LSC

Legal Services Corporation
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BY FACSIMILE AND US MAIL

January 26, 2011

Ms. Anita Santos-Singh
Executive Director
Philadelphia Legal Assistance Center
42 South 15th Street, Suite 500
Philadelphia, PA 19102

Re: Follow-Up to CSR/CMS Visit, Recipient # 339000

Dear Ms. Santos-Singh:

I would first like to thank you and the Philadelphia Legal Assistance Center ("PLA") staff for the courtesy and cooperation extended to the Legal Services Corporation's ("LSC") Office of Compliance and Enforcement ("OCE") Follow-up team on December 6-8, 2010. Second, I write to inform you that based on the information provided by the Follow-up team and the documents PLA has provided OCE over the past year, OCE has determined that PLA's actions taken in response to OCE's Final Report, issued in May, 2010 ("Final Report"), sufficiently address the majority of the concerns expressed therein. However, additional actions, as outlined in this letter, are required to ensure full implementation of required corrective actions and full compliance with LSC regulations, the CSR Handbook, and terms of PLA's subgrants.

As you will recall, OCE conducted an on-site Case Service Report/Case Management System ("CSR/CMS") Review of PLA on September 21-25, 2009. During that review, OCE identified several issues and required corrective actions designed to assist PLA in complying with the LSC Act, regulations, and applicable instructions. OCE listed 20 required corrective actions in its Final Report. On December 6-8, 2010, OCE conducted a Follow-Up Review ("FUR") to evaluate PLA's implementation of 19 of the 20 corrective actions.[1] During the FUR, OCE reviewed

[1] OCE is evaluating one (1) of the 20 corrective actions (Corrective Action No. 19) separately in light of the requirements of 45 CFR Part 1630.

case files, interviewed intake staff,[2] and evaluated PLA's PAI and fiscal oversight procedures.

In sum, OCE finds that PLA has completed 13, substantially completed five (5), and is still working to complete one (1) of the 19 corrective actions the FUR team evaluated. OCE provides an evaluation of PLA's progress on each corrective action below. OCE also provides PLA with 12 follow-up corrective actions that OCE believes, once completed, will allow OCE to close out any corrective actions on which PLA continues to currently work, and bring PLA into further compliance with applicable regulations and the CSR Handbook.

EVALUATION OF CORRECTIVE ACTIONS

Corrective Action No. 1: "PLA must remove the zero income, asset, and in-house defaults to comply with CSR Handbook (2008 Ed.) and Program letter 02-06. As such, PLA must, within 30 days of receipt of the Draft Report, forward to OCE a capture of the eligibility screen proving that the zero defaults have been removed in the income, asset and the total asset fields. Also, PLA must submit, within 30 days, to OCE a certification that the expired closing codes and the in-house default in the ACMS have been removed. PLA must also revise its current case checklist to include compliance elements and submit the new form to OCE within 30 days."

Evaluation: PLA has completed Corrective Action No. 1. On January 29, 2010, OCE received, by email, PLA's required corrective action documentation. OCE also verified that PLA has completed this corrective action during its FUR on December 6-8, 2010.

Corrective Action No. 2: "Ensure that CSR numbers can be recreated, this includes ensuring staff does not re-open files once they are closed and reported to LSC."

Evaluation: PLA has completed Corrective Action No. 2. On February 16, 2010, OCE received, by email, PLA's required corrective action documentation regarding the re-opening of files. During the FUR, OCE also learned that PLA has a method to recreate its CSR numbers as of the time they were reported to LSC.

Corrective Action No. 3: "PLA is required to submit to OCE, within 45 days of receiving the Draft Report, standardized intake procedures and a standardized intake sheet that all staff

[2] The team interviewed five (5) intake staff from PLA's various substantive units and the Homeless Advocacy Project's ("HAP") Managing Attorney.

members are required to use. Individuals units can append the form with additional information as needed but the core eligibility information must be included on all intake form."

Evaluation: PLA has completed Corrective Action No. 3. On February 26, 2010, OCE received, by email, PLA's required corrective action documentation. During its FUR of December 6-8, 2010, OCE learned that PLA provides all applicants with the same "Philadelphia Legal Assistance Intake Questionnaire" upon their arrival at PLA's offices. The Questionnaire is only used as a preliminary screening intake form and includes initial questions about an applicant's sources of income, citizenship, alien eligibility, and type of legal problem for which they seek assistance. PLA staff then conducts a complete intake interview of each applicant from standardized intake screens in PLA's ACMS. In interviews with PLA intake staff, OCE also found that intake staff conducts intake interviews in a sufficiently standardized manner.

