



**COLUMBUS CITY SCHOOL DISTRICT
SUPPLEMENTAL EDUCATIONAL SERVICES PROGRAM
FRANKLIN COUNTY**

SPECIAL AUDIT

FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2011



Dave Yost • Auditor of State

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INDEPENDENT AUDITOR'S REPORT

Dan Good, Ph.D., Superintendent/CEO
Columbus City School District
270 East State Street
Columbus, Ohio 43215

We conducted a special audit of the Columbus City School District (District) by performing the procedures described in the attached Supplement to the Special Audit Report for the period July 1, 2008, through June 30, 2011 (the Period).

The special audit was conducted solely to examine certain disbursements from the District's Supplemental Educational Services (SES) program to tutoring service providers during the Period to determine whether the disbursements were accurately calculated, did not exceed per student contractual limits, were made for eligible District students, and were supported by documentation indicating services were provided.

This engagement was conducted in accordance with the Quality Standards for Inspections established by the President's Council on Integrity and Efficiency (January 2005). The procedures and associated findings are detailed in the attached Supplement to the Special Audit Report. A summary of our procedures and significant results is as follows:

1. We examined available documentation supporting certain disbursements from the District's Supplemental Educational Services (SES) program to tutoring service providers during the Period.

Significant Results – We noted 21 providers received a total of \$136,142 for providing services to 118 students after the students had withdrawn from the District. We also noted a District approved invoice that was not supported by a student's attendance sheet resulting in overpayment to the provider of \$110.

The District conducted periodic monitoring visits of providers and on certain occasions observed and documented that no tutoring services were provided during designated times. We noted in some instances service providers billed for these sessions. We also noted instances whereby providers billed for more students than the number of students observed and documented by District monitors. We identified payments to 11 service providers totaling \$10,297 in these instances.

The Auditor of State's Special Investigations Unit conducted interviews of parents and guardians of students claimed on the invoices of seven service providers, and tutors identified on the invoices of one service provider. Based on statements by the parents and guardians, we determined the seven providers were paid \$673,458 for 382 students who did not attend tutoring sessions. WAISS Network Technologies was also paid \$30,394 for six tutors who stated they did not provide tutoring services.

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We issued findings for recovery against 27 different service providers totaling \$850,401. The findings were referred to the U.S. Department of Education. On September 10, 2015, Dayspring Christian CDC repaid \$519 to the District.

We issued two management comments related to withdrawn students and monitoring service providers.

Results of this investigation were submitted to the U.S. Attorney's office for consideration of prosecution. Subsequent to our report date of July 3, 2013, which represents the date our fieldwork was substantively completed, we noted on November 14, 2013, Ashkir Ali of WAISS Network Technologies entered pleas of guilty in federal court to felony charges of making false statements and aggravated identity theft. On April 3, 2014, Mr. Ali was sentenced to 13 months in prison and ordered to pay restitution of \$115,916. In addition, Mr. Mussa Farrah of Horn of Africa was indicted on October 1, 2013. The indictment charges Mr. Farrah with five counts of making false statements and six counts of aggravated identity theft. Release of this report has been held at the request of the US Attorney's office pending consideration of further prosecutions.

We did not hold a formal exit conference with the District. On July 27, 2015, we provided the special audit report to the District and informed them of their opportunity to submit a response if so desired. A response was received on August 6, 2015. The response was evaluated and changes were made to this report as we deemed necessary.



Dave Yost
Auditor of State

July 3, 2013

Supplement to the Special Audit Report

Background

Supplemental Educational Services Program

The federal No Child Left Behind (NCLB) Act of 2001 required certain school districts that received federal funding to participate in the Supplemental Educational Services (SES) program if district students consistently underperformed on state-wide standardized test results. A portion of the federally funded Title I program was used to fund the SES program and provide financial assistance to districts with higher percentages of disadvantaged students to help ensure all children met state academic standards. The SES program funded academic instruction services that were in addition to instruction provided during the school day and included academic assistance such as tutoring, remediation, and other supplemental academic enrichment services.

The NCLB Act required the state educational agency, Ohio Department of Education (ODE), to develop and maintain an updated list of approved providers of SES. The term *provider* was defined by the Act as a non-profit entity, a for-profit entity, or a public/private educational institution. The ODE developed a list of state approved providers through a public collection of applications and a multi-stage review process. Providers were selected based on several requirements, including; an alignment of their educational programs with Ohio's academic content standards, financial soundness and high-quality, and research-based instruction. Inclusion on the state approved provider list did not constitute an endorsement by ODE.

