

STATE OF NEW JERSEY

DEPARTMENT OF EDUCATION

OFFICE OF FISCAL ACCOUNTABILITY AND COMPLIANCE

PATERSON INTERNAL AUDIT UNIT

INVESTIGATIVE REPORT

RISK MANAGER SAMIR GOOW

MARCH 2018

NEW JERSEY DEPARTMENT OF EDUCATION
PATERSON INTERNAL AUDIT UNIT
RISK MANAGER INVESTIGATION
MARCH 2018

Distribution List of Final Report

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New Jersey Department of Education

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Paterson Public Schools

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New Jersey Department of Education

Daniel Sackner, Supervisor of Internal Audit
Paterson Public Schools

NEW JERSEY DEPARTMENT OF EDUCATION
PATERSON INTERNAL AUDIT UNIT
RISK MANAGER INVESTIGATION
MARCH 2018

BACKGROUND

Worker's compensation is a form of insurance providing benefits to employees injured in the course of employment in exchange for mandatory relinquishment of the employee's right to sue their employer for negligence. Worker's compensation includes weekly payments in place of wages and payments to providers for medical expenses incurred. This report is limited to reviewing payments to medical providers.

The Paterson Public Schools' (PPS) worker's compensation program is overseen by the district's Risk Manager. A third-party administrator, Cannon Cochran Management Services, Inc. (CCMSI), administers the program and is responsible for claim administration, risk management services, and maintenance of records. CCMSI pays worker's compensation related costs using district funds. These costs can include claim settlements, medical examination costs, managed care expenses, attorney fees, fraud detection expenses, etc. CCMSI's compensation for these services includes an annual fee (\$150,000 for FY 2017-2018), and a 24 percent commission on cost savings as a result of re-pricing of provider billings.

The district is self-insured up to \$500,000 on all worker's compensation with insurance coverage for claims in excess of \$500,000.

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In February 2018, several articles appeared in local newspapers detailing possible irregularities with the handling of the City of Paterson's workers' compensation funds by the city Risk Manager Samir Goow (Attachment 1). Mr. Goow also served as the Risk Manager for the PPS during 2017. Accordingly, the Paterson Internal Audit Unit commenced a review of district's worker's compensation program/risk manager.

The remainder of this report details the findings of the review.

In January, 2017 Samir Goow, through his unincorporated business, Investigations Unlimited (IU), was contracted to serve as the PPS Risk Manager. In February 2018, following the allegations of irregularities at the City of Paterson, Mr. Goow's contract with PPS was suspended and he was removed from any work with the district.

Laurie Moloney, the former PPS Risk Manager retired from the district in September 2016. Ms. Moloney, who had a law degree had served as Risk Manager since June 2006. Upon Ms. Moloney's retirement, rather than hiring another employee to serve as Risk Manager, the PPS board directed that a consultant be hired to serve in that capacity as it was believed this would be more cost effective than paying the salary and benefits of a full-time attorney.

In October 2016, the PPS Purchasing Agent issued a Request for Qualifications (RFQ) (Attachment #2). The RFQ stated that the PPS "is soliciting proposals from qualified law firms to represent the district in matters involving: Risk Management Services and Worker's Compensation". Proposals were received from the following three vendors; Brown and Brown Public Risk Advisors of NJ, a full service brokerage and consulting firm specializing in public entity risk management and employee benefit plans; Acrisure LLC, a national insurance brokerage firm specializing in risk management, worker compensation and employee benefits; and Investigations Unlimited, a private investigation firm with experience in risk management and loss prevention. The proposals were as follows:

Brown and Brown – a flat rate of \$5,500 per month.

Acrisure LLC – a flat rate of \$7,500 per month.

Investigations Unlimited – an hourly rate of \$115 per hour.

There was no formal evaluation done of the proposals by the PPS Purchasing Department. Robert Murray, District Counsel indicated that he and Luis Rojas, Assistant Superintendent for Human Capital/Labor Relations & Affirmative Action, reviewed the proposals. Mr. Murray indicated that it was his decision to hire IU/Samir Goow. He indicated that he chose Mr. Goow because the other proposals were from firms and he felt they would not be a good fit for the district's needs.

