

**ADDENDUM TO REQUESTS FOR AUTHORIZATION TO CONTRACT
WITH PROVIDERS OF EARLY CHILDHOOD EDUCATION SERVICES FOR FOUR-YEAR-
OLDS IN THE UNIVERSAL PREKINDERGARTEN SERVICES (2014-2017)**

Estimated Annual / Total Contract Amount	Funding Source	Contract Term	Options	Procurement Method	Is Contract Retroactive?	Contract Type
	New York State Education Department (NYSED), Tax Levy	Three Years	None	Contract via Negotiated Service per Section 3-08 (b) of DOE Procurement Policy & Procedures	No	Requirement

Vendor Names & Addresses	See table below.
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Contract Manager	Lead Contracting Officer	Division of Contracts & Purchasing Contact
Danielle Kolker Director of Operations Division of Early Childhood Education	Sophia Pappas Executive Director Division of Early Childhood Education	Jay G. Miller Chief Administrator Vendor Research and Price Analysis

PURPOSE

On June 24, 2014, July 16, 2014, and July 30, 2014, the Panel for Educational Policy (Panel) approved Requests for Authorization (RA) to contract with 4, 47, and 115, respectively, vendors to provide high-quality instructional programming as part of the Universal Prekindergarten (UPK) program. As indicated in the approved RAs, all of the vendors and their principal owners and officers were subject to a comprehensive background check, but these checks were not all completed prior to Panel approvals.

While the background checks have not been completed for all vendors, previously unreported noteworthy information became known to the DOE regarding prime vendors Nesivos Bais Yaakov, Learning Tree School, Tolentine Zeiser, ABC Preschool & Kindergarten Center Corp., Trabajamos Community Head Start, Honeydew Drop Child Care, The Learning Tree Cultural Center, Inc, Clifford Glover Day Care Center, Inc., Christ the Rock International, Inc., Greater Bright Light Learning Center, Jewish Child Care Association of New York, Inc., Good Shepherd School, Battalion Christian Academy, and Hanover Place Child Care Center. In accordance with the DOE commitment to report all known noteworthy information to the Panel, the information concerning these 13 vendors is summarized below.

For Lutheran Social Services of Metropolitan New York, which appeared on the agenda for the July 16, 2014 Panel meeting, noteworthy information had been reported previously in the RA Addendum that appeared on the agenda for the August 2014 Panel meeting. Additional information concerning this vendor is summarized below.

DISCUSSION

Vendors approved at the June 24, 2014 Panel Meeting

- Nesivos Bais Yaakov
 - In 2005, the NYC Department of Investigation (DOI) received an allegation that Nesivos Bais Yaakov was operating a daycare illegally. In January 2006, DOI determined that Nesivos Bais Yaakov had conducted unpermitted building alteration work, and was operating a day care

without a valid Certificate of Occupancy (CO). The building was vacated and eight DOB violations were issued. As the vendor has a current CO that permits a child care facility at the site, and as the NYC Department of Health and Mental Hygiene and the NYC Department of Buildings report there are no Public Health Hazards or ECB Class I violations, the DOE does not believe these matters preclude a determination that the vendor is responsible.

