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REPORT OF THE
COMPTROLLER GENERAL
OF THE UNITED STATES

Activities Of Project Reach, Inc.
Department of Health, Education, and Welfare
and Other Federal Agencies

Project REACH received Federal grants to provide a number of services to migrant farmworkers and community residents. REACH's role as an advocate for farmworkers resulted in controversy with farmers in prior years, but problems appear to be lessening.

Although some of REACH's services overlap those available from other groups, REACH's services are offered at more convenient times and appear to be more accessible to farmworkers. Much improvement is needed in REACH's accounting and administrative controls to assure that Federal funds are properly spent.

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COMPTROLLER GENERAL OF THE UNITED STATES

WASHINGTON, D.C. 20548

B-130515

The Honorable James F. Hastings
House of Representatives

Dear Mr. Hastings:

This report, reviewing certain activities of Project REACH, Inc., was made pursuant to your September 17, 1974, request. We reviewed REACH's advocacy role, the possible duplication by REACH of services available through other local service agencies, and the adequacy of REACH's controls over expenditure of Federal grant funds. We also reviewed REACH's relationship with employees of Volunteers in Service to America and other matters of concern to some residents of Steuben County.

We submitted this report to Department of Health, Education, and Welfare officials for comment and considered their views in preparing it.

We invite your attention to the fact that the report contains recommendations to the Secretary of Health, Education, and Welfare. As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House and Senate Committees on Government Operations not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We will be in touch with your office in the near future to arrange for distribution of the report to the Secretary and to the four Committees to set in motion the requirements of section 236.

Sincerely yours

A handwritten signature in black ink, appearing to read "James A. Stacks".

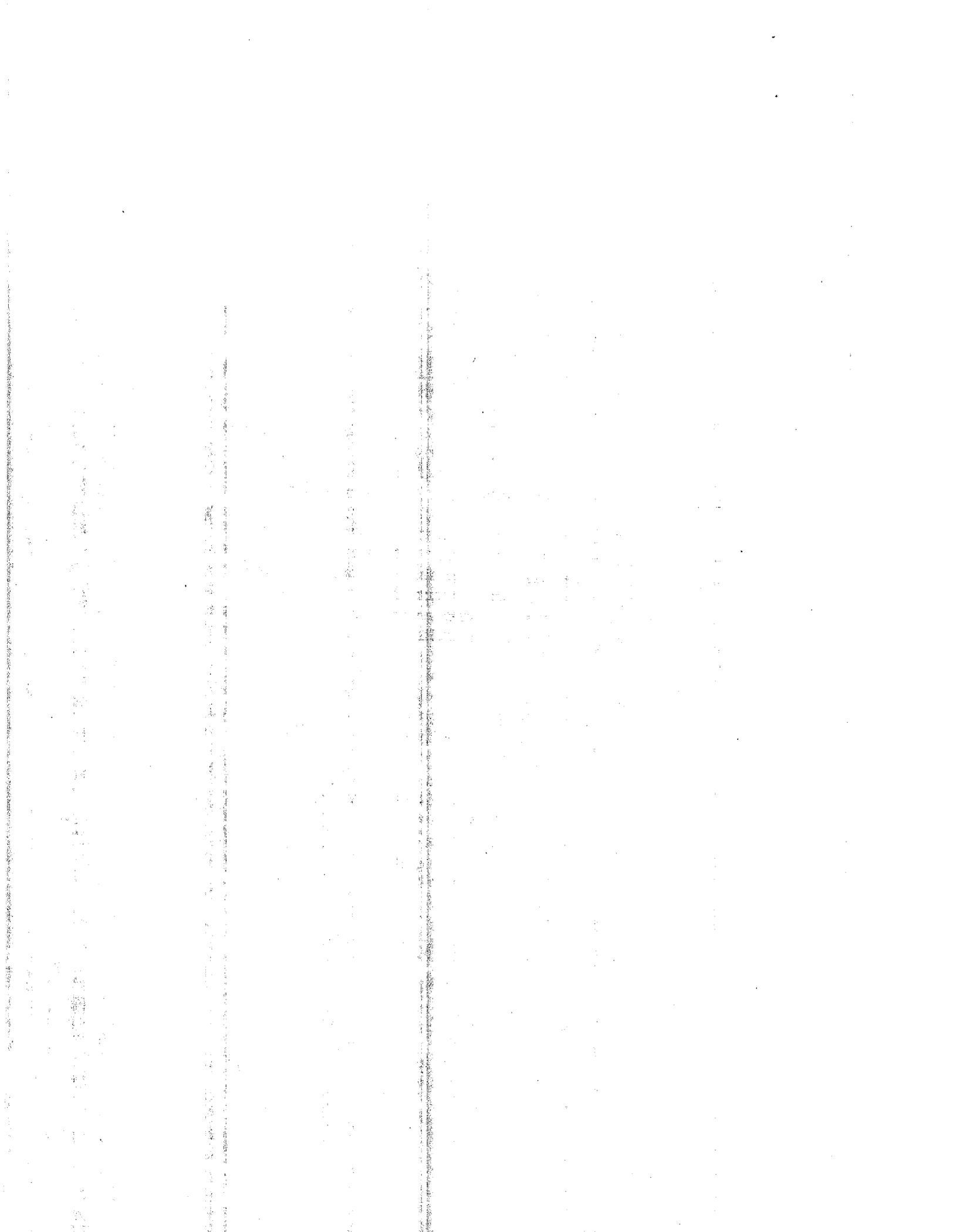
Comptroller General
of the United States

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ABBREVIATIONS

GAO	General Accounting Office
GSA	General Services Administration
HEW	Department of Health, Education, and Welfare
OEO	Office of Economic Opportunity
VISTA	Volunteers in Service to America



D I G E S T

Project REACH, Inc., located in Cohocton, New York, operates programs to aid migrant farmworkers and, to some extent, community residents. In fiscal years 1973 and 1974, the project received funds from various Federal agencies to conduct programs in the areas of housing, job placement, child care, emergency assistance, and health. (See p. 1.)

