All service providers shall maintain complete service records to support all billing/invoicing for each regional center consumer in the program. Service records used to support service providers’ billing/invoicing shall include, but not be limited to:
- (1) Information identifying each regional center consumer including the Unique Consumer Identifier and consumer name;
  - (2) Documentation for each consumer reflecting the dates for program entrance and exit, if applicable, as authorized by a regional center;
  - (3) A record of services provided to each consumer...
- (e) All service providers’ records shall be supported by source documentation...”

**Recommendation:**

SEEK must reimburse to DDS \$10,817.24 in unsupported billings. In addition, SEEK should develop and implement policies and procedures to ensure that proper documentation is maintained to support the amounts billed to ELARC and SGPRC.

**SEEK’s Response:**

SEEK accepts the audit finding and has agreed to reimburse DDS the total amount identified in the draft audit report. See Attachment B for the full text of SEEK’s response to the draft audit report.

**Finding 4: Behavior Management Consultant – Unsupported Billings and Failure to Bill**

The review of SEEK’s Behavior Management Consultant, Vendor Number PE2225, Service Code 620, for the months of July 1, 2008 through May 31, 2011, revealed that SEEK had unsupported billings as well as appropriate support for services that it failed to bill to ELARC, WRC and SGPRC.

Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to ELARC, WRC and SGPRC. The failure to bill occurred when SEEK had appropriate documentation reflecting services provided, but did not bill ELARC and SGPRC.

SEEK was not able to provide appropriate supporting documentation for 78.00 hours billed to ELARC, 23.00 hours billed to WRC and 47.51 hours billed to SGPRC. The lack of documentation resulted in unsupported billings to ELARC, WRC and SGPRC in the amount of \$1,829.95, \$1,169.72 and \$1,689.27, respectively.

In addition, SEEK failed to bill ELARC for 15.00 hours and SGPRC for 31.80 hours for services that were performed and supported. This resulted in unbilled amounts of \$201.47 to ELARC and \$1270.79 to SGPRC.

The net total of the billing discrepancies resulted in \$3,216.68 of unsupported billings due back to DDS. (See Attachment A.)

CCR, title 17, section 54326 (a) states in pertinent part:

- “(a) All vendors shall:
  - (3) Maintain records of service provided to consumers in sufficient detail to verify delivery of the units of service billed...
  - (B) Records must include for each consumer the information specified in section 50604 (d) (3) (A), (B), (C), (D), (E) or (F), as applicable...
  - (10) Bill only for services which are actually provided to consumers and which have been authorized by the referring regional center...”

Further, CCR, title 17, section 50604 (d) and (e) provides in relevant part:

- “(d) All service providers shall maintain complete service records to support all billing/invoicing for each regional center consumer in the program. Service records used to support service providers’ billing/invoicing shall include, but not be limited to:
  - (1) Information identifying each regional center consumer including the Unique Consumer Identifier and consumer name;
  - (2) Documentation for each consumer reflecting the dates for program entrance and exit, if applicable, as authorized by a regional center;
  - (3) A record of services provided to each consumer...
- (e) All service providers’ records shall be supported by source documentation...”

**Recommendation:**

SEEK must reimburse to DDS \$3,216.68 for the unsupported billings. In addition, SEEK should develop and implement policies and procedures to ensure that proper documentation is maintained to support the amounts billed to ELARC, WRC and SGPRC.

**SEEK's Response:**

SEEK accepts the audit finding and has agreed to reimburse DDS the total amount identified in the draft audit report. See Attachment B for the full text of SEEK's response to the draft audit report.

**Finding 5: Client/Parent Support Behavior Intervention Training - Self Determination Project - Unsupported Billings and Failure to Bill**

The review of SEEK's Client/Parent Support Behavior Intervention Training, Self Determination Project, Vendor Number DE0204, Service Code 048, for the months of July 1, 2008, through May 31, 2011, revealed that SEEK had unsupported billings as well as support for services that it failed to bill to ELARC.

Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to ELARC. The failure to bill occurred when SEEK had appropriate documentation reflecting services provided, but did not bill ELARC.

SEEK was not able to provide appropriate supporting documentation for 7.10 hours of services billed to ELARC. This lack of documentation resulted in unsupported billings to ELARC in the amount of \$743.02.

In addition, SEEK failed to bill ELARC for 3.00 hours for services that were performed and supported. This resulted in an unbilled amount of \$311.25 to ELARC.

The net total of the billing discrepancies resulted in \$431.77 of unsupported billings due back to DDS. (See Attachment A.)

CCR, title 17, section 54326 (a) states in pertinent part:

“(a) All vendors shall:

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

(B) Records must include for each consumer the information specified in section 50604 (d) (3) (A), (B), (C), (D), (E) or (F), as applicable...

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

Further, CCR, title 17, section 50604(d) and (e) provides in relevant part:

“(d) All service providers shall maintain complete service records to support all billing/invoicing for each regional center consumer in the program. Service records used to support service providers’ billing/invoicing shall include, but not be limited to:

- (1) Information identifying each regional center consumer including the Unique Consumer Identifier and consumer name;
- (2) Documentation for each consumer reflecting the dates for program entrance and exit, if applicable, as authorized by a regional center;
- (3) A record of services provided to each consumer...

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

**Recommendation:**

SEEK must reimburse to DDS \$431.77 in unsupported billings. In addition, SEEK should develop and implement policies and procedures to ensure that proper documentation is maintained to support the amounts billed to ELARC.

**SEEK’s Response:**

SEEK accepts the audit finding and has agreed to reimburse DDS the total amount identified in the draft audit report. See Attachment B for the full text of SEEK’s response to the draft audit report.

SEEK Education, Inc.  
Summary of Unsupported Billings  
Fiscal Years 2008 - 2011

**Attachment A**

Finding #	Vendor #	Svc Code	Description	Unit Type	Unit Rate	RC	Unsupported Billings		Failed to Bill		Amount Due to DDS
							Units	Amount	Units	Amount	
<b>Miscellaneous Services</b>											
1	PE0204	048	Client/Parent Support Behavior Intervention Training	Hour	Various	373	2,612.77	\$ 145,188.44	(142.25)	\$ (7,228.99)	
						379	1,243.91	68,130.58	(47.00)	(2,559.25)	
						<b>Total Client/Parent Support Behavior Intervention Training</b>		3,856.68	\$ 213,319.02	(189.25)	\$ (9,788.24)
2	PE1901	055	Community Integration Training Program	Hour	Various	373	311.34	\$ 13,539.94	(0.50)	(21.70)	
						376	5.00	216.95			
						<b>Total Community Integration Training Program</b>		316.34	\$ 13,756.89	(0.50)	(21.70)
3	PP1596	028	Socialization Program	Hour	Various	373	198.67	\$ 3,067.26			
						379	254.00	3,954.78			
								452.67	\$ 7,022.04	-	-
	PP4245	028	Socialization Program	Hour	Various	373	8.00	\$ 408.92			
						379	29.00	1,263.52			
								37.00	\$ 1,672.44	-	-
	PP4632	028	Socialization Program	Hour	Various	373	-	-			
						379	34.00	\$ 1,490.56			
								34.00	\$ 1,490.56	-	-
	PP4837	028	Socialization Program	Hour	Various	373	-	-			
						379	10.00	\$ 632.20			
								10.00	\$ 632.20	-	-
		<b>Total Socialization Program</b>		533.67	\$ 10,817.24			<b>\$ 10,817.24</b>			

RC 373 - Eastern Los Angeles Regional Center  
RC 376 - Westside Regional Center  
RC 379 - San Gabriel/Pomona Regional Center

SEEK Education, Inc.  
 Summary of Unsupported Billings  
 Fiscal Years 2008 - 2011

