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STUDENT SERVICES

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PERSONNEL SERVICES

January 20, 2012

Iliana Faraldo
Director of SES
Carney Educational Services
430 Grand Cypress Avenue
Suite 103
Palmdale, CA 93551

Subject: Payment Withholding

It has come to the attention of the Antelope Valley Union High School District (AVUHSD) that Carney Educational Services (Carney) may not be in compliance with the Supplemental Education Services (SES) contract for the 2011-2012 school year.

- 1) Carney is required to contact assigned families within thirty days of assignment and begin delivering tutoring services by qualified tutors. Several parents have advised this office that this initial contact was not made within the thirty days. Additionally no tutoring services have been provided by Carney.
- 2) Allegations have come to our attention that tutoring services ceased due to failure of Carney to pay assigned tutors for the tutoring service hours rendered.

Notice is hereby provided to Carney Educational Services that AVUHSD will withhold further payment of invoices pending investigation of above items. Since there was no representative from your company at the meeting held on January 17, 2012 at Lancaster School District, AVUHSD will expect a response within 10 days of the date of this notification. Failure to respond will result in immediate termination of the SES contract.

A copy of this letter is being sent to the California Department of Education


Kenneth A. Scott
Director, Categorical and Special Programs
Antelope Valley Union High School District



cc California Department of Education, Chris Swenson, Improvement & Accountability Division



Members of the Board

Jeanette J. Amavisca
Pollyanna Cooper-LeVangie
Priscilla S. Cox
William H. Lugg, Jr.
Chet Madison, Sr.
Al Rowlett

Mark Vigarior

Director
Learning Support Services

(916) 686-7712
FAX: (916) 686-5095
Email: mvigarior@agUSD.net

Robert L. Trigg Education Center
9510 Elk Grove-Florin Rd., Elk Grove, CA 95624

March 19, 2012

Carney Educational Services
Attn: Michael Carney, CEO
430 Grand Cypress Ave, Suite 103
Palmdale, CA 93551

Dear Mr. Carney:

Part II Administration; Section G Termination for Default of the 2011-2012 Elk Grove Unified School District SES Master Contract states, "EGUSD may, by written notice to the CONTRACTOR, terminate this Master Contract in whole or in part at any time because of the failure of CONTRACTOR to fulfill its contractual obligations".

This notification is to let you know that Elk Grove Unified School District is terminating the Master Contract between Carney Educational Services and Elk Grove Unified School District in whole due to failure to fulfill contractual obligations.

The Elk Grove Unified School District (EGUSD) received complaints from several parents regarding the lack of services provided by Carney Educational Services. EGUSD attempted to reach a Carney representative by phone and our calls were not returned.

On January 4th EGUSD notified Carney by e-mail that due to several complaints from parents our office will be contacting all families enrolled with Carney to ensure that services are being provided as specified in Student Learning Plans (SLP). On January 6, 2012 five out of seven families indicated that their student was not receiving tutoring services as listed on their SLP and parents were not satisfied with Carney's services. Carney was informed of our findings. Families dissatisfied with services were granted their request to change providers.

The chart below details the parent complaints received by our district.

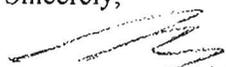
Student Name	Student Accepted by Carney	Student Learning Plan Approved	Parent Complaint to EGUSD	EGUSD Notified Carney of Complaint	Parent Complaint
[REDACTED]	10/26/11	12/01/11	01/03/12	01/04/12	Parent stated they have received no services. They have attempted to contact your company, and can't reach Carney Educational Services.
[REDACTED]	10/26/11	12/01/11	01/17/12	01/13/12	Parent stated they have received no services from Carney.
[REDACTED]	10/26/11	12/01/11	03/14/12		Parent requested their student be dropped from tutoring services with Carney Educational Services.
[REDACTED]	10/26/11	12/01/12	02/08/12	02/08/12	Parents were informed by the tutor [REDACTED] that they would no longer receive services, because Carney Educational Services was unable to pay the tutor.
[REDACTED]	10/26/11	12/01/12	02/08/12	02/08/12	Parents were informed by the tutor [REDACTED] that they would no longer receive services, because Carney Educational Services was unable to pay the tutor.
[REDACTED]	10/26/11	12/01/12	03/14/12	03/2012	Parent requested another provider due to lack of services provided by Carney Educational Services.
[REDACTED]	10/26/11	none	01/06/12	01/06/12	Parent did not receive services from Carney and requested another provider.
[REDACTED]	01/26/12	none	03/15/12	03/2012	Parent no longer interested in tutoring due to lack of services from Carney.

