



**AUDIT OF THE  
HARBOR REGIONAL CENTER  
FOR FISCAL YEARS 2009-10 AND 2010-11**

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**Department of Developmental Services**

This report was prepared by the  
California Department of Developmental Services  
1600 Ninth Street  
Sacramento, CA 95814

Jean Johnson, Deputy Director, Administration Division  
Edward Yan, Manager, Audit Branch  
Luciah Ellen Nzima, Chief of Regional Center Audits, Audit Branch  
Soi Ly, Supervisor, Audit Branch

Audit Staff: Hanzhao Meng, Jeffry Takili, and Adam Smarte

For more information, please call: (916) 654-3695

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## EXECUTIVE SUMMARY

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The Department of Developmental Services' (DDS) fiscal compliance audit of Harbor Regional Center (HRC) was conducted to ensure HRC's compliance with the requirements set forth in the California Code of Regulations, Title 17 (CCR, title 17), the California Welfare and Institutions (W&I) Code, the Home and Community-Based Services (HCBS) Waiver for the Developmentally Disabled, and the contract with the DDS. The audit indicated that, overall, HRC maintains accounting records and supporting documentation for transactions in an organized manner. This report identifies some areas where HRC's administrative, operational controls could be strengthened, but the findings were not of a nature that would indicate systemic issues or constitute major concerns regarding HRC's operations.

### **Findings that need to be addressed.**

#### **Finding 1: Equipment Inventory (Repeat)**

The review of HRC's inventory area revealed that HRC has not followed the State's Equipment Management System Guidelines issued by DDS. It was found that HRC has not performed the required physical inventory in the last three years, nor completed the proper equipment inventory forms for the surveying and purchasing of equipment. The review of HRC's inventory also found 145 items without State identification tags, sensitive equipment was not capitalized, and of 25 laptops that were reported stolen, six were found on the current inventory listing. This is not in compliance with the State Contract, Article IV, section 4(a), the State Equipment Management System Guidelines, section III (F) and (E), and the State Administrative Manual (SAM), sections 8650 and 8652. This issue has been identified in the prior audit report.

#### **Finding 2: Overstated/Understated Claims (Repeat)**

The sample review of HRC's Purchase of Services (POS) vendor invoices and the Operational Indicator reports revealed 88 instances in which HRC over and under claimed expenses to the State. The total overpayment was \$6,955.14 and the total underpayment was \$7,039.57 to the vendors. The overstated and understated claims were due to HRC reimbursing vendors at incorrect rates and failing to apply the 4.25 percent rate reduction. HRC has recovered a total of \$6,917.74 in overpayments and issued payments to vendors totaling \$5,720.90. HRC has a total of \$37.41 in overstated and \$1,318.67 in understated claims still outstanding.

The review of the two prior DDS audit reports revealed HRC has not taken corrective action to resolve all prior instances of overpayments. Four instances of overpayments totaling \$8,108.56 from fiscal years 2003-04, 2004-05 and 2005-06 and three instances of overpayments totaling \$8,007.05 from fiscal years 2006-07, 2007-08, and 2008-09 are still outstanding.

This is not in compliance with CCR, title 17, section 54326(a)(10) and (12), CCR, title 17, section 57300(c) and Assembly Bill 104, chapter 13, section 24, section 10(a).

**Finding 3: Missing Documentation (Repeat)**

The review of 68 sampled POS vendor files revealed HRC reimbursed six vendors for services provided to consumers without monthly invoices and/or attendance documentation. In addition, HRC was unable to provide the POS authorization form for one vendor. This is not in compliance with CCR, title 17, section 50604(d)(2) and (3)(C) and Article IV, section 3(a) and (b) of the State Contract. This issue has been identified in the two prior audit reports.

**Finding 4: Client Trust Balances Over \$2,000**

The sample review of 59 Client Trust accounts revealed 14 Client Trust account balances that exceeded the \$2,000 resource limit. HRC provided documentation after the fieldwork indicating nine of these Client Trust accounts have reduced their balances below the resource limit. Five accounts remain above the resource limit. This is not in compliance with Social Security Handbook, Chapter 21, section 2153.2.

**Finding 5: Lack of Signatory Authority (Repeat)**

The review of the bank signature cards revealed that HRC's Client Trust Account continues to lack the required DDS signatory authority. This is not in compliance with the State Contract, Article III, section 3(f). This issue has been identified in the three previous audit reports.

**Finding 6: Missing "Hold Harmless" Clause (Repeat)**

A review of HRC's facility lease agreements revealed that the Long Beach office continues to not include the "Hold Harmless" clause as required by the State Contract Article VII, section 1. This issue has been identified in the three previous audit reports.

## BACKGROUND

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DDS is responsible, under the Lanterman Developmental Disabilities Services Act (Lanterman Act), for ensuring that persons with developmental disabilities (DD) receive the services and supports they need to lead more independent, productive, and normal lives. To ensure that these services and supports are available, DDS contracts with 21 private, nonprofit community agencies/corporations that provide fixed points of contact in the community for serving eligible individuals with DD and their families in California. These fixed points of contact are referred to as regional centers. The regional centers are responsible under State law to help ensure that such persons receive access to the programs and services that are best suited to them throughout their lifetime.

DDS is also responsible for providing assurance to the Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) that services billed under California's HCBS Waiver Program are provided, and that criteria set forth for receiving funds have been met. As part of DDS' program for providing this assurance, the Audit Branch conducts fiscal compliance audits of each regional center no less than every two years, and completes follow-up reviews in alternate years. DDS also requires regional centers to contract with independent Certified Public Accountants (CPA) to conduct an annual financial statement audit. The DDS audit is designed to wrap around the independent CPA's audit to ensure comprehensive financial accountability.

In addition to the fiscal compliance audit, each regional center will also be monitored by the DDS Federal Programs Operations Section staff to assess overall programmatic compliance with HCBS Waiver requirements. The HCBS Waiver compliance monitoring review has its own criteria and processes. These audits and program reviews are an essential part of an overall DDS monitoring system that provides information on the regional center's fiscal, administrative and program operations.

DDS and Harbor Developmental Disabilities Foundation, Inc., entered into contract HD099007 effective July 1, 2009, through June 30, 2016. The contract specifies that Harbor Developmental Disabilities Foundation, Inc. will operate an agency known as the Harbor Regional Center (HRC) to provide services to persons with DD and their families in the Bellflower, Harbor, Long Beach, and Torrance areas. The contract is funded by State and Federal funds that are dependent upon HRC performing certain tasks, providing services to eligible consumers, and submitting billings to DDS.

This audit was conducted at HRC from October 10, 2011, through November 9, 2011, and was conducted by DDS' Audit Branch.

## **AUTHORITY**

The audit was conducted under the authority of the W&I Code, section 4780.5, and Article IV, section 3 of the State Contract.

## **CRITERIA**

The following criteria were used for this audit:

- California's W&I Code
- "Approved Application for the Home and Community-Based Services (HCBS) Waiver for the Developmentally Disabled"
- CCR, title 17
- Federal Office of Management Budget (OMB) Circular A-133
- State Contract between DDS and HRC, effective July 1, 2009

## **AUDIT PERIOD**

The audit period was July 1, 2009, through June 30, 2011, with follow-up as needed into prior and subsequent periods.

## OBJECTIVES, SCOPE, AND METHODOLOGY

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This audit was conducted as part of the overall DDS monitoring system that provides information on regional centers' fiscal, administrative, and program operations. The objectives of this audit are:

- To determine compliance with the W&I Code (or the Lanterman Act),
- To determine compliance with CCR, title 17,
- To determine compliance with the provisions of the HCBS Waiver Program for the Developmentally Disabled, and
- To determine that costs claimed were in compliance with the provisions of the State Contract.

The audit was conducted in accordance with Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States. However, the procedures do not constitute an audit of HRC's financial statements. DDS limited the scope to planning and performing audit procedures necessary to obtain reasonable assurance that HRC was in compliance with the objectives identified above. Accordingly, DDS examined transactions, on a test basis, to determine whether HRC was in compliance with the Lanterman Act, CCR, title 17, HCBS Waiver for the Developmentally Disabled, and the State Contract.

DDS' review of HRC's internal control structure was conducted to gain an understanding of the transaction flow and the policies and procedures as necessary to develop appropriate auditing procedures.

DDS reviewed the annual audit report that was conducted by an independent accounting firm for fiscal year 2009-10, issued on November 16, 2010. No management letter was issued by the independent accounting firm. This review was performed to determine the impact, if any, upon the DDS audit and as necessary, develop appropriate audit procedures.



The audit procedures performed included the following:

**I. Purchase of Service**

DDS selected a sample of POS claims billed to DDS. The sample included consumer services, vendor rates, and consumer trust accounts. The sample also included consumers who were eligible for the HCBS Waiver Program. For POS claims the following procedures were performed:

- DDS tested the sample items to determine if the payments made to service providers were properly claimed and could be supported by appropriate documentation.
- DDS selected a sample of invoices for service providers with daily and hourly rates, standard monthly rates, and mileage rates to determine if supporting attendance documentation was maintained by HRC. The rates charged for the services provided to individual consumers were reviewed to ensure that the rates paid were set in accordance with the provisions of CCR, title 17 and W&I Code of regulations.
- DDS selected a sample of individual Consumer Trust Accounts to determine if there were any unusual activities and whether any account balances exceeded \$2,000 as prohibited by the Social Security Administration (SSA). In addition, DDS determined if any retroactive Social Security benefit payments received exceeded the \$2,000 resource limit for longer than nine months. DDS also reviewed these accounts to ensure that the interest earnings were distributed quarterly, personal and incidental funds were paid before the tenth of each month, and that proper documentation for expenditures was maintained.
- The Client Trust Holding Account, an account used to hold unidentified consumer trust funds, was tested to determine whether funds received were properly identified to a consumer or returned to the SSA in a timely manner. An interview with HRC staff revealed that HRC has procedures in place to determine the correct recipient of unidentified consumer trust funds. If the correct recipient cannot be determined, the funds are returned to SSA (or other source) in a timely manner.
- DDS selected a sample of Uniform Fiscal Systems (UFS) reconciliations to determine if any accounts were out-of-balance or if there were any outstanding items that were not reconciled.
- DDS analyzed all of HRC's bank accounts to determine whether DDS had signatory authority as required by the contract with DDS.
- DDS selected a sample of bank reconciliations for Operations and Consumer Trust bank accounts to determine if the reconciliations were properly completed on a monthly basis.