Providers entered into contracts with districts that included terms the districts required providers to follow and the amount charged for each child per hour set by the provider. The maximum total amount per student the provider could bill for each contract year was set by ODE at the beginning of each contract year. During the Period, the maximum total per student was set at \$1,981 for the 2008-2009 contract year, \$1,907 for 2009-2010, and \$2,113 for 2010-2011.

The total number of students that could be served each program year by a district depended on the total amount of funding the district received from ODE. To determine the number of possible students served per year, the total program amount received from ODE by a district was divided by the maximum total amount per student. For the 2010-2011 program year, the Columbus City School District received \$4 million from ODE for the SES program, resulting in approximately 1900 students served by the program ($\$4,000,000/\$2,113$). The District received \$4.2 million for 2008-2009 and \$4.7 million for 2009-2010, providing the opportunity to serve approximately 2,100 and 2,400 students, respectively.

Special Audit

In December 2010, the Auditor of State (AOS) received an on-line complaint from a citizen expressing concern the District used federal No Child Left Behind and Supplemental Educational Services funds to pay ineffective tutors and did not follow District policy in purchasing tutoring services paid for by these funds. Subsequent information was received by AOS indicating the tutors did not provide tutoring services for which they received payment and the AOS Special Investigations Unit (SIU) initiated an investigation.

The information provided by the complainant and preliminary results of the SIU investigation were considered by the AOS Special Audit Task Force and on June 1, 2011 the Auditor of State initiated a special audit of the Columbus City School District SES program.

Supplement to the Special Audit Report

Objective No. 1 – Examination of Supplemental Educational Services Program

Procedures

Service providers directly entered invoicing information into the Cayen computer system maintained by the District. We used this system data for provider invoicing and payment information. We traced invoicing and payment information to supporting documentation maintained by the District and/or the service providers to assess the accuracy of information contained in the Cayen system.

We examined District records to determine whether certain providers received compensation for students identified in District monitoring visits during the Period.

We examined certain disbursements made to service providers identified by AOS Special Investigations Unit (SIU) to quantify the amount paid to the providers for students and tutors identified by SIU.

Results

The District administered the invoicing and payment information for the SES program through the Cayen computer system. Service providers directly entered billing information from student attendance forms into the Cayen system on a monthly basis to generate invoices that were submitted to the District for payment. The providers also submitted the original attendance forms signed by students to support the hours billed on the invoices.

We noted only one minor exception when tracing a sample of information in the Cayen system to supporting documentation and concluded the information in Cayen was reliable for use in our examination.

We did not identify any instances when a provider was paid more than the maximum amount allowed per student for the program year.

On a periodic basis, authorized District representatives performed unannounced monitoring visits of provider tutoring sites. District personnel completed Provider Monitoring forms to document their observations during the visits. We examined 250 forms completed by District personnel for monitors conducted on 20 providers during the Period.

Findings for Recovery

Unsupported Payment

Global Bilingual Services billed and received payment for tutoring services provided to a student on January 26, 2009; however, this date was not listed on the student's attendance sheet. The amount paid by the District to the provider for the service was \$110.

In accordance with the foregoing facts, and pursuant to Ohio Revised Code Section 117.28, a finding for recovery for public money illegally expended in the amount of \$110 is hereby issued against Global Bilingual Services, and in favor of the Columbus City School District.

Withdrawn Students

We noted the following providers billed for and received payments for services provided to students after the students had withdrawn from the District. Student attendance forms supported the services were provided after withdrawal dates.

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Provider	Withdrawn Students	Amount
1st in Line	4	\$ 2,582
2 B Natural by Design Enterprises, Inc.	2	\$ 470
Academic Bridging Center	7	\$ 1,320
African Refugee Educational and Cultural Services	6	\$ 9,602
Apostolic Faith Temple	26	\$ 36,428
Channel Learning Center	1	\$ 1,900
Community for New Direction	3	\$ 1,851
Dayspring Christian CDC	1	\$ 519
Education Recruiting Services	8	\$ 7,804
Educational Institute of Learning and Innovation	1	\$ 482
Galilee	2	\$ 649
Global Bilingual Services	21	\$ 28,992
HOME - Hands On Math/Reading Education	1	\$ 1,551
Hidden Knowledge	1	\$ 293
Infinite Learning Tool	2	\$ 1,950
Lincoln Park Tutoring Center	19	\$ 18,952
Luv Worx Entertainment	1	\$ 1,200
Me 2 You	1	\$ 1,982
Somali American Youth	2	\$ 3,957
Total Deliverance Ministries	3	\$ 4,800
WAISS Network Technologies	6	\$ 8,858
Total	118	\$ 136,142

We identified an additional \$29,154 paid to four of the providers included on the schedule above for 21 withdrawn students that did not receive services according to interviews conducted by the AOS Special Investigations Unit. These findings are included below in the totals reported for SIU interviews.