REACH officials believe their organization has a responsibility to be an advocate for farmworkers. This role--an authorized activity under the Economic Opportunity Act of 1964, as amended--resulted in controversy with local farmers in prior years. However, problems appear to be lessening, and unnecessary conflicts should be avoided if REACH properly implements its advocacy policy. (See p. 5.)

REACH's activities overlap some services, such as counseling, employment, referrals, and health education, provided by other groups. However, REACH offers services at more convenient times for farmworkers and provides transportation and outreach, which appear to make REACH's services more accessible. (See p. 7.)

A migrant health clinic operated seasonally by REACH was staffed with several full-time employees. The employment of full-time administrative personnel resulted in high costs relative to the number of patient visits. In REACH's fiscal year 1976 grant application there are no full-time positions fully supported on a 12-month basis by migrant health funds. (See p. 9.)

GAO was not always able to determine whether expenditures were proper because of weaknesses in REACH's accounting and administrative controls. These weaknesses need to be corrected to assure that expenditures are authorized and proper. (See p. 9.)

As of January 1975, REACH was supervising 14 employees of Volunteers in Service to America and was responsible for taking reasonable measures to insure that their activities complied with the

law and prescribed policies and guidelines. REACH's performance under its supervision contract, particularly with regard to the Volunteers use of Government vehicles, appears to have been adequate. (See pp. 12 and 13.)

Because the Department of Health, Education, and Welfare (HEW) funds a major portion of REACH's activities, the Secretary of HEW should require it to (1) have all employees prepare timecards, (2) establish updated local and out-of-town travel policies, and (3) either follow established procurement procedures or adopt procedures currently in use as official policy. (See p. 17.)

HEW agreed with GAO's recommendations. (See pp. 17 and 22.)

CHAPTER 1

INTRODUCTION

Project REACH, Inc., was established as a voluntary program in Steuben County, New York, in 1967, to aid migrant and seasonal farmworkers in obtaining needed health services. In 1969, REACH received its first Federal funds--a migrant health grant from the Department of Health, Education, and Welfare (HEW). Since that time, REACH has broadened the scope of its activities to include services directed toward community residents. In fiscal year 1974, REACH had receipts of about \$306,000, including \$283,000 of Federal funds from multiple sources. For fiscal 1973, receipts totaled about \$282,000, of which about \$192,000 were Federal funds. We conducted our fieldwork between November 1974 and April 1975.

PROGRAMS OPERATED BY REACH

During fiscal years 1973 and 1974, REACH operated or sponsored programs for migrant farmworkers and, to some extent, community residents in the areas of housing, job placement, child care, emergency assistance to migrant farmworkers, and health. Details on the number of persons served by each program and the related expenditures of Federal grant funds are presented in appendix II.

Housing programs

During fiscal year 1973, REACH was awarded a housing grant from the Office of Economic Opportunity (OEO). According to REACH officials, instructors and technical assistance were provided for a program to teach construction trades to farmworkers seeking nonagricultural employment. Teams of workers constructed homes for themselves on land they had purchased. Construction materials were provided by the Steuben County Churchmen Against Poverty--a local consortium of churches. When construction was completed, REACH helped the workers to obtain mortgage loans to repay the cost of the materials.

During 1974, REACH's housing activities involved providing assistance to both farmworkers and local residents in applying for loans from the Farmers Home Administration, estimating costs and arranging for individual family home rehabilitation, and providing emergency relocation assistance. Funds for these activities were provided by (1) the Department of Labor, through a contract with Program Funding, Inc. (a nonprofit, Rochester, New York-based corporation), and (2) Steuben County Churchmen Against Poverty.

Program Funding, Inc., also provided Federal funds to be used for relocating and resettling migrant workers into permanent housing and employment. If necessary, REACH could pay the deposit and initial month's rent for housing for these families.

Job placement

Under its contract with Program Funding, Inc., REACH also provided job counseling and placement for migrant and seasonal farmworkers relocating into nonagricultural employment. Activities under this program included contacting employers about job openings, maintaining contacts with educational and training resources, and providing counseling in English and Spanish to individuals seeking employment and to those already placed in employment or training. REACH also provided office space for a vocational rehabilitation counselor who served both farmworkers and community residents.

Child care

Under grants from the Appalachian Regional Commission, REACH sponsored a child development center to provide day care to children of parents working or living in Steuben County. The children were provided meals and transportation as well as care directed at encouraging their development.

Emergency assistance to migrant farmworkers

During fiscal year 1973, REACH received OEO funds through the North Carolina Council of Churches Migrant Project to purchase a limited amount of food for migrant and seasonal farmworkers and their families in emergencies. Vouchers made out and distributed to the farmworkers could be taken to food stores for the purchase of a stated amount of food. During 1974 this program was funded by OEO through Program Funding, Inc. REACH employees continued to distribute the vouchers in the Steuben County area as an authorized activity under REACH's contract with Program Funding, Inc.