## **II. Regional Center Operations**

DDS audited HRC's operations and conducted tests to determine compliance with the State Contract. The tests included various expenditures claimed for administration to ensure that HRC's accounting staff is properly inputting data, transactions were recorded on a timely basis, and to ensure that expenditures charged to various operating areas were valid and reasonable. These tests included the following:

- A sample of the personnel files, time sheets, payroll ledgers and other support documents was selected to determine if there were any overpayments or errors in the payroll or the payroll deductions.
- A sample of operating expenses, including, but not limited to, purchases of office supplies, consultant contracts, insurance expenses, and lease agreements was tested to determine compliance with CCR, title 17, and the State Contract.
- A sample of equipment was selected and physically inspected to determine compliance with requirements of the State Contract.
- DDS reviewed HRC's policies and procedures for compliance with the DDS Conflict of Interest regulations and selected a sample of personnel files to determine if the policies and procedures were followed.

## **III. Targeted Case Management and Regional Center Rate Study**

The Targeted Case Management (TCM) Rate Study is the study that determines the DDS rate of reimbursement from the Federal Government. The following procedures were performed upon the study:

- Reviewed applicable TCM records and HRC's Rate Study. DDS examined the month of May 2010 and traced the reported information to source documents.
- Reviewed HRC's Case Management Time Study. DDS selected a sample of payroll time sheets for this review and compared it to the DS 1916 forms to ensure that the DS 1916 forms were properly completed and supported.

## **IV. Service Coordinator Caseload Survey**

Under W&I Code, section 4640.6(e), regional centers are required to provide service coordinator caseload data to DDS. The following average service coordinator-to-consumer ratios apply per W&I Code, section 4640.6(c)(3):

- A. For all consumers that are three years of age and younger and for consumers enrolled in the Waiver, the required average ratio shall be 1:62.

- B. For all consumers who have moved from a developmental center to the community since April 14, 1993, and have lived continuously in the community for at least 12 months, the required average ratio shall be 1:62. The required average ratio shall be 1:45 for consumers who have moved within the first year.
- C. For all consumers who have not moved from the developmental centers to the community since April 14, 1993, and who are not covered under A above, the required average ratio shall be 1:66. The 1:66 ratio was lifted in February 2009, upon imposition of the 3 percent rate reduction to regional centers as required per W&I Code 4640.6(i) and (j).

However, under W&I Code, section 4640.6(i)(2), for the period commencing February 1, 2009 to June 30, 2010, inclusive, regional centers were no longer required to provide service coordinator caseload data to DDS annually. Regional centers were instead to maintain sufficient service coordinator caseload data to document compliance with the service coordinator-to-consumer ratio requirements in effect.

Therefore, DDS also reviewed the Service Coordinator Caseload Survey methodology used in calculating the caseload ratios to determine reasonableness and that supporting documentation is maintained to support the survey and the ratios as required by W&I Code, section 4640.6(e). This requirement is temporarily suspended for the February 2009 and 2010 caseload surveys which is reported in the month of March.

#### **V. Early Intervention Program (Part C Funding)**

For the Early Intervention Program, there are several sections contained in the Early Start Plan. However, only the Part C section was applicable for this review.

For this program, DDS reviewed the Early Intervention Program, including Early Start Plan and Federal Part C funding to determine if the funds were properly accounted for in the regional center's accounting records.

#### **VI. Family Cost Participation Program**

The Family Cost Participation Program (FCPP) was created for the purpose of assessing consumer costs to parents based on income level and dependents. The family cost participation assessments are only applied to respite, day care, and camping services that are included in the child's Individual Program Plan (IPP). To determine whether HRC is in compliance with CCR, title 17 and the W&I Code, DDS performed the following procedures during the audit review:

- Reviewed the list of consumers who received respite, day care and camping services, for ages 0 through 17 who live with their parents and are not Medi-Cal eligible, to determine their contribution for the FCPP.
- Reviewed the parents' income documentation to verify their level of participation based on the FCPP Schedule.

- Reviewed copies of the notification letters to verify that the parents were notified of their assessed cost participation within 10 working days.
- Reviewed vendor payments to verify that HRC is paying for only its assessed share of cost.

## **VII. Procurement**

The Request for Proposal (RFP) process was implemented to ensure regional centers outline the vendor selection process when using the RFP process to address consumer service needs. As of January 1, 2011, DDS requires regional centers to document their contracting practices, as well as how particular vendors are selected to provide consumer services. By implementing a procurement process, regional centers will ensure that the most cost effective service providers, amongst comparable service providers, are selected as required by the Lanterman Act and the State Contract as amended.

To determine whether HRC implemented the required RFP process by January 1, 2011, DDS performed the following procedures during the audit review:

- Reviewed the HRC contracting process to ensure the existence of a Board approved procurement policy, and to verify that the RFP process ensures competitive bidding as required by Article II of the State Contract as amended.
- Reviewed the RFP contracting policy to determine whether the protocols in place included applicable dollar thresholds and complied with Article II of the State Contract as amended.
- Reviewed the RFP notification process to verify that it is open to the public, and clearly communicated to all vendors. All submitted proposals are evaluated by a team of individuals to determine whether proposals are properly documented, recorded and authorized by appropriate officials at HRC. The process was reviewed to ensure that the vendor selection process is transparent, impartial, and avoids the appearance of favoritism. Additionally, DDS verified that supporting documentation is retained for the selection process and, in instances where a vendor with a higher bid is selected, there is written documentation retained as justification for such a selection.

DDS performed the following procedures to determine compliance with Article II of the State Contract for new contracts in place as of January 1, 2011:

- Selected a sample of Operational, Start-Up and negotiated POS contracts subject to competitive bidding to ensure HRC notified the vendor community and the public of contracting opportunities available.
- Reviewed the contracts to ensure that HRC has adequate and detailed documentation for the selection and evaluation process of vendor proposals, written

justification for final vendor selection decisions, and those contracts are properly signed and executed by both parties to the contract.

In addition, DDS performed the following procedures to determine compliance with the W&I Code, section 4625.5 for new contracts in place as of March 2011:

- Reviewed to ensure HRC has a written policy requiring the board to review and approve any of its contracts of two hundred fifty thousand dollars (\$250,000) or more, before entering into a contract with the vendor.
- Reviewed HRC board approved POS, Start-Up and Operational vendor contracts over \$250,000 to ensure the inclusion of a provision for fair and equitable recoupment of funds for vendors that cease to provide services to consumers. Verified that the funds provided were specifically used to establish new or additional services to consumers and that the usage of funds are of direct benefit to consumers, and that contracts are supported with sufficiently detailed and measurable performance expectations and results.

The process above was conducted in order to assess HRC's current RFP process and Board approval of contracts over \$250,000 as well as to determine whether the process in place satisfies the W&I Code and the HRC's State Contract requirements as amended.

#### **VIII. Statewide/Regional Center Median Rates**

The Statewide and Regional Center Median Rates were implemented on July 1, 2008, to ensure regional centers are not negotiating rates higher than the set median rates for services. Despite the median rate requirement, rate increases could be obtained from DDS under health and safety exemptions where regional centers demonstrate the exemption is necessary for the health and safety of the consumers.

To determine whether HRC was in compliance with the Lanterman Act, DDS performed the following procedures during the audit review:

- Reviewed sample vendor files to determine whether HRC is using appropriately vendorized service providers and correct service codes and that HRC is paying authorized contract rates and complying with the median rate requirements for the W&I Code, section 4691.9.
- Reviewed vendor contracts to verify that HRC is reimbursing vendors using authorized contract median rates and verified that rates paid represented the lower of the statewide or regional center median rate set after June 30, 2008. Additionally, DDS verified that providers vendorized before June 30, 2008, did not receive any unauthorized rate increases, except in situations where health and safety exemptions are granted by DDS.

**IX. Other Sources of Funding from DDS**

Regional centers may receive many other sources of funding from DDS. DDS performed sample tests on identified sources of funds from DDS to ensure HRC's accounting staff were inputting data properly, and that transactions were properly recorded and claimed. In addition, tests were performed to determine if the expenditures were reasonable and supported by documentation. The other sources of funding from DDS identified in this audit are:

- Start-Up Funds, Community and Placement Program.
- Prevention Program.
- Foster Grandparents.
- American Recovery and Reinvestment Act (ARRA) Funds.

**X. Follow-Up Review on Prior DDS Audit Findings**

As an essential part of the overall DDS monitoring system, a follow-up review of the prior DDS audit findings was conducted. DDS identified the prior audit findings that were reported to HRC and reviewed supporting documentation to determine the degree and completeness of HRC's implementation of corrective actions.

## CONCLUSIONS

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Based upon the audit procedures performed, DDS has determined that, except for the items identified in the Findings and Recommendations Section, HRC was in compliance with applicable sections of the CCR, title 17, the HCBS waiver, and the State Contract with DDS for the audit period, July 1, 2009, through June 30, 2011.

The costs claimed during the audit period were for program purposes and adequately supported.

