



COUNTY OF LEHIGH  
OFFICE OF THE CONTROLLER

LEHIGH COUNTY GOVERNMENT CENTER  
17 SOUTH SEVENTH STREET  
ALLENTOWN, PA 18101-2400  
(610) 782-3082 FAX: (610) 871-2897

GLENN D. ECKHART  
COUNTY CONTROLLER

JOHN A. FALK  
DEPUTY CONTROLLER

**TO:** Final Distribution  
**FROM:** Glenn Eckhart, County Controller  
**DATE:** April 2, 2012  
**RE:** Sixth Street Shelter  
Homeless Prevention and Rapid Re-housing Program (HPRP)

*Glenn Eckhart*

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The controller's office has recently completed a performance audit of contract administration at Sixth Street Shelter Homeless Prevention and Rapid Re-housing Program (HPRP) for 2011 directed at investigating specific allegations. Our audit report number 12-3 is attached.

We concluded charges for county HPRP client case worker hours are inconsistent with the documented HPRP client contract for most of 2011, especially August, September, and October 2011.

Attachment

AUDITS/SIXTH STREET SHELTER (HPRP)

COUNTY OF LEHIGH, PENNSYLVANIA

SIXTH STREET SHELTER (SSS)

*Performance Audit for the Year 2011*

REPORT NO. 12-3

COUNTY OF LEHIGH, PENNSYLVANIA  
SIXTH STREET SHELTER (SSS)

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COUNTY OF LEHIGH, PENNSYLVANIA  
SIXTH STREET SHELTER  
A Program for the Community Action Committee of the Lehigh Valley, Inc.  
219 North Sixth Street  
Allentown, PA 18102

*Background*

The Sixth Street Shelter (SSS) provides temporary housing (up to 60 days) for homeless families with children. Shelter staff assists families to stabilize their economic situation, save money, relocate to permanent housing, and to obtain other appropriate services, e.g. job training, child care. (Source: independent auditors report dated January 18, 2012)

The County of Lehigh has applied for and received funds from the United States Government under Title XII of the American Recovery and Reinvestment Act of 2009, Public Law 111-5 (Recovery Act) that established the "Homeless Prevention and Rapid Re-housing Program" (HPRP). The County of Lehigh and the Community Action Committee of the Lehigh Valley (CACLV) have a contractual relationship established through a Pennsylvania "State HPRP Sub-recipient Agreement."

The SSS, a program for the CACLV, is responsible for administering HPRP homeless prevention and/or rapid re-housing activities by providing eligible county clients with:

- *financial assistance* (for rent/security deposits, utility payments, and moving/storage and motel/hotel costs); and
- *housing relocation and stabilization services* (case management services including, among other related activities, client outreach, housing searches and placements).



# COUNTY OF LEHIGH

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GLENN D. ECKHART  
COUNTY CONTROLLER

JOHN A. FALK  
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Marsha Eichelberger, Director  
Sixth Street Shelter (SSS)  
Community Action Committee of the Lehigh Valley, Inc. (CACLV)  
219 N. Sixth St  
Allentown, PA 18102

We have recently completed a performance audit of the Homeless Prevention & Rapid Re-Housing Program (HPRP) billings to the County of Lehigh during calendar year 2011. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The scope of our detail audit testing was invoices and supporting documentation submitted by SSS/CACLV management for 2011. Our testing was limited to the investigation of specific allegations raised by tips/complaints received by the Office of Controller. Our consideration of internal control was limited to audit testing required to meet the audit objective and would not necessarily identify all deficiencies in internal control that might be significant or material weaknesses.

The objective of our audit was to evaluate allegations of contract administration irregularities involving inflating the number of case management hours charged to the county HPRP program administered by SSS/CACLV management.

Audit criteria and standards included compliance with the terms and conditions described in the "State HPRP Sub-recipient Agreement" between CACLV and the County of Lehigh as described in the background section of this report. Audit standards applied in performing the audit included generally accepted government auditing standards, and *Government Auditing Standards* issued by the Comptroller General of the United States.