Health programs

In the area of health, REACH received Appalachian Regional Commission and HEW funding for a year-round family health clinic and a related health outreach program operated primarily for residents of northern Steuben County, a dental health program for migrant families, and a clinic operated during harvest season to provide health services to migrant and seasonal farmworker families.

Family health clinic and outreach program

During 1974, REACH received a primary health care grant from the Appalachian Regional Commission. The Commission defines such care as that needed to be available in a community most of the time. The Commission grants funds to organizations providing such services as health care in rural areas of the Appalachian region. Steuben County is such an area.

The grant provided for organizing a team consisting of a physician, a nurse practitioner, a licensed practical nurse, and a clerk receptionist to provide acute and preventive health care to residents of northern Steuben County, including migrant workers. Fees were based on the patient's ability to pay; reimbursement was sought from Medicaid if the patient was eligible.

The grant also provided for outreach activities which consisted of informing area residents of available health services, providing transportation to the health facilities when no other transportation could be found, gathering information on factors residents viewed as obstacles to obtaining preventive health care, and informing residents of the need for such preventive care. REACH contracted with Tri-County Family Medicine, Inc., to provide the primary health care services and the outreach component of the program.

Dental health program

The dental health program, operated seasonally by REACH, served migrant farmworkers and their families. The funds for this program originated with HEW and were granted through the State and Cornell University. With these funds, REACH planned for and operated a dental health program stressing such things as the proper method of brushing, the effect of nutrition on teeth, and the importance of dental care. In 1973 both educational and dental services were provided, while in 1974 only dental screening, including dental education and initial oral examination, was provided. Activities were carried out at the Wayland Day Care Center, in migrant camps, and after school in the towns of Cohocton, Avoca, and Wayland.

Seasonal migrant health project

In 1973 and 1974, REACH received migrant health grants from HEW to provide medical and dental services to migrant and seasonal farmworkers and their families. Medical services were provided at an evening clinic under an agreement

with Tri-County Family Medicine, Inc. This clinic which operated 18 sessions during the 1974 harvest season, also provided emergency dental treatment. During the 1973 season, the clinic held 22 medical sessions and sponsored 129 dental sessions. In 1974, a planned new dental clinic was not operational because of construction problems; however, under an agreement with another clinic, 20 dental sessions were offered.

To make these services accessible, the grants also authorized transportation of the farmworkers to the clinics, specialists, and other needed health service organizations, as well as to the local department of social services to apply for food stamps and Medicaid. Additionally, funds were provided for outreach activities which involved visiting migrant camps and counseling the farmworkers on available services

SCOPE OF REVIEW

We held discussions with officials of REACH and Federal, State, and private agencies with whom REACH had grants or contracts. At REACH, we reviewed policies and procedures, grants and contracts, and accounting records. In addition, we met with officials and residents of Steuben County and with officials of county service organizations, including the public health nursing service, the cooperative extension association, the department of social services, and the Steuben County economic opportunity program.

CHAPTER 2

RESULTS OF REVIEW

REACH's advocacy role is an authorized activity which, in prior years, resulted in controversy with local farmers. Much of the controversy was related to REACH's (1) activities in reporting suspected violations of the health code to county and State officials, (2) removal of workers from the fields without notifying the farmers, and (3) assistance to farmworkers desiring to leave the migrant stream. Although some farmers have continued to complain about REACH's advocacy activities, problems have apparently lessened since REACH developed a policy of notifying farmers before reporting suspected violations or removing workers from the fields.

REACH's activities do overlap some services, such as counseling, employment referrals, and health education, which are provided free of charge by other State and local agencies. However, REACH provides additional assistance, such as transportation, making its basic services more accessible.

The migrant health clinic operated seasonally by REACH was staffed with several full-time employees. This resulted in high per patient visit costs primarily due to salaries for full-time administrative personnel. We discussed this matter with REACH and HEW officials during our fieldwork. In REACH's fiscal year 1976 grant application there are no full-time positions fully supported on a 12-month basis by migrant health funds.

Because of poor supporting documentation for certain expenditures, disregard for established procedures, and the lack of certain financial controls, we were unable to assure ourselves that REACH's funds were properly used.

Supervision by REACH over employees of Volunteers in Service to America (VISTA), particularly with regard to their use of Government vehicles, appears to have been adequate.

REACH'S ADVOCACY ROLE

REACH officials believe that in addition to operating service programs, REACH has a responsibility to be an advocate for farmworkers. Advocacy activities are defined as

- cooperating with State and local enforcement agencies, such as the health and labor departments, to see that the rights of migrant workers are upheld, and
- helping farmworkers obtain benefits for which they are eligible.

Advocacy activities are carried out under a contract with Program Funding, Inc., and are authorized by section 312(b) of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2862).

An undated "Report of the Steuben County Board of Supervisors' Committee Appointed to Investigate Conflicts Alleged of Project REACH and Rural Community Components" states that most of the controversy concerning REACH's activities seems to center on its advocacy role. Prior to 1973, advocacy activities carried out by REACH resulted in controversy with area growers. For example, some farmers complained that REACH reported suspected violations of the health code to county and State officials without giving them an opportunity to take corrective measures. Others complained that REACH was removing farmworkers from the fields to obtain food stamps or to participate in manpower training programs.