From the review of the prior audit issues, it was determined that HRC has not taken appropriate corrective actions to resolve prior audit issues which are included in the Findings and Recommendations Section.

## **VIEWS OF RESPONSIBLE OFFICIALS**

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DDS issued a draft report on January 11, 2013. The findings in the report were discussed at a formal exit conference with HRC on January 30, 2013. At the exit conference, DDS stated it would incorporate the views of responsible officials in the final report.



## **RESTRICTED USE**

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This report is solely for the information and use of the DDS, Department of Health Care Services, Centers for Medicare and Medicaid Services, and HRC. This restriction does not limit distribution of this report, which is a matter of public record.

## FINDINGS AND RECOMMENDATIONS

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### Findings that need to be addressed.

#### **Finding 1: Equipment Inventory (Repeat)**

The review of HRC's equipment inventory area revealed that HRC has not followed the State's Equipment Management System Guidelines issued by DDS. HRC has not performed the required physical inventory in the last three years. A comprehensive review of HRC's entire inventory listing found 145 items without State identification tags and, of 25 laptops reported stolen, six were still listed on the inventory. In addition, HRC has not been completing the Property Survey Report (Std.152) for the disposition of equipment and the Equipment Acquired Under Contract form (DS 2130) for newly acquired equipment. Also, HRC has not capitalized its sensitive equipment which resulted in HRC not being able to reconcile the total amount on the inventory list to the amount on the General Ledger's equipment account. (See Attachment A.)

This issue has been identified in prior audit reports and HRC has stated in its prior responses that it will ensure the procedures are properly administered. However, during the follow-up review, it was found that HRC has not followed its equipment procedures and continues to be out of compliance with the State's Equipment Management System Guidelines.

Article IV, section 4(a) of the State Contract states in part:

“...Contractor shall comply with the State's Equipment Management System Guidelines for regional center equipment and appropriate directions and instructions which the State may prescribe as reasonably necessary for the protection of State of California property.”

Section III (E), of the State's Equipment Management Systems Guidelines, dated February 1, 2003, states in part:

“RCs will conform to the following guidelines for any state-owned equipment that is junked, recycled, lost, stolen, donated, destroyed, traded-in, transferred to, or otherwise removed from the control of the RC.

RCs shall work directly with their regional Department of General Services' (DGS) office to properly dispose of State-owned equipment. RCs will complete a Property Survey Report (Std.152) for all State-owned equipment subject to disposal.”

Section III (F) of the State's Equipment Management System Guidelines, dated February 1, 2003, states in part:

“The inventory will be conducted per State Administrative Manual (SAM), Section 8652.”

State Administrative Manual (SAM), section 8650 states in part:

“Departments will record the following information when property is acquired:

1. Date acquired;
2. Property description;
3. Property identification number;
4. Cost or other basis of valuation;
5. Owner fund; and
6. Rate of depreciation (or depreciation schedule), if applicable.

Departments will keep track of state property, whether capitalized or not, in an automated property accounting system (if one is used) or on Equipment Record Cards, form STD. 153–A.

The property information for each item of property constitutes the property register (i.e., an inventory listing of all departmental property). It shall include both capitalized and non-capitalized property. The capitalized segment shall serve as the subsidiary ledger for the Capital Assets Group of Accounts or for the capital assets of Proprietary and Fiduciary funds. Groups of similar property may be combined on one record, but for convenience in analyzing movements and transfers, a separate record for each property is usually desirable.”

State Administrative Manual (SAM), section 8652 states in part:

“Departments will make a physical inventory count of all property and reconcile with accounting records at least once every three years.”

**Recommendation:**

HRC must comply with the State's Equipment Management System Guidelines to ensure it performs a physical inventory, maintains documentation of the physical inventory, capitalization of sensitive equipment, and completes and files all required forms with DDS. In addition, HRC must ensure the promptness of State tagging and logging of all newly acquired equipment into its inventory list, and that any missing or stolen items are reported in a timely manner to DDS.

**Finding 2: Overstated/Understated Claims (Repeat)**

The sample review of HRC's POS vendor invoices and the Operational Indicator reports revealed 88 instances in which HRC over or under claimed expenses to the State. There were 63 instances of overpayments totaling \$6,955.14 and 25 instances of underpayments totaling \$7,039.57. The overstated and understated claims were due to HRC reimbursing vendors at incorrect rates and failing to apply the 4.25 percent rate reduction. HRC has recovered a total of \$6,917.74 in overpayments and issued payments to vendors totaling \$5,720.90. A total of \$37.41 in overstated and \$1,318.67 in understated claims still remain outstanding. (See Attachment B1.)

In addition, the review of the two prior DDS audit reports revealed HRC has not taken corrective action to resolve all prior instances of overpayments. Four instances of overpayments totaling \$8,108.56 from fiscal years 2003-04, 2004-05 and 2005-06 and three instances of overpayments totaling \$8,007.05 from fiscal years 2006-07, 2007-08, and 2008-09 are still outstanding. These payments were due to attendance documentation not matching the invoices, duplicate payments, overlapping authorizations, or overpayments due to incorrect authorizations.

HRC stated that since the last audit, additional procedures have been added to include regular reviews of the Operational Indicator reports and that immediate payment adjustments will be made to vendor invoice payments when discrepancies are identified. However, HRC is still in the process of researching the overpayments identified in the prior audits to determine whether the amounts can be collected. (See Attachment B2.)

CCR, title 17, section 54326(a)(10) and (12) states:

“All vendors shall...

- (10) Bill only for services which are actually provided to consumers and which have been authorized by the referring regional center....
- (12) Agree to accept the rate established, revised or adjusted by the Department as payment in full for all authorized services provided to consumers...”

CCR, title 17, section 57300(c) states:

“Regional centers shall not reimburse vendors:

- (1) Unless they have a rate established pursuant to these regulations which is currently in effect; nor

- (2) For services in an amount greater than the rate established pursuant to these regulations”

Assembly Bill 104, chapter 13, section 24, section 10(a).

“(a) Notwithstanding any other provision of law, in order to implement change in the level of funding for regional centers purchase of services, regional centers shall reduce payments for services and supports provided pursuant to Title 14 (commencing with Section 95000) of the Government Code and Division 4.1 (commencing with Section 4400) and Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code. From February 1, 2009, to June 30, 2010, inclusive, regional centers shall reduce all payments for these services and supports paid from purchase of service funds for services delivered on or after February 1, 2009, by 3 percent, and from July 1, 2010, to June 30, 2012, inclusive, by 4.25 percent unless the regional center demonstrates that a non-reduced payment is necessary to protect the health and safety of the individual for whom the services and supports are proposed to be purchased, and the State Department of Developmental Services has granted prior written approval.”

**Recommendation:**

HRC must recover the improper overpayments from the respective vendors and reimburse DDS the total amount of \$16,153.02 overpaid to the vendors identified in the prior and current audits. In addition, HRC should reimburse a total of \$1,318.67 for the underpayments owed to the various vendors identified in the current audit. Also, HRC must continue to reinforce its policies and procedures for the POS billing and payment process and ensure that any payment errors identified are corrected in a timely manner. This would include monitoring of the Operational Indicator reports, attendance documentation, rate letters to detect duplicate payments, vendor payment invoices, and ensuring the mandated rate reductions of the vendor rates have been implemented.

**Finding 3: Missing Documentation (Repeat)**

The sample review of 68 POS vendor files revealed that HRC was unable to provide either monthly invoices or attendance documentation for six vendors. In addition, HRC was unable to provide the POS authorization form for one vendor. As a result, DDS was unable to verify whether HRC accurately reimbursed the vendor for services. This issue has been identified in two prior audit reports and, in its prior response, HRC provided a copy of its procedures detailing the processing of provider of care claim forms for payment. HRC stated that it was in the process of reviewing these procedures with the fiscal staff in order to improve future compliance. However, the follow-up review found that HRC has not followed its procedures and continues to reimburse service providers without invoices or attendance documentation. (See Attachment C.)

CCR, title 17, section 50604(d)(2) and (3)(C) states:

“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:

- (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. The record shall include:
  - (C) For community-based day programs, the dates of service, place where service was provided, the start and end times of service provided to the consumer and the daily or hourly units of service provided...”

State Contract, Article IV, Section 3(a) and (b) states:

“...Contractor shall keep records, as follows:

- a. The Contractor shall maintain books, records, documents, case files, and other evidence pertaining to the budget, revenues, expenditures, and consumers served under this contract...
- b. The Contractor shall make available at the office of the Contractor at any time during the terms of this agreement during normal working hours, and for a period of three years after final payment under this annual contract, any of its records (personnel records excepted) for the inspection, audit, examination or reproduction by an authorized representative of the State, federal auditor, the State Auditor of the State of California, or any other appropriate State agency, which shall be conducted with the minimum amount of disruption to Contractor’s program...”

**Recommendation:**

HRC must adhere to the requirements set forth in CCR title 17, section 50604(d) and Article IV, section 3(a) and (b) of the State Contract requiring that all payments to vendors are supported by invoices and attendance documentation before reimbursing vendors for services provided to the consumer. In addition, HRC must strengthen its procedures to ensure that these documents are retained, properly safeguarded, and readily available for review.

**Finding 4: Client Trust Balances Over \$2,000**

The sample review of 59 Client Trust accounts revealed 14 trust balances that exceeded the \$2,000 resource limit. HRC provided documentation after the fieldwork indicating nine of these Client Trust accounts have reduced their balances

below the resource limit. Five accounts remain above the resource limit. By exceeding the asset resource limit, consumers are at risk of losing Supplemental Security Income (SSI) benefits that are used to offset the costs of residential services. Any residential costs not offset by SSI benefits are charged in full to the State. Consequently, not managing the consumers' trust balances within the asset resource limit exposes the State to an increased share of residential service costs. (See Attachment D.)

