



ADMINISTRATION FOR
CHILDREN & FAMILIES

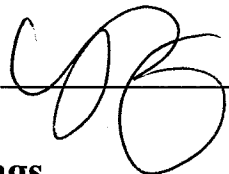
Office of Head Start | 8th Floor Portals Building, 1250 Maryland Ave, SW, Washington DC 20024 | eclkc.ohs.acf.hhs.gov

To: Board Chairperson

Mr. William Westcott
Board Chairperson
Norwalk Economic Opportunity NOW, Inc.
98 S Main St.
Norwalk, CT 06854

From: Responsible HHS Official

Ms. Yvette Sanchez Fuentes
Director, Office of Head Start

 9/11/13
Date

Overview of Findings

On 9/6/2013, the Administration for Children and Families (ACF) conducted a monitoring review of the Norwalk Economic Opportunity NOW, Inc. Head Start program. We wish to thank the governing body, Policy Council, staff, and parents of your program for their cooperation and assistance during the review. This Head Start Review Report has been issued to Mr. William Westcott, Board Chairperson, as legal notice to your agency of the results of the program review.

Based on the information gathered during our review, a determination has been made that Norwalk Economic Opportunity NOW, Inc. is a grantee with at least one area of deficiency in its Head Start program.

If you anticipate that you will not be able to correct all deficiencies within the correction time specified in this report, you must submit a letter to your ACF Regional Office requesting an extension, with an explanation as to why an extension is necessary. The letter requesting an extension must be submitted prior to the expiration of the original corrective action time period.

In order to allow for sufficient time to consider extension requests, we ask that you submit your request within 10 days following receipt of this report. Extension requests shall not be considered approved unless you receive such approval in writing before the deadline for correction.

In addition to the area(s) of deficiency identified, there is at least one area of noncompliance documented in this report. Each area of noncompliance identified in this report that is not related to a deficiency must be corrected within 120 days following receipt of this report.

The report provides you with detailed information in each area where program performance did not meet applicable Head Start Program Performance Standards, laws, regulations, and policy requirements.

Please contact your ACF Regional Office with any questions or concerns you may have about this report.

Distribution of the Head Start Review Report

Copies of this report will be distributed to the following recipients:

Ms. Louise Eldridge, Regional Program Manager
 Ms. Marisol Rodriguez, Policy Council Chairperson
 Ms. Patricia Wilson Pheanious, CEO/Executive Director
 Ms. Janice Joyner, Head Start Director

Overview Information

Review Type: *Other-Offsite*
 Organization: *Norwalk Economic Opportunity NOW, Inc.*
 Program Type: *Head Start*
 Team Leader: *Ms. Marina Winkler*
 Funded Enrollment HS: *217*
 Funded Enrollment EHS: *Not Applicable*

New Deficiency Determinations

The following constitute(s) deficiency as defined under Sec. 637(2)(A)(iii) of the Head Start Act as a systematic or substantial material failure in the area of performance that the Secretary determines involves a failure to comply with standards related to early childhood development and health services, family and community partnerships, or program design and management.

Management Systems

Applicable Standards	Program Type	Status	Finding Type
<i>1304.51(i)(2)</i>	<i>HS</i>	<i>Deficiency</i>	<i>Ongoing Monitoring</i>

PART 1304 - Program Performance Standards For Operation Of Head Start Programs By Grantees And Delegate Agencies

1304.51 Management Systems and Procedures.

(i) Program Self-Assessment and Monitoring

(2) Grantees must establish and implement procedures for the ongoing monitoring of their own Early Head Start and Head Start operations, as well as those of each of their delegate agencies, to ensure that these operations effectively implement Federal regulations.

The grantee did not establish and implement procedures for the ongoing monitoring of its Head Start operations to ensure these operations effectively implemented Federal regulations. There was no system in place to monitor payments to vendors to ensure they were made on time or at

all.