To reduce tension with local farmers, REACH established certain policies concerning its advocacy activities. REACH officials told us they do not consider REACH a regulatory agency but do expect its employees to report suspected violations of the health code. The policy on such reporting is to first notify the grower. If a major violation is involved, a recheck will be done in 1 to 3 days. If the violation has not been corrected, the health department will then be notified.

REACH's policy in assisting farmworkers to obtain benefits provides that farmworkers will be taken out of the fields only for services directly related to necessary health care. Whenever possible, the grower will be notified beforehand.

A REACH official told us that it is also the organization's policy to assist those migrant farmworkers expressing a desire to leave farmwork and seek other employment. He stated that such help is given only to those farmworkers who actually seek assistance.

These policies have all been in effect since the 1973 growing season. According to local officials, during 1974 there were no reported problems between REACH and area growers. Nevertheless, some growers stated that they continued to experience problems with REACH personnel removing farmworkers from the fields to obtain food stamps. The director of the project's outreach program said she could not recall any instance in which this had occurred. She informed us, however, that if a farmworker was being transported for medical care, he might also apply for food stamps at the same time.

DUPLICATION OF SERVICES

The report of the committee which investigated REACH's activities states that REACH's programs duplicated those of several State or local agencies. We met with directors of several agencies to determine possible areas of duplication and found that several areas apparently overlap. However, local services are generally provided only during normal working hours in specified locations. Farmworkers are generally working during these hours and often do not have their own means of transportation. REACH offers its services at more convenient times and provides added services, such as transportation and outreach.

Following are areas in which there may be some overlap.

Casework

The Commissioner of the Steuben County Department of Social Services defines casework to include family planning counseling, referring clients to available services, assisting clients in obtaining benefits, and locating housing. The services are available to residents of Steuben County, including migrant and seasonal farmworkers. One must apply for such services at an intake office during normal working hours. Before the 1974 harvest season, the department took applications for social services--including Medicaid and food stamps--at the evening migrant medical clinic. However, its commissioner stated that due to the declining number of migrants in Steuben County, a person was not stationed at the clinic in 1974. A department official stated that, although individual employees of the department could make appointments with clients for other than normal working hours, generally this was not done.

REACH provides casework services to both area residents and farmworkers through its outreach programs and the VISTA volunteers. REACH personnel stated that during harvest season they commonly work other than normal hours providing counseling, referrals, assistance in obtaining benefits, and transportation to migrants. Additionally, VISTA volunteers, whose activities are primarily directed toward providing services to full-time residents of Steuben County, must be available for service 24 hours a day, 7 days a week.

Health services and information

The Steuben County public health nursing service provides nurses for home health care, operates specialized clinics, and provides information on health matters at the clinics and

through public speaking engagements. Additionally, during the harvest season, the State pays a nurse to provide care to farmworkers in migrant camps. This nurse follows up on problems noted at the migrant clinic and provides health care information.

Going from door to door in northern Steuben County, REACH employees have distributed information on available medical and social services, collected information on residents' problems in obtaining health care, and conducted a community education program on the need for preventive medicine. REACH also provided primary medical care (through Tri-County Family Medicine, Inc.), conducted a dental health program for farmworkers, and provided transportation to these services when necessary. According to the Director of the public health nursing service, her agency has no specific programs on preventive medicine or dental care; these matters would be covered at clinics and during presentations.

Employment services

The New York State employment service offers counseling and employment services and referrals to training programs for which migrant and seasonal farmworkers are eligible. Before 1974, the State employment service maintained an office in Cohocton, New York, during the harvest season. However, an official of the Dansville, New York, office said that due to the decreasing number of migrants, it was decided not to operate the Cohocton office in 1974. Spanish language service is not locally available, and the employment service does not offer any transportation.

In contrast, REACH employed a Spanish-speaking job counselor to assist farmworkers seeking nonagricultural employment. He was responsible for providing employment counseling and for placing farmworkers in training and jobs. He provided farmworkers with necessary transportation and traveled to the migrant camps to provide counseling during nonworking hours. This activity was not funded for 1975.

MIGRANT HEALTH CLINIC COST

The migrant health clinic incurred costs of about \$93,000 in 1974. The cost per visit for both medical and dental services is shown below. ^{1/}

	<u>Cost per visit</u>
Direct patient care (salaries of clinic personnel plus physicians' transportation)	\$ 28.18
Administration (REACH and clinic administrative personnel and related travel expenses)	89.25
Health outreach and transportation (salaries and related transportation expenses)	11.70
Other (rent, supplies, postage, telephone, etc.)	<u>12.61</u>
Total	<u>\$141.74</u>

The administration expense category was high because it included the salaries of several full-time employees which were allocated to patient visits occurring during a limited season. We discussed this matter with REACH and HEW officials during our fieldwork. REACH's fiscal year 1976 grant application provides that all staff used in the clinic are contracted and paid on a per-session basis. In this application, there are no full-time positions fully supported on a 12-month basis by migrant health funds.

CONTROLS OVER EXPENDITURES OF GRANT FUNDS

We reviewed REACH's procedures for controlling expenditures and examined supporting documentation for a random sample of 186 expenditures, totaling about \$35,000, made between July 1, 1972, and June 30, 1974. These expenditures generally fell into the following three categories: payroll, travel and other employee reimbursements, or general purchases—such as supplies. In many instances, source documents, such as

^{1/} A major portion of dental services was provided under contract with the Rushville Health Center, Rushville, New York.

personnel action notices indicating rates of pay, withholding forms, claims for employee reimbursement, or bills for general purchases, were either missing or not sufficiently complete for us to determine the propriety of the expenditure.

