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# **CHA OIG CHA AUDIT COMMITTEE**

OIG Final Report, OIG case #13-004  
December 12, 2013

Chicago Housing Authority  
Chicago, Illinois  
Office of the Inspector General  
Elissa Rhee-Lee, Inspector General  
James McNally Deputy Inspector General

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# OIG

## 2013

# REVIEW OF PHYSICAL SECURITY GUARD SERVICES

Elissa Rhee-Lee,  
Inspector General

\*We ranked findings as High, Medium, or Low Risk, to indicate urgency of actions.

High Risk ---- Lack of prompt action by Management may severely impact the agency mission/operation in the short run and/or may expose the agency to violation of laws and regulations.

Medium Risk ---- Lack of corrective action by Management will materially and adversely impact operation in the long run. Action is needed to prevent or mitigate loss.

Low Risk ---- Action by Management is necessary to improve operation and/or to correct minor control weakness.

**Risk is defined as the probability and severity of loss and the impact to the Agency's overall objective or/and mission.**

## Executive Summary

As part of our mission, the Office of the Inspector General (OIG), conducted a program review of one of H.J. Russell, Private Property Management companies (PPM) in May 2013. During that review, several issues relating to the performance, compliance and billing of security services managed by the PPM were identified. Security services are provided to the Chicago Housing Authority (CHA) properties under a security service contract between the PPMs and Security Vendors. Based upon the identified issues, OIG determined a review of the Contract Security program was warranted.

The OIG performed an operational review of Physical Security Guard Services provided to the CHA by vendors contracted by PPMs.

For the year 2013, the CHA budgeted \$18,657,878 for security at the traditional portfolio family and senior properties sites. This amount accounts for 15.53% of total expense of \$120,142,756 budgeted by the Asset Management for the operation of the traditional portfolio family and senior properties. The OIG selected and reviewed ten properties ( \$8,939,347 Security Cost Budgeted) out of the twenty one (21) CHA traditional portfolio family sites budgeted for total \$12,256,049 Security Cost.

The objectives of the review were:

1. To assess PPMs compliance with Chapter 17 of the PPM Procedural Manual and Cash Disbursements section of PPM Financial Policy and Procedural Manual.
2. To provide CHA with an independent analysis of contract Security Services performed by various vendors under contracts with five (5) PPMs.
3. To promote continuous improvements in operations, effectiveness and transparency of process.

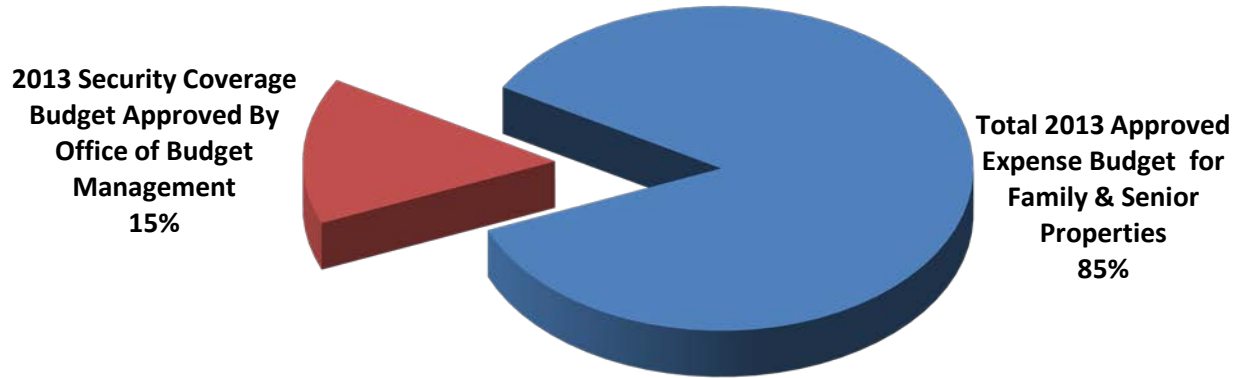
The scope of the review was from September 1, 2012 to April 30, 2013.

An exit conference was held with the PPM on November 7, and 8, 2013 at which time the report was reviewed and each finding discussed. A formal review responses were received on November 21, 22, and 29, 2013 and a copy is included with the report.

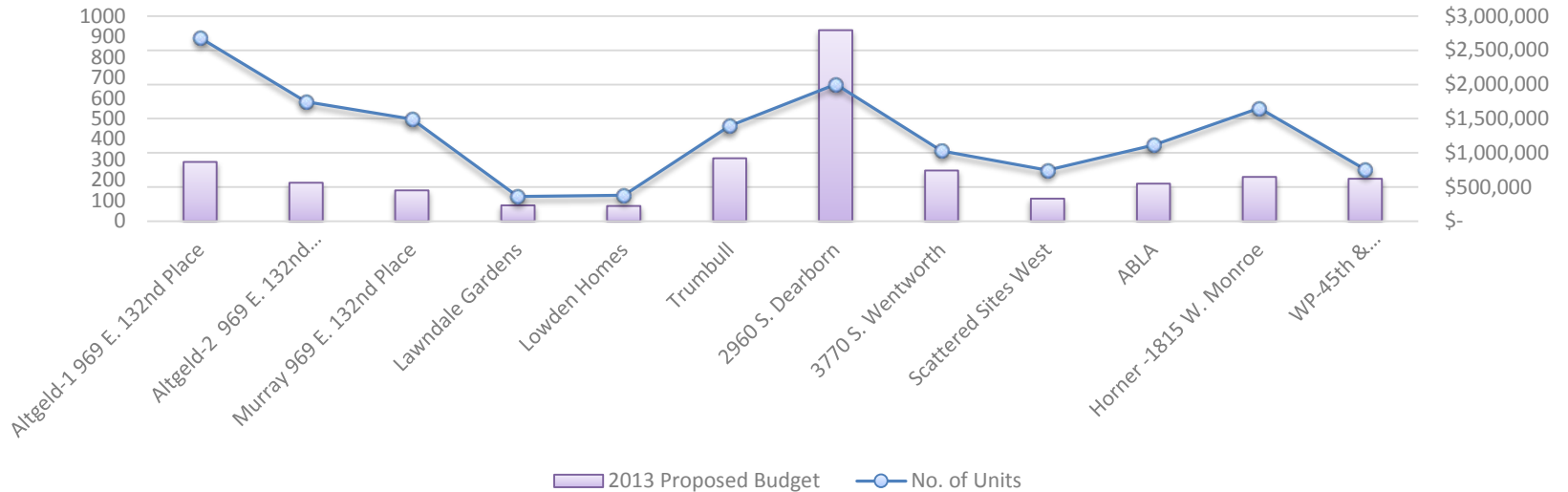
The following eight observations were discussed with the Asset Management Department.

	<u>Observations</u>	<u>Risk Level*</u>	<u>Recommendations</u>
1	Security Vendors did not provide the required amounts of insurance and/or listed CHA as an additional insured on the policy.	High	PPMs monitor the security vendors' insurance portfolios to ensure that the minimum required insurance coverage amounts are met and that CHA is listed as an additional insured on the insurance policy.
2	PPMs did not have the required documentation in the security folders on site for audit purposes as required by PPM Manual, Chapter 17.	Low	Maintain security folders at premises as required by the PPM Manual, Chapter 17.
3	PPMs did not provide evidence of compliance with Section 17.2 and 17.3 of the PPM Manual. <ol style="list-style-type: none"> <li>PPMs did not establish a process to ascertain that the security vendors had the required credentials for security guards.</li> <li>World Security Agency (WSA) did not provide off-duty police identifications as per the contract.</li> </ol>	Medium	<ol style="list-style-type: none"> <li>PPMs develop a process to ensure compliance with Section 17.2 and 17.3 of the PPM Manual.</li> <li>PPMs verify the accuracy and completeness of each document submitted by the Security companies.</li> <li>PPMs obtain from the security vendor copies of the required documentation for Off-Duty officers.</li> </ol>
4	WSA billed CHA through The Habitat Company at Wentworth Gardens and Dearborn Homes an aggregated amount of \$180,001 that was not supported. WSA did not provide employee I.D and Police credential for the Off Duty Police Officers to justified the rate billed.	High	<ol style="list-style-type: none"> <li>The PPM ensures that security guard timesheets and vendor invoices are matched for accuracy and that payment is made based on established contract rates.</li> <li>The PPM reimburses CHA for payments made over the contracted amounts, for payments made without properly documented or not supported by time sheets .</li> </ol>
5	Kates Detective Agency (KDA), and Maverick Security over charged CHA at East Lake a total of \$87,905 for services at Trumbull Park , Altgeld-Murray , and Lawndale Gardens that was not supported.	Medium	See Recommendation Number 4
6	KDA, and Maverick Security charged CHA at H. J. Russell \$24,070 for services at Henry Horner, Scattered Sites West, and ABLA homes that was not supported.	Medium	See Recommendation Number 4
7	At Washington Park , managed by Woodlawn Community Development Corporation, \$232 was billed by KDA without documented support.	Low	See Recommendation Number 4
8	Contracts were inconsistent and did not have uniform terms and conditions. Also,70% did not have cost savings and safeguard provisions as required by PPM Procedural Manual.	High	Asset Management work with Legal and Procurement to define "fully executed security contract". Asset management provide PPMs with contract template with minimum required provisions by 24 CFR and HUD .