Corrective Action No. 4: "PLA must submit to OCE, within 30 days of receipt of the Draft Report, a copy of its local rules regarding the supervision of paralegals and a copy of program policy regarding the supervision of paralegals and, within 60 days of receipt of the Draft Report, PLA must provide a status as to the revision of the compliance section of its Personnel Manual."

Evaluation: PLA has substantially completed Corrective Action No. 4. On February 10 and 16, 2010, OCE received, by email, PLA's required corrective action documentation. During the FUR, however, OCE did not find reference to PLA's policy regarding the supervision of Paralegals in its Personnel Manual. OCE understands that PLA is in the process of formalizing its supervision procedures for managers and revising job descriptions and that after it has completed this process, it will update its Personal Manual accordingly. *See infra* Follow-Up Corrective Action No. 6.

Corrective Action No. 5: "PLA is required to submit verification to OCE, within 45 days of receipt of the Draft Report, that staff have been instructed to screen for prospective income and that PLA's ACMS has been revised to capture the applicant's response regarding prospective income. In addition, PLA must provide the date or future date on which staff will be trained on how to inquire and document prospective income; how to document an applicant's household income; and the procedures regarding the acceptance of over-income clients."

Evaluation: PLA has completed Corrective Action No. 5. On February 25, 2010, OCE received, by email, PLA's required corrective action documentation. OCE also verified that PLA's ACMS has been revised to capture an inquiry about prospective income during its FUR. Interviews with intake staff also indicated that staff is sufficiently trained on how to inquire about and document prospective income, how to document an applicant's household income, and the procedures regarding the acceptance of over-income clients.

Corrective Action No. 6: "PLA must provide to OCE, within 45 days of receipt of the Draft Report, the training materials used to train staff as required by corrective action #5, along with the attendance sheet. All intake staff and unit managers must attend the training and PLA's Managing Attorney must submit to OCE in writing every quarter how many over-income clients were accepted in the prior quarter until further notice is given. The first quarterly report must be submitted on or before April 15, 2010."

Evaluation: PLA has completed Corrective Action No. 6. On February 25, April 6, and June 14, and October 15, 2010, OCE received, by email, PLA's required corrective action documentation. As also stated above, OCE also verified during the FUR that intake staff is sufficiently trained on how to inquire and document prospective income, how to document an applicant's household income, and the procedures regarding the acceptance of over-income clients.

Corrective Action No. 7: "PLA must, within 45 days of receipt of the Draft Report, forward to OCE a copy of the amended eligibility policy which clearly states which government benefits are exempted from eligibility screening. A copy of the Board minutes or addendum which certifies that the government benefits listed in PLA's policy have asset guidelines that are below or at PLA."

Evaluation: PLA has completed Corrective Action No. 7. On February 25, 2010, OCE received, by email, PLA's required corrective action documentation.

Corrective Action No. 8: "PLA must submit to OCE, within 30 days of receipt of the Draft Report, intake guidelines that include guidance regarding asset screening. PLA must clearly define how assets must be screened and documented, who can approve over asset applicants and if exempt assets should be documented."

Evaluation: PLA has completed Corrective Action No. 8. On February 25, 2010, OCE received, by email, PLA's required corrective action documentation. During the FUR, OCE found that PLA also has an Intake Procedures Manual which provides intake staff with detailed guidance on eligibility screening. Case files opened in 2010 indicate that intake staff is screening for and documenting applicants' assets in accordance with PLA's current financial eligibility policy.[3]

[3] Notably, case files reviewed during the FUR indicated that a few PLA staff and PAI cases opened in 2009 still contain asset defaults as asset amount documentation. *See e.g.*, CS-28 (Case No. 04-1078175, open) (only asset documentation is the zero default). OCE understands that PLA is still working to bring cases opened prior to 2010 into full compliance. This issue is further addressed *infra* in Follow-up Corrective Action No. 1.

Corrective Action No. 9: "PLA must submit to OCE, within 45 days of receipt of the Draft Report, the date on which staff will receive or has received training regarding asset screening and documentation. PLA must submit the training materials used and a copy of the attendance sheet. All intake staff and unit managers are required to receive the training and PLA must certify that such staff has received the required training."

