SPECIAL REPORT

Department of Human Services
Food Service Programs

May 2022
May 4, 2022

The Honorable Clarence Carter, Commissioner
Tennessee Department of Human Services
James K. Polk Building
505 Deaderick Street
Nashville, Tennessee 37243

Dear Commissioner Carter,

As part of our audit of the Department of Human Services for the 2021 Single Audit Report, we observed meal services of sponsors that DHS approved to participate in the Summer Food Service Program for Children and the Child and Adult Care Food Program to determine if the sponsors served and claimed meals in accordance with federal requirements. We expanded our audit procedures based on risk factors we identified for New Beginnings International Ministry and Giving Youth a Chance. Our conclusions and results are presented here.

Copies of this special report will be forwarded to the U.S. Department of Agriculture, the U.S. Government Accountability Office, the District Attorneys General of the 20th and 30th Judicial Districts, and the U.S. Attorney’s Offices in the Middle and Western Districts of Tennessee.

Sincerely,

[Signature]

Jason E. Mumpower
Comptroller of the Treasury

JM/jw
Executive Summary
During our audit of the Summer Food Service Program for Children (SFSP) and the Child and Adult Care Food Program (CACFP) in support of the 2021 Single Audit Report, we performed on-site meal observations at sponsors’ feeding sites during the approved mealtimes. We also interviewed site personnel, reviewed meal count documentation and monthly reimbursement claims, and reviewed the sponsors’ SFSP- and CACFP-approved applications.

Both New Beginnings International Ministry (New Beginnings) and Giving Youth a Chance (GYAC) have participated in the food service programs for over five years. Throughout those years, we as well as DHS monitors have identified federal noncompliance issues with both sponsors. In response to the sponsors’ noncompliance, DHS program management has required the sponsors to submit corrective action plans to address the continued noncompliance and to repay disallowed funds when appropriate.

For federal fiscal year 2021, the Department of Human Services (DHS) approved New Beginnings to operate 37 SFSP and 28 CACFP feeding sites and approved GYAC to operate 26 SFSP and 53 CACFP feeding sites.

We ultimately questioned 11,781 meals claimed by both sponsors, totaling $63,304 in questioned costs. Our work covered only a small percentage of the sponsors’ operations; therefore, the issues we identified at the feeding sites we visited could have occurred at other sites.

Summary Results of Current Work

During our first site visits to observe the New Beginnings meal service, we found no sponsor personnel, no children, and no food service operations. During our first site visits to observe the GYAC meal service, we encountered feeding sites that were closed for the day. In all these cases, the sponsors later claimed reimbursement for meals not served.

Based on the sponsors’ past performance and the current site observations, we performed additional feeding site visits to observe meal services administered by both sponsors. For both sponsors, we observed other instances involving the lack of meal services, questionable claiming patterns, and signature discrepancies. As such, we do not see that these sponsors have achieved permanent action to prevent noncompliance. We exhibit our complete findings in the Detailed Results section of this report.
Detailed Results
Food Service Programs

General Background and Overview of Process

The Child and Adult Care Food Program (CACFP) and the Summer Food Service Program for Children (SFSP) are federally funded by the U.S. Department of Agriculture (USDA) and administered on the state level by the Department of Human Services (DHS). CACFP is a year-round food program for eligible participants at childcare centers, after-school care programs, day care homes, emergency shelters, and adult day care centers. SFSP provides free meals to children when school is not in session.

SFSP primarily operates during the summer months—May through September—but the program may also provide meals during school vacation breaks or during emergency school closures from October through April. Due to the COVID-19 global pandemic, the USDA issued nationwide waivers; one of these waivers allowed SFSP sponsors to serve meals from March 2020 through August 2021. For fiscal year 2021, DHS approved 273 CACFP and 42 SFSP sponsors to participate in the programs.

DHS is responsible for overseeing and holding food program sponsors accountable for their use of federal funds. To receive reimbursement, the sponsors file monthly reimbursement claims with DHS. To initiate the claim reimbursement process, the sponsors count meals served and record this number on a daily meal count form for each meal service and feeding site. The sponsors then use the forms to enter and submit an electronic meal reimbursement claim in DHS’s Tennessee Information Payment System; DHS then approves and pays the claim. The daily meal count form serves as the sponsor’s official documentation for the meal reimbursement. Otherwise, program management relies on the department’s Division of Audit Services to conduct monitoring activities of sponsors to ensure they comply with program requirements.