## 2013 Budgeted Security Cost Compared to Total Operational Cost for Family & Senior Properties



### 2013 Security Budget VS. Number of Unit Per Selected AMP



### **Background**

As part of our mission, the Office of the Inspector General (OIG), conducted a program review of one of the Private Property Management companies (PPMs) in May 2013. During that review, several issues relating to the performance, compliance and billing of security services managed by the PPM were identified. Security services are provided to the Chicago Housing Authority (CHA) properties under a security service contract between the PPMs and Security Vendors. Based upon the identified issues, OIG determined a review of the Contract Security program was warranted.

During the fourth quarter of 2009, CHA entered into property management contracts with five (5) PPM's. These contracts contained language which gave CHA authority to audit the books and records prepared by the PPMs. The contracts also required the PPMs to follow the Property Management Procedural Manual, specifically section 17, that referred to Security.

The PPM subcontracted security services to various security firms. The sites selected for this performance review were serviced by the following security firms: Kates Detective & Security Services Agency (KDA) , World Security Agency Inc. (WSA), Maverick Security Inc. (Maverick), and Millennium Security Phase 1, Inc. (Millennium).

The security services requirements were the same, but vary in number of hours and personnel at each development. Some properties have professional security 24 hours per day, 7 days per week. Others have professional security only at night and weekends. Some contractors used off duty police officers and armed guards; others use armed and unarmed guards.

### **Purpose and Scope**

The review was conducted in accordance with the Principles and Standards for Offices of Inspectors Generals Manual, adopted by CHA in May, 2004. The review included tests and other measures deemed necessary and appropriate, that include but were not limited to the use of investigative techniques in collecting, analyzing, evaluating and interpreting documents, processes and procedures. OIG searched for evidence to provide a reasonable, although not absolute, assurance that the PPMs:

1. Adhered to Chapter 17 of CHA's PPM Procedural Manual regarding Security.
2. Adhered to Chapter 15 of CHA's PPM Procedural Manual regarding Financial Management and Tenant Accounting Principles.
3. Adhered to the Cash Disbursements section of the PPM Financial Policy and Procedures Manual.
4. Maintained effective accounting controls over obligations, and expenditures.

**Approach**

The review was performed utilizing interviews, inspections, tests and other measures deemed necessary. Other measures included employing investigative techniques to collect, analyze, evaluate and interpret evidentiary matters.

Interviews were conducted with:

- The Property Manager of each selected site.
- The CHA Director of Safety and Security, Anthony Powell
- The CHA Risk Management Department, Scott White, Manager, Insurance & Claims

**Site Selection Process**

For the review, twelve (12) out of twenty (21) CHA family sites were selected for compliance with requirements stated in Chapter 17 of the PPM Manual. The property selection was based on combination of:

1. Highest 2013 per unit a month security costs (PUM \$90 and above) from the 2013 Security Plan/ Budgets Comparisons prepared by the Asset Management.
2. Percentage increase of 100% or more in security budget for each Asset Management Project [AMP].

The sites highlighted on the next page were selected. We combined Altgeld-1, Altgeld- 2, and Murray as one site.

Field work was initiated on September 16, 2013. An Asset Manager was on site during the fieldwork meetings.



List of Traditional Portfolio Family. The highlighted are selected the sites for the Testing

Firm	Site Name	Number of Units	2012 Approved Budget	PUM 2012 Security	2013 Proposed Budget	PUM 2013 Security	Incremental Cost	% Increase
Habitat	2960 S. Dearborn	668	\$ 2,751,840	\$ 343	\$ 2,795,520	\$ 349	\$ 43,680	1.59%
WCDC	WP-45th & Champlain/40th St	252	\$ 590,066	\$ 195	\$ 621,516	\$ 206	\$ 31,450	5.33%
Habitat	3770 S. Wentworth	343	\$ 382,830	\$ 93	\$ 743,160	\$ 181	\$ 360,330	94.12%
East lake	Trumbull	465	\$ 150,720	\$ 27	\$ 918,794	\$ 165	\$ 768,074	509.60%
East lake	Lawndale Gardens	121	\$ 105,612	\$ 73	\$ 229,632	\$ 158	\$ 124,020	117.43%
Habitat	3139 S. Lithuanica - Bridgeport	129	\$ 178,896	\$ 116	\$ 232,050	\$ 150	\$ 53,154	29.71%
East lake	Lowden Homes	127	\$ 128,856	\$ 85	\$ 222,976	\$ 146	\$ 94,120	73.04%
HJ Russell	ABLA Homes	371	\$ 347,256	\$ 78	\$ 548,272	\$ 123	\$ 201,016	57.89%
Habitat	Lake Park Place	290	\$ 382,346	\$ 110	\$ 391,310	\$ 112	\$ 8,964	2.34%
HJ Russell	Scattered Sites West	249	\$ 315,640	\$ 106	\$ 331,240	\$ 111	\$ 15,600	4.94%
HJ Russell	Horner -1815 W. Monroe	552	\$ 399,900	\$ 60	\$ 645,928	\$ 98	\$ 246,028	61.52%
WCDC	Scattered Sites North East	621	\$ 599,698	\$ 80	\$ 666,238	\$ 89	\$ 66,540	11.10%
WCDC	Scattered Sites South East	564	\$ 465,924	\$ 69	\$ 591,968	\$ 87	\$ 126,044	27.05%
East lake	Altgeld-2 969 E. 132nd Place	582	\$ 209,724	\$ 30	\$ 564,533	\$ 81	\$ 354,809	169.18%
East lake	Altgeld-1 969 E. 132nd Place	894	\$ 381,552	\$ 36	\$ 865,617	\$ 81	\$ 484,065	126.87%
East lake	Murray 969 E. 132nd Place	497	\$ 188,940	\$ 32	\$ 452,159	\$ 76	\$ 263,219	139.31%
HJ Russell	Scattered Sites South West	292	\$ 270,920	\$ 77	\$ 237,328	\$ 68	\$ (33,592)	-12.40%
HJ Russell	Cabrini Rowhouse	584	\$ 471,888	\$ 67	\$ 419,328	\$ 60	\$ (52,560)	-11.14%
HHDC	Scattered Sites North Central	669	\$ 182,880	\$ 23	\$ 270,750	\$ 34	\$ 87,869	48.05%
HHDC	Scattered Sites North West	442	\$ 124,404	\$ 23	\$ 176,810	\$ 33	\$ 52,406	42.13%
East lake	Lathrop 2000 W. Diversey	925	\$ 326,292	\$ 29	\$ 330,920	\$ 30	\$ 4,628	1.42%
<b>Total</b>			<b>\$8,956,185</b>		<b>\$ 12,256,049</b>		<b>\$ 3,299,865</b>	<b>37%</b>

The invoices and contracts tested during this review were related to the operation of the following properties:

PPM Name	Site Name	Security Vendor
East Lake	Trumbull Park	Maverick Security
	Altgeld-Murray Homes	Maverick Security
	Lawndale Gardens	Kates Detective Agency
	Lowden Homes	Millennium Security
The Habitat	Wentworth Gardens	World Security Agency
	Dearborn	World Security Agency
H.J. Russell	ABLA Homes	Kates Detective Agency
	Scattered Sites West	Kates Detective Agency
	Henry Horner Homes	Maverick Security
WCDC	Washington Park	Kates Detective Agency

## Key Rules:

1. **Insurance Coverage** - Contract between PPMs and CHA states that: *“The Manager shall require all subcontractors to carry, at a minimum, the following insurance. The CHA is to be endorsed as an additional insured on the subcontractor’s policy: Worker Compensation \$500,000, Commercial Liability \$1,000,000 per location, Automobile Liability \$1,000,000 and Professional Liability \$5,000,000.”*