Evaluation: PLA has completed Corrective Action No. 9. On February 25, 2010, OCE received by email PLA's required corrective action documentation. Case files reviewed and interviews conducted during OCE's FUR indicate that intake staff is currently screening for and documenting applicant's assets in accordance with PLA's current financial eligibility policy.

Corrective Action No. 10: "PLA must submit to OCE, within 30 days of receipt of the Draft Report, a copy of all citizenship attestations utilized by the program and verification as stated in Finding 1 that the in-house default has been removed;

PLA must also submit to OCE, within 45 days of receipt of the Draft Report, a copy of the revised intake procedures which require staff to document the response of the eligible alien as required by Program Letter 99-3. PLA must also provide the date on which staff was or will be trained and what instructions staff was given as to how to document the response. All intake staff and unit managers must attend the training and PLA must submit a copy of training materials and the attendance sheet."

Evaluation: PLA has substantially completed Corrective Action No. 10. On February 25, 2010, OCE received, by email PLA's, corrective action documentation. Case review and interviews conducted during the FUR indicated that PLA's staff is knowledgeable and is properly screening for citizenship and alien eligibility. Further, the vast majority of intake staff is using PLA's standard and compliant Citizenship Attestation. The Migrant Unit, however, appears to use an older version that, while substantially compliant with § 5.5 of the CSR Handbook (2008 Ed.), should be replaced with PLA's standard attestation. *See infra* Follow-up Corrective Action No. 7. Case review and interviews conducted during the FUR evidenced that PLA staff is still working to correct some case files opened prior to 2010 to ensure they include attestations that meet the requirements of § 5.5 of the CSR Handbook (2008 Ed.). *See infra* Follow-Up Corrective Action No. 1.

Corrective Action No. 11: "PLA must submit to OCE, within 45 days of receipt of the Draft Report, the date PLA staff was trained or will be trained regarding the LSC closing codes. PLA must submit the training materials used and copy of the attendance sheet. All staff advocates and paralegals must be provided the training. PLA must submit an internal policy which sets forth who will be in charge of checking closed staff files prior to closing; the policy must state how frequently the closed files will be checked and who will check them."

Evaluation: PLA has completed Corrective Action No. 11. On February 25, 2010, OCE received, by email, PLA's required corrective action documentation. Case files reviewed during the FUR indicate that PLA staff is no longer using expired LSC closing codes. PLA uses X and R as closing codes for non-reportable or rejected cases, and has designated persons to oversee, and a system in place to check, files for compliance issues before they are closed.

Corrective Action No. 12: "PLA must submit to OCE, until further notice, quarterly certifications documenting when closed files are reviewed. The certification must include the date of the review; who conducted the review; how many case files were reviewed; how many were closed as LSC reportable; and how many were closed as non-reportable. The first certification is due on or before April 15, 2010."

Evaluation: PLA has completed Corrective Action No. 12. On April 16, July 14, and October, 2010, OCE received, by email, PLA's required corrective action documentation. OCE's review of case files during the FUR indicated that PLA has designated persons to oversee, and a system in place to check, that case files are reviewed for compliance issues and dormancy.

Corrective Action No. 13: "On or before the February 1, 2010, PLA must submit to OCE the date on which all staff and PAI cases that were closed in 2009 with an I only closing code were reviewed and given a correct closing code of Ia or Ib as required by the CSR Handbook (2008 Ed.) and must certify that all staff cases closed in 2009 with an expired LSC closing code were reviewed and given a correct closing code or rejected. Also, PLA must review all 2009 PAI cases closed as K, ensure the case is LSC reportable and given a new LSC closing code when applicable or properly noted as rejected. PLA must certify as to how many cases were reviewed and how many were LSC reportable."

Evaluation: PLA has completed Corrective Action No. 13. On February 1, 2010, OCE received by email PLA's required corrective action documentation. Case files reviewed during the FUR indicate that PLA's PAI cases are now closed with the correct LSC closing codes Ia and Ib and that codes K and X are used for those non-reportable or rejected PAI cases.

Corrective Action No. 14: "PLA must, within 45 days of receipt of the Draft Report, submit certification to OCE detailing the date that each PLA advocate was provided open 2009 case lists; the date the open case lists were reviewed; the date the dormant cases were closed (PLA is reminded that cases cannot be back dated); the number of reportable cases closed; the number of non-reportable cases closed, and the remaining number of cases open. PLA must submit to OCE quarterly reports detailing the above-mentioned information until further notice. The first report regarding the 2009 open case lists should be submitted no later than February 10, 2010. The second is due April 15, 2010. PLA must also submit in writing a copy of the PLA policy which requires staff to review open case lists on a quarterly basis."