Payroll

Of the 89 payroll expenditures in our sample, 1 time card was missing and 8 were for supervisors for whom no time records were filed. Of the 80 time records that were filed, only 1 was signed by the employee's supervisor. According to a REACH official, each time record should have been reviewed by the appropriate supervisor. Without any evidence of such review, we were unable to rely on the time records as evidence that the employee actually worked the number of hours claimed.

In many instances we were unable to determine whether the amount of the payroll check was correct. Generally this was due to missing personnel action forms, missing withholding forms, or deductions not in conformance with the withholding form. However, in all instances we were able to identify the employee through personnel records. We discussed the missing personnel data with REACH officials during our fieldwork. REACH adopted revised personnel policies and procedures effective May 13, 1975, which provide for maintaining complete personnel records for each employee. Proper implementation of this policy should provide greater assurance concerning the accuracy of salary payments.

Some supervisors' positions are funded by more than one grant source. These supervisors are not required to maintain records on the amount of time devoted to each grant activity. Therefore, grantors have no accurate basis for determining whether the proportion of the salary charged to each grant is appropriate.

Since January 1, 1975, all REACH employees, other than supervisors, have been required to file time records signed by the appropriate supervisor. We confirmed that this policy was being carried out. However, as of March 1975, this remained an oral policy, and supervisors were still not required to file time records themselves.

Travel and other employee reimbursements

HEW and the Appalachian Regional Commission provide most of REACH's Federal funds. Further, HEW is responsible for administering the Commission's health grants. Both agencies' regulations permit grantees to establish their own travel policies.

Many of the provisions of REACH's travel policies are either outdated or not completely followed. REACH's local travel policy stipulates that employees are to use a REACH-operated gasoline pump and will be reimbursed for automobile repairs based on the percentage of use for business travel. REACH discontinued operation of its gasoline pump and, in fiscal years 1973 and 1974, it reimbursed employees 10 or 11 cents a mile for local travel. However, it has not revised its local travel policy to reflect this practice.

REACH's policies regarding out-of-town travel provide that:

- Reimbursement will be made at \$25 a day, plus transportation costs.
- A travel request form must be filed to receive a travel advance and reimbursement for expenses.
- A claim form must be filed to account for funds advanced and/or support claims for reimbursement.

The comptroller informed us that he is responsible for reviewing all travel claims and reimbursing all travelers, including himself. He stated that travel requests are not always submitted and that employees are sometimes reimbursed at actual cost rather than on a daily allowance basis. This procedure is not provided for in REACH's travel policy.

In our examination of supporting documentation for local travel reimbursements, we found instances in which two officials were reimbursed for mileage without documenting their travel. Further, one of the officials was reimbursed for tires in addition to receiving payments averaging about \$150 a month for mileage. The comptroller agreed to reimburse the official for tires because he did not believe the official was being sufficiently reimbursed for the number of miles traveled. Since the mileage reimbursement is generally intended to cover vehicle wear and tear, we believe that additional reimbursement for tires is improper.

The two officials also received some reimbursements for out-of-town travel without submitting proper documentation for their claims. For instance, one claim requested a \$50 out-of-town travel allowance for "driving" with no further explanation.

With regard to other employee reimbursements, we noted that several REACH employees received reimbursement for telephone calls from their homes and other places. In some instances, the telephone bills were forwarded for payment;

in other instances, memorandums were submitted stating only that a certain amount was expended for business calls. One REACH official, who received a telephone allowance each month, did not submit any documentation to support these payments or have a written agreement with REACH providing for such fixed payments.

General purchases

REACH's general procurement policy provides for employees to file a purchase requisition with the comptroller for approval. If approval is obtained, a purchase order is to be issued to the person filing the requisition. This is to be presented to the dealer from whom the purchase is being made. The policy states that REACH will not pay for purchases unless prior authorization has been obtained. The procedures make no provision regarding responsibility for certifying receipt of goods or for making payment.

Prescribed purchasing procedures were not always followed. REACH's comptroller informed us that purchase requisitions are not used; only a memorandum or telephone call is necessary to request an item. He then files a purchase order for the required items. When REACH receives the items, the invoice is sent to the comptroller who then pays for them.

For 5 of the 41 general procurement expenditures we examined, we were unable to locate the related bills or to obtain copies from the vendors. These expenditures amounted to \$767.

CONTRACTS BETWEEN REACH AND ACTION

REACH has contracts with ACTION which provide for REACH to supervise the activities of assigned VISTA volunteers, including their use of General Services Administration (GSA) vehicles. The purpose of the volunteer program is to help requesting organizations combat poverty.

VISTA supervision contract

REACH's contract to sponsor VISTA volunteers requires that it provide daily control over and direction for the volunteers. Additionally, REACH must take reasonable measures to insure that the activities of the volunteers comply with the law and prescribed policies and guidelines. REACH is also responsible for identifying jobs for VISTA volunteers in the area.

VISTA volunteers assigned to REACH are either national pool volunteers from throughout the Nation or community volunteers--area residents with special skills or knowledge. REACH has no responsibility for selecting national pool volunteers but is responsible for interviewing community volunteers. In all cases, VISTA selects the volunteers.