*Each security vendor was required to provide the requisite amounts and types of insurance at each location where guards were supplied*

2. **Security Folders** – Section 17.8 of the PPM Manual states *“All PPMs must have on the premises a Security Folder for auditing purposes. It is imperative the folder include the following information: Fully Executed Security Contract, Security Contractors License, Summary Reports, and Certificate of Insurance.”*
3. **Required Documentation** - Chapter 17 of the PPM Manual states: *Security Officers and Supervisors shall be a citizen or legal resident alien of the United States, have a High School Diploma or G .E. D. Certificate and Company I.D. If employed as an armed Security Officer, then the Officer must have a 20-hour basic training course approved by the State of Illinois, a firearm-training course approved by the State of Illinois, Range Re-certification every twelve-(12) months, a PERC Card, an FOID Card and a TAN Card\*.*

*\*Illinois law has a provision that exempts full time sworn law enforcement officers from the above requirement. Therefore, CHA OIG also waived the above requirement upon proof of this status. This proof would include a current Police Department ID and a Security Vendor issued ID Card.*

4. *The Fair Labor Standards Act (FLSA) does not require overtime pay for work performed on holidays. Therefore, CHA OIG is not allowing overtime pay if was not part of the contract agreement.*
5. **Billing** - *PM Financial Policy & Procedures Manual: Payment for goods and services, whether accomplished by cash, check or bank transfer, shall be organized to ensure that no unauthorized payments are made, that complete and accurate records are made of each payment and all payments are recorded in the appropriated period. All supporting document shall also be reviewed by the PPM or designee to ensure that only appropriate expenditures are process for payment.*

## Observations:

- Maverick did not provide the required insurance endorsement to East Lake at Trumbull Park and Altgeld Murray. Millennium Security did not provide the required amounts of insurance or endorsement at Lowden Homes.
- WSA did not provide the required amounts of insurance to Habitat at Wentworth Gardens and Dearborn Homes.
- Kates Detective Agency did not provide the required amounts of insurance and endorsements to H.J. Russell at ABLA and Scattered Sites West. Maverick Security did not provide the required amounts of insurance and endorsements to H.J. Russell at Henry Horner. Both Kates and Maverick corrected the deficiencies during the audit period.
- Each security vendor was required to provide the requisite amounts and types of insurance at each location where guards are supplied. Kates Detective Agency did not provide the required amounts of insurance to WCDC at Washington Park

Security Company, PPM, and CHA Sites	\$5,000,000 Professional Liability	\$1,000,000 Commercial Liability	\$500,000 Workmen's Comp	\$1,000,000 Vehicle Insurance	CHA Endorsed
Maverick Security, East Lake, Trumbull Park	Y	Y	Y	Y	N
Maverick Security, East Lake, Altgeld-Murray	Y	Y	Y	Y	N
Kates Detective Agency, East Lake, Lawndale Gardens	Y	Y	Y	Y	Y
Millennium Security, East Lake, Lowden Homes	N**	Y	Y	N/A	N
World Security, The Habitat, Dearborn Homes	N	Y	Y	Y	Y
World Security, The Habitat, Wentworth Gardens	N	Y	Y	Y	Y
Kates Detective Agency, H.J. Russell, ABLA Homes	Y*	Y	Y	Y	Y*
Maverick Security, H.J. Russell, Henry Horner	Y*	Y	Y	Y	Y*
Kates Detective Agency, H.J. Russell, Scattered Sites West	Y*	Y	Y*	Y	Y*
Kates Detective Agency, WCDC, Washington Park	Y	Y	N	Y	Y
<b>**Certificate of Insurance was missing the policy number and effective date.</b>					
<b>* Was Corrected on September, 19 and 20, 2013</b>					

**Recommendation:**

- PPMs monitor the security vendors' insurance portfolios to ensure that the minimum required insurance coverage amounts are met and that CHA is listed as an additional insured on the insurance policy.

**PM Response:**

<b>PPM Name</b>	<b>Response</b>	<b>See Details in Exhibit</b>
The Habitat	Concurred with Observation	I
East Lake Management	Concurred with Observation	II
H.J. Russell	Concurred with Observation	III
WCDC	Concurred with Observation	IV

**CHA Asset Management Response:**

**Observations:**

1. PPMs did not have the required documentation in the security folders, on site for audit purposes as required by PPM Manual, Chapter 17.
2. During field work, the PPMs informed us that it was not their practice to maintain Security Folders which contain security officers' credentials on site. As field work progressed, the PPMs started collecting information from the Security vendors to meet the documentation requirements. Except for the education requirement, the documents requested for the audit were also part of requirements for licensed Private Security companies in the State of Illinois.

**Recommendation:**

Maintain security folders at premises as required by the PPM Manual, Chapter 17.

**PPM Response:**

<b>PPM Name</b>	<b>Response</b>	<b>See Details in Exhibit</b>
The Habitat	Concurred with Observation	I
East Lake Management	Concurred with Observation	II
H.J. Russell	Concurred with Observation	III
WCDC	Concurred with Observation	IV

**CHA Asset Management Response:**

*Chapter 17 of the PPM Manual states: Security Officers and Supervisors shall be a citizen or legal resident alien of the United States, have a High School Diploma or G .E. D. Certificate and Company I.D. If employed as an armed Security Officer, then the Officer must have a 20-hour basic training course approved by the State of Illinois, a firearm-training course approved by the State of Illinois, Range Re-certification every twelve-(12) months, a PERC Card, an FOID Card and a TAN Card.*

- If an Armed Security Officer was an Off-Duty Police Officer , the above requirements were waived upon proof of a valid and current Police Department ID which identified the holder as a Sworn Police Officer and a Security Agency issued ID card.
- *WSA Contract with Habitat states: “if the security officer is an off duty police officer, then World Security Agency will fur nish a copy of the Officer’s department Identification card.”*

**Observation:**

1. PPMs did not provide evidence of compliance with Section 17.2 and 17.3 of the PPM Manual.
2. PPMs did not establish a process to ascertain that the security vendors had the required credentials for security guards.
3. In addition, WSA did not provide off -duty police identifications as per the contract.

**Recommendations:**

1. PPMs develop a process to ensure compliance with Section 17.2 and 17.3 of the PPM Manual.
2. The PPMs verify the accuracy and completeness of each document submitted by the Security companies.
3. The PPMs obtain from the security vendor copies of the required documentation for Off-Duty officers.

**PPMs Response**

<b>PPM Name</b>	<b>Response</b>	<b>See Details in Exhibit</b>
The Habitat	Concurred with Observations	I
East Lake Management	Concurred with Observations	II
H.J. Russell	Concurred with Observations	III
WCDC	Concurred with Observations	IV

**CHA Asset Management Response:**

**Observation:**

WSA had two separate contractual agreements with The Habitat Company to provide Security services at Dearborn Homes and Wentworth Gardens.

- Based upon a review of eight months of invoices from September 2012 through April 2013, WSA billed Habitat \$2,231,526 (\$1,832,994 at Dearborn and \$398,532 at Wentworth). During our initial review, \$1,959,125 was supported by required documentation. In response to OIG Draft Report, The Habitat submitted additional documents and a \$92,400 adjustment was made. Therefore, the final amount of \$2,051,525 was appropriate based upon an analysis of submitted time sheets, invoices and the provisions of the contract. The amounts of \$114,927 at Wentworth (See Appendix 1.A) and \$65,074 at Dearborn (See Appendix 1.B) for a total of \$180,001 were unsupported.
- WSA charged \$17.25 for armed guards and \$35.00 for Off Duty Police Officers (ODP). WSA submitted time sheet totaling 4,488 hours for ODP. Subsequent to the exit conference, The Habitat Company submitted the required documentation establishing that seven guards on WSA's time sheets were actually ODP (employee I.D, Police credential). Therefore 2,640 hours were supported by the document provided. We revised our report accordingly.
- WSA was unable to provide employee I.D and Police credential for the rest of guards listed as ODP representing 1,848 hours charged at \$35.00.
- At Dearborn, WSA charged for court and holiday hours which were not part of the security contract. The contract allowed weekly hours of 3,024 for armed security at a rate of \$17.50 per hour. \$61,258 and \$3,816 were charged respectively for Holidays and courts.