Evaluation: PLA has substantially completed Corrective Action No. 14. PLA provided LSC

with a certification required by this corrective action on March 1, 2010. Although PLA did not appear to provide OCE with any additional certifications relating to Corrective Action No. 14, PLA did provide OCE with quarterly certifications that it has conducted a review of open case files pursuant to Corrective Action No. 12. OCE's case file review during the FUR indicated that cases opened in 2010 were generally compliant with LSC regulations and the CSR Handbook. PLA's staff is still in the process of reviewing cases opened prior to 2010 to remedy any compliance concerns before they are reported to LSC. Specifically, since August 2010, PLA has circulated compliance "error reports" to PLA staff with a request that they

address remaining compliance errors in their open files. OCE understands that PLA will continue this process and also plans to assign additional staff to assist advocates to correct these files before the cases are reported to LSC. *See infra* Follow-Up Corrective Action No. 1.

Corrective Action No. 15: "PLA must create procedures which require PLA to review actual PAI case files at least quarterly to ensure compliance. PLA must submit to OCE, within 45 days of receipt of the Draft Report, new oversight procedures of PAI files and PLA must revise and submit its PAI Plan and 2010 sub-grant applications to include the new oversight procedures. PLA must submit to OCE certifications as to when PAI oversight was conducted starting April 15, 2010 and continuing until further notice is given. The certification must include which PAI entities files were reviewed; whether they were open or closed file and how many cases were closed and how many were CSR reportable."

Evaluation: PLA has substantially completed Corrective Action No. 15. On March 16, April 8, July 15, and October 15, 2010, OCE received, by email, the required corrective action documentation relating to two (2) of its three (3) PAI subgrantees: the Consumer Bankruptcy Assistant Project ("CBAP") and Philadelphia VIP ("VIP"). During the FUR, OCE learned that PLA has made significant progress in its oversight of CBAP and VIP. However, during the FUR, OCE learned that PLA's third PAI subgrantee, the Homeless Advocacy Project ("HAP"), reported its first case list to PLA in November, 2010. *See infra* Follow-Up Corrective Action No. 5. A more detailed evaluation of OCE's compliance concerns relating to HAP is provided below.

Corrective Action No. 16: "If HAP intends to report cases to LSC, PLA must, within 45 days of receipt of the Draft Report, submit to OCE the date on which an intake training was or will be provided to HAP staff regarding screening for LSC eligibility particularly citizenship attestations and alien documentation. PLA must submit copies of training materials and the sign-in sheet for the training. PLA must ensure that HAP's ACMS and intake form are compliant to capture all of LSC's eligibility requirements and that staff are asking questions during intake to ensure that all required information is captured.

In addition, PLA must submit, within 45 days of receipt of the Draft Report, a certification to OCE that the PLA has met with HAP staff and that HAP's ACMS and intake procedures and forms were reviewed to ensure that LSC eligibility information is captured correctly. Also,

PLA must, within 45 days of receipt of the Draft Report, certify the date on which HAP will or has started screening clients and reporting cases to PLA."

Evaluation: PLA has not completed Corrective Action No. 16. On February 25 and March 15, 2010, OCE received, by email, the required corrective action documentation. OCE's review of HAP case files and interviews during the FUR evidenced that HAP needs to take the following actions to ensure its full compliance with 45 CFR Part 1611 and Program Letter 02-06: 1) inquire about and document prospective income during intake, 2) train volunteers whom conduct intake on HAP's eligibility policy and update its volunteer training manual to reflect its current eligibility policy,[4] and 3) remove the default in the "asset" field of HAP's ACMS. *See infra* Follow-Up Corrective Action Nos. 2-4. HAP's case files otherwise evidenced compliance with LSC regulations and the CSR Handbook. An interview with HAP staff also indicated that HAP has good case and compliance oversight procedures.

PLA and HAP also need to ensure that HAP is reporting cases to PLA as agreed in their subgrant agreements. *See infra* Follow-Up Corrective Action No. 5. In PLA's email of February 21, 2010, OCE was notified that HAP would start reporting cases to PLA on March 15, 2010. Pursuant to HAP and PLA's 2010 subgrant agreement, HAP was to report, and PLA was to review, case lists on a quarterly basis throughout 2010. *See* Amended Memorandum of Understanding effective January 1, 2010, at 2 (attached as Attachment A). During the FUR, however, OCE learned that HAP reported its first case list to PLA in November 2010.