In accordance with the foregoing facts, and pursuant to Ohio Revised Code Section 117.28, findings for recovery for public money illegally expended in the amounts listed above are hereby issued against the identified providers, and in favor of the Columbus City School District.

On September 10, 2015, Dayspring Christian CDC repaid \$519 to the District.

Provider Monitoring

On a periodic basis, authorized District representatives performed unannounced onsite monitoring visits of providers. District personnel developed a Provider Monitoring form to document their observations during the visits.

Using the District prepared monitoring forms and Cayen billing information entered directly by providers, we identified tutoring sessions that were not conducted yet the providers billed the District for the sessions and were paid for services not provided. We also identified instances whereby providers billed and received payments for more students than documented by the District's site visits. The providers and overpayments were as follows:

Supplement to the Special Audit Report

Provider	Total
Global Bilingual Services	\$ 3,465
WAISS Network Technologies	\$ 2,043
Academic Bridging Center	\$ 661
HOME – Hands On Math/Reading Education	\$ 615
Somali Bantu	\$ 371
Somali American Youth	\$ 512
Quickway	\$ 798
Luv Worx Entertainment	\$ 360
Helping Africans in a New Direction	\$ 522
Somali Development Agency/Americom	\$ 500
Council of United Somali Community	\$ 450
Total	\$ 10,297

We identified an additional \$6,653 paid to four of the providers included on the schedule above that did not provide services to students according to interviews conducted by the AOS Special Investigations Unit. These findings are included below in the totals reported for SIU interviews.

In accordance with the foregoing facts, and pursuant to Ohio Revised Code Section 117.28, findings for recovery for public money illegally expended in the amounts listed above are hereby issued against the identified providers, and in favor of the Columbus City School District.

SIU Interviews – Parents/Guardians

Investigators from the AOS Special Investigations Unit conducted interviews of parents and guardians of students claimed on invoices submitted by seven providers to determine whether the students received tutoring services. The interviews revealed that 382 students had not attended all the tutoring sessions claimed by the providers.

The following providers billed for and received payments for services provided to students who did not attend tutoring sessions claimed by the providers.

Provider	Students	Amount
Apostolic Faith Temple	151	\$ 276,382
Global Bilingual Services	102	\$ 179,928
Helping Africans in a New Direction	33	\$ 51,399
Horn of Africa	28	\$ 51,420
Lincoln Park Tutoring Center	4	\$ 6,925
Somali Development Agency/Americom	9	\$ 14,923
WAISS Network Technologies	55	\$ 92,481
Total	382	\$ 673,458

In accordance with the foregoing facts, and pursuant to Ohio Revised Code Section 117.28, findings for recovery for public money illegally expended in the amounts listed above are hereby issued against the identified providers, and in favor of the Columbus City School District.

Supplement to the Special Audit Report

SIU Interviews – Tutors

Investigators from the AOS Special Investigations Unit interviewed certain tutors identified on invoices submitted by WAISS Network Technologies (WAISS) as having provided tutoring services during the Period. The interviews revealed that six tutors did not perform the tutoring services claimed by WAISS. A total of \$30,394 was paid to WAISS for tutors who stated they did not perform the services.

In accordance with the foregoing facts, and pursuant to Ohio Revised Code Section 117.28, a finding for recovery for public money illegally expended in the amount of \$30,394 is hereby issued against WAISS Network Technologies in favor of the Columbus City School District.

Management Comments

Withdrawn Students

During the Period, the District did not have monitoring procedures in place to ensure the District did not pay for program services after students had withdrawn from the District. We identified 21 providers the District paid for services provided after students had withdrawn from the District. Students were no longer eligible to receive SES program services paid by the District after they withdrew.

The District entered student withdrawal dates in its Student Identification System (SIS); however, during the Period SIS and Cayen were not linked to each other.

We recommend the District follow policies and procedures to ensure the District does not pay for program services after students have withdrawn from the District.

Monitoring Service Providers

During the Period, district employees did not complete onsite visit monitoring forms consistently. For instance, some monitors documented the identification of all participants present while others documented only a portion of the participants present. While the monitoring visits were designed to assess the effectiveness of providers and determine whether students' Individual Achievement Plans were followed, inconsistency in completing the monitor forms reduced the form's effectiveness as a tool to measure program performance.

We recommend the District follow procedures to achieve consistency among employees completing program monitor forms. We also recommend the District use the results of program monitoring to verify the accuracy of service provider invoices.

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**COLUMBUS CITY SCHOOL DISTRICT
SUPPLEMENTAL EDUCATIONAL SERVICES PROGRAM**

FRANKLIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 5, 2015**