**Recommendations:**

1. The PPM ensure security vendor invoices and security guard timesheets are matched for accuracy and that payment is made in accordance with established contract rates.
2. Where the contract calls for different rates for ODP, the PPM establish a process to verify the required credentials of each ODP assigned to work at CHA a property.
3. PPM reimburse CHA for payments made over the contracted amounts and for payments for ODP where no documentation was provided that the guard was in fact an ODP.

**PPM Response:**

*See Attached Exhibit I*

**CHA Asset Management Response:**



**Observation:**

East Lake Management contracted Maverick Security to provide security to Trumbull Park and Altgeld Garden / Murray Homes. East Lake also had contractual agreements with Kates Security and Millennium Security at Lawndale Gardens and Lowden Homes, respectively. See table below.

PPM Name	Site Name	Security Vendor
East Lake Management	Trumbull Park	Maverick Security
	Altgeld-Murray Homes	Maverick Security
	Lawndale Gardens	Kates Detective Agency

Based on the eight-month review, Maverick Security invoiced East Lake \$561,198 for September 2012 through April 2013 at Trumbull Park and Altgeld-Murray. Of this amount \$475,622 was appropriate based upon the analysis of submitted time sheets, invoices, the provisions of the contract and additional services requested. Initially, charges of a \$138,339 was unsupported. After the exit conference, East Lake provided information from CHA which authorized East Lake to acquire additional 90 hours a week security service at \$33.50 per hour. In light of additional information provided in East Lake's response, adjustment was made. The hourly billing rate at Trumbull Park, was 16.75. CHA approved 90 hours a week of additional security services at \$33.50 an hour. The vendor applied additional service rate to the entire security services contract resulting of unsupported charges of \$83,536 at Trumbull Park (See Appendix 2. A for full detail) and \$2,040 at Altgeld-Murray (See Appendix 2. B for full detail) for total \$85,576.

Kates Detective Agency (Kates) invoiced \$42,942 for September 2012, December 2012, and January and April 2013. Of this amount \$41,509 was appropriate based upon the analysis of submitted time sheets, invoices and the provisions of the contract. Kates was charging \$17.75 per hour and the contract stated for \$17.25 per hour. Therefore, \$1,433 charges were unsupported. For October and November 2012, and February and March 2013, charges of \$896 were unsupported. Total charges of \$2,329 were unsupported at Lawndale Gardens.

See Appendix 2.C for full details.

**Recommendations:**

1. The PPM ensure that security vendor invoices and security guard timesheets are matched for accuracy and that payment is made in accordance with established contract rates.
2. The PPM reimburse the CHA for payments made in excess of the contracted rates.

**PPM Response:**

East Lake concurred with OIG's observation. See Attached Exhibit II

**CHA Asset Management Response:**

- H.J. Russell Management awarded Security contracts to Maverick Security at Henry Horner Homes and to Kates Security Agency at ABLA Homes and Scattered Sites West.
- The contract with Kates at ABLA Homes stipulates: “3 security officers – foot patrol, and one roving vehicle”. The contract agreement is silent on the rate for the patrol vehicle. The vendor was charging \$425 per week and per vehicle.

**Observation:**

- Based on the eight-month review, Maverick Security invoiced H. J. Russell \$200,977 for September, December 2012 and January 2012 and April 2013 at Henry Horner. Of this amount \$194,827 was appropriate based upon the analysis of submitted time sheets, invoices and the provisions of the contract. Maverick billed 4,132 hours at \$30 per hour; but 3,925.5 hours were reported on time sheets. Therefore, charges of \$6,150 were unsupported. See Appendix 3.A for full details.
- Kates invoiced H.J Russell \$269,232 for September 2012, December 2012 and January and April 2013 at Scattered Sites West [SSW] and ABLA Homes. Of this amount, \$258,537 was appropriate based upon the analysis of submitted time sheets, invoices and the provisions of the contract. Charges of \$1,708 at SSW (See Appendix 3.B for full details) and \$8,987 at ABLA Homes for a total of \$10,695 were unsupported. In addition, vehicle billing at ABLA in the amount of \$7,225 for October and November 2012 and February and March 2013 were not supported by the provisions of the contract. Total ABLA Homes unsupported charge was \$16,212 (See Appendix 3.C for full details). SSW and ABLA Homes total charges of \$17,920 were unsupported.

**Recommendations:**

1. The PPM ensure that the security vendor invoices and security guard timesheets are matched for accuracy and that payment is made in accordance with established contract rates.
2. The PPM reimburse the CHA for payments made in excess of the contracted rates.

**PPM Response:**

*Management is not in agreement with the findings pertaining to overbilling. Some of the reported overbilling was the result of directives from CHA to add additional deployments at various locations which was reported during the security review. Moving forward and once the new security contract is executed, management will ensure that there is written approval from CHA reference additional patrols and vehicles. Management will submit written correspondence to security firms requesting reimbursement.*

**CHA Asset Management Response:**

Woodlawn Community Development Corporation (WCDC) did not have a current security contract in place with Kates Detective Agency (Kates). On mutual agreement, Kates was providing security at Washington Park based on rates provided under a former contract.

**Observation:**

Based on the eight-month review of invoices from September, December 2012, and January and April 2013, Kates invoiced WCDC \$233,726 for security services at Washington Park Homes. Of this amount, \$233,494 was appropriate based upon an analysis of submitted time sheets, invoices and the provisions of the contract. Hours billed per Invoices did match hours per time sheets. Charges of \$232 were determined to be unsupported.

See Appendix 4 for full details.

**Recommendations:**

1. The PPM ensure that the security vendor invoices and security guard timesheets are matched for accuracy and that payment is made in accordance with established contract rates.
2. The PPM reimburse the CHA for payments made in excess of the contracted rates and payment not supported by time sheets.

**PPM Response:**

WCDC concurred with OIG's observation. *See Attached Exhibit IV.*

**CHA ASSET MANAGEMENT RESPONSE:**

**Observations:**

- Based on our review four (4) out of four (4) PPMs, or 100% of the contracts were inconsistent and did not have uniformed terms and conditions.
- 70% did not have cost savings and safeguard provisions as required by PPM Procedural Manual.

**Recommendation:**

- Asset Management work with Legal and Procurement to define “fully executed security contract”. (PPM Procedural Manual chapter 17.8). See 24 CFR part 85.36 and HUD General Conditions for non-construction contracts for required terms and conditions. Also, the Office of the General Council has a security contract template. Contracts should, at a minimum, contain the following clauses.

<b>Contract Provisions Required By 24 CFR Part 85.36 &amp; HUD General Conditions for Non-Construction Contracts</b>	
General Compliances	Worker's Compensation
Changes of General Scope	Certification of Release
Independent Contractor's Status	Compensation
Termination for Convenience and Default	Billing Standard
Examination and retention of Contractor's Records	Payment Procedures
Conflict of Interest	Disputes Resolution
Assignment of Contract	Equal Employment Opportunity
Hold Harmless	Personnel & Participant Conditions
Insurance & Bonding	Dissemination or Disclosure of Information
Payment Retention	Section 3 Clause