**Attachment A**

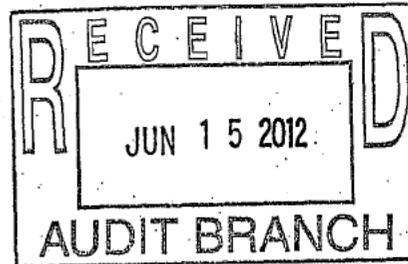
Finding #	Vendor #	Svc Code	Description	Unit Type	Unit Rate	RC	Unsupported Billings		Failed to Bill		Amount Due to DDS
							Units	Amount	Units	Amount	
<b><u>Community Services</u></b>											
4	PE2225	620	Behavior Management Consultant	Hour	Various	373	78.00	\$ 1,829.95	(15.00)	\$ (201.47)	
						376	23.00	1,169.72	-	-	
						379	47.51	1,689.27	(31.80)	(1,270.79)	
			<b>Total Behavior Management Consultant</b>				148.51	\$ 4,688.94	(46.80)	\$ (1,472.26)	\$ <b>3,216.68</b>
5	DE0204	048	Client/Parent Support Behavior Intervention Training - Self Determination Project	Hour	Various	373	7.10	\$ 743.02	(3.00)	\$ (311.25)	
			<b>Total Client/Parent Support Behavior Intervention - SD Project</b>				7.10	\$ 743.02	(3.00)	\$ (311.25)	\$ <b>431.77</b>
<b>GRAND TOTAL UNSUPPORTED BILLINGS</b>											<b>\$ 231,731.66</b>

RC 373 - Eastern Los Angeles Regional Center  
 RC 376 - Westside Regional Center  
 RC 379 - San Gabriel/Pomona Regional Center



June 15, 2012

Edward Yan, Manager  
 Department of Developmental Services  
 Audit Branch  
 1600 Ninth Street, room 230, MS 2-10  
 Sacramento, CA 95814



Dear Mr. Edward Yan,

SEEK wishes to express that we accept the Department of Developmental Services' findings and agree to the accuracy of the audit. We regret the violation for the requirement of CCR, title 17, for it genuinely is a result originating from good intentions and sympathy for the parents. While many families were facing reduced services because of the budget crisis, our staffs were pressured by families in need to fulfill all authorized hours for their children. Unfortunately, once one client began receiving treatment, other families began to request the same. Because of the staff's dedication to the families, SEEK went above and beyond to meet their difficult circumstances, and we worked diligently to provide services and fulfill the "bank hours" – in fact, we had fulfilled almost all of the hours. We would like to address that in March 2011, prior to the DDS' audit, we had recognized the problem eventually grew out of proportion and SEEK did indeed prohibit banking hours since then.

SEEK is committed to complying fully with the requirements of CCR, title 17, and to exceed beyond the expectations of the program. To achieve this balance of policy and program, SEEK has taken action with: a) wholesale changes in management, b) providing the DDS with an annual third party independent audit, c) policy changes to set parameters for what parents can or cannot do with scheduling, and d) strict enforcement of the latter.

In summation, our mistakes were not based on greed - it was our endeavors to comply with parents' wishes. This event has cost us great financial stress and our reputation. As for the unsupported billing discrepancies due back to the DDS, we agree to refund the stated amount, and we would like to further discuss the payment plan.

Sincerely,

A handwritten signature in black ink, appearing to read "Sharon Chien", followed by a horizontal line.

Sharon Chien  
 Executive Director

A Non-Profit Organization

SEEK Education, Inc. 9060 Huntington Drive ■ San Gabriel ■ CA 91775  
 Tel: 626 ■ 943 ■ 7772 ■ Fax: 626 ■ 943 ■ 7730 ■ www.seekeducation.org

**THE DEPARTMENT OF DEVELOPMENTAL SERVICES' (DDS)  
EVALUATION OF SEEK EDUCATION, INC.'S RESPONSE (SEEK)**

As part of the vendor audit report process, Seek Education, Inc. was afforded the opportunity to respond to the draft audit report and provide a written response to the finding. On June 15, 2012, SEEK submitted a response to the draft audit report. Upon receipt of SEEK's written response, DDS evaluated the response and determined that SEEK accepted the draft audit report findings.