Mr. Goow is not an attorney. Investigation Unlimited is licensed as a "Private Detective Business" (Attachment 3). His resume (Attachment 4) indicates that the bulk of his experience

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(over 25 years) is as a private investigator. Mr. Goow’s risk management experience includes claim investigations and serving as the City of Paterson Risk Manager beginning in 2015. The district contracted with IU for Risk Management Services for the period January 1, 2017 through June 30, 2017 for a total not-to-exceed of \$70,000. On June 6, 2017 the PPS board approved a renewal of the IU contract for FY 2017-2018 for a total not-to-exceed of \$70,000. On February 5, 2018, the district increased the IU contract for FY 2017-2018 by 20 percent to a not-to-exceed total of \$84,000. As of the date of this report, the district was unable to provide auditors with copies of the signed contracts with IU. An unsigned copy of the FY 2017-2018 contract was provided (Attachment 5). The contract stated that the “Firm shall provide full Risk Management Services as set forth in the RFQ”. The contract also states that IU would be paid “Legal Fees” at a rate of \$115.00 per hour.

In all, the District paid IU \$139,840 in the 10-month period March 2017 through December 2017.

As detailed in the background section of this report, CCMSI administers all payments to medical providers. Auditors met with CCMSI representatives William Hogan and Chris Kasica to review the district’s worker’s compensation medical providers’ payments. They provided auditors with a schedule of medical provider charges and expenditures over the past three calendar years. The following is a summary:

FY	Total Charges Net		%	Fee Paid Administrator	Paid to Providers	# of bills
	Duplicates	Reductions				
2015	\$1,907,936	\$ 759,369	38.62%	\$285,738	\$862,829	631
2016	\$1,274,911	\$ 540,708	40.80%	\$167,648	\$566,555	492
2017	\$2,313,661	\$1,075,901	45.68%	\$339,562	\$897,167	1,389

The recent articles about Mr. Goow’s performance as Risk Manager for the City of Paterson noted concerns about increases in the amount of billings from medical providers. A review of the information from CCMSI yielded similar results. Total charges from providers had increased by 78 percent from 2016 to 2017, however, 2017 charges were 20 percent higher than 2015.

One of the responsibilities of the third-party administrator, CCMSI, is to review medical provider billings and make reductions for things such as duplicate billings, fee schedule repricing for in-network providers and usual and customary repricing for out of network providers. CCMSI’s review of medical provider billings resulted in a 45.68 percent reduction before payment. After reductions, actual payments to medical providers increased by 58 percent from 2016 to 2017. However, 2017 payments were only 4 percent above 2015 levels. Several factors can impact the amount of payments in each year such as timing of settlements, nature of injuries

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and number of claims. The analysis provided by CCMSI also revealed the number of bills received from medical providers had spiked dramatically by 182 percent from 2016 to 2017.

As Risk Manager, Mr. Goow had the authority to assign medical services to medical providers as he saw necessary. Upon his appointment Mr. Goow started referring a significant amount of services to three medical providers new to working with the district; Totowa Center for Pain Management & Physical Medicine, Dr. Robert Kayal, and Patient Care Associates (Dr. Kayal's surgical facility).

Totowa Center for Pain Management offers services including physical therapy, rehabilitation, massage therapy, chiropractic, and pain control. The facility is located at 290 Union Boulevard, Totowa, New Jersey. This is the same street address as Mr. Goow's private investigation firm IU. Dr. Robert Kayal is an orthopedic surgery specialist with office locations in Franklin Lakes, New Jersey and Glen Rock, New Jersey. Patient Care Associates is the surgical facility used by Dr. Kayal and is in Franklin Lakes, New Jersey.

Provider claims are paid on an in-network or out-of-network basis. In-network providers are part of CCMSI's proprietary managed care program. Providers included in the in-network program are compensated at a negotiated set fee schedule. This often results in lower overall costs. Out-of-network providers may charge their normal rates, with adjustment made by CCMSI to a customary rate. Dr. Kayal and Patient Care Associates are out of network providers. Totowa Center for Pain Management was added to the network during 2017.