**CHA Asset Management Response:**

Appendix 1. A Revised			Wentworth Homes, World Security Agency								
Invoice	Invoice Date	Invoice Amount	Guards Hours Billed	Guards Hours Per Time Sheets	Guards Amount per Contract Rate \$17.5/ HR.	Off Duty Police Hrs. Billed	ODP With ID HRS per Time Sheet	ODP with ID Amount Per Contract rate \$35/ HR.	Additional Service requested by MNGT	Total Supported by Time Sheets, ODP ID, & Contract	Variance of Invoice and Amount Supported
9104165	09/10/12	\$ 13,370	372	324	\$ 5,670	136	108	\$ 3,780	\$ 420	\$ 9,870	\$ 3,500
9104204	09/17/12	\$ 11,480	324	324	\$ 5,670	136	108	\$ 3,780	\$ -	\$ 9,450	\$ 2,030
9104247	09/24/12	\$ 11,480	324	324	\$ 5,670	136	96	\$ 3,360	\$ -	\$ 9,030	\$ 2,450
9104285	10/01/12	\$ 11,480	324	324	\$ 5,670	136	96	\$ 3,360	\$ -	\$ 9,030	\$ 2,450
9104369	10/15/12	\$ 13,055	324	324	\$ 5,670	136	108	\$ 3,780	\$ -	\$ 9,450	\$ 3,605
9104411	10/22/12	\$ 11,745	324	324	\$ 5,670	136	96	\$ 3,360	\$ 175	\$ 9,205	\$ 2,540
9104450	10/29/12	\$ 11,692	324	324	\$ 5,670	136	84	\$ 2,940	\$ 140	\$ 8,750	\$ 2,942
9104491	11/05/12	\$ 11,480	324	324	\$ 5,670	136	84	\$ 2,940	\$ -	\$ 8,610	\$ 2,870
9104614	11/12/12	\$ 11,480	324	324	\$ 5,670	136	60	\$ 2,100	\$ -	\$ 7,770	\$ 3,710
9104711	11/19/12	\$ 11,480	324	324	\$ 5,670	136	84	\$ 2,940	\$ -	\$ 8,610	\$ 2,870
9104743	11/26/12	\$ 13,055	324	324	\$ 5,670	136	84	\$ 2,940	\$ 840	\$ 9,450	\$ 3,605
9104765	12/03/12	\$ 11,480	324	324	\$ 5,670	136	60	\$ 2,100	\$ -	\$ 7,770	\$ 3,710
9104766	12/10/12	\$ 11,480	324	324	\$ 5,670	136	108	\$ 3,780	\$ -	\$ 9,450	\$ 2,030
9104767	12/17/12	\$ 11,480	324	324	\$ 5,670	136	96	\$ 3,360	\$ -	\$ 9,030	\$ 2,450
9104768	12/24/12	\$ 11,480	324	324	\$ 5,670	136	108	\$ 3,780	\$ -	\$ 9,450	\$ 2,030
9104769	12/31/12	\$ 14,630	324	324	\$ 5,670	136	84	\$ 2,940	\$ -	\$ 8,610	\$ 6,020
9104770	01/07/13	\$ 19,670	324	324	\$ 5,670	136	84	\$ 2,940	\$ 2,520	\$ 11,130	\$ 8,540
9104916	01/14/13	\$ 11,480	324	324	\$ 5,670	136	72	\$ 2,520	\$ -	\$ 8,190	\$ 3,290
9104944	01/21/13	\$ 11,480	324	324	\$ 5,670	136	84	\$ 2,940	\$ -	\$ 8,610	\$ 2,870
9104981	01/28/13	\$ 11,900	324	324	\$ 5,670	136	72	\$ 2,520	\$ -	\$ 8,190	\$ 3,710
9105022	02/04/13	\$ 11,480	324	324	\$ 5,670	136	72	\$ 2,520	\$ -	\$ 8,190	\$ 3,290
9105064	02/11/13	\$ 11,480	324	324	\$ 5,670	136	72	\$ 2,520	\$ -	\$ 8,190	\$ 3,290
9105093	02/18/13	\$ 11,480	324	324	\$ 5,670	136	60	\$ 2,100	\$ -	\$ 7,770	\$ 3,710
9105136	02/25/13	\$ 12,320	324	324	\$ 5,670	136	60	\$ 2,100	\$ -	\$ 7,770	\$ 4,550
9105177	03/04/13	\$ 11,480	324	324	\$ 5,670	136	60	\$ 2,100	\$ -	\$ 7,770	\$ 3,710
9105208	03/11/13	\$ 11,480	324	324	\$ 5,670	136	60	\$ 2,100	\$ -	\$ 7,770	\$ 3,710
9015243	03/18/13	\$ 11,480	324	324	\$ 5,670	136	72	\$ 2,520	\$ -	\$ 8,190	\$ 3,290
9015277	03/25/13	\$ 11,480	324	324	\$ 5,670	136	60	\$ 2,100	\$ -	\$ 7,770	\$ 3,710
9015313	04/01/13	\$ 13,055	324	324	\$ 5,670	136	72	\$ 2,520	\$ -	\$ 8,190	\$ 4,865
9105348	04/08/13	\$ 11,480	324	324	\$ 5,670	136	60	\$ 2,100	\$ -	\$ 7,770	\$ 3,710
9105384	04/15/13	\$ 11,480	324	324	\$ 5,670	136	84	\$ 2,940	\$ -	\$ 8,610	\$ 2,870
9105422	04/22/13	\$ 11,480	324	324	\$ 5,670	136	60	\$ 2,100	\$ -	\$ 7,770	\$ 3,710
9105453	04/29/13	\$ 11,480	324	324	\$ 5,670	136	72	\$ 2,520	\$ -	\$ 8,190	\$ 3,290
<b>Total</b>		<b>\$ 398,532</b>	<b>10,740</b>		<b>\$ 187,110</b>	<b>4,488</b>	<b>2,640</b>	<b>\$ 92,400</b>	<b>\$ 4,095</b>	<b>\$ 283,605</b>	<b>\$ 114,927</b>

## Appendix 1.B

Dearborn Homes, World Security Agency, OIG identified the reasons for the variance was Holiday pay totaling \$61,258 and court pay totaling \$3,816 were not part of the contract terms and agreements. Dearborn Homes has fixed weekly hours of 3,024 per contract.

Invoice	Invoice Date	Invoice Amount	Court Time	Holiday Billed	Amount Per Contract	Variance
9104163	9/10/2012	\$ 64,260		\$ 11,340	\$ 52,920	\$ 11,340
9104202	9/17/2012	\$ 53,556	\$ 636		\$ 52,920	\$ 636
9104245	9/24/2012	\$ 53,556	\$ 636		\$ 52,920	\$ 636
9104283	10/1/2012	\$ 53,556	\$ 636		\$ 52,920	\$ 636
9104328	10/8/2012	\$ 52,920			\$ 52,920	\$ -
9104367	10/15/2012	\$ 64,260		\$ 11,340	\$ 52,920	\$ 11,340
9104409	10/22/2012	\$ 52,920			\$ 52,920	\$ -
9104448	10/29/2012	\$ 53,980	\$ 1,060		\$ 52,920	\$ 1,060
9104489	11/5/2012	\$ 53,344	\$ 424		\$ 52,920	\$ 424
9104587	11/12/2012	\$ 52,920			\$ 52,920	\$ -
9104709	11/19/2012	\$ 52,920			\$ 52,920	\$ -
9104727	11/26/2012	\$ 65,732	\$212	\$ 12,600	\$ 52,920	\$ 12,812
9104758	12/3/2012	\$ 52,920			\$ 52,920	\$ -
9104759	12/10/2012	\$ 52,920			\$ 52,920	\$ -
9104760	12/17/2012	\$ 52,920			\$ 52,920	\$ -
9104761	12/24/2012	\$ 52,920			\$ 52,920	\$ -
9104762	12/31/2012	\$ 60,480		\$ 7,560	\$ 52,920	\$ 7,560
9104764	1/7/2013	\$ 60,480		\$ 7,560	\$ 52,920	\$ 7,560
9104889	1/14/2013	\$ 50,960			\$ 50,960	\$ -
9104942	1/21/2013	\$ 50,960			\$ 50,960	\$ -
9104979	1/28/2013	\$ 54,530		\$ 3,570	\$ 50,960	\$ 3,570
9105020	2/4/2013	\$ 50,960			\$ 50,960	\$ -
9105062	2/11/2013	\$ 50,960			\$ 50,960	\$ -
9105096	2/18/2013	\$ 50,960			\$ 50,960	\$ -
9105134	2/25/2013	\$ 54,608		\$ 3,648	\$ 50,960	\$ 3,648
9105112	2/28/2013	\$ 212	\$ 212		\$ -	\$ 212
9105175	3/4/2013	\$ 50,960			\$ 50,960	\$ -
9105206	3/11/2013	\$ 50,960			\$ 50,960	\$ -
9105241	3/18/2013	\$ 50,960			\$ 50,960	\$ -
9105261	3/25/2013	\$ 50,960			\$ 50,960	\$ -
9105312	4/1/2013	\$ 54,600		\$ 3,640	\$ 50,960	\$ 3,640
9105346	4/8/2013	\$ 50,960			\$ 50,960	\$ -
9105382	4/15/2013	\$ 50,960			\$ 50,960	\$ -
9105417	4/22/2013	\$ 50,960			\$ 50,960	\$ -
9105451	4/29/2013	\$ 50,960			\$ 50,960	\$ -
Total		\$1,832,994	\$3,816	\$61,258	\$1,767,920	\$ 65,074