Sponsors’ Past Performance

New Beginnings

Led by Director Brandon Williams, New Beginnings operates feeding sites in the Nashville metropolitan area. Based on information in DHS’s Tennessee Information Payment System, New Beginnings was reimbursed approximately $2.2 million in SFSP funds and $4 million in CACFP funds between federal fiscal years 2017 and 2021.¹ See Chart 2 in the Appendix for the amount paid per program per federal fiscal year.

During the past five years, the Office of the Comptroller’s Division of State Audit and DHS’s Division of Audit Services and Division of Child and Adult Care Programs have found the following issues of federal noncompliance at New Beginnings:

¹ The federal fiscal year spans October 1 through September 30.
We have reported noncompliance involving New Beginnings in our annual Single Audit Report for each of the last five years. Specifically, we have reported that meal count forms (supporting documentation) did not match the sponsor’s monthly reimbursement claims, that feeding site staff served meals at ineligible sites, and that feeding site staff served meals without the required meal components. In the 2020 Single Audit Report, we reported that New Beginnings claimed meals for children on days where we observed no children present. In that report, we identified questioned costs totaling $904 for 221 meals that were not served to children on the days we visited the New Beginnings sites.

In April 2020, we released a special report which found that New Beginnings claimed SFSP meals that they did not serve to children.

DHS’s Division of Child and Adult Care Programs management issued serious deficiencies to New Beginnings in 2017, 2018, and 2019 for SFSP or CACFP for failing to maintain supporting documentation, submitting incorrect monthly reimbursement claims, and not documenting the number of children served.

Giving Youth a Chance

Led by Executive Director Rosman Randle, Giving Youth a Chance (GYAC) operates feeding sites in the Shelby County area. Based on information in DHS’s Tennessee Information Payment System, GYAC was reimbursed approximately $3.1 million in SFSP and $9 million in CACFP funds between federal fiscal years 2017 and 2021. See Chart 3 in the Appendix for the amount paid per program per federal fiscal year.

For the last several years, we or DHS have identified repeated noncompliance and issued the following special reports and serious deficiencies for GYAC:

- Since 2014, DHS’s Division of Audit Services has reported 68 SFSP findings and 35 CACFP findings for GYAC. GYAC management, in turn, submitted several corrective action plans and has been through numerous sponsor trainings with DHS.
- DHS’s Division of Child and Adult Care Programs issued serious deficiencies to GYAC in 2016 and 2018 for failing to have an independent board of directors and for submitting altered and photocopied meal count forms.
- We have reported noncompliance related to GYAC in the 2017 and 2020 Single Audit Reports.

In order to receive federal food service program funds, certain feeding sites may have to meet certain eligibility requirements (for example, they might be required to offer enrichment activities).

The U.S. Department of Agriculture requires minimum portions of food components that make up a reimbursable meal for the meal type (breakfast, lunch/supper, or a snack) served. The components include a required meat or meat alternative, milk, vegetable, grain, and/or fruit.

Finding 2020-015.

The serious deficiency process, as outlined in the federal guidelines and DHS program management’s control policies and procedures, requires program management to start termination procedures to remove a sponsor from the program and disapprove the sponsor’s application from future program participation unless the sponsor takes appropriate permanent corrective actions to prevent the reoccurrence of the deficiencies.
The Office of the Comptroller’s Division of Investigations initiated an investigation into GYAC in 2018. The resulting investigative report, released in September 2020, reported that GYAC wrongfully obtained $17,601 in federal funds by falsifying meal count forms used to claim reimbursement from DHS.

### Detailed Results of Current Work

For our 2021 Single Audit work, we conducted meal observations at 10 SFSP and 6 CACFP feeding sites administered by New Beginnings, as well as at 5 SFSP and 4 CACFP feeding sites administered by Giving Youth a Chance. We observed issues at 10 of the 25 feeding sites. The details related to our site visits and subsequent documentation review are described below.

### New Beginnings International Ministry

#### Trinity Place

We visited New Beginnings’ Trinity Place feeding site, an apartment complex, on the following dates to observe a meal service:

- July 15, 2021;
- July 22, 2021;
- July 23, 2021; and
- August 2, 2021.

We did not see any children or New Beginnings staff on site at each of these visits. However, New Beginnings claimed 117 meals for these days, totaling $442 in SFSP funds, which DHS paid.