A REACH employee is responsible for supervising the volunteers. He told us that when REACH identifies a community need which can appropriately be met by a VISTA volunteer, it applies to VISTA for assignment of such a person. Local service agencies may also apply for a volunteer (for example, to fill a position in a local workshop for the handicapped).

As of January 1975, REACH was sponsoring and supervising 14 VISTA volunteers. The VISTA supervisor at REACH indicated that he is capable of supervising up to 20 volunteers. He stated that he visits job sites at least once a week and contacts the volunteers more frequently by telephone. Some of the volunteers assigned to work in area agencies receive additional supervision from those agencies.

Each quarter the VISTA supervisor at REACH is required to (1) prepare a status report describing the progress of the VISTA projects and the volunteers' activities and (2) forward it to VISTA officials in the New York regional office. Although a VISTA representative is required to visit the VISTA sponsors every quarter, recent visits were made to REACH only semiannually. According to a VISTA official, his office was satisfied with the operation of REACH's VISTA project.

Use of GSA vehicles

VISTA policy states that when public transportation is not adequate, the local sponsor of the VISTA volunteers must provide motor vehicles for volunteers to use in their work. When neither is available, vehicles are to be obtained from a GSA motor pool.

In rural areas, such as Steuben County, authorized use of the vehicles includes use to obtain food, clothing, and housekeeping supplies necessary to maintain the volunteer. This is in addition to the normal job-related use by the VISTA volunteers who must be available for duty 24 hours a day, 7 days a week. Volunteers may maintain the vehicles at their residence upon approval of the VISTA sponsor.

REACH's transportation contract with VISTA for June 1, 1974 to June 30, 1975, provided for REACH to assure that the volunteers would use GSA vehicles solely for authorized

purposes. The contract allowed a total yearly cost of \$22,000 at 8 cents a mile to operate 15 vehicles. This is equivalent to about 1,400 miles a month for each vehicle. The cost was to be applied in the aggregate to all cars. The contract did not impose any mileage restriction per vehicle but, if the total allotted mileage were exceeded, REACH had to pay for the excess. During the period of our review, REACH did not exceed the allotted mileage.

REACH pays all bills submitted by GSA for the use of the cars and is reimbursed monthly by VISTA. To be reimbursed, REACH must maintain records on the VISTA volunteers' travel containing the following information:

- Date of travel.
- Speedometer readings and miles traveled.
- Location visited and purpose of trip.

Each month reports containing this information are submitted by the volunteers. These reports are reviewed by the VISTA supervisor at REACH who then forwards the vehicle number and related mileage to GSA. According to the VISTA supervisor, if any volunteer accumulated more than 1,400 miles a month, he was cautioned because of the requirement that REACH pay for any excess mileage.

Growers alleged that GSA vehicles were seen at locations not connected with VISTA volunteers' regular activities. REACH's VISTA supervisor explained that the volunteers are expected to be on duty at all times. One specific allegation --that GSA cars were seen at odd hours at Loon Lake--appears to be attributable to the fact that some VISTA volunteers were living at the lake. An allegation that a vehicle was seen at a bowling alley could not be substantiated.

OTHER MATTERS CONCERNING USE OF FUNDS

Some Steuben County residents were concerned about REACH using funds to publish a newsletter, allegedly of a political nature, and to acquire property.

From February 1972 to December 1973, REACH issued a monthly newsletter on a subscription basis. It was discontinued in December 1973 because of a lack of subscriptions and because of the time involved in its publication. Receipts and expenditures in connection with the newsletter were recorded in REACH's general project account, which does not include Federal funds. Receipts from donations and subscriptions amounted to about \$540. However, expenditures were not identified as being specifically allocated to the newsletter.

According to a REACH employee, the newsletter was prepared outside of normal working hours at the project. Because the newsletter was discontinued in 1973, we were unable to verify this information. Therefore, we have no evidence indicating that Federal funds were used in issuing the newsletter.

Some Steuben County residents expressed concern that REACH had acquired land to build homes for those migrant and seasonal farmworkers wanting to remain in the area. REACH's financial records and reports for 1973 and 1974 showed that the only property recorded was a building in Wayland, New York, in which the child development center is located.

CHAPTER 3

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

REACH's advocacy role is an authorized activity which, in prior years, resulted in controversy with local farmers. However, problems concerning advocacy activities appear to be lessening. Policies designed to help avoid controversy have been in effect since the 1973 growing season and, in our opinion, unnecessary conflicts should be avoided if REACH properly implements these policies.

REACH's services do overlap those of county or State agencies in the areas of counseling, referrals, health education, and employment services to the extent that the same population is served. However, REACH's services appeared to be more accessible to the farmworkers than similar services offered by the department of social services, the public health nursing service--except for the services provided by the migrant camp nurse--and the State employment service. Similarly, with regard to casework performed by VISTA volunteers, added availability makes the service more accessible to the general population.

The migrant health clinic operated seasonally by REACH was staffed with several full-time employees, resulting in high administrative costs relative to the number of patient visits. In REACH's fiscal year 1976 grant application there are no full-time positions fully supported on a 12-month basis by migrant health funds.

REACH's accounting and administrative controls over the expenditure of grant funds need to be improved to provide assurance that expenditures are authorized and proper. Documentation was not available for all payments, some policies and procedures were not comprehensive and up to date, and other procedures were not always followed; therefore, we could not be assured that all expenditures were proper. Some expenditures were questionable.