In an interview with the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and fiscal staff, the grantee indicated fiscal systems were being developed; however, no system currently existed to ensure vendors were paid in a timely manner. Since the cost allocation plan was in the process of being developed, fiscal staff were required to pull information from several different sources in order to determine which vendors should be paid from Head Start funds and when those vendors should be paid.

A review of the June 12, 2013 minutes of the Board of Directors meeting found they tabled the discussion of the NEON financial report due to the absence of one member; no Policy Council report was made available; a Head Start financial report was made to the Board and accepted; the CEO spoke on past agency debt related to vendor non-payment and the discussion was deferred to the finance committee at the next meeting of the Board.

A review of the July 10, 2013 Board Meeting Minutes showed the financial report was not issued or discussed. There was a recommendation that the report be discussed at the finance committee; however, the grantee did not provide documentation that this committee met or discussed the finances of the organization. Those minutes showed the meetings and discussions of other sub-committees to the Board.

In an interview, the Child Care Director and Health Manager discussed situations where products or services were diminished resulting in potential impacts on services for children. They said kitchen staff had problems ordering supplies and food items. Water bottles for first aid kits were requested but not provided. One child required a gluten-free menu, and while the kitchen provided rice products and substitutes where possible, they were unable to follow the menu as developed by the nutritionist. Five children required rice milk and it was not provided; instead three children received either soy milk or Lactaid. Two children received no milk product at all. They stated the company that provided specialized foods for these children and others was not paid and therefore suspended service. The Child Care Director confirmed that the specialty food vendor did not receive payment for services and the vendor threatened to suspend services. An outstanding balance with the mental health consultant also resulted in the suspension of services to children in the program.

Interviews with the mental health consultant company and food vendors showed they were owed in excess of \$205,000. One food vendor representative confirmed his company was owed \$197,882.94 by NEON. He stated his management team would meet the week of September 9, 2013 to discuss their options on whether to continue providing food service to NEON. Food delivery was not guaranteed the week of September 9, 2013. Another food vendor confirmed due to unpaid bills his company stopped providing specialty foods to NEON approximately nine months ago. The mental health consultant firm confirmed non-payment and suspension of services effective September 2013. A review of invoices from four vendors confirmed outstanding balances on debts in excess of \$220,000.

An interview with the CEO and a review of Policy Council and Board Meeting Minutes for June, July and August 2013 showed the Policy Council was informed in June the medical supply

company would not provide medical gloves due to non-payment and the grantee's own monitoring system of the first aid kits showed the grantee was out of compliance due to missing supplies. The CEO said she contacted Americare who gave medical kits to the Head Start program in the past and planned to do so in the future. However, no documentation was received to confirm this. An interview with the Health Manager showed no Americare kits were received or were being used by the Head Start program. The interview further showed significant computer and phone connectivity and access problems contributing to communication issues between departments and units. At the time of the review classrooms 101, 102, and 112 at the Nathaniel Ely site did not have phone access by which staff could call 911 in the event of an emergency. It was the grantee's policy to have a phone in each room for this purpose. The CEO later stated NEON cell phones would be made available to staff; however, by the close of business on September 6, 2013 the phones were still not in place.

An interview with the Facilities Manager showed kitchen equipment was serviced only when the equipment broke down and there was no routine maintenance performed to ensure machinery and equipment was working effectively and safely. He described the maintenance system such that if something was found to not be working properly, the facilities manager or someone from his team would assess the problem. If they could fix it they would; however, if the problem needed to be outsourced (i.e. required a plumber or electrician), the problem would be referred to the Child Care Director. He stated at that point he no longer had any responsibility for the problem and would not be informed whether the work was completed. He confirmed the grease trap mechanism in the kitchen was not cleaned since November 2012. He determined it would need cleaning when it began to smell; however, the Facilities team was not responsible for cleaning it.