Our audit included examination of the accounting records and other relevant documentation, discussions with SSS employees and county personnel, and such other auditing procedures we considered necessary in the circumstances. We performed sufficient observations of supporting recordkeeping to determine the degree of correlation between hours charged for county HPRP case worker services and documentation evidencing county HPRP client contact for 2011. We also interviewed SSS employees to determine HPRP program standard practices, file documentation maintained, and financial assistance payment processing procedures. We believe that the audit evidence obtained by performing the following procedures and analyses provide a reasonable basis for our findings and conclusions based on our audit objective.

We achieved our objectives by comparing the established criteria and standards to actual practice, comparing HPRP caseworker hours invoiced to the County of Lehigh to:

- The frequency of data updates to county client electronic records as recorded in the State Homeless Management Information System (HMIS) as logged by user id/password for SSS HPRP case workers (Test #1);
- Corroborative documentation in SSS county HPRP client case notes (case worker signatures and dates) on supporting records and forms (Test #2);
- The frequency of county client contact as described in the internal “Monthly Summary Report” prepared by SSS HPRP case workers (Test #3); and
- The frequency of county client contact as demonstrated by SSS HPRP case worker requests for business expense reimbursement / local mileage, etc. (Test #4).

(There were two primary SSS HPRP client case workers billed in 2011 referred to below as DP & EC.)

We concluded that:

**Charges for county HPRP client case worker hours are inconsistent with the documented HPRP client contact for most of 2011, especially August, September, and October 2011.**

Test #1 - HMIS HPRP Client File Updates:

EC made most of the updates from April 2011 through December 2011.

Contacts made for April to October 2011 (last full month billed in 2011) were:

EC had 87 file updates with 440.6 hours charged, or .197 updates per hour charged

DP had 11 file updates with 279.75 hours charged, or .039 updates per hour charged.

Conclusion - There were significantly less HMIS client file updates for DP versus EC when compared to the hours billed to Lehigh County.

Test #2 - HPRP Client Case Files:

EC made most of the contacts from April 2011 through December 2011.

For the hours billed in 2011 (through October 2011), we noted only a few documented client contacts for DP from May to October, however, DP hours continued to be billed. For the months of August, September, and October 2011 DP hours billed exceeded EC hours billed.

	DP HRS	EC HRS	DP Contacts	EC Contacts
March	54	40	59	29
April	68.25	153	25	100
May	31.5	76	4	111
June	29.75	96	1	50
July	31.5	45	4	68
August	28.5	15	0	35
September	54.75	36	0	41
October	35.5	19.6	1	46

Conclusion - There were significantly less client file updates for DP versus EC when compared to the hours billed to Lehigh County.

Test #3 - Monthly Summary Report HPRP Client Contact:

EC made most of the contacts from April 2011 through November 2011. For the hours billed in 2011 (through October 2011), we noted significantly less documented client contacts for DP from April to October, however, DP hours continued to be billed. For the months of August, September, and October 2011 DP hours billed exceeded EC hours billed.

	<u>DP</u> <u>Contacts</u>	<u>EC</u> <u>Contacts</u>		
January	3			
February	1		DP	EC
March	2		Hours	Hours
April	5	15	68.25	153
May	2	13	31.50	76
June	4	12	29.75	96
July	0	*	31.50	45
August	0	*	28.50	15
September	4	10	54.75	36
October	1	10	35.50	19.6
November	0	10		
December	1	*		
* report not provided to auditors				

Conclusion – There were significantly less evidence of client contact for DP versus EC when compared to the hours billed to Lehigh County.

Test #4 - Evidence of Client Contact by Case Worker Local Travel Reimbursement:

A review of 2011 travel expense reimbursement and petty cash transaction analysis showed the following HPRP case worker contacts:

<u>Case Worker</u>	<u>Period of Activity</u>	<u>HPRP Involvement</u>
DP	June 2011	(City Client)
EC	March to May 2011	(County)
	May to June 2011	(City & County)
	July to August 2011	(City)
	August to October 2011	(City & County)
	November to December 2011	(City)

Also, we noted no mileage reimbursement requested by DP for any of the HPRP home visits listed on her “Monthly Summary Report”. EC made most of the contacts from April 2011 through December 2011. For the hours billed in 2011 (through October 2011), we noted significantly less documented client contacts for DP versus EC during 2011.

