

National Non-Profit Cheated in Reporting Test Scores, Defrauded State and Federal Government
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By Irene Jay Liu

The Center for Employment Training, a prominent national nonprofit organization has been changing test scores, fabricating tests, and altering student attendance records reported to the California Department of Education to increase the number of grant dollars it receives for a performance-based grant, according to sources and documents obtained by the reporter.

CET, which is based in San Jose, California, runs employment-training programs throughout California and in Virginia, Illinois, North Carolina, and Texas on an annual budget of \$28 million, of which 92 percent is from government grants.

Since 2003, CET's Immigration and Citizenship Program has operated the Vocational English as a Second Language (VESL) program and EL Civics, a citizenship program. VESL and EL Civics are statewide programs funded by federal dollars, which are administered and matched by the state, according to Gloria Guzman-Walker, Educations Programs Consultant at the California Department of Education. From 2003-2005, CET received a total of \$450,000 in state and federal funds to operate the programs at its headquarters in San Jose, California.

California is the only state that administers this federal grant based on performance, according to Guzman-Walker. To put it simply, a grant recipient earns "payment points" based on student performance, as measured by test scores that are reported to the California Adult Student Assessment System (CASAS). The number of "payment points" earned during a grant period determines the funding for the next grant period.

"It's strenuous for the agencies," says Gloria Guzman-Walker, education programs consultant for the grant. "But we say, 'look how well you are educating our state's adult population.'"

In a June 2, 2006 letter of complaint filed to the California Department of Education, Tanya Senanayake, CET's ESL/ EL Civics Program Coordinator at the time, states that "Through statements by staff members directly involved with the situation, I discovered that Adriana Gonzalez, the Program Director of the CET Immigration and Citizenship Program, directed at least two staff members and several volunteers to falsify ESL/ EL Civics tests in order to increase the amount of money the program received from the California Department of Education. Evidenced by staff statements and test records, this falsification of tests appears to have taken place during several fiscal years."

Senanayake, a Yale University graduate who now works as a paralegal at a corporate immigration law firm, first became involved with CET as a volunteer in February 2005, teaching ESL classes 4 nights a week. She was hired to coordinate the VESL and EL Civics program four months later, working under Adriana Gonzalez, the woman she named in the complaint letter. As the VESL/EL Civics Program Coordinator, Senanayake coordinated the teaching and curriculum for both programs; she was not responsible for the reporting of test records to the state.

Senanayake learned of the alleged fraud on April 8, 2006 from a coworker, Simon Flores, who was one of the staff in charge of submitting test scores to the state. "I had walked to his desk to inquire about the benchmarks from last year because they seemed unrealistic to me. As a volunteer teacher in the ESL program the year before, I knew the structure and quality of the program that year well enough to realize that there was something amiss with the test results."

Jorge Gomez, a CET volunteer who saw the test records and also learned of the alleged fraud from Flores, explained that the number of students had more than doubled from the previous year, yet the program was lagging behind in payment points. "They had significantly fewer students but the 50-100 point difference between their results last year and our results with the bigger class. It didn't make sense that they were outperforming us when we were teaching every day," said Gomez. He affirmed Flores's disclosure. "I don't remember what Simon said precisely, but he hinted that last year's scores were padded. After I pressed him out on it, Simon said that Adriana had volunteers

change scores and change tests to increase the number of performance benchmarks that they reported to the state and therefore get more money than what they had done.”

Documents leaked to the reporter demonstrate test score reports that Senanayake confirms were hand marked with directives by Gonzalez, crossing out and amending existing test scores and filling in missing tests with specific scores.

According to Senanayake, Flores explained the scope and method of the falsification, which she articulated in her June 2, 2006 letter of complaint to the state Department of Education, “Under the direction and with the aid of Ms. Gonzalez, staff member and volunteers not only created CASAS post-tests for students who had never been tested but, directed by Ms. Gonzalez, also changed student attendance records to match with the created tests...they based their answers for a student by using the same student’s pre-test, ensuring consistency among a given student’s tests to thwart an audit by the California Department of Education.”

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This is not the first time that CET has been in trouble. It is the latest in a recent history fraught with both fiscal and programmatic mismanagement.

Program reviews and audits performed by the U.S. Department of Education in 1996 and 1997, and the U.S. Department of Labor in 2000, found the organization’s finances a mess; the audits suggested double billing, inappropriate use of grant dollars, and improper use of grant, scholarship, and loan dollars intended for students.

The Department of Education “Final Program Review” report, issued in 1998, found a liability assessment of \$2.85 million. Two years later, the 2000 Department of Labor audit questioned a total of \$5.8 million.

CET was red flagged by the California Department of Education even before it was awarded funding for the VESL/EL Civics Program in 2003. A memo dated May 19, 2003 warned that CET “warrant[s] very close monitoring. (This applies to fiscal issues and program delivery.)” (Underlining in original memo.)

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The letter of complaint to the state was the not first time that CET leaders learned of the alleged fraud. On May 9, 2006, Senanayake sent a letter to Yvette Galindo, head of human resources at CET, detailing her concerns with the ESL and citizenship programs. Her letter was forwarded to Hermelinda Sapien, the Chief Executive Officer. On May 12, Senanayake met with Galindo and Sapien, who assured her that CET would report the test score “inaccuracies” to the state. “I immediately contacted the department and reported it,” confirmed Sapien. She claims that she called Guzman-Walker immediately after learning of the fraud.

