



Office of the County Executive

Monroe County, New York

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April 19, 2024

The Honorable Monroe County Legislature
Monroe County Legislature
410 County Office Building
39 W. Main Street
Rochester, New York 14614

Honorable Legislators:

I am writing to provide additional information regarding Community Resource Collaborative (CRC). This letter responds to the letters dated April 2nd from Legislator Brew, Legislator DiFlorio and Legislators Vazquez Simmons and Barnhart. The records requested in those letters are also being made available to all Legislators today. In responding to the questions contained in these letters, the Administration has addressed all pending requests from the Legislature for information regarding CRC.

The County Administration remains committed to a thorough and transparent response to this issue, as we have been from the start. To review, upon learning of this issue, the County Administration immediately notified the public, initiated a forensic review by outside auditors, and contacted law enforcement. On March 22, we responded to the letters dated March 15 from both Legislator Brew and Legislators Vazquez Simmons and Barnhart. We have also briefed Legislators and provided records in response to other requests for information from the Legislature. The information and documents provided today continue the thorough response to the Legislature's inquiries regarding this issue.

Legislator DiFlorio document request

The Forensic Review of Community Resource Collaborative and the Financial Administration of Monroe County/American Rescue Plan Act Funds is the only review product produced by EFPR Group to-date. This was provided to the Legislature on March 22, 2024.

All requested compliance reviews maintained by Monroe County for each organization approved for ARPA funds have been provided. Please note that the type of compliance review for each subrecipient varies by month and by subrecipient. Please see the Monroe County Subaward Policy for additional information on types and frequency of compliance reviews.

Legislator Brew Risk Assessment Question 1 and Legislator DiFlorio Question 1

A copy of the Monroe County Subaward Policy has been provided (and attached to ARPA grant contracts previously provided). As stated previously, the risk assessment and monitoring program was developed to both identify risk of noncompliance of Federal requirements as well as ensure the subrecipients that did not have previous Federal funding experience received the support they needed to meet the Federal requirements. Information regarding low, medium, and high-risk may be found in of the Monroe County Subaward Policy.

Legislator Brew EFPR Review Question 1 and Legislator DiFlorio Question 2

As stated in EFPR's cover letter, the purpose of the engagement was to perform "a forensic review . . . with respect to investigating the propriety of financial activity and transactions involving administration of American Rescue Plan Act funds managed by Community Resource Collaborative ("CRC") on behalf of the Neighborhood Collaborative Project ("NCP")" (Forensic Review, Cover Letter). As EFPR Group further explained, it "was engaged by Monroe County to provide an accounting of the ARPA funds disbursed to CRC," "to determine the amounts outstanding to the agencies/organizations that comprise the Neighborhood Collaborative Project," and to "assess whether any ARPA funds were potentially misappropriated and/or misused" (Forensic Review, p. 4). As EFPR Group further explains in its cover letter to its report, EFPR Group did not conduct an audit, "the objective of which would be an expression of an opinion on [CRC's] accounting records."

Legislator DiFlorio Question 3

We do not know and cannot opine on who "approached" CRC about becoming involved in the NCP project. CRC is listed as the organization submitting the \$7,160,849 grant application for the NCP. We do note that a document submitted with the grant application was signed by Ms. Paradiso and Ms. Paradiso signed the ARPA Subaward Grant Agreement in the amount of \$7,160,849 on behalf of CRC.

Legislator DiFlorio Question 4

Concerns regarding the timeliness of reimbursements by CRC were not reported to the County until February 2024.

Legislator DiFlorio Question 5

We do not know and cannot opine on why CRC and the subawardees decided to enter one-year contracts with renewals rather than a multi-year contract.

Legislator Barnhart/Legislator Vazquez Simmons Question 1

All requested documents maintained by Monroe County have been provided.

Legislator Barnhart/Legislator Vazquez Simmons Question 2

All communications with federal and state agencies are included in responses to Legislator Barnhart/Legislator Vazquez Simmons questions 1 and 3.

Legislator Barnhart/Legislator Vazquez Simmons Question 3

All requested documents maintained by Monroe County have been provided.

Legislator Brew EFPR Review Question 3 and Legislator Barnhart/Legislator Vazquez Simmons Simmons Question 4

We have no record of those agreements being requested by EFPR Group for purposes of the Forensic Review.

Legislator Brew Request for Information 2 and Legislator Barnhart/Legislator Vazquez Simmons Question 5

These contracts have been uploaded to the website.

Legislator Barnhart/Legislator Vazquez Simmons Question 6

We have obtained copies of EFPR Group's work papers from the Forensic Review. Due to the confidential financial information contained within the documents, we will make these documents available to any Legislator who would like to make an appointment to review them.

Legislator Barnhart/Legislator Vazquez Simmons Question 7

We have provided all information that CRC has provided to the County in connection with its application.