Corrective Action No. 17: "PLA must, within 45 days of receipt of the Draft Report, certify the date that VIP, CBAP and HAP if applicable, were given compliant citizenship attestation and alien eligibility forms. PLA must ensure that all three entities screen for citizenship."

Evaluation: PLA has completed Corrective Action No. 17. On February 25, 2010, OCE received by email the required corrective action documentation. Case review of VIP, CBAP, and HAP cases during the FUR indicated cases opened in 2010 included compliant citizenship attestations.

[4] Although HAP's staff is trained on HAP's (and PLA's) eligibility policy and intake procedures, volunteers conducting a portion of HAP's intake interviews are not currently trained on the policy. HAP's current volunteer training manual provides that "[a] client is eligible for services if he or she is (1) homeless, or at risk of homelessness, and (2) indigent." *See* HAP Legal Manual, The Homeless Advocacy Project An Introduction for New Volunteers (2010), at 6. It also defines "indigency" as "have monthly or annual household income that is not more than 200% of the Federal poverty level established annually by the United States Department of Health and Human Services." *Id.* This is inconsistent with HAP's current eligibility policy.

Corrective Action No. 18: "PLA must, within 60 days of receipt of the Draft Report, certify to OCE the date on which LSC closing code training was or will be provided to VIP, CBAP and HAP staff. PLA must submit the training material used and forward the sign-in sheet for the training. Staff members from the PAI entities that report cases or will report cases must attend the training."

Evaluation: PLA has completed Corrective Action No. 18. On February 25, 2010, OCE received, by email, the required corrective action documentation. The three (3) PAI entities were provided training on February 23 and March 4, 2010. Case files reviewed during the FUR indicate that PAI entities are applying LSC closing codes correctly.

Corrective Action No. 20: "PLA must, within 45 Days of receipt of the Draft Report, provide a certification to OCE as to when the new bank cards were received or are expected to be received and when a new Board resolution regarding the designee authorized to sign checks is

or will be passed. In addition PLA must provide a copy of newly adopted internal controls which require that payments are marked as paid or are cancelled and the date on which new internal controls were adopted to require segregation of duties to ensure no one employee can initiate, execute, and record a transaction without a second independent individual being involved in the process."

Evaluation: PLA has substantially completed Corrective Action No. 20. On February 25, 2010, OCE received, by email, the required corrective action documentation except for "a certification to OCE...when a new Board resolution regarding the designee authorized to sign checks is or will be passed." PLA has obtained new bank cards and adopted new internal controls. *See infra* Follow-Up Corrective Action No. 11.

FOLLOW-UP CORRECTIVE ACTIONS

Compliance Concerns Relating to Staff and PAI Cases Opened Prior to 2010

Follow-Up Corrective Action No 1: PLA is required to continue its work to ensure that all cases reported to LSC in the next reporting cycle are in full compliance with the CSR Handbook and LSC regulations, including strictly overseeing staff's efforts to use PLA's error reports, and any other tools available to staff (*e.g.*, additional staff members) in order to correct any remaining compliance errors in open cases.[5]

[5] OCE is in receipt of PLA's emails of January 6 and January 19, 2011 inquiring about PLA's ability to report cases referred from Community Legal Services (CLS). OCE is corresponding with PLA on this issue separately by phone and email.

As explained in the FUR exit conference on December 15, 2010, case review indicated that some staff and PAI cases opened prior to 2009 appeared to still contain compliance errors.[6] OCE notes that "[a]s of January 1, 2009 all cases reported must fully comply with the 2008 CSR Handbook, regardless of when they were opened." *See* CSR Handbook (2008 Ed.) (cover letter).

HAP Oversight

Follow-Up Corrective Action No 2: PLA is required to ensure that HAP's intake staff and volunteers inquire about and document prospective income during intake. PLA is required to submit to OCE: 1) a certification that HAP has made this change to their intake procedures and

2) a copy of HAP's revised intake form and screen shot(s) of its ACMS showing how HAP will document prospective income within 60 days from the receipt of this letter.

Follow-Up Corrective Action No 3: PLA is required to ensure that all of HAP's volunteers conducting intake are trained on HAP's eligibility policy. PLA is required to submit to OCE: 1) a certification informing OCE how and when HAP plans to integrate this training into its volunteer training, and 2) a copy of HAP's revised volunteer training manual within 60 days from the receipt of this letter.

