

**DEPARTMENT
OF
DEVELOPMENTAL SERVICES'
AUDIT
OF
OPENDOOR COMMUNITY SUPPORT SERVICES**

Program:

Community Integration Training Program – PD4278

Audit Period: January 1, 2024, through December 31, 2024

Audit Services Branch

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OPENDOOR COMMUNITY SUPPORT SERVICES

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EXECUTIVE SUMMARY

The Department of Developmental Services (Department) has audited Opendoor Community Support Services (OCSS). The audit was performed upon the Community Integration Training Program (CITP) for the period of January 1, 2024, through December 31, 2024.

The audit disclosed the following issue of non-compliance:

Finding 1: Community Integration Training Program – Unsupported Billings

The review of OCSS' CITP program, Vendor Number PD4278, revealed that OCSS had a total of \$822,645 of unsupported billings to Frank D. Lanterman Regional Center (FDLRC).

The total of the finding identified in this audit amounts to \$822,645, which is due back to the Department. A detailed discussion of this finding is contained in the Finding and Recommendation section of this report.

BACKGROUND

The Department 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. The Department 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 Code (WIC), Section 4648.1, the Department 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 OCSS' program was compliant with the WIC, California Code of Regulations (CCR), Title 17, State laws and regulations and the regional centers' contracts with OCSS for the period of January 1, 2024, through December 31, 2024.

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 OCSS, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of OCSS' 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 OCSS complied with WIC and CCR, Title 17. Any complaints that the Department's Audit Services Branch 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 FDLRC that utilized OCSS' services during the audit period. OCSS provided one type of service, which the Department audited. By analyzing the information received from the vendor, an internal control questionnaire and a risk analysis, it was determined that a two-month sample period would be sufficient to fulfill the audit objectives. However, due to significant discrepancies identified in the months of September and October 2024, testing was expanded to cover the period of January 1, 2024, through December 31, 2024.

Community Integration Training Program

During the audit period, OCSS operated one CITP program. The audit included the review of the OCSS' CITP program, Vendor Number PD4278, SC 055 and testing was done for the sampled months in the audit period January 1, 2024, through December 31, 2024.

Methodology

The following methodology was used by the Department 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 staff and 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/attendance records to determine if the vendor had sufficient and appropriate evidence to support the direct care services billed to the Regional Center.
- Analyzed the vendor's payroll and attendance/service records to determine if the appropriate level of staffing was provided.

CONCLUSION

Based upon the audit procedures performed, the Department has determined that except for the item identified in the Finding and Recommendation section, the OCSS was in compliance with applicable audit criteria.

VIEWS OF RESPONSIBLE OFFICIALS

The Department issued a draft audit report on September 23, 2025. The finding in the report was discussed at an exit conference with OCSS on September 26, 2025. Subsequent to the exit conference, on October 14, 2025, OCSS provided additional documentation and submitted a response to the draft report via email on October 22, 2025. The vendor did not state whether OCSS agree or disagree with the finding but provided explanation on the identified billing discrepancy.

RESTRICTED USE

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

FINDING AND RECOMMENDATION

Finding: Community Integration Training Program – Unsupported Billings

The review of OCSS' CIP program, Vendor Number PD4278, for the audit period of January 1, 2024, through December 31, 2024, identified unsupported billings submitted to FDLRC. These unsupported billings resulted from insufficient payroll hours to substantiate the service hours billed, and non-compliance with CCR, Title 17.

The Department reviewed the direct care service hours documented on the payroll records and client transportation logs and compared those hours to the direct care service hours billed to FDLRC. The Department noted that the direct care payroll hours documented in the payroll records were 25,548 hours less than the direct care service hours billed to FDLRC. OCSS billed 66,277 hours of service under day program subcode 01PG, of which 25,548 hours were unsupported by payroll documentation. This lack of support resulted in unsupported billings to FDLRC totaling \$822,645, which is due back to the Department. (See Attachment A)

WIC, 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.”

Recommendation:

OCSS must reimburse the Department \$822,645 for the unsupported billings. In addition, OCSS should comply with the CCR, Title 17 as stated above to ensure that proper documentation is maintained to support the amounts billed to FDLRC.

VENDOR'S Response:

OCSS neither agreed nor disagreed with the finding in the response. However, the vendor provided clarification and context to the noted discrepancy outlined in the draft audit report.

See Attachment B for the full text of OCSS' response to the draft audit report and Attachment C for the Department's evaluation of OCSS' response.

ATTACHMENT A

OPENDOOR COMMUNITY SUPPORT SERVICES

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

ATTACHMENT B – VENDOR’S RESPONSE

OPENDOOR COMMUNITY SUPPORT SERVICES

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

ATTACHMENT C – EVALUATION OF RESPONSE

To request a copy of the Department's evaluation of OCSS' response to the audit finding, please contact the Audit Services Branch at (916) 654-3695.