Social Security Handbook, Chapter 21, section 2153.2 states:

“As of January 2003, the applicable limits are:

A. \$2,000 for an individual without a spouse...”

**Recommendation:**

HRC must improve its management of the Client Trust account balances to ensure the balances remain within the resource limits established by the SSA.

**Finding 5: Lack of Signatory Authority (Repeat)**

The review of the bank signature cards revealed that HRC's Client Trust account continues to lack the required DDS signatory authority. This issue has been identified in the three previous audit reports. HRC stated in its previous responses that it is awaiting guidance from the SSA to determine if DDS can be given signatory authority for this account. DDS contacted the SSA and have received confirmation that HRC may provide DDS with signature authority of its Client Trust account.

State Contract, Article III, section 3(f) states in part:

“All bank accounts and any investment vehicles containing funds from this contract and used for regional center operations, employee salaries and benefits or for consumers' services and supports, shall be in the name of the State and Contractor.”

Also, State Contract, Article III, section 3(g) states in part:

“For the bank account(s) above referenced, there shall be prepared three (3) alternative signature cards with riders attached to each indicating their use.”

**Recommendation:**

HRC must comply with the State Contract provisions contained under Article III, section 3. In addition, HRC should contact its SSA District Office in Torrance for confirmation that DDS may be allowed signatory authority of the Client Trust account.

**Finding 6: Missing “Hold Harmless” Clause (Repeat)**

The review of HRC’s facility lease agreements revealed that the lease agreement with [REDACTED] of the Long Beach office continues to not include the “Hold Harmless” clause as required by the State Contract. The terms of the lease agreement are from June 10, 2000, through December 31, 2013. This issue has been identified in the previous audit reports. HRC stated that as the office lease for [REDACTED] are due for renewal in the future, it will negotiate to include the “Hold Harmless” clause, but has not been successful in having the clause included for the current lease.

State Contract Article VII, section 1 states:

“The contract shall include in all new leases or rental agreements for real property a clause that holds the State harmless for such leases.”

**Recommendation:**

HRC must continue to negotiate with the landlord to have the current lease agreement amended to include the “Hold Harmless” clause as required by the State contract. In addition, HRC should ensure that any future lease agreements have the “Hold Harmless” clause included to comply with this contract requirement.



## EVALUATION OF RESPONSE

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As part of the audit report process, HRC has been provided with a draft audit report and was requested to provide a response to each finding. HRC's response dated March 15, 2013, is provided as Appendix A. This report includes the complete text of the findings in the Findings and Recommendations section as well as a summary of the findings in the Executive Summary section.

DDS' Audit Branch has evaluated HRC's response. Except as noted below, HRC's response addressed the audit findings and provided reasonable assurance that corrective action would be taken to resolve the issues. During the follow-up review of the next scheduled audit, the DDS Audit Branch will confirm HRC's corrective actions in their response to the draft audit report.

### **Finding 1: Equipment Inventory (Repeat)**

DDS acknowledges that HRC stated during the fieldwork phase of the audit that it hired a consultant to perform the 2011 inventory and that HRC did not have enough State Tags for all of its monitors and printers.

However, DDS could not reliably utilize the information from the November 2011 inventory list because it contained 145 items without State Tags, 693 items on the list did not indicate the acquisition cost, 17 items acquired between September 2009 and July 2011 were not recorded on the inventory list, and 24 items which were disposed between February 2009 and July 2009 were not deleted from the inventory list.

HRC has provided the list of 145 items with their corresponding State Tags and its revised procedures for inventory control and management to ensure compliance with the State's Equipment Management System Guidelines. In addition, HRC stated it will conduct a physical inventory on June 30, 2013, and submit the list to DDS. DDS will conduct a follow-up during the next scheduled audit to ensure the new procedures are being followed.

### **Finding 2: Over/Under Stated Claims (Repeat)**

For the payment issues identified in the current audit, HRC stated that DDS had incorrectly identified \$1,318.67 as an underpayment. HRC provided documentation from its fiscal review of vendor number HH0166 in February 2011, which indicated the vendor was not underpaid. In addition, HRC has provided supporting documentation which indicates it has recovered the \$37.41 overpaid to vendor number H23027. DDS considers the payment issues identified in Attachment B1 resolved.

Regarding the \$16,115.61 in overstated claims for the six vendors identified in the prior audits (see Attachment B2), HRC has requested that DDS write-off a total of \$7,620.74 for three vendors. HRC has been unsuccessful in its attempt to recover

these funds because the vendors are no longer in business. DDS agrees with HRC that this amount should be written off since the vendors have been closed for several years. In addition, HRC has contacted the three remaining vendors and is in the process of collecting the \$8,494.87 still outstanding. HRC has reached agreements with the two of the three vendors to withhold one third of the overpaid amount for the next three payments to the vendors until the overpayments are fully recovered. Furthermore, HRC has sent a letter to the one remaining vendor seeking recovery of the overpayment. HRC must remit to DDS the \$8,494.87 overpaid to the three vendors.

**Finding 3: Missing Documentation (Repeat)**

HRC stated the missing invoices were paper invoices generated before the service providers moved to the e-billing system. HRC also stated that with the e-billing, there is a possibility that an invoice can be misfiled.

DDS recognizes the challenges of converting paper invoices to electronic ones and that an invoice can be misfiled, whether the invoices are paper or electronic. However, the issue with HRC was not isolated to a few invoices, but several months' worth of invoices for six vendors. In addition, this issue has been identified in the two prior DDS audit reports. Although HRC has since located and provided DDS scanned copies of all of the missing documentation identified, HRC must ensure that all required documents are retained, properly filed and safeguarded, and readily available for review.

**Finding 4: Client Trust Balances Over \$2,000**

HRC has submitted documentation which shows that the trust balances have been reduced, or a corrective action plan has been put in place to reduce excess balances below the \$2,000 threshold. As such, DDS considers this issue resolved.

**Finding 5: Lack of Signatory Authority (Repeat)**

HRC has provided updated signature cards which indicate DDS has signature authority over the Client Trust account. As such, DDS considers this issue resolved.

**Finding 6: Missing "Hold Harmless" Clause (Repeat)**

HRC indicates that it will negotiate the "Hold Harmless" clause into the new lease after the existing lease expires on December 31, 2013. DDS will follow up during the next scheduled audit to ensure that the "Hold Harmless" clause is included in the renegotiated lease agreement.

**Harbor Regional Center  
Equipment Inventory (Repeat)  
Fiscal Years 2009-10 and 2010-11**

No	Description	Manufacturer	Model	Serial Number
1	AV CONTROL UNIT	POLYCOM	N/A	N/A
2	COMMUNICATION DEVICE	DYNAVOX	N/A	N/A
3	COMMUNICATION DEVICE	HP	IPAD	N/A
4	DESKTOP COMPUTER	DELL	OPTIPLEX GX520	N/A
5	DESKTOP COMPUTER	DELL	OPTIPLEX GX520	FWYYG91
6	DESKTOP COMPUTER	DELL	OPTIPLEX 780	FRZY8P1
7	DESKTOP COMPUTER	DELL	OPTIPLEX GX270	1V4YG31
8	DESKTOP COMPUTER	DELL	OPTIPLEX 780	JTSSYQ1
9	DESKTOP COMPUTER	DELL	OPTIPLEX 780	N/A
10	DESKTOP COMPUTER	DELL	OPTIPLEX 780	N/A
11	DESKTOP COMPUTER	DELL	OPTIPLEX 780	N/A
12	LAMINATOR	N/A	LM A3V	N/A
13	LAMINATOR	N/A	LM A4V	N/A
14	LAPTOP COMPUTER	TWINHEAD	340S8	SY1270002648
15	LAPTOP COMPUTER	DELL	LATITUDE E6410	6KJZSM1
16	LAPTOP COMPUTER	DELL	LATITUDE E6410	21JZSM1
17	LAPTOP COMPUTER	DELL	LATITUDE E6410	H0JZSM1
18	MONITOR	SAMSUNG	17IN	GY17HCHW921826
19	MONITOR	SAMSUNG	17IN	GY17HCHW920724
20	MONITOR	SAMSUNG	17IN	GY17HCHW922006
21	MONITOR	SAMSUNG	17IN	GY17HCHW920733
22	MONITOR	SAMSUNG	17IN	GY17HCHW921803
23	MONITOR	SAMSUNG	17IN	GY17HCHW922149
24	MONITOR	SAMSUNG	17IN	GY17HCHW922130
25	MONITOR	SAMSUNG	17IN	GY17HCHW922109
26	MONITOR	DELL	19IN	N/A
27	MONITOR	DELL	19IN	N/A
28	MONITOR	SAMSUNG	17IN	GY17HCHW921817
29	MONITOR	SAMSUNG	17IN	GY17HCHW921831
30	MONITOR	SAMSUNG	17IN	N/A
31	MONITOR	SAMSUNG	17IN	GY17HCHW920731
32	MONITOR	SAMSUNG	17IN	GY17HCHW922120
33	MONITOR	SAMSUNG	17IN	GY17HCHW920735
34	MONITOR	SAMSUNG	17IN	GY17HCHW921537
35	MONITOR	TATUNG	17IN	S100K02710784
36	MONITOR	DELL	17IN	N/A
37	MONITOR	DELL	17IN	N/A
38	MONITOR	SAMSUNG	17IN	GY17HCHW921818
39	MONITOR	SAMSUNG	17IN	GY17HCHW920711
40	MONITOR	SAMSUNG	17IN	GY17H9NWA01376
41	MONITOR	SAMSUNG	17IN	GY17H9NWA01391
42	MONITOR	SAMSUNG	17IN	GY17H9NWA01426