Legislator Barnhart/Legislator Vazquez Simmons Question 8

We have provided all information that CRC has provided to the County in connection with its application.

Legislator Barnhart/Legislator Vazquez Simmons Question 9

The resumes were posted on the County's website on March 22, 2024 in response to Legislator Brew Question 2, Legislator Vazquez Simmons/Legislator Barnhart Question 3, Financial records produced by CRC and sub-recipients to the County: Answer Part 3, Page 6 (Janelle Duda Banwar), Page 23 (Tina Paradiso), and Page 27 (Jocelyn Basley).

Legislator Barnhart/Legislator Vazquez Simmons Question 10

The County procured CRC's project team through the County's Request for Proposals dated June 3, 2022.

Legislator Barnhart/Legislator Vazquez Simmons Question 11

Program guidelines may be found at <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>.

Legislator Barnhart/Legislator Vazquez Simmons Question 12

Monroe County requires all subrecipients to certify when and by whom invoices were paid before the County will reimburse a vouchered expense to ensure the subrecipient is in compliance with the Grant Agreement. Additionally, EFPR Group is currently conducting a review of all subrecipients identified as High Risk. The County is also increasing staffing for the ARPA team to ensure adequate resources are devoted to oversight and continues to explore ways to improve compliance monitoring in the future.

Legislator Barnhart/Legislator Vazquez Simmons Question 13

This question misrepresents what was stated in the letter. The letter was requested to make clear that CRC was not the final recipient of the full \$7,160,849 ARPA award.

Legislator Barnhart/Legislator Vazquez Simmons Question 14

Monroe County's conflict of interest requirements may be found in the Code of Ethics of the County of Monroe, available online at <https://ecode360.com/11765486#11765486>.

Legislator Barnhart/Legislator Vazquez Simmons Question 15

As stated in the letter dated March 22, 2024, the ARPA team consists of six (6) individuals, the majority of whom have spent countless hours over the past two months compiling the information and documents requested by Legislators. Other time-critical tasks include routine compliance and monitoring obligations, reviewing Year 2 program budgets for all subrecipients, and obtaining additional information required to process the submitted vouchers. The County is increasing staffing for the ARPA team to help them meet their goals, but it would be a disservice to the ARPA team's hard work and dedication to not acknowledge the competing demands for their time.

Legislator Barnhart/Legislator Vazquez Simmons Question 16

Starbridge Services, Inc. has been recommended to replace CRC as the Administrator of NCP. Please see Referral 24-0138.

Legislator Barnhart/ Legislator Vazquez Simmons Question 17

If the Legislature approves a contract with Starbridge Services, Inc. to serve as the Administrator of the Neighborhood Collaborative Project, Monroe County would enter into a contract with Starbridge Services, Inc. to manage the project.

Legislator Barnhart/ Legislator Vazquez Simmons Question 18

This question was asked in your letter dated March 15, 2024 and answered in the Administration's letter dated March 22, 2024. Please see the response to Legislator Brew Question 21 and Legislator Brew Question 22/Legislator Vazquez Simmons/Legislator Barnhart Question 10.

Legislator Brew Request for Information 1

The resumes were posted on the County's website on March 22, 2024 in response to Legislator Brew Question 2, Legislator Vazquez Simmons/Legislator Barnhart Question 3, Financial records produced by CRC and sub-recipients to the County: Answer Part 3, Page 6 (Janelle Duda Banwar), Page 23 (Tina Paradiso), and Page 27 (Jocelyn Basley).

Legislator Brew Request for Information 3

A memo will be provided under separate cover.

Legislator Brew General Question 1

As stated previously, the risk assessment and monitoring program was developed to both identify risk of noncompliance of Federal requirements as well as ensure the subrecipients that did not have previous Federal funding experience received the support they needed to meet the Federal requirements. It was not developed nor was it intended to be used to supersede the project rankings performed by the ARPA Selection Committee.

Legislator Brew General Question 2

The allowance for an initial payment of 25% of the approved budget for year one was included in every ARPA subrecipient's Agreement. All subrecipients were required to submit vouchers that would be credited against that initial payment and provide a full account of how initial disbursement was spent by 12/31/23.

Legislator Brew General Question 3

This question misrepresents what was stated in the letter. The letter was requested to make clear that CRC was not the final recipient of the full \$7,160,849 ARPA award. As the Legislature will

note when comparing what was requested and what was signed, the final letter was not “nearly verbatim.”

Legislator Brew General Question 4

County employees regularly received inquiries regarding when they expected the Legislature to approve ARPA grant contracts. County staff directed these inquirers to the Legislature. We are not aware of any violations of the Hatch Act or any other relevant provision of law.

