

TO: Workforce Investment Board

DATE: 1/8/04

FROM: WIB Staff

For Action

For Information

For Discussion

SUBJECT: JCG Closeout Status

PROPOSED MOTION(S): Information Only

DISCUSSION: As you are aware, on September 19, 2003, Jobs for California Graduates (JCG) terminated its contract with Merced County. Prior to termination of the contract, the Merced County Auditor/Controller's Office had requested additional fiscal documentation from JCG regarding amounts billed to Merced County for reimbursement of payments to subcontractors, and Merced County Department of Workforce Investment had made several requests for copies of the FY 2001/02 Single Audit, which was due March 31, 2003.

As required by WIA regulations, an Incident Report was sent to the California Employment Development Department and the Department of Labor regarding the above. Information for this report was coordinated with County Counsel and the Auditor/Controller's Office. The incident report included the fact that JCG had not obtained a Federal Single Audit for fiscal year 2001-02, as required by federal law, and the information received by the Auditor/Controller's Office that JCG had billed Merced County for reimbursement of costs that they had not paid.

Irene Ayers, fiduciary for JCG, has presented the Department of Workforce Investment with an invoice for the contract ending June 30, 2003, and two (2) invoices for the FY 2003/04 contract for the period July 1, 2003 through September 19, 2003. Ms Ayers has also provided copies of bank statements through October 2003 so that payment of expenses can be verified.

Funds owed to subcontractors for services provided under the contract with JCG, which had not been previously paid to JCG by the County, are included in the new contract for Older Youth with Merced County Office of Education (MCOE). Fiscal staff is working with MCOE on payments to subcontractors and by the time of your meeting the subcontractors should have received payments. During the interim period while the MCOE contract was being processed, Merced County Department of Workforce Investment made payments to participants for work experience and supportive services.

Department staff is in the process of completing a Fact-Finding and Resolution Report requested by EDD as follow-up to the Incident Report. This report is due to EDD by March 10, 2004 or upon completion of audits.

ATTACHMENT(S): N/A