**Harbor Regional Center  
Equipment Inventory (Repeat)  
Fiscal Years 2009-10 and 2010-11**

No	Description	Manufacturer	Model	Serial Number
43	MONITOR	DELL	19IN	N/A
44	MONITOR	SAMSUNG	17IN	N/A
45	MONITOR	SAMSUNG	17IN	N/A
46	MONITOR	DELL	19IN	N/A
47	MONITOR	SAMSUNG	17IN	GY17HCHW922116
48	MONITOR	SAMSUNG	17IN	GY17H9NWA01429
49	MONITOR	SAMSUNG	17IN	N/A
50	MONITOR	SAMSUNG	17IN	GY17HCHW921584
51	MONITOR	SAMSUNG	17IN	GY17HCHW921800
52	MONITOR	SAMSUNG	17IN	GY17HCHW922034
53	MONITOR	SAMSUNG	17IN	N/A
54	MONITOR	SAMSUNG	17IN	GY17HCHW922153
55	MONITOR	SAMSUNG	17IN	GY17H9NWA01393
56	MONITOR	SAMSUNG	17IN	GY17HCHW921812
57	MONITOR	SAMSUNG	17IN	GY17H9NWA01389
58	MONITOR	SAMSUNG	17IN	GY17HCHW922096
59	MONITOR	SAMSUNG	17IN	GY17HCHW920710
60	MONITOR	SAMSUNG	17IN	N/A
61	MONITOR	DELL	19IN	N/A
62	MONITOR	SAMSUNG	17IN	N/A
63	MONITOR	SAMSUNG	17IN	GY17HCHW921655
64	MONITOR	SAMSUNG	17IN	GY17H9NWA01387
65	MONITOR	SAMSUNG	17IN	GY17HCHW922017
66	MONITOR	SAMSUNG	17IN	GY17HCHW921575
67	MONITOR	SAMSUNG	17IN	GY17HCHW921839
68	MONITOR	SAMSUNG	17IN	GY17H9NWA01369
69	MONITOR	SAMSUNG	17IN	GY17HCHW921823
70	MONITOR	SAMSUNG	17IN	GY17HCHW922128
71	MONITOR	SAMSUNG	17IN	N/A
72	MONITOR	SAMSUNG	17IN	8GY17HCHW921834
73	MONITOR	SAMSUNG	17IN	GY17HCHW921842
74	MONITOR	NEC	17IN	5Z101910NA
75	MONITOR	SAMSUNG	17IN	HA17HVFYC02344X
76	MONITOR	NEC	17IN	5Z101731NA
77	MONITOR	SAMSUNG	17IN	HA17HVFYC02359E
78	MONITOR	SAMSUNG	17IN	GY17H9NWA01399
79	MONITOR	SAMSUNG	17IN	GY17HCHW922011
80	MONITOR	SAMSUNG	17IN	GY17HCHW922163
81	MONITOR	DELL	19IN	CN0H329N7287203G15AI
82	MONITOR	ADC	15IN	T5LP9BA002169
83	MONITOR	SAMSUNG	19IN	GH19HCFW105962
84	MONITOR	VIEWSONIC	17IN	A1R024801652

**Harbor Regional Center  
Equipment Inventory (Repeat)  
Fiscal Years 2009-10 and 2010-11**

No	Description	Manufacturer	Model	Serial Number
85	MONITOR	SAMSUNG	17IN	GY17HCHW921813
86	MONITOR	SAMSUNG	17IN	GY17HCHW921542
87	MONITOR	DELL	17IN	CN0UH5724663372A3FTM
88	MONITOR	SAMSUNG	19IN	SA17H4UK800750
89	MONITOR	SAMSUNG	17IN	GY17HCHW922135
90	MONITOR	DELL	19IN	N/A
91	MONITOR	SAMSUNG	17IN	N/A
92	MONITOR	SAMSUNG	17IN	GY17H9NWA01424
93	MONITOR	SAMSUNG	17IN	GY17HCHW922126
94	MONITOR	SAMSUNG	24IN	N/A
95	MONITOR	DELL	24IN	N/A
96	MONITOR	DELL	24IN	N/A
97	MONITOR	SAMSUNG	24IN	N/A
98	MONITOR	SAMSUNG	24IN	N/A
99	PRINTER	HP	LASERJET 1320	N/A
100	PRINTER	HP	LASERJET 4250TN	CNRXL66740
101	PRINTER	HP	LASERJET 1300	N/A
102	PRINTER	HP	LASERJET 1100A	N/A
103	PRINTER	HP	LASERJET 4100TN	N/A
104	PRINTER	HP	BUSINESS INKJET 2800	TH7B95Z050P1
105	PRINTER	EPSON	PHOTO R320	GCSK172822
106	PRINTER	HP	LASERJET 1536DNF MFP	CNB9BDHCYZ
107	PRINTER	HP	LASERJET 1536DNF MFP	CNB9BDHCZ3
108	PRINTER	HP	LASERJET 1536DNF MFP	CNB9BDHCZH
109	PRINTER	HP	LASERJET 1536DNF MFP	CNB9BDHCZR
110	PRINTER	HP	LASERJET P2055DN	CNB9094167
111	PRINTER	HP	LASERJET P2055DN	CNB9094168
112	PRINTER	HP	LASERJET P2055DN	CNB9094169
113	PRINTER	HP	LASERJET P2055DN	CNB9094171
114	PRINTER	HP	LASERJET P2055DN	CNB9094172
115	PRINTER	HP	LASERJET P2055DN	CNB9094173
116	PRINTER	HP	LASERJET P2055DN	CNB9094174
117	PRINTER	HP	LASERJET P2055DN	CNB9094175
118	PRINTER	HP	LASERJET P2055DN	CNB9094177
119	PRINTER	HP	LASERJET P2055DN	CNB9094178
120	PRINTER	HP	LASERJET P2055DN	CNB9094180
121	PRINTER	HP	LASERJET P2055DN	CNB9094181
122	PRINTER	HP	LASERJET P2055DN	SJPBF907619
123	PRINTER	HP	LASERJET P2055DN	SJPBF907623
124	SCANNER	HP	SCANJET G3110	CN03AA51H7054T
125	SCANNER	FUJITSU	FI-2560I	N/A
126	SCANNER	FUJITSU	FI-2650I	N/A

**Harbor Regional Center  
Equipment Inventory (Repeat)  
Fiscal Years 2009-10 and 2010-11**

No	Description	Manufacturer	Model	Serial Number
127	SCANNER	HP	SCANJET 5550C	CN4C6TA06H1Q
128	SCANNER	FUJITSU	FI-5650C	N/A
129	SCANNER	FUJITSU	FI-6670A	N/A
130	SCANNER	FUJITSU	FI-6670A	N/A
131	SCANNER	FUJITSU	FI-6670A	N/A
132	SCANNER	FUJITSU	FI-6670A	N/A
133	SCANNER	FUJITSU	FI-6670A	N/A
134	SCANNER	FUJITSU	FI-6670A	N/A
135	SERVER	HP	PROLIANT DL380 G5	N/A
136	SERVER	HP	PROLIANT DL380 G5	N/A
137	SERVER	HP	PROLIANT DL380 G5	N/A
138	SWITCH	CISCO	CATALYST 3560G	FOC1027Y06V
139	SWITCH	CISCO	CATALYST 3560	CAT1049NJVZ
140	TABLET COMPUTER	APPLE	IPAD	DLXG11XNDFHW
141	TABLET COMPUTER	APPLE	IPAD	DLXG11S6DFHW
142	UPS	APC	SMART-UPS SC1500	5S0849T32901
143	UPS	APC	SMART-UPS SC1500	5S0949T58900
144	UPS	N/A	SMART-UPS 1500	N/A
145	UPS	N/A	SMART-UPS 1500	N/A

**Harbor Regional Center  
Over/Under Stated Claims  
Fiscal Years 2009-10 and 2010-11**

	<b>Vendor Number</b>	<b>Vendor Name</b>	<b>Service Code</b>	<b>Authorization Number</b>	<b>Payment Date</b>	<b>Over/Under Payments</b>
<b>Overpayments</b>						
1	H23027	Behavior Resources Inc	880		12/10	\$12.47
2	H23027	Behavior Resources Inc	880		1/11	\$12.47
3	H23027	Behavior Resources Inc	880		2/11	\$12.47
						<b>\$37.41</b>
1	HH0166	AM's Residential Facility	915		1/10	(\$1,318.67)
						<b>(\$1,318.67)</b>

**Harbor Regional Center**  
**Follow-up on the Over/Under-Stated Claims from the Prior DDS Audit Report**

	Unique Client Identification Number	Vendor Number	Vendor Name	Service Code	Authorization Number	Payment Period	Over/Under Payments	Amount Recovered	Amount Unresolved
<b>Over Stated Claims for Fiscal Years 2003-04, 2004-05, and 2005-06</b>									
1		H17063		510		5/05	\$720.40	\$0.00	\$720.40
2		H17063		510		7/05	\$612.34	\$0.00	\$612.34
3		H17470		915		8/05-9/05	\$10,640.80	\$5,993.98	\$4,646.82
4		H66917		915		4/05	\$2,129.00	\$0.00	\$2,129.00
<b>Total Over Stated Claims for Fiscal Years 2003-04, 2004-05, and 2005-06</b>									<b>\$8,108.56</b>
<b>Over Stated Claims for Fiscal Years 2006-07, 2007-08, and 2008-09</b>									
1		H73566	California Behavior	880		2/07	\$360.05	\$0.00	\$360.05
2		HH0074		915		1/06	\$3,488.00	\$0.00	\$3,488.00
3		HH0827	Graceland Home	915		9/07	\$5,159.00	\$1,000.00	\$4,159.00
<b>Total Over Stated Claims for Fiscal Years 2006-07, 2007-08, and 2008-09</b>									<b>\$8,007.05</b>
<b>Grand Total Over Stated Claims for Fiscal Years 2003-04, 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09</b>									<b>\$16,115.61</b>