Appendix 2.A Revised **Maverick Security, Trumbull Park**

Invoice	Invoice Date	Weeks	Check #	Check Amount	Total Hrs. Billed At 33.5 hrs.	Extra Coverage Hrs. Approved	Service Hrs. at Initial Contract Rate	Total Amount at Initial rate \$16.75	Extra Coverage Cost at \$33.50	Total Amount based on Initial Contract and	Variance
42013-TRUM	04/20/2013	4/14 -04/20/13	1960	\$ 7,839	234	(90.00)	144	\$ 2,412	\$ 3,015	\$ 5,427	\$ 2,412
41313-TRUM	04/13/2013	04/07-04/13/13	1851	\$ 7,772	232	(90.00)	142	\$ 2,379	\$ 3,015	\$ 5,394	\$ 2,379
40613-TRUM	04/06/2013	03/31-04/06/13	1851	\$ 7,839	234	(90.00)	144	\$ 2,412	\$ 3,015	\$ 5,427	\$ 2,412
42713-TRUM	04/27/2013	04/21-04/27/13	1851	\$ 7,839	234	(90.00)	144	\$ 2,412	\$ 3,015	\$ 5,427	\$ 2,412
33013-TRUM	03/30/2013	03/24-03/30/13	1793	\$ 7,839	234	(90.00)	144	\$ 2,412	\$ 3,015	\$ 5,427	\$ 2,412
32313-TRUM	03/23/2013	03/17-03/23/13	1793	\$ 7,772	232	(90.00)	142	\$ 2,379	\$ 3,015	\$ 5,394	\$ 2,379
316313-TRUM	03/16/2013	03/10-03/16/13	1793	\$ 7,973	238	(90.00)	148	\$ 2,479	\$ 3,015	\$ 5,494	\$ 2,479
22313-TRUM	02/23/2013	02/17-02/23/13	1749	\$ 7,839	234	(90.00)	144	\$ 2,412	\$ 3,015	\$ 5,427	\$ 2,412
21613-TRUM	02/16/2013	02/10-02/16/13	1749	\$ 7,772	232	(90.00)	142	\$ 2,379	\$ 3,015	\$ 5,394	\$ 2,379
30213-TRUM	03/02/2013	02/24-03/02/13	1749	\$ 7,839	234	(90.00)	144	\$ 2,412	\$ 3,015	\$ 5,427	\$ 2,412
30913-TRUM	03/09/2013	03/03-03/09/13	1749	\$ 7,973	238	(90.00)	148	\$ 2,479	\$ 3,015	\$ 5,494	\$ 2,479
20213-TRUM	02/02/2013	01/27-02/02/13	1707	\$ 7,839	234	(90.00)	144	\$ 2,412	\$ 3,015	\$ 5,427	\$ 2,412
20913-TRUM	02/09/2013	02/03-02/09/13	1707	\$ 7,806	233	(90.00)	143	\$ 2,395	\$ 3,015	\$ 5,410	\$ 2,395
11213-TRUM	01/12/2013	01/06-01/12/13	1679	\$ 7,538	225	(90.00)	135	\$ 2,261	\$ 3,015	\$ 5,276	\$ 2,261
10513-TRUM	01/05/2013	12/30/12-1/5/13	1679	\$ 8,375	250	(90.00)	160	\$ 2,680	\$ 3,015	\$ 5,695	\$ 2,680
122912-TRUM	12/29/2012	12/23-12/29/12	1679	\$ 8,543	255	(90.00)	165	\$ 2,764	\$ 3,015	\$ 5,779	\$ 2,764
11913-TRUM	01/19/2013	1/13-1/19/13	1679	\$ 7,956	237.5	(90.00)	147.5	\$ 2,471	\$ 3,015	\$ 5,486	\$ 2,471
12613-TRUM	01/26/2013	1/20-1/26/13	1679	\$ 7,822	233.5	(90.00)	143.5	\$ 2,404	\$ 3,015	\$ 5,419	\$ 2,404
100612-TRUM	10/06/2012	9/30-10/06/12	1679	\$ 7,973	238	(90.00)	148	\$ 2,479	\$ 3,015	\$ 5,494	\$ 2,479
102012-TRUM	10/20/2012	10/14-10/20/12	1679	\$ 7,973	238	(90.00)	148	\$ 2,479	\$ 3,015	\$ 5,494	\$ 2,479
81812-TRUM	08/18/2012	8/12-8/18/12	1679	\$ 4,154	124	(90.00)	34	\$ 570	\$ 3,015	\$ 3,585	\$ 570
122212-TRUM	12/22/2012	12/16-12/22/12	1631	\$ 7,839	234	(90.00)	144	\$ 2,412	\$ 3,015	\$ 5,427	\$ 2,412
110312-TRUM	11/03/2012	10/28-11/03/12	1616	\$ 7,973	238	(90.00)	148	\$ 2,479	\$ 3,015	\$ 5,494	\$ 2,479
111012-TRUM	11/10/2012	11/04-11/10/12	1616	\$ 7,973	238	(90.00)	148	\$ 2,479	\$ 3,015	\$ 5,494	\$ 2,479
111712-TRUM	11/17/2012	11/11-11/17/12	1616	\$ 7,906	236	(90.00)	146	\$ 2,446	\$ 3,015	\$ 5,461	\$ 2,446
112412-TRUM	11/24/2012	11/18-11/24/12	1616	\$ 8,174	244	(90.00)	154	\$ 2,580	\$ 3,015	\$ 5,595	\$ 2,580
121512-TRUM	12/15/2012	12/09-12/15/12	1616	\$ 7,973	238	(90.00)	148	\$ 2,479	\$ 3,015	\$ 5,494	\$ 2,479
120112-TRUM	12/01/2012	11/25-12/01/12	1616	\$ 7,772	232	(90.00)	142	\$ 2,379	\$ 3,015	\$ 5,394	\$ 2,379
120812-TRUM	12/08/2012	12/02-12/08/13	1616	\$ 7,973	238	(90.00)	148	\$ 2,479	\$ 3,015	\$ 5,494	\$ 2,479
92212-TRUM	09/22/2012	09/16-09/22/12	1614	\$ 8,174	244	(90.00)	154	\$ 2,580	\$ 3,015	\$ 5,595	\$ 2,580
92912-TRUM	09/29/2012	09/23-09/29/12	1614	\$ 7,973	238	(90.00)	148	\$ 2,479	\$ 3,015	\$ 5,494	\$ 2,479
102712-TRUM	10/27/2012	10/21-10/27/12	1614	\$ 7,856	234.5	(90.00)	144.5	\$ 2,420	\$ 3,015	\$ 5,435	\$ 2,420
90812-TRUM	09/08/2012	09/02-09/08/12	1614	\$ 8,342	249	(90.00)	159	\$ 2,663	\$ 3,015	\$ 5,678	\$ 2,663
101312-TRUM	10/13/2012	10/07-10/13/12	1599	\$ 6,348	189.5	(90.00)	99.5	\$ 1,667	\$ 3,015	\$ 4,682	\$ 1,667
91512-TRUM	09/15/2012	09/09-09/15/12	1549	\$ 8,048	240.25	(90.00)	150.25	\$ 2,517	\$ 3,015	\$ 5,532	\$ 2,517
<b>Total</b>				<b>\$ 272,598</b>				<b>\$83,536</b>	<b>\$ 105,525</b>	<b>\$ 189,061</b>	<b>\$ 83,536</b>
<b>Variance is caused by billing at double rate of \$33.50</b>											

## Appendix 2.B

Maverick Security, Altgeld- Murray

OIG identified the reason for the variance:

Out the thirty (30) invoices reviewed, four (4) invoices had variances in the number of hours billed compared to the hours reported on timesheets, resulting in a \$2,040 variance. These four (4) invoices are listed below:

Invoice	Invoice Date	Invoice Amount	Regular Hours Billed	Holiday Hours Billed	Holiday Hours Per Time Sheets	Regular Hours Per Time Sheets	Amount per Contract rate	Holiday Amount Per Contract rate	Variance
90712	9/07/12	\$ 1,200	40	-	-	32	\$ 960	-	\$ 240
10413	1/04/12	\$ 1,080	32	-	-	28	\$ 840	-	\$ 240
10513	1/05/13	\$ 16,305	544	31	54	450.5	\$ 13,515	\$ 2,430	\$ 360
42713	4/27/13	\$ 20,340	678	-	-	638	\$ 19,140	-	\$ 1,200
<b>Total</b>		<b>\$38,925</b>	<b>1,294</b>	<b>31</b>	<b>54</b>	<b>1,149</b>	<b>\$34,455</b>	<b>\$2,430</b>	<b>\$ 2,040</b>

## Appendix 2.C

Kates Detective Agency, Lawndale

OIG identified the reason for the variance was hours billed at a rate of \$17.75 per hour however the contract stated rate was \$17.25 per hour resulting in a \$2,329 variance.

