



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

JAMES K. POLK BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1403

TELEPHONE: 615-313-4700 FAX: 615-741-4165
TTY: 1-800-270-1349
www.tn.gov/humanservices

BILL LEE
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

CERTIFIED MAIL RECEIPT- Due COVID-19 this notice will not be sent via certified mail, please confirm receipt of this notice by email

July 31, 2020

LaTonia Richmond, Owner
Otis Hicks, Owner
Rich Enhancement Development
1807 John Paul Drive
Memphis, Tennessee 38114-6411

RE: Notice of Serious Deficiency for the Child and Adult Care Food Program (CACFP) Agreement Number 00-472

Dear Ms. Richmond,

The Department of Human Services (DHS) - Division of Audit Services staff conducted a limited desk review of the Child and Adult Care Food Program (CACFP) for Rich Enhancement Development (Sponsor), Application Agreement number 00-472, during the period of April 29, 2020, through May 29, 2020. Our scope of the review was for reimbursement made to the Sponsor for January 2020.

Due to the outbreak and the risk that COVID19 poses to the Sponsor and our staff, the review was limited to verification based on a review of the documents obtained from the Sponsor via e-mail, mail, or other electronic transmissions of documents. We also obtained confirmation from the feeding sites and Sponsor staff via telephone or e-mail relative to the operation and administration of the CACFP.

The purpose of this review was to determine if the Sponsor complied with USDA regulations set through the COVID-19 period, taking into consideration the waivers granted to the Sponsor's operation. Also, to determine if the Sponsor complied with the applicable *Title 7 of the Code of Federal Regulations* (CFR) applicable parts, provider agreements, and applicable Federal and State regulations.

Important COVID-19 note: Due to the current outbreak and the risk that COVID19 poses to your organization personnel and our staff, all our staff are working from home with no or very limited access to the office. Therefore, we will not send a copy of this report via regular mail until further notice. Please

confirm the receipt of this email as it is currently the option to communicate with you. If you need any assistance or have any questions, please do not hesitate to contact us via email.

SERIOUS DEFICIENCY DETERMINATION

Based on the monitoring review, the Department has determined that Rich Enhancement Development is seriously deficient in its operation of the CACFP. In addition, the Department has identified LaTonia Richmond, Owner and Otis Hicks, Owner as responsible for the serious deficiencies in light of their responsibility for the overall management of Rich Enhancement Development's CACFP.

If Rich Enhancement Development does not fully and permanently correct all of the serious deficiencies and submit documentation of the corrective action by the due date, the Department will:

- Propose to terminate Rich Enhancement Development's agreement to participate in the CACFP;
- Propose to disqualify Rich Enhancement Development from future CACFP participation; and
- Propose to disqualify LaTonia Richmond, Owner and Otis Hicks, Owner from future CACFP participation.

In addition, if Rich Enhancement Development voluntarily terminates its CACFP agreement after receiving this letter, the Department will propose to disqualify Rich Enhancement Development and LaTonia Richmond, Owner and Otis Hicks, Owner from future CACFP participation. If disqualified, Rich Enhancement Development, and LaTonia Richmond, Owner and Otis Hicks, Owner and will be placed on the National Disqualified List ("NDL"). While on the NDL, Rich Enhancement Development will not be able to participate in the CACFP as an institution or facility. LaTonia Richmond, Owner and Otis Hicks, Owner will not be able to serve as a principal in any institution or facility or as a day care home provider in the CACFP.

Institutions and individuals remain on the NDL until the United States Department of Agriculture's Food and Nutrition Service, in consultation with the Department, determines that the serious deficiencies have been corrected, or until seven years after their disqualification. However, if any debt relating to the serious deficiencies has not been repaid, they will remain on the list until the debt has been repaid.

The authorization for this action is found in Paragraph 1.e. of your FY 2016 CACFP Provider Agreement and in the CACFP regulations at 7 C.F.R. § 226.6(c)(3). You may not appeal a finding of serious deficiency.

SERIOUS DEFICIENCIES, ADDITIONAL FINDINGS AND REQUIRED CORRECTIVE ACTION

Background

CACFP Sponsors utilize meal count sheets to record the number of breakfast, lunch, supper, and supplement meals served. Meals served by participating Sponsors must meet the minimum guidelines set by the United States Department of Agriculture (USDA) and DHS to be eligible for reimbursement. The CACFP Sponsor reports the number of meals served through the DHS Tennessee Information Payment System (TIPS) for reimbursement.

