



The Commonwealth of Massachusetts
Office of the Inspector General

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December 8, 2010

Mr. Frederick F. Foresteire
Superintendent of Schools
Everett Public Schools
121 Vine Street
Everett, MA 02149

Dear Superintendent Foresteire:

As you know, the Massachusetts Office of the Inspector General (OIG) reviewed the Everett Public Schools' (EPS) Fiscal Year 2009 State Fiscal Stabilization Fund (SFSF) Grant from the Massachusetts Department of Elementary and Secondary Education. The grant was received as a result of the American Recovery and Reinvestment Act (ARRA).

The OIG is reviewing ARRA-related grants to identify potential vulnerabilities to fraud, waste, and abuse and other risks that could negatively impact the accountability, transparency, and anti-fraud mandates contained in the statutory language and interpretive guidance of ARRA. Our review of the provided documents should not be construed as an audit, investigation, or a comprehensive programmatic review. The OIG intends these reviews to assist recipients of ARRA funding identify and address risks.

EPS received \$3,567,149 in SFSF funding in Fiscal Year 2009. The OIG review focused on the \$1,242,530 of these funds spent on special education tuition.

The OIG examined a sample of four of the nineteen private special education schools that the EPS sent students in Fiscal Year 2009 using ARRA funded tuition. For this sample, the OIG verified that during the last quarter of Fiscal Year 2009 – the period covered by ARRA funding:

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- EPS had written contracts in place with these special education schools pursuant to 603 CMR 28.06 (3)(f).
- These special education schools charged the contractual rate for services as set by the Massachusetts Operational Services Division (OSD).
- EPS paid these OSD-established rates to the special education schools in question.

Additionally, the OIG verified that the rates charged by the special education schools not included in the sample conformed to the OSD-established rate structure.

I appreciate your cooperation with this review. Please do not hesitate to contact the OIG with any questions or concerns you may have regarding this review.

Sincerely,

Neil Cohen
Deputy Inspector General

cc: Mayor Carlo DeMaria
School Committee Chairman Lester S. MacLaughlin
DESE Director of Audit & Compliance David LeBlanc