REACH's performance under its VISTA supervision contract seems to have been adequate, and VISTA officials were satisfied. REACH's controls over the use of GSA vehicles appear reasonable and adequate.

RECOMMENDATIONS

Because HEW is responsible for administering a major portion of REACH's funding, we recommend that the Secretary of HEW take action to require that REACH:

- Establish procedures requiring that all employees file timecards, that all timecards be reviewed and signed by a designated person, and that all employees whose positions are funded by more than one grant maintain records of time spent on each activity to permit each grantor to assess the adequacy of its funding.
- Establish updated local travel policies and enforce current provisions requiring certification of mileage, date, and purpose of trip before reimbursement.
- Discontinue supplementing mileage reimbursement with separate reimbursement for automobile wear and tear.
- Establish comprehensive out-of-town travel policies which include the current provisions for the use of travel requests and claims.
- Either follow established procurement procedures or adopt procurement procedures currently in use as official policy. In either case, provision should be made for someone other than the comptroller to certify receipt of goods.

In addition, HEW should follow up to determine that all procedures, once established, are properly implemented.

AGENCY COMMENTS

By letter dated November 26, 1975, HEW agreed with our recommendations and stated that actions needed to implement them had been or were being taken. (See app. III.)

JAMES F. HASTINGS
39TH DISTRICT, NEW YORK

ROOM 118
CANNON OFFICE BUILDING
WASHINGTON, D.C. 20515
CODE 202; 225-3161

COMMITTEE ON INTERSTATE
AND FOREIGN COMMERCE

SUBCOMMITTEE ON PUBLIC HEALTH
AND ENVIRONMENT

COMMITTEE ON HOUSE
ADMINISTRATION

Congress of the United States

House of Representatives

Washington, D.C. 20515

September 17, 1974

DISTRICT OFFICES:
122 POST OFFICE BUILDING
JAMESTOWN, N.Y. 14701
CODE 716: 484-0252

243 LAKE STREET
ELMIRA, N.Y. 14901
CODE 607: 734-0302

63 WEST MAIN STREET
ALLEGANY, N.Y. 14706
CODE 716: 373-2234

B-130515

Honorable Elmer Staats
Comptroller General of the United States
General Accounting Office
Washington, D.C. 20548

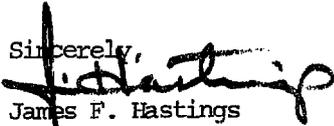
Dear Mr. Staats:

I am writing in reference to Project REACH located in Cohocton, New York and operating in several counties among them Steuben which is in the 39th Congressional district.

You may recall that on October 21, 1972, I sent you a letter asking for an investigation by GAO of Project REACH since a number of charges had been made that REACH was using its government grants improperly. On November 6, 1972 you responded that based on the information available REACH did not appear to be acting contrary to the general objectives and goals of their grant application. In addition, it was suggested that the Office of Economic Opportunity, which was funding REACH, might make appropriate comments on the matter. OEO has continued to fund Project REACH through Program Funding, Inc. in Rochester, New York and has not indicated any feeling that REACH has acted improperly.

Despite government reports, conflicts with the growers and residents in Steuben County continued off and on. Therefore, on October 16, 1972, the Steuben County Board of Supervisors established a committee to review Project REACH and investigate the alleged conflicts between REACH and the local communities. The report of the Committee was issued early in 1974 and I am enclosing a copy as well as a copy of resolutions passed by the Steuben County Farm Bureau relative to REACH. In light of these two documents and all the past problems with this program, I would like to have the General Accounting Office review all available material on Project REACH and provide me with a report on what they have been doing, whether any violations of their grant applications exist and what further action might be taken.

I look forward to hearing from you on this matter and will be glad to assist the investigation in any way you wish.

Sincerely,

James F. Hastings

W

FEDERALLY FUNDED PROGRAMS OPERATED BY REACH IN 1973 AND 1974

<u>Program</u>	<u>Grant source</u>	<u>Description of activity</u>	<u>Program period</u>	<u>Number of people served</u>	<u>Expenditures of Federal grant funds</u>
Primary health care team	ARC (note a)	Initial funding for a full-time medical team to provide health care to residents of northern Steuben County.	Feb. 1, 1974 - Jan. 31, 1975 (first year of grant)	4,972 patient visits	\$48,451
Health out-reach	ARC	Dissemination of information on health resources available, collecting information on health needs, providing transportation for Steuben County residents.	Feb. 1, 1974 - Jan. 31, 1975 (first year of grant)	303 referrals to other service agencies 993 home visits	21,215
Child development	ARC	Day care for children of parents living or working in Steuben County.	Mar. 1, 1974 - Feb. 28, 1975	69 children served 20 children--average daily attendance	43,074
			Mar. 1, 1973 - Feb. 28, 1974	56 children served 23 children--average daily attendance	57,434
Migrant health project	HEW	Provision of medical, dental, and referral services to seasonal migrant farmworker families during the harvest season and transportation to such services.	Jan. 1, 1974 - Dec. 31, 1974	385 medical patient visits 147 dental patient visits 126 patient referrals to specialists/medical institutions	92,863
			Jan. 1, 1973 - Dec. 31, 1973	474 medical, patient visits 969 dental patient visits (note b) 126 patient referrals to specialists/medical institutions	87,785