At the request of the auditors CCMSI provided an analysis of calendar year 2017 payments to these three new providers. They had received no payments prior to 2017. Auditors reviewed billing and payment information only, no review of patient medical records or details of services provided was done. The following is a summary of the billings and payments to these providers:

	<u>Amount Billed</u>	<u>Billing Reductions</u>	<u>% of Reductions</u>	<u>Amount Paid to Provider</u>	<u># of Bills</u>
Dr. Robert Kayal	\$385,700	\$213,067	55.2%	\$172,632	125
Patient Care Assoc.	\$187,202	\$ 92,766	49.6%	\$ 94,436	8
Totowa Center for Pain Mgmt.	<u>\$319,821</u>	<u>\$ 82,906</u>	<u>25.9%</u>	<u>\$236,915</u>	<u>690</u>
Total	\$892,723	\$388,739	43.5%	\$503,983	823

The total payments to these three new vendors accounted for 49 percent of all provider payments in 2017. Totowa Center for Pain Management submitted 690 bills during 2017 and was one of the primary factors for the substantial increase in the number of bills received from medical providers. In 2016 payments to all providers for physical therapy transactions totaled \$123,772. Payments to Totowa Center for Pain Management for physical therapy services in 2017 totaled \$236,915, a 91 percent increase over the prior year.


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While the auditors cannot conclude that there was any direct evidence of any impropriety, the data does indicate that payments to providers increased over the prior year. In addition, new providers were added and paid a significant percentage of the total payments during Mr. Goow's tenure. Based on the results of this review the District should consider not renewing IU's contract.

Submitted by:


Daniel Sackner
Supervising Auditor

Approved by:


Steven Hoffmann
Director, State
Operated Audit Unit

Paterson suspends risk manager Samir Goow in probe of medical bills

Joe Malinconico, Paterson Press Published 3:01 p.m. ET Feb. 6, 2018 | Updated 7:10 p.m. ET Feb. 6, 2018



(Photo: NorthJersey.com File Photo)

PATERSON — An investigation into a multimillion-dollar increase in the city's medical payments for workers' compensation cases has resulted in the unpaid suspension of Samir Goow, Paterson's insurance risk manager, officials said.

Municipal workers on Tuesday morning changed the locks on Goow's second-floor office at City Hall, officials said.

The city imposed Goow's suspension at the end of business on Monday, according to municipal law director Domenick Stampone. The departmental disciplinary charges against Goow are conduct unbecoming a public employee and "other sufficient cause," Stampone said.

"Law enforcement has not yet been notified," Stampone said Tuesday morning.

The law director confirmed that the disciplinary charges are "related to city finances" and the "delivery of medical services" under Paterson's workers' compensation program. He declined to provide further details.

Goow did not respond to a phone message left at the Totowa office of his private business, Investigations Unlimited.

Business administrator Nellie Pou declined to discuss the specific charges against Goow, but she did provide some information on the city's workers' compensation medical coverage.

ADVERTISEMENT

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90 Delaware Avenue • Paterson • New Jersey • 07503

Fax: (973) 321-0378

REQUEST FOR QUALIFICATION

RFQ Title:	PROFESSIONAL SERVICES- RISK MANAGEMENT SERVICES	RFQ Number:	RFQ-931-17
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DUE DATE:	10/26/2016 @ 11am EST
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The following documents are mandatory. Failure to submit them may be cause for disqualification for being non-responsive and rejection of the proposal.

PROPOSAL SUBMISSION CHECK-LIST

Proposal Form (required)	✓
Stockholder Disclosure Certification (required)	✓
Disclosure of Investment Activities in Iran (required)	✓
Non-Collusion Affidavit (required)	✓
Vendor Information Form (required)	✓
W-9 Form (required)	✓
NJ Business Registration Certificate * (if \$ 6,000.00 or above)	✓
Political Contribution Disclosure (if \$17,500.00 or above)	✓
Affirmative Action : Mandatory Equal Opportunity Language (if \$ 17,500 or above)	✓
If required, copies of degrees, certifications, awards, etc.	

RESPONSE

Check

Bid Return Booklet

If submitting a bid, kindly attach and staple all pages marked "Required Documents" to this page. (ONE (1) COPY REQUESTED)

Check

No Bid

If you do not wish to submit a bid at this time but would like to remain in the District bidder's list, return this form to the Paterson Public Schools, or fax it to (973) 321-0378.

Reason for not bidding: _____

Check

Remove from List

If you wish to be removed from the District's bidder's list do not reply to this invitation to bid.