Guzman-Walker, however, disputes this claim. “No, I was never contacted by anyone at CET about inaccuracies in the reporting of scores to the state.”

Sapien directed Galindo to investigate the extent of the fraud. Galindo told Senanayake at the outset that CET would hire an independent auditor. Soon after, Senanayake learned that Sapien had ordered Flores, the staff person who initially exposed the fraud, and Gonzalez, the director implicated in the allegations, to investigate the fraud jointly.

“I wanted an independent auditor involved, since I believed that having Adriana help to determine the extent of the fraud would compromise the investigation,” said Senanayake of Gonzalez. “I then sent a second complaint letter to Yvette and I sent a letter to the California Dept. of Education.”

The state sent a letter on July 11, 2006 notifying CET that it would be conducting an on-site audit of both the VESL and EL Civics program. The state also put a payment hold on CET’s grant pending the outcome of the audit, according to the California Board of Education.

Even before the state sent the letter announcing the audit, CET leadership began to prepare for the audit. Led by Galindo, Gonzalez, staff, and volunteers in the Immigration and Citizenship program began to go through all of the documentation. "I assigned appropriate staff to check files," says Sapien. Their task was to bring all appropriate documents to the "audit room" so that it would be in one place for the auditors to examine, according to Sapien.

That was not, in fact, what the staff was instructed to do with the documents. A volunteer who helped prepare for the audit, a college student from San Jose who would only speak on condition of anonymity, explained the process of examining the files. "You couldn't use a test that was incomplete, so we would put it aside and then Adriana would do things, fix them," she said. Referring to Adriana Gonzalez, the volunteer says, "she was in charge of them. Then she would bring them back. Anything that was missing was fixed. Any incomplete was filled in."

The same volunteer was instructed to call students to come back to take tests for both the ESL and EL Civics programs. "Those students that were never passed, that no longer attended, for months even, were asked to come back to take another test to 'close out their file'".

In addition to these calls to former students, documents required for the audit went missing. In a July 21, 2006 email to senior management, Simon Flores wrote: "Yesterday (July 20, 2006), Adriana came to my desk with test records that were suddenly 'found' by Zaki Shakir (who is also involved in the investigation) in a cabinet in Room 121 that Yvette and I had previously looked in while testing documents were being confiscated. The test records that were found were from the 2004-05 fiscal year and would have been easily found being that they were in a green file folder that was hard to miss. Because Yvette and I had searched the cabinet several[sic] times before, I suspect that those tests were placed there earlier that day. I am[sic] worried that Adriana or someone at CET might try to change or move the documents under investigation, if they have not done so already."

When asked about these activities, Sapien was adamant that she did not know what was going on, saying, "My charge did not include nor am I aware of any covering up problems before the audit." She repeated those same words three times before moving on, stating, "I had an exit interview with the auditors and I had a discussion with the project officers and not once did we these problems mentioned."

This assertion is directly contradicted by documents from the time. The July 21, 2006 email from Flores about the missing test records was addressed to Sapien, Galindo, and cc'ed to Guzman-Walker at the California Department of Education. Sapien responded by email on the same day, writing, "Simon, I would appreciate it if you could notify Yvette or myself when you discover something that you think is irregular or questionable. Informing the State before we have had a chance to investigate makes it very difficult for us to correct problems and take action. CET, and I have a reputation of integrity and honest reporting. Please trust that we will get to the bottom of issues and implement controls so that all is transparent. Thank you. hs"

When confronted with the content of this email, Sapien acknowledged, "There was a memo sent by one of the staff members that was sent to me."

When asked whether CET's action before the audit was appropriate, Joe Waltz of the Audits and Investigation Division of the California Board of Education, who oversaw the CET audit, unequivocally responded, "No, it's not." But he said that such action is usually detected. "My experience tells me that you can get away with that for one or two documents. But with 75%-100% testing, and two investigators, it will jump out at you. Fraud radar. You know that something is wrong."

The audit, which examined both CET's financials as well as program data, began on July 24, 2006 and lasted four weeks, according Waltz. On August 9, 2006, the auditors met with CET officials for an exit conference, where the findings were discussed. Neither Waltz nor Guzman-Walker could confirm whether the audit confirmed the allegations of the complaint letter, as the final report has not been released to the public. Sapien, based on her conversations with the state, confirmed that the audit did substantiate the allegations of fraud.

In response to the findings, Sapien sent a letter to the state on October 12, 2006, withdrawing from the grant program. When asked why she decided to withdraw from the program, Sapien said,

“Because I had no knowledge of what the outcome would be. I did not know whether there would be a disallowance.”

Soon after, the ESL program closed entirely. The program was already diminished; most of the volunteers who taught the ESL courses quit after learning of the fraud in June. Senanayake had resigned on June 30, 2006, without another job in sight. “I left because I knew that I could not focus on my students or the civics program in such a hostile and distracting environment,” said Senanayake.

By mid-November, Sapien had fired Gonzalez. “Adriana is no longer part of the organization. She is no longer the director and she has been given notice of leaving the program. She has been terminated,” said Sapien. When asked whether the audit’s findings caused Gonzalez’s termination, Sapien snapped, “Of course she was terminated because of what happened.”

As for the long-term implications for CET, the future is unclear. According to Waltz, the penalty for fraud could simply be repayment of the grant funds back to the state. If, however, CET was found to be complicit in a cover-up in anticipation of an audit, the organization could be disbarred from federal funding and individual organization officials could be prosecuted.