According to the apartment manager, New Beginnings’ staff had not come to the apartment complex, and if they had, she would have asked them not to return. She told us that New Beginnings’ food program was a “joke.” When New Beginnings staff had shown up in the past, they would often hand out all the meals to one adult, rather than serve the apartment’s children or residents in need.

#### Berkshire Place

We visited Berkshire Place, an apartment complex, on the following dates to observe meal services:

- June 18, 2021;
- July 15, 2021;
- July 21, 2021;
We did not see New Beginnings staff or children on any of our visits. Apartment office staff and maintenance workers told us they had not seen New Beginnings staff in several weeks. After our visits, we discussed our concerns with DHS’s Division of Audit Services, who told us that the meal service took place under a specific tree at the apartment complex and described the location. On a subsequent visit, we found this tree but still did not see any staff or children. For the dates of our visits, New Beginnings claimed 169 meals, totaling $614 in SFSP funds, which DHS paid.

**Paddock at Grandview**

We did not see any children or any New Beginnings staff when we visited the Paddock, an apartment complex, on the following dates:

- August 4, 2021;
- August 5, 2021; and
- August 6, 2021.

According to the apartment’s staff and management, the apartment’s management asked New Beginnings to stop coming after the 2020 summer program because they did not serve meals frequently and would not clean up the site before they left. On the days of our visits, New Beginnings claimed 115 meals, for which DHS paid a total of $489 in SFSP funds.

**National Youth Basketball Association**

We visited the National Youth Basketball Association (NYBA) site on September 8, 2021, to observe a meal service; however, we saw no children or New Beginnings staff at the gymnasium, which was the actual approved feeding site (see Exhibit 1). A campus security officer, who told us the only children present were waiting on parent pick-up, showed us a live feed of an empty gymnasium. When we tried to open the gymnasium doors, they were locked. New Beginnings claimed 71 snacks and 71 suppers on this day. We questioned $349 in CACFP funds that DHS paid to New Beginnings for this day.
Exhibit 1
NYBA Feeding Site
Empty Gymnasium With Locked Door

Source: Auditor photo taken on September 8, 2021, at the National Youth Basketball Association site.

**James Cayce Place, The Parks at Richard Road, and The Villas at Metro Center**

We also did not see any children or New Beginnings staff at three other sites on the following dates:

- at James Cayce Place on July 13, 2021;
- at The Parks at Richard Road on August 9, 2021; and
- at The Villas at Metro Center on August 9, 2021.

New Beginnings claimed 100 SFSP meals totaling $425, and DHS paid for these meals, even though we observed no children or staff on those days.

**Questionable Claiming Patterns at Andrew Jackson Homes**

New Beginnings claimed the DHS-approved maximum of 80 meals each day for 139 days\(^6\) at the Andrew Jackson Homes feeding site. Consistently claiming the same number of children or claiming numbers of children in multiples of 5 indicates a red flag in the food programs. We, as

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\(^6\) Based on claims New Beginnings filed from January through July 2021.
well as DHS monitors, visited this feeding site on the following dates and counted the following number of children served:

- DHS staff visited on July 14, 2021, and counted 28 children present;
- Comptroller staff visited on August 9, 2021, and counted 5 children present; and
- Comptroller staff visited on September 30, 2021, and counted 12 children present.

The Andrew Jackson Homes’ site supervisor told us that 27 children were enrolled in her summer/after-school program. In the 2021 Single Audit Report, we questioned $41,099\(^7\) that DHS paid New Beginnings for this site, which is the difference between the maximum 28 children DHS actually counted on site and 80 (approved site capacity) meals claimed for 139 days—or 7,228 total meals.

**Summary of Questioned Meal Counts and Costs Reported in the 2021 Single Audit Report for New Beginnings International Ministry**

*Table 1* includes all questioned costs related to New Beginnings site visits as discussed in this report and as reported in the 2021 Single Audit Report.

![Table 1](image)

Table 1 includes all questioned costs related to New Beginnings site visits as discussed in this report and as reported in the 2021 Single Audit Report.