**Harbor Regional Center  
Missing Documentation  
Fiscal Years 2009-10 and 2010-11**

No	Vendor Number	Vendor Name	Service Code	Program	Payment Period	Type of Missing Documentation
<b>Missing Documentation</b>						
1	H19312	Specialized Health Services	515	Day	7/09 - 9/09	Attendance & Invoices
2	H58500	Taft College	520	Day	8/10 - 10/10	Attendance & Invoices
3	HL0568	Crossroads to Success Inc.	520	Day	5/10 - 6/10	Attendance & Invoices
4	H14577	T.E.R.I. Transportation	880	Transportation	N/A	POS Authorization Forms
5	H17125	SVS Transportation	880	Transportation	7/09 - 6/10	Attendance & Invoices
6	HX0190	Voice Transportation	880	Transportation	10/09 - 5/11	Attendance & Invoices
7	PH0941		720	Median Rates	10/09 - 5/2011	Attendance & Invoices

**Harbor Regional Center  
Trust Balances Over \$2,000  
Fiscal Years 2009-10 and 2010-11**

No	UCI	Account Balance	Type	Resolved
1		\$3,863.92	SSA/SSI	No
2		\$4,744.52	SSI	No
3		\$3,568.36	SSA/SSI	No
4		\$3,513.89	SSI	No
5		\$3,040.42	SSA/SSI	No
6		\$26,272.15	SSA/SSI	Yes
7		\$4,265.79	SSI	Yes
8		\$4,412.68	SSI	Yes
9		\$4,671.00	SSA/SSI	Yes
10		\$4,024.38	SSI	Yes
11		\$3,192.81	SSI	Yes
12		\$3,165.94	SSI	Yes
13		\$3,163.48	SSI	Yes
14		\$3,334.67	SSA/SSI	Yes

**APPENDIX A**

**HARBOR REGIONAL CENTER**

**RESPONSE  
TO AUDIT FINDINGS**

**(Certain documents provided by the Harbor Regional Center as attachments to its response are not included in this report due to the detailed and sometimes confidential nature of the information.)**



March 15, 2013

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

Re: Draft Audit of the Harbor Regional Center for Fiscal Years 2009-10 and 2010-11

Dear Mr. Yan:

This letter is in response to the Department of Developmental Services (DDS) Draft Audit of the Harbor Regional Center (HRC) for Fiscal Years 2009-10 and 2010-11 dated January 11, 2013 and the exit conference held on January 30, 2013. Following please find additional information regarding the draft findings:

Finding 1: Equipment Inventory (Repeat)

When DDS Audit staff were at HRC in October 2011, HRC Administration staff explained that a physical inventory was recently conducted, beginning on August 15, 2011. The prior physical inventory was conducted by HRC Administration staff on November 19, 2009. HRC engaged an outside consultant to perform the 2011 inventory and directed the consultant to inventory all fixed assets, both nonexpendable and expendable. During the physical inventory, HRC made the decision to designate some items that were previously not listed as sensitive assets as sensitive, and, therefore, to newly tag them with DDS tags. Those items included all monitors and individual printers, adding a large number of assets to the inventory. DDS Audit staff was provided with the list of all nonexpendable and sensitive assets identified in the physical inventory. The 145 items identified in the Draft Audit Report as missing tags were recorded on the physical inventory with "TBD" for the DDS tag number. During the physical inventory HRC did not have enough DDS tags for all the monitors and printers and therefore entered "TBD" to identify the items to be tagged. The list of the 145 items with DDS tag numbers and associated forms were sent to DDS Audit staff on February 1, 2013 (Attachment A1 [DDS format with HRC Response] and Exhibit 1).

In response to the draft finding and because the recording of fixed assets has been an issue, HRC recently revised its procedures regarding inventory (Exhibit 2). In addition, HRC Administration staff plan to conduct a physical inventory before the end of the current fiscal year, June 30, 2013 (well within the required three years). Once completed, we will submit a listing of all nonexpendable and sensitive assets to the DDS. The list will provide a starting point for fixed assets and insure that the DDS is aware of all State-owned items at HRC.

Finding 2: Over/Under Stated Claims (Repeat)

As listed in Attachment B1, the overstated claims identified in the current audit for a total of \$37.41 were recovered in February 2012. The amount of (\$1,318.67) was incorrectly identified during the audit as an underpayment; it was a recovery from a fiscal review. A copy of the fiscal review was sent to DDS Audit staff on January 31, 2013 (Exhibit 3).

Regarding over/under stated claims identified in prior audits, as listed in Attachment B2, HRC is in the process of collecting \$8,494.87 (Exhibit 4), and the balance of \$7,620.74 should be written off. Graceland Home, [REDACTED] and [REDACTED] closed prior to the period when the DDS conducted the audits and are therefore uncollectable. As discussed during the exit conference, HRC is formally requesting that the DDS write off the uncollectable amounts (Exhibit 5). It is our understanding, as DDS Audit staff indicated, that the DDS will write off the \$7,620.74 so this finding will not continue.

Finding 3: Missing Documentation (Repeat)

As listed in Attachment C, two of the missing invoices were provided to DDS Audit staff in January 2012 and five were provided in January 2013. As mentioned in our response to the DDS Audit of HRC for Fiscal Years 2006-07, 2007-08 and 2008-09, with eBilling most invoices will be stored electronically, reducing the total number of paper invoices and, therefore, the possibility that an invoice can be misfiled. The missing invoices were paper invoices generated before those service providers were moved to the eBilling system. Copies of the invoices are attached (Exhibit 6).

Finding 4: Client Trust Balances over \$2,000

As listed in Attachment D, four of the accounts were resolved in January 2012 and one was resolved in August 2012. DDS Audit staff was provided documentation on February 27, 2012 and January 22, 2013 (Exhibit 7).

Finding 5: Lack of Signatory Authority (Repeat)

On November 10, 2011, DDS Audit Supervisor Soi Ly forwarded the attached email from DDS management and a Social Security Administration representative to Judy Wada (Exhibit 8). The Social Security representative states that "The Regional Center collective bank accounts may carry the name of the State Department of Developmental Services as co-fiduciary with the Regional Center." Prior to the receipt of this email, HRC had been advised by the funding source, the Social Security Administration, not to assign the DDS banking authority. The attached June 7, 2011 letter from the District Manager of the SSA District Office in Torrance stated this prohibition (Exhibit 9). Shortly after we received the November 2011 email, bank

cards for the Client Trust Account were executed adding Karyn Meyreles and Brian Winfield of DDS as signers. Attached please find a copy of the current signature bank cards (Exhibit 10).

Finding 6: Missing "Hold Harmless" Clause (Repeat)

Harbor Regional Center leases more than 90,000 square feet of office space. Since 2010 the leases covering all but approximately 5,000 square feet of space have contained the specified "hold harmless" clause. We believe that we are in substantial compliance with the terms of the DDS Contract. We fully expect that when the remaining lease for 5,000 square feet of space expires (December 31, 2013) and is open for renegotiation we will be successful in including the specified "hold harmless" clause.

We believe this letter provides additional information which addresses all of the findings in the Draft Audit Report and corrects Findings 2, 3, 4, and 5. If you have any further questions, please contact Judy Wada, Chief Financial Officer, at (310) 543-0625.

Thank you.

Sincerely,



Patricia Del Monico  
Executive Director

cc: Nancy Bargmann, DDS  
Brian Winfield, DDS  
Luciah Ellen Nzima, DDS  
Soi Ly, DDS  
Judy Wada, HRC  
Kaye Quintero, HRC

Harbor Regional Center  
Equipment Inventory - Missing State Tags  
Fiscal Years 2009-10 and 2010-11

No	Description	Manufacturer	Model	Serial Number
1	AV CONTROL UNIT	POLYCOM	N/A	N/A
2	COMMUNICATION DEVICE	DYNAVOX	N/A	N/A
3	COMMUNICATION DEVICE	HP	IPAD	N/A
4	DESKTOP COMPUTER	DELL	OPTIPLEX GX520	N/A
5	DESKTOP COMPUTER	DELL	OPTIPLEX GX520	FWYYG91
6	DESKTOP COMPUTER	DELL	OPTIPLEX 780	FRZY8P1
7	DESKTOP COMPUTER	DELL	OPTIPLEX GX270	1V4YG31
8	DESKTOP COMPUTER	DELL	OPTIPLEX 780	JTSSYQ1
9	DESKTOP COMPUTER	DELL	OPTIPLEX 780	N/A
10	DESKTOP COMPUTER	DELL	OPTIPLEX 780	N/A
11	DESKTOP COMPUTER	DELL	OPTIPLEX 780	N/A
12	LAMINATOR	N/A	LM A3V	N/A
13	LAMINATOR	N/A	LM A4V	N/A
14	LAPTOP COMPUTER	TWINHEAD	340S8	SY1270002648
15	LAPTOP COMPUTER	DELL	LATITUDE E6410	6KJZSM1
16	LAPTOP COMPUTER	DELL	LATITUDE E6410	21JZSM1
17	LAPTOP COMPUTER	DELL	LATITUDE E6410	H0JZSM1
18	MONITOR	SAMSUNG	17IN	GY17HCHW921826
19	MONITOR	SAMSUNG	17IN	GY17HCHW920724
20	MONITOR	SAMSUNG	17IN	GY17HCHW922006
21	MONITOR	SAMSUNG	17IN	GY17HCHW920733
22	MONITOR	SAMSUNG	17IN	GY17HCHW921803
23	MONITOR	SAMSUNG	17IN	GY17HCHW922149
24	MONITOR	SAMSUNG	17IN	GY17HCHW922130
25	MONITOR	SAMSUNG	17IN	GY17HCHW922109
26	MONITOR	DELL	19IN	N/A
27	MONITOR	DELL	19IN	N/A
28	MONITOR	SAMSUNG	17IN	GY17HCHW921817
29	MONITOR	SAMSUNG	17IN	GY17HCHW921831
30	MONITOR	SAMSUNG	17IN	N/A
31	MONITOR	SAMSUNG	17IN	GY17HCHW920731
32	MONITOR	SAMSUNG	17IN	GY17HCHW922120
33	MONITOR	SAMSUNG	17IN	GY17HCHW920735
34	MONITOR	SAMSUNG	17IN	GY17HCHW921537
35	MONITOR	TATUNG	17IN	S100K02710784
36	MONITOR	DELL	17IN	N/A
37	MONITOR	DELL	17IN	N/A
38	MONITOR	SAMSUNG	17IN	GY17HCHW921818
39	MONITOR	SAMSUNG	17IN	GY17HCHW920711

