

approximately 5 months into the contract. This is 2 months after the first quarter and 30 days after the report was due. I discussed this with Roxane and suggested that she get help from her assistant, Jazmin Arreola, as well as HUD. The only task necessary was to go through the files and total the time documented for each file and report it in a spread sheet. I explained this to her.

Dana and I met with Roxane on numerous occasions regarding her failure to properly invoice HUD. Roxane took the files to the HUD office for assistance and both Dana and I believed that she was working on them. She provided some files to Jamie for invoicing the 1st quarter. Following this I took Roxane to Jamie's office and told her she must sit down and complete the files for the 2nd quarter.

The pressure put on Roxane to complete the work continued until she was given a final drop dead date. She ultimately turned in her resignation, calling me late one evening and talking to me for more than an hour about her decision to leave and apologizing for the problems she had caused. She assured me that she would complete the HUD files for the 3rd quarter invoice before she left in two weeks. It was when she turned in these files that we discovered the fraud. There was no delay in the discovery. I told Dana that the only thing we could do at that time was to pull all the fraudulent files and if any had been invoiced previously we would need to revise the invoices.

Jamie handled the task and explained what happened to our representative with HUD who was very understanding and thanked her for being so upfront and honest about what happened. The Executive Committee was notified at the next meeting and it was in the President's report more than once.

f. Mediation Program

When Hani was hired he was to work part-time under the mediation grant and part-time under the CDBG grants working with LL/T clients. After Jasmine and Roxane left Nichole was hired part-time. I repeatedly asked Hani when he intended to hire someone else for Mediation because we knew Nichole was temporary and I wanted to get the new person trained. Hani assured me that Nichole was handling things just fine and that he would advertise the position or see if one of our volunteers at the court was interested in the position.

The day before my vacation in November in Dana's office I discussed certain performance issues with Hani. These issues included, but were not limited to, failure to staff the mediation program in court when Nichole was ill, failure to communicate with Dana when he would be out of the office, excessive absence from the office without anyone knowing where he is or what he is doing,

FHCOC
internal
memo by
Pierson
2/8/2008,
pg 8.
referring to
fraudulent
HUD
invoicing.