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\(^7\) This amount includes $26,196 of SFSP funds and $14,903 of CACFP funds that DHS paid to New Beginnings.
Signature Discrepancy at 360 Skills Tae Kwon Do Feeding Site

Based on our review of New Beginnings’ June 17, 2021, meal count forms for the 360 Skills Tae Kwon Do feeding site, the site supervisor’s signature on the breakfast form and the lunch form did not match (see Exhibit 2). It is unclear to us why New Beginnings would have meal count documentation with variations of the signature of the site supervisor’s name. Given the sponsor’s history of claiming children they did not serve based on our site visits, this ambiguity makes us question the validity of the documentation.
### Exhibit 2
New Beginnings Meal Count Documentation for 360 Skills Tae Kwon Do

#### Exhibit Image

![Meal Count Form](image)

**Breakfast**

**Lunch**

Source: Meal count forms provided by New Beginnings for June 17, 2021, for the site 360 Skills Tae Kwon Do.
Giving Youth a Chance

Memphis Dangerous Pantherettes

We visited the Memphis Dangerous Pantherettes SFSP feeding site on July 29, 2021, and did not see any children at this feeding site. We spoke to the site supervisor, who stated that the site would not serve meals on July 29, 2021, or July 30, 2021, because the participants were on a break. Giving Youth a Chance (GYAC), however, claimed 100 SFSP snacks and 100 SFSP suppers for July 29, 2021; therefore, we questioned DHS’s payment of $534 for the meals claimed for that day.

New Horizon Apartments

We visited the New Horizon Apartments CACFP feeding site on September 21, 2021, which is one of the largest feeding sites in the DHS food programs. The door was locked with a posted sign stating that the site did not offer the after-school program that day (see Exhibit 3). GYAC claimed 75 CACFP suppers and 75 CACFP snacks for this day, and DHS paid $350 in CACFP funds.

Exhibit 3
Giving Youth a Chance
New Horizon Apartments CACFP Feeding Site Door
Photo Taken September 21, 2021

Source: Photo taken by auditor on September 21, 2021, at New Horizon Apartments.

For June and July 2021, GYAC claimed between 111 and 200 lunches and snacks per day; however, during our and DHS’s site visits in June and July 2021, we and DHS monitors saw fewer children served:

- Comptroller staff visited on June 23, 2021, and counted 27 children present;
DHS staff visited on July 9, 2021, and counted 25 children present;
DHS staff visited on July 13, 2021, and counted 59 children present; and

See Chart 1 for this site’s June 2021 and July 2021 claiming patterns.

![Chart 1](chart_image)

In the 2021 Single Audit Report, we questioned $19,002 in SFSP funds, which was the difference between the number of meals GYAC claimed (and DHS paid) and the highest number of meals we or DHS monitors observed—59—for 39 days (3,560 total meals).

**Summary of Questioned Meal Counts and Costs Reported in the 2021 Single Audit Report**

Table 2 includes all questioned costs related to Giving Youth a Chance site visits discussed in this report and reported in the 2021 Single Audit Report.
### Table 2
#### Giving Youth a Chance Sites
Questioned Costs Related to Meals Claimed but Not Served

<table>
<thead>
<tr>
<th>Site Name</th>
<th>Number of Meals Claimed for the Days of Our Site Visits</th>
<th>Questioned Costs for the Days of Our Site Visits Because No Children Were Observed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>SFSP</td>
</tr>
<tr>
<td>Memphis Dangerous Pantherettes</td>
<td>200</td>
<td>$534</td>
</tr>
<tr>
<td>New Horizon Apartments</td>
<td>3,710</td>
<td>19,002</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,910</strong></td>
<td><strong>$19,536</strong></td>
</tr>
</tbody>
</table>

### Recommendations for Management’s Consideration

Both sponsors remain in the food programs although the sponsors have not achieved permanent corrective action to prevent reoccurring federal noncompliance. In **Finding 2021-020** of the 2021 *Single Audit Report*, we recommended that DHS program management follow their established policies to remove sponsors from SFSP and/or CACFP if they repeatedly fail to implement permanent corrective action. We have initiated a collaborative discussion with DHS management to work through these red flag situations.

When warranted, DHS program management should consider seeking criminal or civil actions against sponsors who claim meals that they did not serve to children.
Appendix

Chart 2
New Beginnings International Ministry
Total CACFP and SFSP Claims Paid by DHS by Year
Federal Fiscal Year (FFY) 2017 Through 2021

Source: DHS’s Tennessee Information Payment System.
Chart 3
Giving Youth a Chance
Total CACFP and SFSP Claims Paid by DHS by Year
Federal Fiscal Year (FFY) 2017 Through 2021

Source: DHS’s Tennessee Information Payment System.