ATTACH ALL REQUIRED DOCUMENTATION TO THIS PAGE

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90 Delaware Avenue ♦ Paterson ♦ New Jersey ♦ 07503

Fax: (973) 321-0378

SCOPE OF WORK/SERVICE

INTRODUCTION

- a. The Paterson Public School District (hereinafter referred to as "District") is soliciting Proposals from qualified law firms (hereinafter referred to as "Firms") to represent the District in matters involving:
RISK MANAGEMENT SERVICES;
WORKERS' COMPENSATION;
- b. Each Firm responding to this proposal must specifically identify on the enclosed selection form those legal matters set forth in the preceding paragraph for which the Firm requests to be considered.
- c. All responsive proposals received from Firms will be subject to an evaluation by qualified District personnel for the purpose of selecting qualified Firms with whom negotiations may be conducted. Firms should submit sufficient information to enable the District to fully ascertain each Firm's ability to competently perform all of the requirements set forth in this RFQ.
- d. An officer authorized to bind the Firm must sign each proposal on behalf of the Firm.
- e. Negotiations may be conducted with all firms considered to be in the competitive range, if it is determined that negotiations are required. However, the District may award a contract without discussion, subject to availability of funds.
- f. This RFQ, and the commitments set forth in the selected Firm's proposal, shall become a part of the resultant contract between the District and the Firm.
- g. All proposals shall be enclosed in a package plainly marked with the words "RESPONSE TO RFQ-931-17."
- h. **PLEASE TAKE NOTICE THAT ALL INTERESTED FIRMS MUST SUBMIT, NO LATER THAN 11:00 A.M. ON OCTOBER 26, 2016, AN ORIGINAL AND ONE (1) ELECTRONIC COPY (FLASH DRIVE, CD, ETC.) OF THEIR PROPOSAL, TO THE PATERSON PUBLIC SCHOOLS, PURCHASING DEPARTMENT, 90 DELAWARE AVENUE, PATERSON, NEW JERSEY 07503.**
- i. The District, at its discretion, may schedule interviews with Firms responding to this RFQ. Each Firm selected for an interview will be given a maximum of forty-five (45) minutes to present its proposal to the District's selection committee. Any Firm selected for an interview should be prepared to answer questions regarding, among other things, qualifications, experience, references, case management and billing rates, at the conclusion of its presentation.
- j. Questions regarding this RFQ should be directed to:

Lance Gaines, Procurement Administrator

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90 Delaware Avenue ♦ Paterson ♦ New Jersey ♦ 07503

Fax: (973) 321-0378

e-mail: gainesl@paterson.k12.nj.us

direct dial: 973-321-2362

facsimile: 973-321-0378

II.

PROPOSAL PACKAGE TO THE DISTRICT

The District seeks information from all Firms that provide evidence of experience and abilities in the specified area of Risk Management. All Firms shall prepare a proposal package to be submitted with the RFQ. One original and One (1) electronic copy shall be submitted.

The following shall be included in the proposal package:

Transmittal Letter

Each Firm shall submit a transmittal letter that identifies the Firm submitting the proposal and includes a commitment by that Firm to provide the services required by the District. A person legally authorized to bind the Firm to the representations in the response must sign the transmittal letter.

The letter of transmittal and proposal package shall be addressed to:

Paterson Public Schools
Purchasing Department
90 Delaware Avenue 4th Fl.
Paterson, New Jersey 07503

All proposals shall be enclosed in a package plainly marked with the words "RESPONSE TO RFQ-931-17"

Qualifications and Relevant Experience

All Firms shall submit evidence and documentation highlighting their qualifications and experience in representing school districts and/or public entities in New Jersey.

Each Firm's proposal must also include:

- (a) Biography of the entire firm;
- (b) Biographies/Résumés of the attorneys who will be working on matters involving the District;
- (c) Identification of the person primarily responsible for the services required by the District, and the person who will serve as back up to the primary person;
- (d) A list of all current New Jersey public school clients and length of service to each. Please identify the grade levels of each school district and an approximate student count;

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- (e) A list of all New Jersey public school clients that have terminated the Firm's services in the past five years;

DURATION OF CONTRACT

The term of each contract awarded shall be for one (1) year, beginning on or about October 30, 2016 and ending June 30, 2017. Each Firm's representation of the District is at the District's discretion and the District reserves the right to terminate a Firm's representation of the District, for any reason at any time.

