

**DEPARTMENT OF DEVELOPMENTAL SERVICES'**  
**AUDIT OF**  
**IT'Z A BREEZZZ TRANSPORTATION, LLC**

**Program:**

Transportation Companies – HA1003

Audit Period: July 1, 2019, through June 30, 2020

**Audit Section**

**Auditors:** Alimou Diallo, Chief of Vendor Audit Unit  
Hung Bang, Chief of Vendor Audit Unit  
Grace Gwarada, Supervisor  
Chai Saefong, Auditor

# IT’Z A BREEZZZ TRANSPORTATION, LLC

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## EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited It's A Breezzz Transportation, LLC (IAB). The audit was performed upon the Transportation Companies (TC) program for the period of July 1, 2019, through June 30, 2020.

The audit disclosed the following issue of non-compliance:

### **Finding 1: Transportation Companies – Unsupported Billings**

The review of IAB's Transportation Companies program, Vendor Number HA1003 , revealed that IAB had a total of \$146,382 of unsupported billings to Alta California Regional Center (ACRC).

The total of the finding identified in this audit amounts to \$146,382, which is due back to DDS. A detailed discussion of this finding is contained in the Finding and Recommendation section of this report.

## **BACKGROUND**

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. Pursuant to the Welfare and Institutions (W&I) Code, Section 4648.1, DDS has the authority to audit those service providers and/or contractors that provide services and supports to persons with developmental disabilities.

## **OBJECTIVE, SCOPE AND METHODOLOGY**

### **Objective**

The audit was conducted to determine whether IAB's program was compliant with the W&I Code, California Code of Regulations (CCR), Title 17, State and Federal laws and regulations and the regional center's contracts with IAB for the period of July 1, 2019, through June 30, 2020.

### **Scope**

The audit was conducted in accordance with the Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States. The auditors did not review the financial statements of IAB, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of IAB'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 IAB complied with W&I Code and CCR, Title 17. Any complaints that DDS' Audit Section was aware of regarding non-compliance with laws and regulations were also reviewed and addressed during the course of the audit.

The audit scope was determined by reviewing the program provided to ACRC that utilized IAB's services during the audit period. IAB provided one TC type of service, which DDS audited. By analyzing the information received from the vendor, an internal control questionnaire and a risk analysis, it was determined that a six-month sample period would be sufficient to fulfill the audit objectives.

## **Transportation Companies**

During the audit period, IAB operated one TC program. The audit included the review of the TC program, Vendor Number HA1003, Service Code 875 and testing was done for the sampled months of September 2019, October 2019, November 2019, December 2019, January 2020, and February 2020.

## **Methodology**

The following methodology was used by DDS to ensure the audit objectives were met. The methodology was designed to obtain a reasonable assurance that the evidence provided was sufficient and appropriate to support the finding and conclusion in relation to the audit objectives. The procedures performed included, but were not limited to, the following:

- Reviewed vendor files for contracts, rate letters, program designs, POS authorizations and correspondence pertinent to the review.
- Interviewed regional center staff for vendor background information and to obtain insight into the vendor's operations.
- Interviewed vendor management to gain an understanding of the vendor's accounting procedures and processes for regional center billing.
- Obtained and reviewed the vendor's internal control questionnaire.
- Reviewed vendor service/mileage log records to determine if the vendor had sufficient and appropriate evidence to support the vehicle service hours and aide services billed to the regional center.
- Analyzed the vendor's payroll records to determine if the appropriate level of staffing was provided.

## **CONCLUSION**

Based upon item identified in the Finding and Recommendation section IAB had a finding of non-compliance with the requirements of CCR, Title 17.

## **VIEWS OF RESPONSIBLE OFFICIALS**

DDS issued a draft audit report on October 12, 2023. The finding in the report was discussed at a video exit conference with IAB on October 24, 2023. Subsequent to the exit conference, on October 30, 2023, IAB provided additional documentation to explain its billings. IAB did not state whether it agreed or disagreed with the finding.

## **RESTRICTED USE**

This report is solely for the information and use of DDS, Department of Health Care Services, ACRC and IAB. This restriction is not intended to limit distribution of this report, which is a matter of public record.

## FINDING AND RECOMMENDATION

### Finding 1: Transportation Companies – Unsupported Billings

The review of IAB's TC program, Vendor Number HA1003, for the sampled months of September 2019, October 2019, November 2019, December 2019, January 2020, and February 2020, revealed that IAB had unsupported billings for services billed to ACRC. Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to ACRC and non-compliance with the CCR, Title 17.

