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TO: Chuck Lesnick, City Council President
All City Council Members

CC: Philip A. Amicone, Mayor
Louis Kirven, Commissioner, Department of Planning and Development
Barbara Finkelstein, Executive Director, Legal Services of the Hudson Valley

FROM: Dan Schorr, Inspector General *DS*

SUBJECT: Grant Inspection and Review Report for Legal Services of the Hudson Valley
CDBG YR 35: \$10,000 Emergency Shelter Grant (ESG)

DATE: May 10, 2010

This report is issued in response to City Council Resolution No. 52-2008, which directed the Inspector General to “develop an ongoing oversight program to monitor CBOs [Community Based Organizations] and other entities that receive grant funding from the City of Yonkers,” and Resolution No. 94-2008, which directed the Inspector General to “move forward” with the plan that was submitted.

Summary of Findings and Recommendations

Legal Services of the Hudson Valley (“LSHV”) provides valuable legal assistance to low-income members of the Yonkers community and has adequate financial controls in place to ensure that grant funds are utilized appropriately and consistent with the approved grant.

Organizational Overview

LSHV has provided free comprehensive civil legal services to individuals and families for over forty years and has offices in White Plains, Yonkers, Mt. Vernon, Newburgh, Poughkeepsie, and Kingston. Its Legal Services for Seniors program has an established history of assisting seniors with a wide range of civil legal issues by providing low-income individuals with advice and counsel, including full court representation. LSHV has a particularly strong history in the area of eviction

prevention. The Yonkers office staff includes a managing attorney, eight staff attorneys, four paralegals, and two support staff. Two of the staff attorneys assigned to the Yonkers office specialize in Elder Law.

Grant Summary

In year 35 of the CDBG program (February 1, 2009 – January 31, 2010), LSHV received a \$10,000 ESG grant towards their Legal Services for Seniors program, with an emphasis on eviction prevention. The total budget for the Legal Services for Seniors program was \$150,000. The City grant monies were budgeted towards the salary of one legal staff member.

Site Visit

On April 8, 2010, Inspector General Dan Schorr, Deputy Inspector General Ed Benes, and Senior Investigator Harvey Green met with Barbara Finkelstein, Executive Director; Joanne Labrusciano, Grants Manager; and George Christatos, Director of Finance and Administration, at the LSHV headquarters located at 90 Maple Avenue in White Plains.

Ms. Finkelstein explained that LSHV was established to provide free legal representation in civil matters to low-income individuals. The Yonkers office was opened in 2000. Most of the Yonkers office work involves housing, domestic violence, and family law issues.

Ms. Labrusciano stated that when a new client calls LSHV, a paralegal screens the applicant regarding the legal issue involved, income level, date of birth, insurance, and any other pertinent information. The paralegal then inputs the information into the LSHV computer system and it is forwarded to the appropriate office.

Ms. Labrusciano and Mr. Christatos explained that LSHV is funded primarily by the Legal Services Corporation, a Federal Title X Non-Profit Corporation. Additional funding comes from the U.S. Department of Housing and Urban Renewal; various New York State agencies; Westchester, Putnam, Orange, and Dutchess Counties; the City of Yonkers; United Way; and individual donations.

On April 13, 2010, Inspector General Dan Schorr, Deputy Inspector General Ed Benes, and Senior Investigator Harvey Green visited the LSHV Yonkers office at 30 South Broadway and met with Ms. Labrusciano and Ms. Robin Stiebel, the Yonkers office Managing Attorney. The office is on the third floor of a multi-story office building and consists of a reception area, attorney offices, conference/interview rooms, and support staff work areas. We were advised that the Yonkers office has a large number of walk-in clients and referrals from other agencies.

Payments

One claim for \$10,000, the entire grant amount, was submitted but not yet paid at the time of our visit. The payment submitted for reimbursement was documented and consistent with the approved grant contract between the City and LSHV. The salary payment was supported by computerized payroll schedules that satisfied the policy and practice of the Department of Planning and Development for approval of CDBG claims for reimbursement.

In addition to the computerized payroll records, LSHV produced attorney activity reports showing that the single attorney charged to the grant worked in excess of 1000 hours assisting Yonkers seniors on legal matters in the most recent grant year.

Program Participants

Grant recipients are required to submit “Quarterly Progress Reports” to the City that provide statistical information regarding the ethnicity and income levels of people who participated in grant funded programs. Under applicable HUD regulations, programs that receive funding must document that at least 51% of the program participants are from families with low to moderate incomes. At the time of our audit, for the grant year of February 1, 2009 through January 31, 2010, LSHV submitted four progress reports which documented contact with 363 clients. Of the 363 clients, 277 were classified as extremely low income, 65 were classified as low income, 20 were classified as moderate income, and 1 was classified as non-low moderate income.

We reviewed a sample of client intake sheets and computerized reports detailing attorney hours for Grant Year 35 and determined that LSHV was properly documenting applicant income and status, in addition to client contacts, thus satisfying HUD requirements

Internal Controls

We found that the one payment under the CDBG ESG grant was supported by appropriate documentation and was consistent with the grant budget. There was a system of internal controls that would ensure that grant funds and other LSHV monies were properly accounted for and utilized. LSHV’s internal controls include:

- Use of the Legal Services Corporation Accounting Manual
- A procedure requiring multiple reviews for all payment requests
- A procedure specifying signatories on checks based on dollar amount

Conclusions

LSHV provides important and needed services for members of the Yonkers community and utilizes grant money appropriately and consistent with the approved grant. Specifically we note:

- The LSHV attorney whose salary was partially funded by the ESG grant provided over 1000 hours of service to Yonkers senior citizens in the most recent grant year.
- LSHV’s Quarterly Progress Reports were detailed and provided statistics to show how the organization was serving the community and meeting the objectives of the program.
- LSHV has a system of internal controls in place that provides an adequate safeguard of funds.