HEALTHCARE CONSORTIUM
OF ILLINOIS

1350 East Sibley Blvd. Dolton, IL 60419 Telephone: (708) 841-9515 Fax: (708) 841-9681

VIA CERTIFIED US MAIL

Ms. Saundra Mickles
Ms. Maureen White
Co-Executive Directors
The Network Room
16145 LaSalle Street
South Holland, Illinois 60473

May 9, 2012

Dear Ms. Mickles and Ms.White:

After careful review of your contracts, quarterly reports, payroll records and other documentation submitted by The Network Room (TNW) associated with your FY12 (Year Two) subcontracts for Neighborhood Recovery Initiative (NRI) School-Based Counseling (SBC) services in three South Suburban communities. Healthcare Consortium of Illinois has determined that it is no longer in the best interest of our agency or the Governor's Neighborhood Recovery Initiative (NRI) to continue our contractual relationship with your agency. Our review of these documents indicates significant non-compliance with your contract and budget for NRI School-Based Counseling services during the first quarter of Year Two as follows:

1. Two individuals were budgeted for more than full-time employment across the three subcontracts.
2. Employees were paid at a much higher rate and for fewer hours than specified in the subcontract budget and quarterly reports.
3. Employees worked significantly fewer hours than were required in the subcontract and specified in the quarterly reports.

Effective May 25, 2012, we are cancelling the subcontract between Healthcare Consortium of Illinois and the Network Room for NRI services and will not be renewing your contract for future SBC services. Our analysis of services currently being provided by TNW indicates that this time frame will allow for service and project wind down.

We have also determined that adjustments need to be made in your personnel charges to the NRI subcontract. As mentioned above, your payroll records indicate that you paid hourly wages ranging from $70 to $100 per hour for clinician services provided under your South Suburban SBC contracts, amounts that are far in excess of the monthly salaries for full or half-time positions budget under the contract and reported in expense reports. We cannot allow payments at these rates. We will allow you to charge $20.19 per hour, plus fringe, for all clinician services provided from November 16, 2012 through the end of the contract. This rate per hour is based on the highest monthly wage contained in your three South Suburban contracts: $3,500/month ($3,500 x 12 divided by 2,080 = $20.19).

You must revise your Q1 report and submit a new report immediately, but no later than Wednesday, May 16, 2012, that utilizes this rate for all hours of service provided by clinicians in accordance with previously submitted expense reports and payroll records submitted for these periods as follows:

Clinician	TNW Rate	Q1 Expense	Number Hours (Expense/Rate)	Allowed Rate	Allowed Expense
Mickles	$100/hr	$3,575	35.75	$20.19	$721.79
Carter	$85/hr			20.19	
Ward	$70/hr			20.19	
TOTAL				20.19	

Your final close-out report must also use this rate for the period February 16, 2012 through the end of the contract.

We will utilize the above figures and the payroll records we requested for the period February 16, 2012 through April 30, 2012 to determine if and how much additional payment is due to the Network Room for services beyond February 16, 2012.

Your final FY12 (Year Two) closeout report for the period November 16, 2012 through May 25, 2012, must be received in our office for review and final approval no later than close of business on Monday June 11, 2012. Documentation substantiating all FY12 expenses must be attached to the close-out report. Please note that lack of supporting documentation may result in unallowable expenses.

All unexpended funds indentified in the final, approved FY12 close-out report must be submitted to Healthcare Consortium of Illinois within 45 days of cancellation of this contract. If unspent funds are not received within that time frame, the Illinois Violence Prevention Authority will be notified and will begin recovery proceedings pursuant to the Illinois Grants Recovery Act. Initiation of recovery proceedings could affect your ability to receive State funds in the future.

Please contact Healthcare Consortium of Illinois if you have questions regarding this matter.

Sincerely,

Salim Al Nurridin
Chief Executive Officer

cc: Project Coordinator, Jaclin Davis, Healthcare Consortium of Illinois
Fiscal Director, James E. Lyles, Healthcare Consortium of Illinois
Barbara Shaw, IVPA Director
Lorri Jenkins, NRI Program Director