An interview with a representative for Dexter Sutherland Septic Service--the company that installed the mechanism--confirmed they had not cleaned the system for months. In interviews, grantee staff including the CEO, the Child Care Director and Facilities Manager confirmed the dishwasher at the Benjamin Franklin site was out of order for some time. Since the kitchen staff were unable to adequately clean equipment to safeguard children's health and safety they currently used paper products for food service at that site.

Program staff also expressed concern pertaining to NEON's capacity to meet licensing requirements. Program staff confirmed they requested repair of the dishwasher repeatedly, with the last request made on August 6, 2013. They said NEON used a new vendor for dishwasher repair at the Nathaniel Ely site. The same vendor quoted work at the Benjamin Franklin site at \$2,400. As NEON had no money to pay for the service, the dishwasher remained broken and out of service.

The grantee did not establish and implement procedures for the ongoing monitoring of its Head Start operations to ensure these operations effectively implemented Federal regulations; therefore, it was not in compliance with the regulation.

Fiscal Integrity

Applicable Standards	Program Type	Status	Finding Type
74.21(b)(3)	HS	Deficiency	Financial Management Systems

PART 74 - Financial And Program Management

74.21 Standards for financial management systems.

(b) Recipients' financial management systems shall provide for the following:

(3) Effective control over and accountability for all funds, property and other assets.

Recipients shall adequately safeguard all such assets and assure they are used solely for authorized purposes.

The grantee did not ensure it provided effective control over and accountability for Head Start funds. The grantee did not adequately safeguard all such assets and assure they were used solely for authorized purposes.

The CEO and Fiscal Staff stated in an interview the grantee consistently failed to pay its vendors on time for services rendered. As a result, several of the vendors refused to continue to provide service. A review of the NEON Child Development Program Outstanding Invoices spreadsheet received by the regional office on September 7, 2013 showed of 15 vendors, eight had outstanding balances totaling \$83,738.23. The list included vendors for playground and classroom equipment, facility maintenance, food services, and medical supplies. Subsequent interviews with nine vendors confirmed the grantee had outstanding balances in excess of \$220,000; in some cases the balances dated as far back as November 2012.

The grantee's failure to pay its vendors timely indicated its inability to effectively control the Head Start funds awarded. It also indicated the grantee's inability to ensure quality and required services to children and families were maintained. Furthermore, the immediate suspension of certain critical services such as food and medical supplies could jeopardize the health and safety of children enrolled at NEON Head Start.

The grantee did not ensure it provided effective control over and accountability for Head Start funds; therefore, it was not in compliance with the regulation.

Timeframe for Corrective Action

The area(s) of deficiency must be fully corrected within 30 days from the date you receive this report per Section 641A(e)(1)(B)(i). Correction requires achieving full compliance with the violated requirement(s).

We will continue to make assistance available to you. We will determine a reasonable schedule of follow-up, which pursuant to Section 641A(c)(1)(C), of the Head Start Act, will include a follow-up visit to validate your full compliance.

If your program continues to have uncorrected deficiencies beyond the specified timeframe(s), you will be issued, pursuant to Section 641A(e)(1)(C), a letter stating our intent to terminate the Head Start designation of your agency.

New Area of Noncompliance Determinations

At least one area of noncompliance was documented at Norwalk Economic Opportunity NOW, Inc. Head Start program.

Child Health & Safety

Applicable Standards	Program Type	Status	Finding Type
<i>1304.22(f)(1-2)</i>	<i>HS</i>	<i>Noncompliance</i>	<i>Healthy Practices and Routines</i>
<i>1304.23(b)(1)</i>	<i>HS</i>	<i>Noncompliance</i>	<i>Healthy Practices and Routines</i>

PART 1304 - Program Performance Standards For Operation Of Head Start Programs By Grantees And Delegate Agencies

1304.22 Child Health and Safety.

(f) First Aid Kits

(1) Readily available, well-supplied first aid kits appropriate for the ages served and the program size must be maintained at each facility and available on outings away from the site. Each kit must be accessible to staff members at all times, but must be kept out of the reach of children.