SCOPE OF WORK

- Advise General Counsel on all matters and district activities in which the district's insurance policies are affected. Advise the General Counsel as to the status of claims and make recommendations for the settlement of same.
- Plan, direct, and coordinate the school district's insurance programs for the purpose of controlling financial risk, loss, and liability to the school district.
- Act as a liaison between the district and administration and employee insurance companies, brokers, claimants, safety committees and other groups in matters relating to insurance and workers' compensation benefits.
- Formulate and establish procedures for reporting of accidents and claims by such means as in-house investigations of accident circumstances, interviews, hazards identification, and make recommendations for operational changes in order to record accurate accident data for claims processing to detect trends in losses to district property.
- Analyze and classify losses to the district by reviewing accounting records, operating manuals, narrative reports, inspection reports, engineering reports, claim and loss record histories, and other types of activity reports to determine the sources, frequency, and potential severity of district liability.
- Establish district-wide objectives, policies, and standards to minimize the potential for financial loss to the district and integrate the objectives, policies, and standards into the district's operations through specific plans and procedures stressing preventative measures for accidental loss and damages. These objectives, policies and standards shall be based on the analysis outlined above.
- Provide input into the development and implementation of staff in-service programs designed to promote measures to minimize losses to the district.
- Act as a resource person to the Superintendent of Schools, General Counsel, Budget Director, and Cabinet staff members on all matters and activities affecting the district's insurance policies, including but not limited to types of insurance, cost amounts, premium payments, trends in claims, impact of changes in insurance, and so forth.
- Serve as the interface between the district and third party administrators retained by the district to administer worker's compensation and general liability claims.
- Obtain certificates of insurance as required under district leases and contracts and for certain activities.
- Display ethical and professional behavior in working with students, parents, school personnel, and outside agencies associated with the school.
- Participate in appropriate in-service and workshop programs and attend any required meetings.

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- Protect confidentiality of records and information about staff, and use discretion when sharing any such information within legal confines.
- Adhere to federal statutes and regulations, New Jersey school law, construction codes, State Board of Education rules and regulations, Board of Education policies and procedures, and contractual obligations.
- Other Risk Management functions as necessary and with appropriate approval from the District General Counsel/Superintendent.

IMPORTANT

MODIFICATION OR ALTERATION OF RFQ SPECIFICATIONS WILL BE CAUSE FOR AUTOMATIC DISQUALIFICATION.



The State of New Jersey
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF STATE POLICE

License Number 4187

Date of Expiration 2/13/2017

License

This Is to Certify, pursuant to the provisions of Title 45, Chapter 19 of the Revised Statutes, and supplements and amendments thereto

SAMIR GOOW
T/A
INVESTIGATINS UNLIMITED

has been duly licensed as a Private Detective Business at

TOTOWA, NEW JERSEY

For the term of two years to be represented as principally the qualified members named below:

SAMIR GOOW

In Witness Whereof,

the Division of State Police has caused this certificate to be signed and its official seal affixed on this
18TH day of FEBRUARY, 2015

A handwritten signature in black ink, appearing to read "James P. ...".

Superintendent
New Jersey State Police

Sam Goow

290 Union Boulevard, Suite 6 ■ Totowa, New Jersey, 07511
(973) 904-9061 ■ sgoow@investigation sunltd.com

SUMMARY OF QUALIFICATIONS

An accomplished professional with over twenty years providing investigative services for insurance carriers, self insured local, county and state governments and TPA's throughout the State of New Jersey and the tri-state area. Goow utilizes his experience to deliver the critical information to maximize his client's ability to make the most informed decision possible while improving efficiency, accuracy and cost effectiveness.

Strong Expertise in:

- Claims handling and investigations
- Risk assessment and mitigation
- Evaluation of liability exposure
- Product liability
- Workers compensation management
- Formulates and establishes procedures
- For operational changes for risk control and minimize claims costs
- Specializes in a variety of different surveillance services
- Claims reports and documentation
- Policy interpretation
- Risk records management
- Witness locating
- Subrogation
- Create analytical reports, comprehensive conclusions, financial analysis as to proper risk management

PROFESSIONAL EXPERIENCE

City of Paterson, Paterson NJ

2015- Present

Risk Manager: Administers an insurance program that includes risk (or loss control) as an integral component by establishing jurisdiction-wide objectives, policies, and standards, and integrating them with operations of the departments through specific plans and procedures stressing preventative measures for accidental loss and damages.