<u>Program</u>	<u>Grant source</u>	<u>Description of activity</u>	<u>Program period</u>	<u>Number of people served</u>	<u>Expenditures of Federal grant funds</u>
Dental health	HEW/ (through New York State and Cornell University)	Education for children of seasonal and migrant farmworkers on the need for and techniques of good dental care. Also provided screening to detect dental problems.	July 15, 1974 - Dec. 31, 1974	167 persons received dental services 463 persons received dental health services	\$10,459
			July 2, 1973 - Dec. 31, 1973	Statistics were not kept on dental services provided (note b)	12,935
Housing and job placement	Department of Labor (through Program Funding, Inc.)	Relocation assistance to farmworkers seeking nonagricultural employment; assistance in preparing applications for Farmers Home Administration mortgages; counseling, referral to training programs, and job placement for farmworkers.	Dec. 1, 1973 - Nov. 30, 1974	27 loan applications processed 28 persons referred to on-the-job training programs 18 job placements	43,677
Job placement	OEO (through Program Funding, Inc.)	Counseling, referral to training programs, job placement.	July 1, 1973 - Nov. 30, 1973	10 persons provided with counseling 2 persons given training 6 persons placed in jobs	Expenditure reports not available
Housing	OEO	Operate a self-help housing program in which workers learn construction trades while building homes for themselves. REACH helped them obtain mortgages to repay loans for materials. Also attempted to get Government financing for rental housing unit for the area.	June 1, 1972 - Dec. 31, 1972	27 loan applications processed 15 persons aided in relocations and emergencies 15 persons aided in obtaining flood relief loans 7 persons participated in home construction program	33,014

<u>Program</u>	<u>Grant source</u>	<u>Description of activity</u>	<u>Program period</u>	<u>Number of people served</u>	<u>Expenditures of Federal grant funds</u>
Emergency food assistance	OEO (through the North Carolina Council of Churches)	Provision of a limited (note c) dollar value of vouchers for the purchase of food in Steuben, Livingston, Yates, Ontario, and Wyoming Counties of New York. Vouchers were supplied to migrant and seasonal farmworkers and their families in emergency situations. Some funds for emergency travel were also supplied.	Mar. 1, 1972 - Jan. 31, 1973	Individuals were aided in 826 instances	\$10,079

a/ Appalachian Regional Commission

b/ For 1973, REACH combined the number of dental patients served under the HEW migrant health grant with those served under the dental health grant.

c/ Starting in 1973, this program was funded through Program Funding, Inc., a nonprofit corporation located in Rochester, N.Y. REACH was authorized by Program Funding, Inc., to distribute vouchers but had no direct funding.



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20201

NOV 26 1975

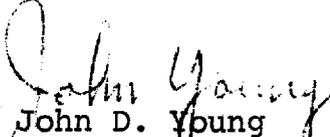
Mr. Gregory J. Ahart
Director, Manpower and
Welfare Division
United States General
Accounting Office
Washington, D.C. 20548

Dear Mr. Ahart:

The Secretary asked that I respond to your request for our comments on your draft report to the Congress entitled, "Activities of Project Reach, Inc."

We appreciate the opportunity to comment on this draft report before its publication.

Sincerely yours,


John D. Young
Assistant Secretary, Comptroller

Enclosure

COMMENTS OF THE DEPARTMENT OF HEALTH, EDUCATION,
AND WELFARE ON A GAO DRAFT REPORT ENTITLED,
"ACTIVITIES OF PROJECT REACH, INC"

[See GAO note]

GAO RECOMMENDATION

That the Secretary take action to require REACH to establish procedures requiring that all employees file time cards; that all time cards be reviewed and signed by a designated person; and that all employees, whose positions are funded by more than one grant, maintain records of time spent on each activity to permit each grantor to assess the adequacy of its funding.

DEPARTMENT COMMENT

We concur. Reference to time and attendance records is found in the "Personnel Policies and Procedures" document. It does not specifically state the procedure recommended above for filing and sign off of time cards. The Regional Office will request that the policies be revised to include the GAO recommended procedure. Similarly, the Regional Office will request procedure with reference to time records of staff funded by different grants.

GAO note: Appropriate changes have been made in the final report to recognize deleted material.

GAO RECOMMENDATION

That the Secretary take action to require REACH to establish updated local travel policies, and enforce current provisions requiring certification of mileage, date and purpose of trip prior to reimbursement.

DEPARTMENT COMMENT

We concur. The personnel policy document briefly and inadequately addresses this recommendation. The Regional Office will direct that Project REACH submit specific procedures to implement this recommendation.

GAO RECOMMENDATION

That the Secretary take action to require REACH to discontinue the practice of supplementing mileage reimbursement with separate reimbursement for automobile wear and tear.

DEPARTMENT COMMENT

We concur. The Regional Office will direct Project REACH to issue policies and procedures to this effect.

GAO RECOMMENDATION

That the Secretary take action to require REACH to establish comprehensive out-of-town travel policies which include the current provisions for the use of travel requests and claims.

DEPARTMENT COMMENT

We concur. The Regional Office will direct Project REACH to issue policies and procedures to this effect.

GAO RECOMMENDATION

That the Secretary take action to require REACH to either follow establish procurement procedures or adopt procurement procedures which are currently in use, as official policy. In either case, provision should be made for someone other than the comptroller to certify receipt of goods.