Invoice	Invoice Date	Invoice Amount	Hours Billed	Hours Per Time Sheets	Amount per Contract rate \$17.25/HR.	Vehicle Per Contract	Total Amount Per Contract	Variance
11996	09/12/12	\$ 2,505	112	112	\$ 1,932	\$ 375	\$ 2,307	\$ 198
12025	09/19/12	\$ 2,363	112	112	\$ 1,932	\$ 375	\$ 2,307	\$ 56
12025	09/19/12	\$ 2,363	112	112	\$ 1,932	\$ 375	\$ 2,307	\$ 56
12092	10/03/12	\$ 2,363	112	112	\$ 1,932	\$ 375	\$ 2,307	\$ 56
12445	12/04/12	\$ 2,363	112	112	\$ 1,932	\$ 375	\$ 2,307	\$ 56
12486	12/12/12	\$ 2,363	112	112	\$ 1,932	\$ 375	\$ 2,307	\$ 56
12518	12/20/12	\$ 2,363	112	112	\$ 1,932	\$ 375	\$ 2,307	\$ 56
12559	12/27/12	\$ 2,363	112	112	\$ 1,932	\$ 375	\$ 2,307	\$ 56
12591	01/03/13	\$ 2,505	112	112	\$ 1,932	\$ 375	\$ 2,307	\$ 198
12627	01/08/13	\$ 2,505	112	112	\$ 1,932	\$ 375	\$ 2,307	\$ 198
12680	01/16/13	\$ 2,363	112	112	\$ 1,932	\$ 375	\$ 2,307	\$ 56
12725	01/22/13	\$ 2,345	111	111	\$ 1,915	\$ 375	\$ 2,290	\$ 55
12760	01/30/13	\$ 2,363	112	112	\$ 1,932	\$ 375	\$ 2,307	\$ 56
12790	02/04/13	\$ 2,363	112	112	\$ 1,932	\$ 375	\$ 2,307	\$ 56
13142	04/09/13	\$ 2,363	112	112	\$ 1,932	\$ 375	\$ 2,307	\$ 56
13179	04/17/13	\$ 2,363	112	112	\$ 1,932	\$ 375	\$ 2,307	\$ 56
13205	04/22/13	\$ 2,363	112	112	\$ 1,932	\$ 375	\$ 2,307	\$ 56
13251	05/01/13	\$ 2,363	112	112	\$ 1,932	\$ 375	\$ 2,307	\$ 56
<b>Sub-Total</b>		<b>\$ 42,942</b>	<b>2,015</b>	<b>2,015</b>	<b>\$ 34,759</b>	<b>\$ 6,750</b>	<b>\$ 41,509</b>	<b>\$ 1,433</b>
<b>Estimate variance (Oct, Nov, Feb, and March (16 weeks) at \$.50 overbilled for 112 hrs. week or \$56 per week)</b>								<b>\$ 896</b>
<b>Total Variance</b>								<b>\$ 2,329</b>



### Appendix 3.A

Henry Horner, Maverick

OIG identified the reason for the variance: 4,131 hours were billed; however 3,925.5 hours were reported on timesheets, leaving a variance of 205 hours at \$30 rate per hour resulting in a \$6,150 variance.

Invoice	Invoice Date	Invoice Amount	Regular Hours Billed	Hours Per Time Sheets	Amount Per Contract	Variance
90812	9/8/2012	\$13,920	464	440	\$13,200	\$720
92912	9/29/2012	\$13,440	448	445.5	\$13,365	\$75
121512	12/15/2012	\$10,080	336	332	\$9,960	\$120
122912	12/29/2012	\$10,710	357	333	\$9,990	\$720
10513	1/5/2013	\$10,365	346	336	\$10,080	\$285
11913	1/19/2013	\$10,080	336	328	\$9,840	\$240
20231	2/2/2013	\$10,080	336	331	\$9,930	\$150
40613	4/6/2013	\$10,800	360	264	\$7,920	\$2,880
41313	4/13/2013	\$11,445	382	373.5	\$11,205	\$240
42013	4/20/2013	\$11,475	383	374.5	\$11,235	\$240
42713	4/27/2013	\$11,520	384	368	\$11,040	\$480
<b>Total</b>		\$123,915	4,132	3,925.5	\$117,765	\$6,150

### Appendix 3.B

Scattered Sites West, Kates Detective Agency

OIG identified two reasons for the variance: 1. - Holiday pay of \$1,548 was not part of the contract provisions. 2. - 1,672 hours were billed; however 1,664.2 hours were reported on timesheets, leaving a variance of 7.8 hours at \$21.5 rate per hour resulting in a \$160 variance.

Invoice	Invoice Date	Invoice Amount	Regular Hours Billed	Holiday Billed	Hours Per Time Sheets	Amount Per Contract	Variance
11991	09/12/12	\$ 7,740	336	\$ 516	336	\$ 7,224	\$ 516
12441	12/04/12	\$ 7,224	336		328	\$ 7,052	\$ 172
12614	01/03/13	\$ 7,740	336	\$ 516	336	\$ 7,224	\$ 516
12622	01/08/13	\$ 7,732	336	\$ 516	336	\$ 7,224	\$ 508
12787	02/04/13	\$ 7,052	328		328.2	\$ 7,056	\$ (4)
<b>Total</b>		<b>\$ 37,488</b>	<b>1,672</b>	<b>\$ 1,548</b>	<b>1,664.2</b>	<b>\$ 35,780</b>	<b>\$ 1,708</b>

### Appendix 3.C

ABLA Homes, Kates Detective Agency

OIG identified two (2) reasons for the variance : 1. -Billing for one (1) roving vehicle totaling \$14,450. The contract allows one roving vehicle; H.J. Russell was billed for two (2) roving vehicles. 2. - Holiday pay \$1,762 is not provided in the contract.

Invoice	Invoice Date	Invoice Amount	Vehicle Billed	Hours Billed	Hours Per Time Sheets	Contract Rate \$21.5/HR.	Vehicle Per Contract	Total Amount Per Contract	Variance
11987	09/12/13	\$ 8,590	\$ 850	336	336	\$ 7,224	\$ 425	\$ 7,649	\$ 941
12017	09/19/12	\$ 8,074	\$ 850	336	336	\$ 7,224	\$ 425	\$ 7,649	\$ 425
12045	09/24/12	\$ 8,074	\$ 850	336	328	\$ 7,052	\$ 425	\$ 7,477	\$ 597
12099	10/03/12	\$ 8,074	\$ 850	336	334	\$ 7,181	\$ 425	\$ 7,606	\$ 468
12487	12/12/12	\$ 7,838	\$ 850	325	325	\$ 6,988	\$ 425	\$ 7,413	\$ 425
12510	12/20/12	\$ 8,047	\$ 850	334.75	334.75	\$ 7,197	\$ 425	\$ 7,622	\$ 425
12545	12/21/12	\$ 129	-	6	6	\$ 129	-	\$ 129	\$ -
12547	12/23/12	\$ 7,719	\$ 850	319.5	319.5	\$ 6,869	\$ 425	\$ 7,294	\$ 425
12610	01/03/13	\$ 8,418	\$ 850	376	328	\$ 7,052	\$ 425	\$ 7,477	\$ 941
12618	01/08/13	\$ 8,590	\$ 850	384	336	\$ 7,224	\$ 425	\$ 7,649	\$ 941
12672	01/16/13	\$ 7,945	\$ 850	330	330	\$ 7,095	\$ 425	\$ 7,520	\$ 425
12709	01/22/13	\$ 8,074	\$ 850	336	336	\$ 7,224	\$ 425	\$ 7,649	\$ 425
12751	01/30/13	\$ 8,052	\$ 850	335	335	\$ 7,203	\$ 425	\$ 7,628	\$ 425
12803	02/04/13	\$ 8,074	\$ 850	336	336	\$ 7,224	\$ 425	\$ 7,649	\$ 425
13147	04/09/13	\$ 7,934	\$ 850	329.5	329.5	\$ 7,084	\$ 425	\$ 7,509	\$ 425
13173	04/17/13	\$ 8,074	\$ 850	336	336	\$ 7,224	\$ 425	\$ 7,649	\$ 425
13239	04/24/13	\$ 8,052	\$ 850	335	335	\$ 7,203	\$ 425	\$ 7,628	\$ 425
13244	04/30/13	\$ 8,074	\$ 850	335	336	\$ 7,224	\$ 425	\$ 7,649	\$ 425
<b>Sub-Total</b>		<b>\$ 137,832</b>	<b>\$14,450</b>	<b>5,762</b>	<b>5,657</b>	<b>\$ 121,621</b>	<b>\$7,225</b>	<b>\$128,846</b>	<b>\$ 8,987</b>
<b>Excess Vehicle charges for 4 weeks in October 2012</b>									\$ 1,700
<b>Excess Vehicle charges for 5 weeks in November 2012</b>									\$ 2,125
<b>Excess Vehicle charges for 4 weeks in February 2013</b>									\$ 1,700
<b>Excess Vehicle charges for 4 weeks in March 2013</b>									\$ 1,700
<b>Total</b>									<b>\$ 16,212</b>