(2) First aid kits must be restocked after use, and an inventory must be conducted at regular intervals.

The grantee did not provide well supplied first aid kits appropriate for the ages served at each facility and the kits were not restocked after use. First aid kits were missing gloves, updated first aid manuals, and water bottles to clean wounds at a center with no sinks in the classrooms.

In an interview, the Child Care Director and Health Manager stated first aid kits were inventoried and noted to be low on and missing supplies. They said the grantee experienced approximately three weeks when the kits in classrooms both at the Ben Franklin and Ely sites did not contain gloves. They said they feared when they ran out of what was left, they would be unable to replenish them, and they anticipated running out within the next week. They stated the vendor supplying gloves was not paid and decided to cease business with NEON.

Further, the first aid kits were missing the updated manual, although the old manual was available. The first aid kits at Ben Franklin did not contain water bottles necessary to clean wounds, required at this site due to the lack of sinks in classrooms. A review of an email found the Health Manager contacted the kitchen staff in July to place an order for new water bottles; however, the kitchen could not place the order due to lack of funds. After a Department of Public Health visit found the program out of compliance in July for not having water available in the event of emergency, the grantee began using playground backpacks that contained water and were kept in the classroom until the class left for the playground. An interview with the medical supply vendor confirmed an outstanding balance and discontinued service. A review of the June Head Start Directors Report A confirmed the first aid kits were out of compliance.

The grantee did not provide well supplied first aid kits appropriate for the ages served at each facility or ensure the kits were restocked after use; therefore, it was out of compliance with the regulation.

PART 1304 - Program Performance Standards For Operation Of Head Start Programs By Grantees And Delegate Agencies

1304.23 Child Nutrition.

(b) Nutritional Services

(1) Grantee and delegate agencies must design and implement a nutrition program that meets the nutritional needs and feeding requirements of each child, including those with special dietary needs and children with disabilities. Also, the nutrition program must serve a variety of foods which consider cultural and ethnic preferences and which broaden the child's food experience.

The grantee did not ensure it designed and implemented a nutrition program meeting the nutritional needs and feeding requirements of each child, including those with special dietary needs and children with disabilities. The grantee did not order gluten-free food items or non-dairy milk for children with special dietary requirements.

In an interview, the Child Care Director and Health Manager stated the grantee was unable to secure specific foods items required to meet the health and nutritional needs of enrolled children due to vendors ceasing services. They confirmed gluten-free menus were adapted from those the nutritionist recommended for one child because the food items were not available. Alternative milk options were not available to two children who required non-dairy milk. Three children requiring rice milk were receiving a milk substitute that was not part of their recommended diet.

An interview with the vendor who in the past provided gluten-free food products and milk substitute products confirmed the grantee did not receive those products from his company for approximately 10 months due to non-payment of invoices. A review of the NEON Child Development Program Outstanding Invoices spreadsheet dated September 9, 2013 showed a balance due of \$514.14 with a comment that they "haven't received an invoice from [the company] since February 2012." The grantee did not provide information on any other vendors who were providing the gluten-free food items or non-dairy or rice milk per each child's special dietary requirements.

The grantee did not ensure it designed and implemented a nutrition program meeting the nutritional needs and feeding requirements of each child, including those with special dietary needs and children with disabilities; therefore, it was not in compliance with the regulation.

Timeframe for Corrective Action

The area(s) of noncompliance cited in this report must be corrected within 120 days of the receipt of this report. Correction requires achieving full compliance with the violated requirement(s). Pursuant to Section 637(2)(C) of the Head Start Act, a grantee that fails to correct an area of noncompliance within the prescribed time period will be judged to have a deficiency that must be corrected within the time period required by the responsible HHS

official.

If you anticipate that you will not be able to correct all noncompliances within the correction time specified in this report, you must submit a letter to your ACF Regional Office requesting an extension, with an explanation as to why an extension is necessary. The letter requesting an extension must be submitted prior to the expiration of the original corrective action time period.

— END OF REPORT —