We observed a lunch meal service on January 16, 2020 and requested documentation to support the January 2020 claim for reimbursement.

Our review of the Sponsor's documentation for January 2020 disclosed the following:

1. The Sponsor failed to provide documentation to support the claim for reimbursement

This is a Serious Deficiency:

Condition

There were several attempts made to obtain supporting documentation for the January 2020 claim for reimbursement from the Sponsor. We first attempted to contact the Sponsor via email on March 30, 2020, to inquire about possible closure, and there was no response.

We requested documentation to support the claim for reimbursement via email on April 29, 2020, and sent a follow-up email on May 4, 2020, with no response. A final email was sent on May 20, 2020, with a deadline given of May 29, 2020, to send the documentation. In addition to the emails, we attempted to contact the Sponsor via phone call on April 27, 2020, and May 28, 2020. A voicemail message was left both times. The Sponsor failed to respond within the allotted time frame to requests for documentation to support the claim for reimbursement.

The Sponsor was not listed on the childcare closure list. Additionally, after the review of subsequent months claim for reimbursement, we noted that the Sponsor continued to claim meals for reimbursement through June 2020. However, the Sponsor did not return our telephone calls or responded to our emails nor provided us with the required documents.

The Sponsor violated federal and state regulations by not providing the requested documents to support the January 2020 claim for reimbursement.

As a result, except for the meals noted in finding 2, the reimbursement for January 2020 claim was disallowed.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.10(d) states, "All records to support the claim shall be retained for a period of three years after the date of submission of the final claim for the fiscal year to which they pertain, except that if audit findings have not been resolved, the records shall be retained beyond the end of the three year period as long as may be required for the resolution of the issues raised by the audit. All accounts and records pertaining to the Program shall be made available, upon request, to representatives of the State agency, of the Department, and of the U.S. Government Accountability Office for audit or review, at a reasonable time and place."

Recommendation

The Sponsor should retain records for the required period of three years and make the records available upon request by representatives of the State agency for audit or review purposes.

2. Meals were served outside of the approved meal service time during a meal observation

Condition

We conducted an unannounced on-site visit to observe a lunch meal service on January 16, 2020. We observed 47 lunch meals served, however, 11 of those lunch meals were served outside of the approved meal service time. The meal service started during the approved meal service time of 11:00 a.m. until 12:00 p.m., we observed 11 lunch meals served after 12:00 p.m. Also, there were an additional 3 infants present who eat on demand. The observed meal was creditable and as a result, the 50 meals were allowed.

Criteria

Title 7 of the Code of Federal Regulations Section 226.17(b)(4) states “Each childcare center participating in the Program shall claim only the meal types specified in its approved application...”

Recommendation

The Sponsor should ensure the meals are served during the approved meal service time.

Technical Assistance Provided

On January 16, 2020, technical assistance was provided regarding the menu matching the served meal. The Sponsor was also advised to have the current license posted.

OVERPAYMENT-RIGHT TO APPEAL

Disallowed Meals Cost

Based on the review, we determined that the Sponsor’s noncompliance with the applicable Federal and State regulations that govern the CACFP resulted in a total disallowed cost of \$3,701.68

The procedures for submitting an appeal regarding the amount of overpayment are enclosed. Please note that the appeal must be in writing and must be received by our Department no later than fifteen (15) calendar days from your receipt of this letter. 7 C.F.R. § 226.6(k). The appeal must be submitted to:

Tennessee Department of Human Services
Appeals and Hearings Division, Clerk’s Office
P.O. Box 198996
Nashville, TN 37219

If the Institution decides to appeal the amount of overpayment, all appeal procedures must be followed as failure to do so may result in the denial of your request for an appeal.

In accordance with the CACFP regulations at 7 C.F.R. § 226.14(a), in part, the State agency must assess interest 30 days from the initial request for repayment. For information about applied interest rates please visit the following website:

http://www.fiscal.treasury.gov/fsreports/rpt/cvfr/historical_rates.htm

SUMMARY

The Department has determined that Rich Enhancement Development is seriously deficient in its operation of the CACFP and that LaTonia Richmond, Owner and Otis Hicks, Owner are responsible for the serious deficiencies.

You may not appeal the serious deficiency determination itself. If the Department proposes to terminate Rich Enhancement Development's CACFP agreement, and the responsible individuals, you will be able to appeal those actions and you will be advised of your appeal rights and the appeal procedures at that time.