Invoice #	Invoice Date	Invoice Amount	Hours Billed	Hours Per Time Sheets	Amount per Contract	Vehicle per Contract	Total Amount per Contract	Variance
12003	9/12/2012	\$ 5,513	240	315	\$ 7,087.50	450	\$ 7,538	\$ (2,025)
12004	9/12/2012	\$ 4,950	240	105	\$ 2,362.50	0	\$ 2,363	\$ 2,588
12005	9/12/2012	\$ 2,531	120	105	\$ 2,362.50	0	\$ 2,363	\$ 169
12035	9/19/2012	\$ 5,175	210	315	\$ 7,087.50	450	\$ 7,538	\$ (2,363)
12036	9/19/2012	\$ 4,620	210	105	\$ 2,362.50	0	\$ 2,363	\$ 2,258
12037	9/19/2012	\$ 2,363	105	105	\$ 2,362.50		\$ 2,363	\$ -
12063	9/24/2012	\$ 5,175	210	315	\$ 7,087.50	450	\$ 7,538	\$ (2,363)
12064	9/24/2012	\$ 4,620	210	105	\$ 2,362.50	0	\$ 2,363	\$ 2,258
12065	9/24/2012	\$ 2,363	105	105	\$ 2,362.50	0	\$ 2,363	\$ -
12078	10/1/2012	\$ 5,175	210	315	\$ 7,087.50	450	\$ 7,538	\$ (2,363)
12079	10/1/2012	\$ 4,620	210	105	\$ 2,362.50	450	\$ 2,813	\$ 1,808
12080	10/1/2012	\$ 2,363	105	105	\$ 2,362.50	0	\$ 2,363	\$ -
12457	12/4/2012	\$ 5,175	210	315	\$ 7,087.50	450	\$ 7,538	\$ (2,363)
12458	12/4/2012	\$ 4,620	105	105	\$ 2,362.50	0	\$ 2,363	\$ 2,258
12459	12/4/2012	\$ 2,363	105	105	\$ 2,362.50	0	\$ 2,363	\$ -
12474	12/12/2012	\$ 4,620	210	105	\$ 2,362.50	0	\$ 2,363	\$ 2,258
12475	12/12/2012	\$ 2,363	105	105	\$ 2,362.50	0	\$ 2,363	\$ -
12473	12/12/2012	\$ 5,175	210	315	\$ 7,087.50	450	\$ 7,538	\$ (2,363)
12529	12/20/2012	\$ 4,620	105	105	\$ 2,362.50	0	\$ 2,363	\$ 2,258
12530	12/20/2012	\$ 2,363	105	105	\$ 2,362.50	0	\$ 2,363	\$ -
12528	12/20/2012	\$ 5,175	210	315	\$ 7,087.50	450	\$ 7,538	\$ (2,363)
12577	12/27/2012	\$ 4,620	105	105	\$ 2,362.50	0	\$ 2,363	\$ 2,258
12578	12/27/2012	\$ 2,363	105	105	\$ 2,362.50	0	\$ 2,363	\$ -
12576	12/27/2012	\$ 5,175	210	315	\$ 7,087.50	450	\$ 7,538	\$ (2,363)
12588	1/3/2013	\$ 4,950	105	105	\$ 2,362.50	0	\$ 2,363	\$ 2,588
12589	1/3/2013	\$ 2,531	105	105	\$ 2,362.50	0	\$ 2,363	\$ 169
12587	1/3/2013	\$ 5,513	210	315	\$ 7,087.50	450	\$ 7,538	\$ (2,025)

Invoice #	Invoice Date	Invoice Amount	Hours Billed	Hours Per Time Sheets	Amount per Contract	Vehicle per Contract	Total Amount per Contract	Variance
12654	1/9/2013	\$ 5,513	210	315	\$ 7,087.50	450	\$ 7,538	\$ (2,025)
12655	1/9/2013	\$ 4,950	210	105	\$ 2,362.50	0	\$ 2,363	\$ 2,588
12656	1/9/2013	\$ 2,531	105	105	\$ 2,362.50	0	\$ 2,363	\$ 169
12700	1/16/2013	\$ 4,620	210	105	\$ 2,362.50	0	\$ 2,363	\$ 2,258
12701	1/16/2013	\$ 2,363	105	105	\$ 2,362.50	0	\$ 2,363	\$ -
12699	1/16/2013	\$ 5,175	210	315	\$ 7,087.50	450	\$ 7,538	\$ (2,363)
12731	1/24/2013	\$ 4,620	210	105	\$ 2,362.50	0	\$ 2,363	\$ 2,258
12732	1/24/2013	\$ 2,363	105	105	\$ 2,362.50	0	\$ 2,363	\$ -
12730	1/24/2013	\$ 5,175	210	315	\$ 7,087.50	450	\$ 7,538	\$ (2,363)
12777	1/30/2013	\$ 4,620	210	97.5	\$ 2,193.75	0	\$ 2,194	\$ 2,426
12778	1/30/2013	\$ 2,363	105	105	\$ 2,362.50	0	\$ 2,363	\$ -
12776	1/30/2013	\$ 5,175	210	315	\$ 7,087.50	450	\$ 7,538	\$ (2,363)
12796	2/4/2013	\$ 4,620	210	105	\$ 2,362.50	0	\$ 2,363	\$ 2,258
12786	2/4/2013	\$ 2,363	105	105	\$ 2,362.50	0	\$ 2,363	\$ -
12811	2/4/2013	\$ 5,175	210	315	\$ 7,087.50	450	\$ 7,538	\$ (2,363)
13134	4/8/2013	\$ 5,175	210	315	\$ 7,087.50	450	\$ 7,538	\$ (2,363)
13135	4/8/2013	\$ 4,620	210	105	\$ 2,362.50	0	\$ 2,363	\$ 2,258
13136	4/8/2013	\$ 2,588	115	115	\$ 2,587.50	0	\$ 2,588	\$ -
13185	4/17/2013	\$ 5,175	210	315	\$ 7,087.50	450	\$ 7,538	\$ (2,363)
13186	4/17/2013	\$ 4,620	210	105	\$ 2,362.50	0	\$ 2,363	\$ 2,258
13187	4/17/2013	\$ 2,363	105	105	\$ 2,362.50	0	\$ 2,363	\$ -
13227	4/24/2013	\$ 5,175	210	315	\$ 7,087.50	450	\$ 7,538	\$ (2,363)
13228	4/24/2013	\$ 4,620	210	105	\$ 2,362.50	0	\$ 2,363	\$ 2,258
13229	4/24/2013	\$ 2,363	105	105	\$ 2,362.50	0	\$ 2,363	\$ -
13261	5/1/2013	\$ 5,175	210	315	\$ 7,087.50	450	\$ 7,538	\$ (2,363)
13262	5/1/2013	\$ 4,620	210	105	\$ 2,362.50	0	\$ 2,363	\$ 2,258
13263	5/1/2013	\$ 2,363	105	105	\$ 2,362.50	0	\$ 2,363	\$ -
13286	5/8/2013	\$ 5,175	210	315	\$ 7,087.50	450	\$ 7,538	\$ (2,363)
13287	5/8/2013	\$ 4,620	210	105	\$ 2,362.50	0	\$ 2,363	\$ 2,258
13288	5/8/2013	\$ 2,363	105	105	\$ 2,362.50	0	\$ 2,363	\$ -
<b>Total</b>		<b>\$ 233,726</b>			<b>\$224,493.75</b>	<b>\$ 9,000</b>	<b>\$ 233,494</b>	<b>\$ 232</b>