Vendors approved at the July 16, 2014 Panel Meeting

- Lutheran Social Services of Metropolitan New York
 - Previously Reported
 - Prime vendor Lutheran Social Services of Metropolitan New York VENDEX contains a caution regarding 26 investigations (3 related to affiliates) by various governmental agencies including the EEOC, NYS Division of Human Rights, NYS Office of Children and Family Services, NYC Department of Health and Mental Hygiene, NYC Office of Children and Family Services, US Department of Housing and Urban Development and City of New York Commission on Human Rights. Of the 26 investigations, 24 are either closed without any adverse finding, dismissed, or were determined to be unfounded. The remaining 2 investigations are currently pending. The first is an EEO charge against affiliate St. John's HDFC alleging failure to provide a reasonable accommodation for disability. The second alleges that a teacher pinched a child's ear at a program run by Lutheran Social Services. This report is being investigated by the DOHMH and is still pending.
 - VENDEX also contains a caution indicating that affiliate Muhlenberg Community HDFC had 5 investigations by various government agencies including the US EEOC, US Department of Housing and Urban Development, City of New York Commission on Human Rights, NYS Division of Human Rights, and the NYC Office of Children and Family Services. Of these, 4 are either closed without any adverse finding, dismissed, or were determined to be unfounded. One investigation from 2008 alleging "lack of supervision" of children placed in Lutheran Social Services of Metropolitan New York residential facilities was substantiated. Lutheran Social Services of Metropolitan New York implemented corrective actions in accordance with the recommendations. These corrective actions included assisting the foster mother in getting early intervention services for the foster child, assisting the foster mother in processing attendance of the foster child in the CPSE program and providing training for the foster mother regarding proper supervision for her children.
 - In light of the size of Lutheran Social Services, which in FY 2013 generated \$21.9 million in revenue and had 450 employees, the DOE does not believe these matters preclude a determination that the vendor is responsible.
 - Previously Unreported
 - One of the two investigations previously reported as pending concerning an allegation that a teacher pinched a child's ear at a program run by Lutheran Social Services was determined to be unfounded by the NYC Administration for Child Services (ACS).
 - DOI reports that in July 2004, it received multiple complaints from former employees of Lutheran Social Services of New York ("LSSNY"), which provides assistance to foster children and families, alleging that, in advance of annual audits of LSSNY conducted by ACS, the LSSNY supervisor instructed them to create false progress notes documenting services that were not actually provided. Two former employees also stated that the LSSNY supervisor instructed them to provide false testimony during Family Court proceedings. DOI's investigation substantiated that multiple LSSNY employees had been directed by the LSSNY supervisor to write false progress notes or create bogus workshop attendance logs for foster parents and children. DOI ultimately recommended that LSSNY adopt new policies regarding the assignment of social service cases, hiring employees, and training new employees. At the time DOI's investigation was completed, in June 2007, the LSSNY supervisor no longer worked for LSSNY. On February 26, 2009, LSSNY reported to ACS that it has implemented

policies and procedures to address the concerns outlined by DOI in its investigation memorandum. LSSNY has received 10 additional contracts with ACS since these incidents.

- As only 1 of the 31 investigations cited above was substantiated with corrective action, and in light of the size of Lutheran Social Services, which in FY 2013 generated \$21.9 million in revenue with 450 employees, the DOE does not believe these matters preclude a determination that the vendor is responsible.

- Learning Tree School

- Noteworthy information identified for The Learning Tree. Vendor is debarred until 12/25/14 by the Workers' Compensation Board. Such debarments relate only to Public Works contracts. Moreover, the vendor has current workers' compensation insurance. Therefore, the DOE does not believe this precludes a determination that the vendor is responsible.

- Tolentine Zeiser

- The NYC Department of Investigation (DOI) advises the DOE that the Administration for Children's Services (ACS) identified problems with the vendor related to agency structure, operational guidelines, personnel procedures, and financial operations. DOI further advised that the Fiscal Director used funds for personal use and that several of her relatives were a part of the Board of Directors. ACS advises the DOE that it is satisfied with the changes Tolentine has made to address these concerns. Accordingly, the DOE does not believe this precludes a determination that the vendor is responsible.

- ABC Preschool & Kindergarten Center Corp.

- VENDEX contains a caution indicating that the vendor's prior DOE contract was terminated for cause. In 2010, one of ABC's principal owners and her husband (the Mazers) were arrested and charged in connection with the City Time investigation. The charges stemmed from work performed by MS Development Services (MSDS), an affiliated entity owned by the Mazers and performing non-UPK work. ABC had failed to disclose MSDS in VENDEX as required, and, accordingly, had its contract terminated for cause. In 2013, the current owners of the company (who previously were co-owners of ABC with the Mazers) purchased the Mazers' interest in ABC. As these matters are appropriately disclosed in VENDEX, the Mazers no longer are affiliated with ABC, the charges stemmed from actions taken by a different (and no-longer-affiliated) entity, and the current owners were never arrested or charged in connection with these matters, the DOE does not believe this precludes a determination that the vendor is responsible.

- Trabajamos Community Head Start

- In December 2013, the Conflicts of Interest Board ("COIB") determined that from September 2005 until August 2013 former long-time Trabajamos Community Head Start ("Trabajamos") board chairman and ACS employee Donald Antonetty performed duties for Trabajamos, which is funded by ACS, during his City workday using City resources. COIB determined that Antonetty's work for Trabajamos included representing Trabajamos before ACS in June 2013. ACS demoted Antonetty for his conduct and he resigned his ACS position and his position as Trabajamos board chairman. The vendor has taken corrective actions regarding its internal controls, hiring policies and training. As Mr. Antonetty is no longer associated with Trabajamos and his function there was as a board member, not an officer, the DOE does not believe this matter precludes a determination the vendor is responsible.