DDS reviewed the vehicle service hours (VSH) and drivers' direct care services hours documented on the mileage sheets as well as payroll records and compared those hours to the VSH billed to ACRC. DDS noted that the VSH on the mileage sheets were 2,492 hours less than the VSH billed to ACRC. DDS also compared the billed VSH to the authorized VSH and noted that the billed VSH were the same as the authorized VSH. This comparison revealed that IAB billed ACRC for the authorized VSH instead of the actual VSH IAB provided. IAB was not able to provide appropriate supporting documentation for 2,492 VSH billed. The lack of documentation resulted in unsupported billings to ACRC in the amount of \$101,629, which is due back to DDS. (See Attachment A)

DDS also reviewed the Transportation Aides' (TA) direct care services hours documented on the mileage sheets and payroll records and compared those hours to the TAs' direct care service hours billed to ACRC. DDS noted that the hours of service for the TAs on the mileage logs were 3,165 hours less than the TAs' hours of service billed to ACRC. DDS also compared the billed TA hours to the authorized TA hours and noted that these were the same. IAB was not able to provide appropriate supporting documentation for 3,165 TA hours of services billed. The lack of documentation resulted in unsupported billings to ACRC in the amount of \$44,753, which is due back to DDS. (See Attachment A)

W&I Code, Section 4648.1(e)(1) states:

“(e) A regional center or the department may recover from the provider funds paid for services when the department or the regional center determines that either of the following has occurred:

- (1) The services were not provided in accordance with the regional center's contract or authorization with the provider, or with applicable state laws or regulations.”

CCR, Title 17, Section 54326(a)(3) and (10) states:

“(a) All vendors shall:

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

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

CCR, Title 17, Section 50604(d) and (e) states:

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

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

ACRC’s Addendum to Agreement for Transportation Service with IAB dated July 1, 2019, states in part:

“Vehicle Service Hours” (VSH) include the total time from pick-up of the first consumer from a residence or residential facility in the morning, to the drop-off of the last consumer at a day program or work program in the morning, and then from pick-up of the first consumer at a day program or work program in the afternoon, to the drop-off of the last consumer at a residence or residential facility. The VSH calculation will include the picking up, loading, securing and dropping off of clients at their residential locations and day programs.

Any period during which there are no consumers aboard the vehicle is considered "Deadhead Time." Deadhead Time will be considered as follows:

1. Deadhead Time traveled from the bus yard or parking location to the first pick-up in the morning, and from the last drop-off in the afternoon back to the bus yard or parking location, will be included in the VSH calculation. Deadhead Time billed from the bus yard or parking location to the first pick-up in the morning, and from the last drop-off in the afternoon back to the bus yard or parking location must be reasonable and shall be subject to review and approval by the Regional Center.
2. Deadhead Time traveled in between the last drop-off at a day program or work program in the morning, and the first pick-up at a day program or work program in the afternoon, will not be included in the VSH calculation; provided, however, the time it takes to return the vehicle back to the vehicle’s yard/parking location directly after its



last client morning drop off will be included in the VSH calculation and also the time it takes to arrive to the first client in the afternoon from the vehicle's yard/parking location, to the extent Regional Center determines that such time period is reasonable; therefore, such times are subject to monthly review and approval by Regional Center.”

**Recommendation:**

IAB must reimburse to DDS \$146,382 for the unsupported billings. In addition, IAB should comply with the CCR, Title 17 as stated above to ensure that proper documentation is maintained to support the amounts billed to ACRC.

**Vendor's Response:**

IAB did not state in the response dated October 30, 2023, that IAB agreed or disagreed with the finding.

See Attachment B for IAB's response to the draft audit report and Attachment C for DDS' evaluation of IAB's response.

**ATTACHMENT A**  
**IT'Z A BREEZZZ, LLC**

**To request a copy of the attachment for this audit report, please contact the DDS Audit Section at (916) 654-3695.**

## **ATTACHMENT B – VENDOR’S RESPONSE**

### **IT’Z A BREEZZZ, LLC**

**To request a copy of the vendor’s response to the audit finding, please contact the DDS Audit Section at (916) 654-3695.**

## **ATTACHMENT C – DDS’ EVALUATION OF IAB’S RESPONSE**

DDS evaluated IAB’s written response to the draft audit report and determined that IAB did not state whether IAB agreed or disagreed with Finding 1. Below is a summary of the vendor’s response as well as the DDS’ evaluation of the vendor’s response.

### Finding 1: Transportation Companies – Unsupported Billings

As part of its response, IAB submitted a letter that IAB had received from ACRC as supporting documentation to show how or what IAB was supposed to bill. IAB also sent its master route sheets and a document on split shift premium.

DDS reviewed the submitted letter and supporting documents and determined that the letter and documents did not substantiate the actual VSH billed to ACRC. Although the letter defined the VSH that could be billed to ACRC, the submitted master route sheets and the submitted definition of split shift premium does not fully support the actual VSH or Aide hours billed to ACRC. The master route sheets are daily sheets that should be sent to ACRC each month and the split shift premium hours are not VSH. Therefore, DDS did accept these documents as support for the VSH billed to ACRC.

DDS did not make any adjustments to the Draft Audit Report. As a result, the finding for September 2019, October 2019, November 2019, December 2019, January 2020, and February 2020 is \$146,382.