Follow-Up Corrective Action No 4: PLA is required to ensure that HAP removes the zero (0) default in the "asset" field of its ACMS. PLA is required to submit to OCE: 1) a certification, and 2) screen shot(s) of HAP's ACMS screen confirming that HAP has made this change within 60 days from the receipt of this letter.

Follow-Up Corrective Action No 5: PLA is required to fulfill all the requirements under its HAP subgrant(s), including the requirement that PLA submit reports detailing its quarterly oversight of HAP cases to OCE by February 11, 2011 (for the 4th quarter of 2010) and April 22, 2011 (for the 1st quarter of 2011).

Supervision of Paralegals

Follow-Up Corrective Action No 6: OCE requests PLA provide OCE with copies of the section of its Personnel Manual which addresses the supervision of paralegals either once it

[6] *See e.g.*, Case No. 09E-10121112, PAI 2010 (over income 140% no exemption documented); Case No. 04-1078175, open (only asset documentation is the zero default); Case No. 06E-1095597, open (no case notes since the file was opened in 2006); Case No. 96-012319, open (dormant file no legal advice documented in file since file was opened in 2006); Case No. 10E-10142728, open (no date on citizenship attestation and case is still open and in litigation); Case No. 08E-10108638, open (dormant file opened 2008 no eligibility information; no attestation and no legal advice documented in file since file was opened in 2008); and Case No. 98-1020242, open (dormant case and no advice in file, should have been rejected when opened in 1998).

formalizes its supervision procedures for managers and revises job descriptions, or in any event, within 90 days of receipt of this letter. OCE can then close-out Corrective Action No. 4.

Citizenship Attestations

Follow-Up Corrective Action No 7: OCE requests PLA provide OCE with certification that its' Migrant Unit is now using PLA's standard Citizenship Attestation within 45 days of its receipt of this letter. OCE can then close out Corrective Action No. 10.

Fiscal Compliance

During the FUR, OCE identified the below listed additional actions PLA should take to ensure full compliance with The Accounting Guide for LSC Recipients ("The LSC Accounting Guide") or to close out Corrective Action No. 20.

Follow-Up Corrective Action No 8: Stamp original documents supporting expense vouchers as "paid" and certify to OCE that this has been implemented within 45 days of receipt of this letter.

Follow-Up Corrective Action No 9: Hire an Assistant to the Finance Director to help enhance internal controls and provide OCE with an update as to PLA's progress in doing so within 60

days of receipt of this letter. OCE understands that PLA is already in the process of selecting a candidate for the position.

Follow-Up Corrective Action No 10: Establish a policy and practice to investigate outstanding checks over a set period of time, investigate currently outstanding checks in accordance with this new policy, and certify to OCE that this has been implemented within 60 days of receipt of this letter.

Follow-Up Corrective Action No 11: Provide OCE with "a certification...when a new Board resolution regarding the designee authorized to sign checks is or will be passed" required in Corrective Action No. 20 within 45 days of receipt of this letter. OCE can then close out Corrective Action No. 20.

PLA's Eligibility Policy

Follow-Up Corrective Action No 12: During the FUR, OCE provided PLA with guidance and recommendations on how PLA can revise its financial eligibility to bring it into full compliance with 45 CFR Part1611. In order to ensure that the revisions PLA makes will meet the requirements of 45 CFR Part 1611, OCE requires PLA to provided OCE with a revised financial eligibility policy for review by OCE and LSC's Office of Legal Affairs

("OLA") at least 20 days in advance of PLA providing the revised policy to its Board of Directors for approval, or in any event, within 90 days of the receipt of this letter. OCE will then revert to PLA to confirm the proposed revisions bring the policy into full compliance with 45 CFR Part 1611, or to provide additional guidance if needed, in advance of Board approval.

In summary, PLA has addressed or substantially addressed many of the compliance concerns OCE found during its CSR/CMS Review on September 21-25, 2009. OCE looks forward to working with PLA as it completes the Follow-Up Corrective Actions, which will help ensure that PLA is, and remains, in full compliance with LSC regulations, the CSR Handbook, and terms of PLA's subgrants. Please do not hesitate to contact me at (202) 295-1520 or Megan Smith at (202) 295-1506 if you have any questions or concerns.

Sincerely,

Danilo A. Cardona
Director
Office of Compliance and Enforcement

Attachments

Attachment A: Amended Memorandum of Understanding (HAP) effective January 1, 2010.