- Honeydew Drop Child Care

- In 2008 a two year old who attended Honeydew Child Care was rushed to the hospital and pronounced dead approximately an hour later. Authorities did not suspect any foul play, the investigation has been closed and no charges were brought against the school or anyone associated with it. The vendor advises that the child had a long term respiratory bronchial infection which the parent never disclosed and that the child showed no symptoms of the infection

while at school. There have been no such incidents reported at Honeydew Drop Child Care since. VRPA does not believe that this precludes a determination that the prime vendor is responsible.

Vendors approved at the July 30, 2014 Panel Meeting

- Clifford Glover Day Care Center, Inc.
 - Vendor is debarred until 12/25/14 by the New York State Workers' Compensation Board. Such debarments relate only to Public Works contracts. Moreover, the vendor has current workers' compensation insurance. Therefore, the DOE does not believe this precludes a determination that the vendor is responsible.
- Christ the Rock International, Inc.
 - Vendor is debarred until 2/12/15 by the Worker's Compensation Board. Such debarments relate only to Public Works contracts. Moreover, the vendor has provided an accord showing current worker's compensation insurance. Therefore, the DOE does not believe this precludes a determination that the vendor is responsible.
- Jewish Child Care Association of New York, Inc.
 - VENDEX reports two cautions:
 - The first, from 2010, regards an unsatisfactory performance evaluation by DOHMH. In response, JCCA explained that for three months it did not accept any new referrals to a Teen ACT program, which appears to have been the result of a miscommunication with DOHMH. We note that DOHMH has subsequently awarded JCCA several contracts and the vendor has not received any additional unsatisfactory evaluations. Other evaluations in VENDEX included 48 good and 20 excellent.
 - The second discusses a settlement agreement with the NYS Attorney General's Medicaid Fraud Control Unit to resolve issues raised by a limited scope audit into claims submitted by the vendor from 2003 through 2008, including claims for transportation when children in their care have to be hospitalized. The vendor agreed to remit \$403,000 (including interest) as part of the settlement agreement.
 - One of JCCA's principals, Steven Wolinsky, was employed by Metropolitan Council on Jewish Poverty until September 2012. In 2013, allegations came to light that the CEO, Executive director, and CFO of Met Council had stolen \$9 million over 20 years. The investigation was run by the NYS Attorney General and NYS Comptroller. No charges were brought against Mr. Wolinsky.
 - JCCA operates the Pleasantville Cottage School in Mount Pleasant, New York. In 2002, numerous articles discussed problems experienced at the school including student-on-student sexual assaults, assault of an employee by the students, theft, and drug possession. In the aftermath of the incident, the vendor contracted an outside security company to consult and put several measures in place to safeguard the well-being of staff and students. Moreover, services under this contract will not be rendered at the Mount Pleasant facility.
 - The DOE does not believe these matters preclude a determination that the vendor is responsible.
- Good Shepherd School
 - The vendor's VENDEX lists one caution related to an investigation in 2010 by SCI that substantiated two employees intentionally falsified and submitted records to a DOE school with the knowledge of their immediate supervisor. The DOE placed a problem code on the files of the two individuals, both no longer work for Good Shepherd, and Good Shepherd agreed to a set-off against future invoices in the amount of \$70,143, representing what was paid to the vendor for the services of those two individuals. In light of the corrective actions taken by the vendor, the DOE does not believe this matter precludes a determination that the vendor is responsible.

- The Special Commissioner of Investigation (SCI) reported that a student in the YABC program at Franklin Delano Roosevelt High School in Brooklyn, who was an intern at P.S. 205 in Brooklyn through Good Shepherd Services, engaged in sexual misconduct with his male cousin in Mexico in 2008, when the intern was 14, and his cousin was eight. The internship was terminated following the report of the allegation.
- Battalion Christian Academy
 - Vendor is debarred until 5/15/15 by the Worker's Compensation Board. Such debarments relate only to Public Works contracts. Moreover, the vendor has demonstrated that it has current Worker's Compensation Insurance. Therefore, the DOE does not believe this precludes a determination that the vendor is responsible.
- Hanover Place Child Care Center
 - Vendor is debarred until 9/11/14 by the Workers' Compensation Board. Such debarments relate only to Public Works contracts. Moreover, the vendor has current workers' compensation insurance. Therefore, the DOE does not believe this precludes a determination that the vendor is responsible.