Conclusion – There were significantly less evidence of client contact for DP versus EC when compared to the hours billed to Lehigh County.

In addition, the sub-recipient state agreement states (under II. General Conditions, part f, paragraph i. a. 1.) detailed activity logs (of case worker HPRP activity) are required to be maintained in 15 minute increments. These logs are to be kept for review by the sub-recipient. SSS management did not maintain logs as required to document county client HPRP activity.

We wish to thank the management and employees of the Sixth Street Shelter and CACLV for their cooperation during the audit. This report is intended for the information and use of the County of Lehigh, however, this report is a matter of public record and its distribution is not limited.



Glenn Eckhart  
County Controller

March 29, 2012  
Allentown, Pennsylvania

Final Distribution

Manuel Ayala, Deputy Executive Director, CACLV  
Donald T. Cunningham, Jr., County Executive  
Board of Commissioners  
Cindy M. Feinberg, Director of Community & Economic Development  
Alan L. Jennings, Executive Director, CACLV  
Brian L. Kahler, Fiscal Officer  
Laurie A. Moyer, Grants & Housing Manager  
Thomas S. Muller, Director of Administration





## Sixth Street Shelter

*Serving Families Since 1984.*

March 29, 2012

Mr. Glenn Eckhart  
County Controller  
Office of the Controller  
Lehigh County Government Center  
17 South Seventh Street  
Allentown, PA 18101-2400

Dear Mr. Eckhart:

Thank you for the opportunity to respond to the results of the audit conducted by Lehigh County of the Sixth Street Shelter's Homeless Prevention and Rapid Re-Housing (HPRP) contract administration. We regret that any staff resources from the county were distracted in order to react to a complaint from a disgruntled former employee who was terminated for cause. We also regret that the more than 20-year history of the relationship between the county and the Sixth Street Shelter may have been compromised by this situation.

Lehigh County's report indicates that our documentation does not support the billed amount overall, especially in the months of August, September and October, 2011. The audit was limited to the case files and, while we agree that we could have done a better job of documenting our time by logging it in 15 minute increments, we would argue that the scope of HPRP encompassed much more. For example, it involved assessing the five to ten calls per day from people seeking assistance and speaking to the members of the community who stopped in with questions, regular researching of the program on the HUDHRE website, and the monitoring and correcting of work done by the caseworker hired specifically to operate the HPRP program, but who was not ultimately capable of completing the work in a satisfactory manner.





## Sixth Street Shelter

*Serving Families Since 1984.*

HPRP was a learning experience for everyone involved. The rules were complicated and changed often, but we approached the program with our customary commitment to providing the best service possible to our program participants while remaining fiscally prudent and accountable to our funders. HUD audited the Sixth Street Shelter's HPRP program on December 2, 2010; nothing was flagged and no deficiencies were found. Consequently, we proceeded with the assumption that our methodology had been acknowledged and accepted. This supposition was supported by the fact that our program was praised by both HUD and Lehigh County for our good work.

Had there been any indication from HUD or Lehigh County that we needed to make changes, including tracking our time in 15 minute increments, we certainly would have done so. However, the fact that we did not document our time this way does not mean that we did not record accurately the time spent working on Lehigh County HPRP. Our time was recorded on signed, official time sheets that were submitted with a bi-monthly report sent to Lehigh County by CACLV's fiscal department. Lehigh County never challenged nor questioned this process in the more than two years of the program.

In short, we would argue that, while the specific and limited types of documentation that were examined by Lehigh County may not support the number of hours billed, in fact, if anything, Lehigh County was under-billed for the work done by staff at the Sixth Street Shelter. It should be noted as well that the Sixth Street Shelter has been and will continue to provide casework and aftercare services, despite the fact that less than \$5.00 remains for salary and related expenses.

We value our long working relationship with Lehigh County and hope to work together for many years in the future. If you have any questions or wish to discuss this further, please don't hesitate to contact me at 610-435-1490 or [meichelberger@caclv.org](mailto:meichelberger@caclv.org).

Sincerely,

Marsha Eichelberger  
Director

ME/sb