Rich Enhancement Development may continue to participate in the CACFP during the corrective action period. The Department will pay any valid claims for reimbursement submitted by Rich Enhancement Development for the corrective action period. As always, you must submit claims within sixty (60) calendar days of the last day of the month covered by the claim. The Department will deny any portion of a claim we determine is invalid. If the Department denies payment of any portion of a claim submitted for the corrective action period, that action would be appealable.

To provide for the full and permanent correction of the serious deficiencies and findings, please complete the following actions within thirty (30) days of your receipt of this notice:

- Log into the Tennessee Information Payment System (TIPS) and revise the claim submitted for January 2020, which contains the verified claim data from the enclosed exhibit. ***Please note that, if the claim is revised,*** TIPS will automatically deduct the overpayment from your next CACFP claim for reimbursement. **OR**
- If you are no longer participating in the CACFP program, remit a check payable to the ***Tennessee Department of Human Services*** in the amount noted in the report for recovery of the amounts disallowed in this report. ***Please return the attached billing notice with your check;*** and
- Prepare and submit a corrective action plan to address the deficiencies identified in this report. The corrective action plan template is attached. Please return the corrective action plan to:

AuditServices.CAPS.DHS@tn.gov

If the Department does not receive the corrective action plan by the deadline date, or the Department determines that the corrective action plan does not provide for the full and permanent correction of the serious deficiencies and findings, the Department will propose to terminate the Institution's CACFP Provider Agreement and to disqualify you and the Institution from future CACFP participation by issuing a Notice of Proposed Termination and Disqualification.

We appreciate the assistance provided during this review. If you have any questions regarding this report, please contact Sean Baker, Audit Director 2, at 615-313-4727 or sean.baker@tn.gov.

Sincerely,

Allette Vayda

Allette Vayda
Director of Operations- Food Programs

Exhibit

cc: Otis Hicks, Co-Owner, Rich Enhancement Development
Debra Pasta, Program Manager, Child and Adult Care Food Program
Elke Moore, Administrative Services Assistant 3, Child and Adult Care Food Program
Constance Moore, Program Specialist, Child, and Adult Care Food Program
Marty Widner, Program Specialist, Child, and Adult Care Food Program
Comptroller of the Treasury, State of Tennessee

EXHIBIT**Verification of CACFP Independent Center Claim****Name of Agency: Rich Enhancement Development****Review Month/Year: January 2020****Total Meal Reimbursement Received: \$3,791.35**

Site Meal Service Reconciliation and Monitor Activity	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	21	0
Total Attendance	1,107	50
Percentage of Free or Reduced-price Category	XXXXXX	0%
Number of Breakfasts Served	1,087	0
Number of Lunches Served	954	50
Number of P.M. Supplements Served	1,087	0
Number of Suppers Served	133	0
Number of Evening Supplements Served	630	0
Number of Participants in Free Category	23	23
Number of Participants in Reduced-Price Category	0	0
Number of Participants in Paid Category	32	32
Total Number of Participants	55	55



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DANIELLE W. BARNES
COMMISSIONER

July 31, 2020

LaTonia Richmond, Owner
Rich Enhancement Development
1807 John Paul Drive
Memphis, Tennessee 38114-6411

Note: If you are no longer participating in the CACFP, remit a check payable to the Tennessee Department of Human Services in the amounts disallowed in this report to the address below. Please return the attached billing notice with your check.

If you plan to continue participating in the CACFP, log into the Tennessee Information Payment System (TIPS) and revise the claim submitted for January 2020, which contains the verified claim data from the enclosed exhibit.

Institution Name:	Rich Enhancement Development
Institution Address:	1807 John Paul Drive Memphis, Tennessee 38114-6411
Agreement Numbers:	00472
Amount Due:	\$3,701.68
Due Date:	August 31, 2020

Please remit a check or money order payable to the Tennessee Department of Human Services in the amount noted above by the due date to:

Fiscal Services 16th Floor
James K. Polk Building
505 Deaderick Street
Nashville, Tennessee 37243
Tennessee Department of Human Services

Please note that the disallowed meal cost/overpayment of the CACFP is subject to an interest charge. The interest charge will be waived if the payment is received by the due date. If payment is not received by the end of 5th day of the due date, an interest charge may be added to the original amount due and will be billed to your entity.

If you have any questions regarding this notice, please feel free to contact Allette Vayda, Director of Operations at (615) 313-3769 or Allette.Vayda@tn.gov.

Thank you for your attention