HRC RESPONSE		
DDS Tag #	Serial Number	Comments
373230	56596505X4270179	
373013	MA005169	
N/A	N/A	Purchased w/CATE grant not DDS funds (item returned in 2011)
373183	5WYYG91	
373192	FWYYG91	
373171	FRZY8P1	
373376	1V4YG31	Disposed 06/01/2012
357605	JTSSYQ1	
373191	956VDP1	
373157	CW9DQ1	
373361	FRZZ8P1	
373119	N/A	Disposed 01/09/2012
373250	N/A	
373915	SY1270002648	
373724	6KJZSM1	
373089	21JZSM1	
373186	H0JZSM1	
373391	GY17HCHW921826	
373916	GY17HCHW920724	
373889	GY17HCHW922006	
373952	GY17HCHW920733	
373951	GY17HCHW921803	
373286	GY17HCHW922149	
373921	GY17HCHW922130	
373491	GY17HCHW922109	
373984	CN0H329N7287203G0LUI	
373746	CN0H329N7287203G15EI	
373894	GY17HCHW921817	
373936	GY17HCHW921831	
374023	GY17H9NWA01435L	
373393	GY17HCHW920731	
373908	GY17HCHW922120	
373914	GY17HCHW920735	
373924	GY17HCHW921537	
373917	S100K02710784	
373990	CN0UH5724663372A3FWM	
373983	CN0UH5724663372A3GKM	
373971	GY17HCHW921818	
373982	GY17HCHW920711	

Harbor Regional Center  
Equipment Inventory - Missing State Tags  
Fiscal Years 2009-10 and 2010-11

No	Description	Manufacturer	Model	Serial Number
40	MONITOR	SAMSUNG	17IN	GY17H9NWA01376
41	MONITOR	SAMSUNG	17IN	GY17H9NWA01391
42	MONITOR	SAMSUNG	17IN	GY17H9NWA01426
43	MONITOR	DELL	19IN	N/A
44	MONITOR	SAMSUNG	17IN	N/A
45	MONITOR	SAMSUNG	17IN	N/A
46	MONITOR	DELL	19IN	N/A
47	MONITOR	SAMSUNG	17IN	GY17HCHW922116
48	MONITOR	SAMSUNG	17IN	GY17H9NWA01429
49	MONITOR	SAMSUNG	17IN	N/A
50	MONITOR	SAMSUNG	17IN	GY17HCHW921584
51	MONITOR	SAMSUNG	17IN	GY17HCHW921800
52	MONITOR	SAMSUNG	17IN	GY17HCHW922034
53	MONITOR	SAMSUNG	17IN	N/A
54	MONITOR	SAMSUNG	17IN	GY17HCHW922153
55	MONITOR	SAMSUNG	17IN	GY17H9NWA01393
56	MONITOR	SAMSUNG	17IN	GY17HCHW921812
57	MONITOR	SAMSUNG	17IN	GY17H9NWA01389
58	MONITOR	SAMSUNG	17IN	GY17HCHW922096
59	MONITOR	SAMSUNG	17IN	GY17HCHW920710
60	MONITOR	SAMSUNG	17IN	N/A
61	MONITOR	DELL	19IN	N/A
62	MONITOR	SAMSUNG	17IN	N/A
63	MONITOR	SAMSUNG	17IN	GY17HCHW921655
64	MONITOR	SAMSUNG	17IN	GY17H9NWA01387
65	MONITOR	SAMSUNG	17IN	GY17HCHW922017
66	MONITOR	SAMSUNG	17IN	GY17HCHW921575
67	MONITOR	SAMSUNG	17IN	GY17HCHW921839
68	MONITOR	SAMSUNG	17IN	GY17H9NWA01369
69	MONITOR	SAMSUNG	17IN	GY17HCHW921823
70	MONITOR	SAMSUNG	17IN	GY17HCHW922128
71	MONITOR	SAMSUNG	17IN	N/A
72	MONITOR	SAMSUNG	17IN	8GY17HCHW921834
73	MONITOR	SAMSUNG	17IN	GY17HCHW921842
74	MONITOR	NEC	17IN	5Z101910NA
75	MONITOR	SAMSUNG	17IN	HA17HVFYC02344X
76	MONITOR	NEC	17IN	5Z101731NA
77	MONITOR	SAMSUNG	17IN	HA17HVFYC02359E
78	MONITOR	SAMSUNG	17IN	GY17H9NWA01399

HRC RESPONSE		
DDS Tag #	Serial Number	Comments
373686	GY17H9NWA01376	
374447	GY17H9NWA01391	
373999	GY17H9NWA01426	
374034	CN0UH5724663372A3G8M	
374024	GY17HCHW921819H	
374008	GY17HCHW922125A	
374009	MX0C95364663474N2PHL	
373986	GY17HCHW922116	
373991	GY17H9NWA01429	
373994	HA17HVDL6752Y	
373953	GY17HCHW921584	
373056	GY17HCHW921800	
374444	GY17HCHW922034	
373988	HA17HVFYC02325M	
373907	GY17HCHW922153	
374003	GY17H9NWA01393	
374022	GY17HCHW921812	
374018	GY17H9NWA01389	
374013	GY17HCHW922096	
374001	GY17HCHW920710	
373987	HA17HVFYC0233YF	
373993	MX0C95364663474N2PVL	
373998	HA17HVFYC02343D	
373981	GY17HCHW921655	
374004	GY17H9NWA01387	
373992	GY17HCHW922017	
374016	GY17HCHW921575	
373896	GY17HCHW921839	
373500	GY17H9NWA01369	
373989	GY17HCHW921823	
373995	GY17HCHW922128	
374005	HA17HVFYC02373V	
373963	GY17HCHW921834	
373402	GY17HCHW921842	
373397	5Z101910NA	
374033	HA17HVFYC02344X	
373380	5Z101731NA	
373405	HA17HVFYC02359E	
374010	GY17H9NWA01399	



Harbor Regional Center  
Equipment Inventory - Missing State Tags  
Fiscal Years 2009-10 and 2010-11

No	Description	Manufacturer	Model	Serial Number	HRC RESPONSE		
					DDS Tag #	Serial Number	Comments
79	MONITOR	SAMSUNG	17IN	GY17CHHW922011	373394	GY17CHHW922011	
80	MONITOR	SAMSUNG	17IN	GY17CHHW922163	373404	GY17CHHW922163	
81	MONITOR	DELL	19IN	CN0H329N7287203G15AI	373366	CN0H329N7287203G15AI	
82	MONITOR	ADC	15IN	T5LP9BA002169	373159	T5LP9BA002169	
83	MONITOR	SAMSUNG	19IN	GH19HCFW105962	373922	GH19HCFW105962	
84	MONITOR	VIEWSONIC	17IN	A1R024801652	373158	A1R024801652	
85	MONITOR	SAMSUNG	17IN	GY17CHHW921813	373002	GY17CHHW921813	Disposed 06/01/2012
86	MONITOR	SAMSUNG	17IN	GY17CHHW921542	373373	GY17CHHW921542	Disposed 06/01/2012
87	MONITOR	DELL	17IN	CN0UH5724663372A3FTM	373112	CN0UH5724663372A3FTM	Disposed 06/01/2012
88	MONITOR	SAMSUNG	19IN	SA17H4UK800750	373968	SA17H4UK800750	
89	MONITOR	SAMSUNG	17IN	GY17CHHW922135	374019	GY17CHHW922135	
90	MONITOR	DELL	19IN	N/A	373895	MX0C95364663474N2PBL	
91	MONITOR	SAMSUNG	17IN	N/A	373938	HA17HVFYC02363B	
92	MONITOR	SAMSUNG	17IN	GY17H9NWA01424	373841	GY17H9NWA01424	
93	MONITOR	SAMSUNG	17IN	GY17CHHW922126	374020	GY17CHHW922126	
94	MONITOR	SAMSUNG	24IN	N/A	373912	LR24HVCZ100351Z	
95	MONITOR	DELL	24IN	N/A	373194	MX04X6CO7426211314HU	
96	MONITOR	DELL	24IN	N/A	373093	MX04X6CO7426212B1TKU	
97	MONITOR	SAMSUNG	24IN	N/A	373959	YDPEHVCZ501586W	
98	MONITOR	SAMSUNG	24IN	N/A	373362	YDPEHVCZ501545X	
99	PRINTER	HP	LASERJET 1320	N/A	373372	CNLJF03016	
100	PRINTER	HP	LASERJET 4250TN	CNRXL66740	373935	CNRXL66740	
101	PRINTER	HP	LASERJET 1300	N/A	342179	CNBJS22484	
102	PRINTER	HP	LASERJET 1100A	N/A	373920	USDD012269	
103	PRINTER	HP	LASERJET 4100TN	N/A	373368	JPLGD11327	
104	PRINTER	HP	BUSINESS INKJET 2800	TH7B95Z050P1	373911	TH7B95Z050P1	
105	PRINTER	EPSON	PHOTO R320	GCSK172822	373903	GCSK172822	
106	PRINTER	HP	LASERJET 1536DNF MFP	CNB9BDHCYZ	374012	CNB9BDHCYZ	
107	PRINTER	HP	LASERJET 1536DNF MFP	CNB9BDHCZ3	373359	CNB9BDHCZ3	
108	PRINTER	HP	LASERJET 1536DNF MFP	CNB9BDHCZH	357797	CNB9BDHCZH	
109	PRINTER	HP	LASERJET 1536DNF MFP	CNB9BDHCZR	373092	CNB9BDHCZR	
110	PRINTER	HP	LASERJET P2055DN	CNB9094167	373199	CNB9094167	
111	PRINTER	HP	LASERJET P2055DN	CNB9094168	357793	CNB9094168	
112	PRINTER	HP	LASERJET P2055DN	CNB9094169	373635	CNB9094169	
113	PRINTER	HP	LASERJET P2055DN	CNB9094171	373890	CNB9094171	
114	PRINTER	HP	LASERJET P2055DN	CNB9094172	373356	CNB9094172	
115	PRINTER	HP	LASERJET P2055DN	CNB9094173	373490	CNB9094173	
116	PRINTER	HP	LASERJET P2055DN	CNB9094174	357794	CNB9094174	
117	PRINTER	HP	LASERJET P2055DN	CNB9094175	373929	CNB9094175	