Legislator Brew EFPR Review Question 2

Unlike, for example, a prosecutor, the County Attorney does not have the power to compel the production of records from an outside entity outside of an active civil action. The County remains committed to cooperating with law enforcement and regulatory agencies as this investigation continues and all available legal remedies remain under consideration.

Legislator Brew EFPR Review Questions 4

We cannot speculate as to why EFPR Group used this exact language. EFPR appears to have been fully aware of the details surrounding CRC’s incorporation, as they accurately describe it in the Forensic Review.

Legislator Brew EFPR Review Questions 5 -12

Questions 5 through 12 seek the County’s opinion on whether the actions CRC undertook were lawful, whether CRC acted in compliance with best practices, and/or request the County to discuss legal positions that may impact potential litigation. The County has and will continue to condemn the actions of CRC and has and will continue identify how the County can improve its compliance monitoring in the future. However, the County’s opinion on whether CRC violated law is not an appropriate substitute for law enforcement or the judicial process. The County remains committed to cooperating with law enforcement and regulatory agencies as this investigation continues and all available legal remedies remain under consideration.

Legislator Brew Vouchers Questions 1- 9

Subrecipients submit monthly, bi-monthly, or quarterly financial vouchers that include an itemization of expenses paid in the previous period.

The submission is comprised of two parts. The first is a list of all expenses under each line item of the approved contractual budget. The subrecipient uploads an excel spreadsheet that is customized for their project and budget and broken into monthly columns. The total of expenses of

each budgetary line for that submission is then compared to the second part of the submission, the paid invoices.

The County then conducts two steps in the review. First, the County reviews all of the invoices to confirm that the invoices are valid and ensure the amounts on the invoices add up to the amounts on the line item of the spreadsheet. Next, the County reviews each item to determine whether the expense is appropriate for the contractually approved scope of the project and whether the expense is an allowable expense under ARPA rules and guidelines. Items needed to fulfill tasks within the scope or items used during outreach events in the community to alert people of services are all acceptable expenses when they are contemplated in the scope of work.

Upon evaluation of the submission, the County communicates to the subrecipient any questions or concerns about any expenses. Upon explanation, the County will approve or deny the individual expenses and submit for payment to be sent to the subrecipient.

Legislator Brew Financial Reporting Question 1

The meetings referenced are hosted by and for the NCP partners and are not County meetings. As part of the monitoring system, the County was in extensive monthly contact with CRC and the NCP agencies with regular meetings, onsite visits, desk reviews and communications.

Legislator Brew Financial Reporting Question 2

The meeting to discuss the Quarter 4 submission would have occurred on February 16, 2024 to review the reports submitted in January. This Report Review for February was canceled after the discovery of CRC's mismanagement of funds.

Legislator Brew Additional Communication Question 1

These concerns were not identified until the Fall/Winter of 2023-24, after the contract was executed.

Legislator Brew FOIL Question 1

Center for Community Alternatives is a separate entity and is not connected to CRC.

Legislator Brew FOIL Question 2

Based on CRC's application, it is our understanding that CRC provided direct services in connection with unrelated projects in addition to serving as administrator of NCP. The question regarding the letter misrepresents what was stated in the letter. The letter was requested to make clear that CRC was not the final recipient of the full \$7,160,849 ARPA award.

Legislator Brew FOIL Question 3

The apparently improper related party transactions engaged in by CRC and Ms. Paradiso have been reported to the Office of the New York Attorney General.

Legislator Brew FOIL Question 4

No, CRC was not given preferential treatment. The County often has back-and-forth conversations with contractors regarding insurance, especially in instances in which the entity has not contracted with the County before.

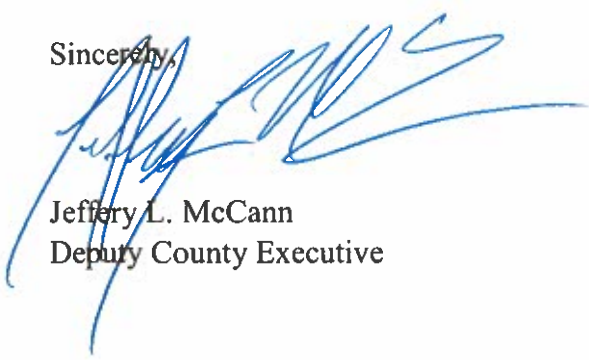
Legislator Brew FOIL Question 5

The insurance documents provided did not include one or more of the required endorsements (e.g., proof that the insurance provided for and named Monroe County as an additional insured) for CRC's umbrella policy and therefore were not ready to upload to the County's ContrackHQ system. The County often has back-and-forth conversations with contractors regarding insurance, especially in instances in which the entity has not contracted with the County before.

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We trust that today's response addresses the Legislature's questions regarding this issue. We remain committed to providing any further clarification that may be helpful.

Sincerely,



Jeffery L. McCann
Deputy County Executive

cc: All Members of the County Legislature