Evaluates degree of risk involved in designated insurance category (or line of insurance) by analyzing physical and environmental factors, onsite inspection reports, engineering reports, and claim and loss record histories to select adequate amounts of insurance coverage through commercial entities, self-insurance, or any other combination thereof. **Achievements:**

- Reduced total open claims by 15%
- Reduced open reserves/liabilities by over \$ 2 million dollars.
- Reduced medical spending by over 30 %

Investigations Unlimited, LLC., Totowa, NJ

1991-Present

President/ CEO: Utilizes principles and practices of risk and loss control analysis to implement plans, initiatives and preventive measures that meet the goals of an extensive insurance risk program and claims processing. Provides third party Investigative Services to twenty-five (25) government entities across the State of New Jersey for more than twenty (20) years. The services to entities such as Bergen County, Middlesex County, Passaic County, Hackensack, New Brunswick, Plainfield Board of Education and Wayne have included worker's compensation, general liability and subrogation investigations, witness locating, statement taking, background checks, trial preparation and court testimony.

Hudson County 2007 – Present

Carries out extensive investigative work alongside Risk Management and County Council staff on hundreds of claims against Hudson County. Our ability to manage claims, act as liaison between all parties, such as administrators, attorney, and claimants, and to see the claim through final adjustment saved ten of thousands of dollars on fraudulent claims.

New Jersey Transit 2003 – 2008

Handled and managed the investigations of workers compensation cases alongside Deputy Attorney General staff, which resulted in the completion of over 200 cases. The detailed reports, surveillance result and court testimony lead to the successful defense of claims that saved ten of thousands of dollars on fraudulent claims.

Passaic County Technical Institute

2007 to present

Wayne, NJ

Assistant Director of Security: Oversees and coordinates security efforts across the Institute, including information technology, human resources, communications and facilities management. Work with local, county and state emergency offices to protect lives and property by effectively preparing for, preventing, responding to, and recovering from all threats, crimes, hazards and emergencies.

Achievements:

- Updated and managed security initiatives and standards
- Developed and managed procedures to ensure physical safety of employees and visitor

PROFESSIONAL AFFILIATIONS

- Member of the Certified Fraud Examiners Association last ten years
- Honorary lifetime member silver cardholder of the NJ PBA

TECHNICAL SKILLS

- MSOffice: Word, Excel and Outlook
- Work on the software or informational computer applications of client's choice
- TLO
- IRB
- NJ DMV/NY DMV Data Bases

REFERENCES

Outstanding professional and personal references available upon request.

AGREEMENT FOR PROFESSIONAL RISK MANAGEMENT SERVICES

2017-2018 Fiscal Year

THIS AGREEMENT between the Paterson Public Schools (the "District") and **Investigation Unlimited** ("Firm") is made as of this 1st day of July 2017. For good and valuable consideration, the receipt of which is hereby acknowledged by the parties hereto, it is agreed as follows:

- 1. PARTIES AND PURPOSE**
Firm shall provide full Risk Management Services as set forth in RFQ.
- 2. TERM**
The term of this Agreement shall begin on July 1, 2017, and end on June 30, 2018. Vendor may terminate this Agreement upon the provision of thirty (30) days written notice to the District. The District may terminate this Agreement by written notice to Firm at any time and without prior notice.
- 3. ASSIGNMENT OF MATTERS**
Firm shall be assigned matters by, and shall take its direction from, the District's Office of the General Counsel ("Legal Department"). The Legal Department is the only department within the District authorized to assign matters to, and to direct the activities of, Firm, and Firm shall not accept matters or direction from any other department within the District.
- 4. LEGAL FEES**
In consideration of professional services rendered pursuant to this Agreement, Firm shall be compensated on an hourly basis. Time spent in any necessary and appropriate manner in furtherance of the District's objectives shall be compensated at a rate of \$115.00 per hour, plus reimbursement of certain expenses, as set forth in paragraph 5 below maximum of \$70,000.00

ATTACHMENT 5

5. **Invoice Guidelines:**

Billing Format

Each matter must be invoiced separately. All invoices must include entries setting forth each billing date, the services rendered, by whom and the actual time spent on each matter.