Harbor Regional Center  
Equipment Inventory - Missing State Tags  
Fiscal Years 2009-10 and 2010-11

No.	Description	Manufacturer	Model	Serial Number	HRC RESPONSE		
					DDS Tag #	Serial Number	Comments
118	PRINTER	HP	LASERJET P2055DN	CNB9094177	374015	CNB9094177	
119	PRINTER	HP	LASERJET P2055DN	CNB9094178	373902	CNB9094178	
120	PRINTER	HP	LASERJET P2055DN	CNB9094180	374031	CNB9094180	
121	PRINTER	HP	LASERJET P2055DN	CNB9094181	373910	CNB9094181	
122	PRINTER	HP	LASERJET P2055DN	SJPBF907619	373363	SJPBF907619	
123	PRINTER	HP	LASERJET P2055DN	SJPBF907623	373937	SJPBF907623	
124	SCANNER	HP	SCANJET G3110	CN03AA51H7054T	373925	CN03AA51H7054T	
125	SCANNER	FUJITSU	FI-2560I	N/A	373985	104774	
126	SCANNER	FUJITSU	FI-2650I	N/A	374002	1032095	
127	SCANNER	HP	SCANJET 5550C	CN4C6TA06H1Q	373958	CN4C6TA06H	
128	SCANNER	FUJITSU	FI-5650C	N/A	373284	104609	
129	SCANNER	FUJITSU	FI-6670A	N/A	373512	1926	
130	SCANNER	FUJITSU	FI-6670A	N/A	373546	3765	
131	SCANNER	FUJITSU	FI-6670A	N/A	373417	3767	
132	SCANNER	FUJITSU	FI-6670A	N/A	373408	3768	
133	SCANNER	FUJITSU	FI-6670A	N/A	373547	3769	
134	SCANNER	FUJITSU	FI-6670A	N/A	373892	3772	
135	SERVER	HP	PROLIANT DL380 G5	N/A	373084	4187293	
136	SERVER	HP	PROLIANT DL380 G5	N/A	373086	4187296	
137	SERVER	HP	PROLIANT DL380 G5	N/A	373085	4215761	
138	SWITCH	CISCO	CATALYST 3560G	FOC1027Y06V	373288	FOC1027Y06V	
139	SWITCH	CISCO	CATALYST 3560	CAT1049NVZ	373287	CAT1049NVZ	
140	TABLET COMPUTER	APPLE	IPAD	DLXG11XNDFHW	373003	DLXG11XNDFHW	
141	TABLET COMPUTER	APPLE	IPAD	DLXG11S6DFHW	373001	DLXG11S6DFHW	Stolen 08/22/2012
142	UPS	APC	SMART-UPS SC1500	5S0849T32901	373182	5S0849T32901	Duplicate of item #144
143	UPS	APC	SMART-UPS SC1500	5S0949T58900	373281	5S0949T58900	Duplicate of item #145
144	UPS	N/A	SMART-UPS 1500	N/A			Duplicate of item #142
145	UPS	N/A	SMART-UPS 1500	N/A			Duplicate of item #143

**Harbor Regional Center**  
**Follow-up on the Over/Under-Stated Claims from the Prior DDS Audit Report**  
**Fiscal Years 2009-10 and 2010-11**

							<i>HRC Response</i>		
Vendor Number	Vendor Name	Service Code	Authorization Number	Payment Date	Over/Under Payments	Collected/Recovered	Incorrectly Identified	Comments	
<b>Overpayments</b>									
1	H23027	Behavior Resources Inc	880		12/10	\$12.47	\$12.47	1.25% rate reduction not applied. Amount recovered 2/14/12. Backup sent 1/31/13.	
2	H23027	Behavior Resources Inc	880		1/11	\$12.47	\$12.47	"	
3	H23027	Behavior Resources Inc	880		2/11	\$12.47	\$12.47	"	
						<b>\$37.41</b>	<b>\$37.41</b>		
1	HH0166	AM's Residential Facility	915		2/07	(\$1,318.67)		February 2011 fiscal review recovery. Additional documentation submitted 1/31/13.	
						<b>(\$1,318.67)</b>	<b>(\$1,318.67)</b>		

**Harbor Regional Center**  
**Follow-up on the Over/Under-Stated Claims from the Prior DDS Audit Report**

	Unique Client Identification Number	Vendor Number	Vendor Name	Service Code	Authorization Number	Payment Period	Over/Under Payments	Amount Recovered	Amount Unresolved
<b>Over Stated Claims for Fiscal Years 2003-04, 2004-05, and 2005-06</b>									
1		H17063		510		5/05	\$720.40	\$0.00	\$720.40
2		H17063		510		7/05	\$612.34	\$0.00	\$612.34
3		H17470		915		8/05-9/05	\$10,640.80	\$5,993.98	\$4,646.82
4		H66917		915		4/05	\$2,129.00	\$0.00	\$2,129.00
<b>Total Over Stated Claims for Fiscal Years 2003-04, 2004-05, and 2005-06</b>									<b>\$8,108.56</b>
<b>Over Stated Claims for Fiscal Years 2006-07, 2007-08, and 2008-09</b>									
1		H73566	California Behavior	880		2/07	\$360.05	\$0.00	\$360.05
2		HH0074		915		1/06	\$3,488.00	\$0.00	\$3,488.00
3		HH0827	Graceland Home	915		9/07	\$5,159.00	\$1,000.00	\$4,159.00
<b>Total Over Stated Claims for Fiscal Years 2006-07, 2007-08, and 2008-09</b>									<b>\$8,007.05</b>
<b>Grand Total Over Stated Claims for Fiscal Years 2003-04, 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09</b>									<b>\$16,115.61</b>

**Harbor Regional Center  
Missing Documentation  
Fiscal Years 2009-10 and 2010-11**

	Vendor Number	Vendor Name	Service Code	Program	Payment Period	Type of Missing Documentation	<i>HRC Response</i>
<b>Missing Documentation</b>							
1	H19312	Specialized Health Services	515	Day	7/09 - 9/10	Attendance & Invoices	Invoices submitted 1/31/13
2	H58500	Taft College	520	Day	8/10 - 10/10	Attendance & Invoices	Invoices submitted 1/3/12
3	HL0568	Crossroads to Success Inc.	520	Day	5/10 o 6/10	Attendance & Invoices	Invoices submitted 1/31/13
4	H14577	T.E.R.I. Transportation	880	Transportation	N/A	POS Authorization Forms	Auth documents submitted 1/31/13
5	H17125	SVS Transportation	880	Transportation	7/09 - 6/10	Attendance & Invoices	Invoices submitted to 1/31/13
6	HX0190	Voice Transportation	880	Transportation	10/09 - 5/11	Attendance & Invoices	Invoices submitted to 1/31/13
7	PH0941		720	Median Rates	10/01 - 5/11	Attendance & Invoices	Invoices submitted to 1/3/12

**Harbor Regional Center  
Trust Balances Over \$2,000  
Fiscal Years 2009-10 and 2010-11**

No.	UCI	Account Balance	Type	Resolved	HRC Response
1		\$3,863.92	SSA/SSI	No	Resolved January 2012; documentation submitted 2/27/12
2		\$4,744.52	SSI	No	Resolved January 2012; documentation submitted to 2/27/12
3		\$3,568.36	SSA/SSI	No	Resolved January 2012; documentation submitted to 2/27/12
4		\$3,513.89	SSI	No	Resolved January 2012; documentation submitted to 2/27/12
5		\$3,040.42	SSA/SSI	No	Resolved August 2012; documentation submitted to 1/22/13
6		\$26,272.15	SSA/SSI	Yes	N/A
7		\$4,265.79	SSI	Yes	"
8		\$4,412.68	SSI	Yes	"
9		\$4,671.00	SSA/SSI	Yes	"
10		\$4,024.38	SSI	Yes	"
11		\$3,192.81	SSI	Yes	"
12		\$3,165.94	SSI	Yes	"
13		\$3,163.48	SSI	Yes	"
14		\$3,334.67	SSA/SSI	Yes	"