

## JCG EVENTS LOG

- 5/16/03      Outbrief from EDD stating Single Audit late for JCG and expected to be completed in 7/03.
- 6/9/03        E-mail from Housing Authority received requesting meeting to discuss replacing the JCG Job Specialist
- 7/16/03      Contract Working Group met with JCG to discuss  
A. housing representative  
B. sources of enrollees
- 7/30/03      Letter from Director, Dept of Workforce Investment, to JCG, requesting status of out-of-school program, single audit, housing job specialist, spending levels, monitoring report answer, list of enrollees and their recruitment sources. Deadline back Aug 11, 2003.
- 8/6/03        Received e-mail describing progress in resolving Housing Authority Job Specialist hiring.
- 8/11/03      Letter received from JCG not revealed  
a. Single audit had never been started until Aug 6, 2003. WI had been continually told it was in progress for over a year.  
b. Housing Authority Specialist still has not been hired  
c. JCG is creating a web site thru local On-Target
- 8/13/03      Discover that checks have been sent to Golden State Communications dated 8/11/03 for the web site. Golden State Communications are located outside of Merced County. See 8/11/03 entry above.
- 8/13/03      JCG letter to WI Director presented to Youth Council.
- 8/22/03      WI received supplemental invoice for 2002/2003 from JCG for \$219,000
- 8/25/03      JCG contract status update presented to WIB Executive Committee.
- 8/28/03      Received call from Merced Lao Family inquiring about non-payment of 3 invoices totaling \$16,934.34 to JCG. Checked WI invoices and found we had been invoiced by JCG and had paid invoices in May and June totaling \$11,077.
- 8/29/03      WI identified 10 clients who had invoices in the supplemental invoice. Those clients were contacted. Calls revealed that checks to clients had not been received by them until 2 weeks after the date on the checks.

Continued next page

## JCG EVENTS LOG

Page 2

- 9/2/03 Held joint meeting with JCG, Dept of WI and two key members of the Youth Council. Meeting resulted in the following:
1. Training to be provided by WI in invoicing and budget modification procedures.
  2. JCG would send Irene Ayers and one other person to EDD Fiscal training to be conducted in Fresno, Sept 17, 2003.
  3. A contract amendment is to be accomplished to have WI pay 1/24 of salaries and benefits early each pay period and make direct payment of stipends and work experience.
  4. JCG stated the following in the meeting:
    - a. EDD was now doing all work experience for the Out-of-School program
    - b. JCG would be at all future WIB meetings to answer any questions which might arise
    - c. Checks are paid to subcontractors on the same day as invoices are sent to WI.
- 9/4/03 Merced College approached WI for help in contacting JCG. Karyn Weins stated that she had last had contact with JCG on August 6. Visited the college the next day and found they also had outstanding invoices with JCG. WI records show 7 invoices had been paid by WI to JCG. At this date the College had not received payment of \$10,576.
- 9/4/03 Called MCOE to inquire if they had back invoices which had not been paid. Debbie DiGorgio confirmed approximately \$20,500 was outstanding. Investigation at WI revealed that JCG had invoiced WI for payment of \$20,969.89 and had included photocopies of all checks. WI paid \$7,200 to JCG which has not yet been received by MCOE.
- 9/5/03 Received a phone call from Holly Newlon, MCOE/ROP Director. She stated that an out-of-school youth, in paid work experience and assigned to MCOE, had not received her pay check from JCG the week before as was scheduled by JCG. Holly requested that WI get involved. Dave Davis called JCG and they said check was being signed as we spoke and would be hand delivered to the youth that afternoon. WI monitored and check was delivered at 4:45pm. The explanation for the late check was that the pay dates had been changed some time back and the young lady had not received word.
- 9/5/03 Contacted Bob Bittner, Director EDD, to inquire if his organization was doing all paid work experience for the Out-of-school contract as no contract modification had been received by WI. Bob stated that JCG had discussed the possibility but no decision had been made. He further indicated that there was not enough money in the contract for EDD to handle work experience without a budget modification.

Continued next page

Page 3

- 9/11/03 WIB meeting. Questions about JCG contract performance were asked by 2 WIB members. JCG did not attend the meeting. Ernie Flores requested a full financial audit of JCG.
- 9/15/03 Contacted Central Valley Opportunity Center to inquire about JCG invoicing. Individual contacted had missed work because of sickness and requested we call again the next day.
- 9/15/03 Visited JCG with WI Fiscal representatives. Gave training and documentation concerning invoicing and budget modification procedures.
- Were informed that Irene Ayers would not attend state fiscal training as she had previously indicated. Chuck Dean and Pat Ayers would be attending.
- 9/16/03 Recalled CVOC. Were informed that \$15,000+ in back invoices existed for JCG. Further investigation showed that WI had been invoiced by JCG for \$10,080 for CVOC services, which had not yet been received by CVOC. WI had paid to JCG \$2,831.67 of the \$10,080.
- 9/17/03 Youth Council Contract Working Group meeting – JCG contract update. Working Group decided to wait for WI’s meeting with County Counsel before taking further action. Group wants an immediate meeting with JCG Board of Directors to discuss the concerns with the administration of the contract.
- 9/18/03. Meeting with County Counsel and County Auditor-Controller. Auditor requested material and has taken control of the fiscal research.
- 9/19/03 Auditor presented letter to JCG requesting additional fiscal documentation and is setting up meetings and reporting requirements.
- Received phone call from CAA Deputy Director about abnormal happenings at JCG all week. WI notified the Auditor.
- 9/19/03 WI received phone call that night from Nellie McGarry informing Dave Davis that JCG had closed down. Nellie had received a call from JCG Board President. JCG personnel had been told of the shut down that afternoon at a 4:00pm meeting.
- 9/20/03 WI notified the County CEO.

Continued next page

9/22/03 Received phone call from CAA, tenants in the JCG building that all WI equipment was missing from the building. Joanne Presnell and Dave Davis went to JCG to verify. Ron Kinchloe, County Auditor was present when they arrived. WI equipment was not visible in the building, which was verified and Mr. Kinchloe called the sheriff's office for support. JCG personnel arrived shortly after and unlocked rooms and the equipment was found to have been secured.

Ms. Ayers was questioned about what was going on and she acknowledged that JCG was out of business and explained that she had not had time to notify her contractor nor her subcontractors.

Three WI personnel collected the out-of-school client records that afternoon and returned them to WI. WIA property is secured in the building.

9/23/03 Meeting with JCG Director, Asst Director, Board President & Vice President, Director of Workforce Investment, Chair of the Youth Council and representative of Public Works. County Auditor had been scheduled for the meeting but was not present. Learned that the Board had formally been dissolved on Friday, Sep 19 and had appointed Irene Ayers as fiduciary to close out the organization.

9/23/03 4:00pm. Informational meeting of WIB Executive Committee to explain situation.

9/24/03 7:30am. Meeting of Financial Committee. Suggestions made concerning program restoration to be brought to Executive Committee.

Executive Committee meeting scheduled for Monday, Sep 29.

9/25/2003 Meeting with WI Director, Program Manager, County Auditor and County Counsel to continue planning for program restoration and JCG close out.