THE ABOVE PROVISIONS REPRESENT THE COMPLETE AND FULL AGREEMENT, SUPERSEDING ALL PRIOR AGREEMENTS, AND ARE FULLY UNDERSTOOD AND ACCEPTED BY THE PARTIES. THE FOLLOWING INDIVIDUALS ARE AUTHORIZED TO EXECUTE THIS AGREEMENT ON BEHALF OF THEIR RESPECTIVE PARTIES.

**PATERSON PUBLIC SCHOOLS
A State-Operated School District**

INVESTIGATION UNLIMITED

By: _____

By: _____

NEW JERSEY DEPARTMENT OF EDUCATION
 OFFICE OF FISCAL ACCOUNTABILITY AND COMPLIANCE
 CORRECTIVE ACTION PLAN

SCHOOL DISTRICT NAME: Paterson Public Schools COUNTY: Passaic
 TYPE OF EXAMINATION: Investigation Risk Manager (Samir Goov and Investigations Unlimited)
 DATE OF BOARD MEETING: May 2, 2018
 CONTACT PERSON: Mr. Luis M. Rojas, Assistant Superintendent of Human Capital
 TELEPHONE NUMBER: 973-321-0829 FAX NUMBER: 973-321-2300

RECOMMENDATION NUMBER	FINDING	CORRECTIVE ACTION	METHOD OF IMPLEMENTATION	INDIVIDUAL RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
	<p>Finding No. 1 Payments to medical providers increased 58% from 2016 to 2017. The 2017 payments were 4% above 2015. Several factors were determined that could impact the number of claims. Investigations Unlimited added three (3) new healthcare providers who were paid a significant percentage of the total payments; these vendors received 49% of all payments</p>	<p>Risk Manager shall not have the authority to unilaterally add new healthcare providers. This shall include both in-network and out-of-network providers. Risk Manager may make recommendations for additions to General Counsel who shall make a written decision and advise CCMSI in writing. Retrospective approval shall not be permitted.</p>	<p>Written direction to CCMSI by General Counsel and revise any necessary Board Policies including the job description of Risk Manager.</p>	<p>General Counsel</p>	<p>Immediate</p>

NEW JERSEY DEPARTMENT OF EDUCATION
OFFICE OF FISCAL ACCOUNTABILITY AND COMPLIANCE
CORRECTIVE ACTION PLAN

SCHOOL DISTRICT NAME: Paterson Public Schools COUNTY: Passaic
 TYPE OF EXAMINATION: Investigation Risk Manager (Samir Goow and Investigations Unlimited)
 DATE OF BOARD MEETING: May 2, 2018
 CONTACT PERSON: Mr. Luis M. Rojas, Assistant Superintendent of Human Capital
 TELEPHONE NUMBER: 973-321-0829 FAX NUMBER: 973-321-2300

RECOMMENDATION	FINDING	CORRECTIVE ACTION	METHOD OF IMPLEMENTATION	INDIVIDUAL RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
State recommends Investigations Unlimited contract not be renewed.	<p>Finding No. 2 Investigations Unlimited recommended out-of-network healthcare providers; of the three (3) firms noted in Finding No. 1, two (2) are out-of-network and the other was added to the in-network.</p> <p>Finding No. 3 The data indicates that payments to providers increased over the prior year and new providers were paid a significant percentage of the total payments during Investigations Unlimited tenure and based on this review by the State it is recommended the Board not renew Investigation Unlimited contract.</p>	<p>It is the policy of the District to favor in-network case assignment. Only for good cause shall a case be assigned out-of-network and with the prior written approval of the General Counsel.</p> <p>Investigation Unlimited contract has been suspended and will not be renewed.</p>	<p>Written directive to CCSMI.</p> <p>Directive to Board</p>	<p>General Counsel</p> <p>Superintendent</p>	<p>Immediate CCSMI has been advised to only assign in-network and approval is required for out-of-network.</p> <p>Effective immediately.</p>

[Signature]
 Chief School Administrator

[Signature]
 Board Secretary/Business Administrator

5/17/2018
 Date