Upon receipt of this notice, Carney Educational Services should immediately discontinue all services under the Master Contract. Carney Educational Services is liable for any costs and expenses related to the transfer of EGUD students to another provider. Costs will be charged and will be deducted out of payments that may be due or may at any time become due to Carney Educational Services. If costs and expenses are in excess of the sum which will be payable, Carney Educational Services will promptly pay the amount of such excess to the EGUSD upon notice of the excess so due. Carney Educational Services is not entitled to anticipatory, lost profits, or consequential damages as a result of this termination.

This notice is deemed served as of the date of mailing.

If you have any questions, you may contact Christina DeWaal at (916) 686-7712.

Sincerely,



Mark Vigario
Director



Members of the Board
Jeanette J. Amavisca
Pollyanna Cooper-LeVangie
Priscilla S. Cox
William H. Lugg, Jr.
Chet Madlson, Sr.
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Mark Vigario
Director
Learning Support Services

(916) 686-7712
FAX: (916) 686-5095
Email: mvgario@egusd.net

Robert L. Trigg Education Center
9510 Elk Grove-Florin Rd., Elk Grove, CA 95624

March 19, 2012

Arriba Education!
Attn: Sergio Trujillo, Director of SES
430 Grand Cypress Ave, Suite 104
Palmdale, CA 93551

Dear Mr. Trujillo:

Part II Administration; Section G Termination for Default of the 2011-2012 Elk Grove Unified School District SES Master Contract states, "EGUSD may, by written notice to the CONTRACTOR, terminate this Master Contract in whole or in part at any time because of the failure of CONTRACTOR to fulfill its contractual obligations".

This notification is to let you know that Elk Grove Unified School District (EGUSD) is terminating the Master Contract between Arriba Education and Elk Grove Unified School District in whole due to failure to fulfill contractual obligations.

The Elk Grove Unified School District received complaints from several parents regarding the lack of professional services provided by Arriba Education.

EGUSD attempted to reach an Arriba representative by phone several times and our calls were not returned. On January 30, 2012 EGUSD notified Arriba by e-mail that due to multiple complaints from parents, our office will be contacting all families enrolled with Arriba to ensure that services are being provided as specified in Student Learning Plans. Families that expressed dissatisfaction with services from Arriba have been granted their request to change providers. Arriba Education was notified by EGUSD after each negative feedback or request from a parent to change providers.

The chart below details the parent complaints received by our district.

Student Name	Student Accepted by Arriba	Student Learning Plan Approved	Parent Complaint to EGUSD	EGUSD Notified Arriba of Complaint	Parent Complaint
[REDACTED]	10/26/11	12/01/11	01/30/12	01/30/12	Parent stated that only two sessions were given since December 1 st . Tutor (Ernesto Fajardo) did not show for last session/no contact from tutor or Arriba.
[REDACTED]	10/26/11	12.01.11	03/15/12	03/2012	Parents were informed by the tutor [REDACTED] that they would no longer receive services, because Arriba Education was unable to pay the tutor.
[REDACTED]	10/26/11	12/01/11	02/01/12	02/01/12	One session since 12/01/11. Parent requested another provider due to lack of services from Arriba.
[REDACTED]	10/26/11	12/01/11	03/12/12	03/2012	Parents were informed by the tutor [REDACTED] that they would no longer receive services, because Arriba Education was unable to pay the tutor.
[REDACTED]	10/26/11	12/01/12	03/12/12	03/2012	Parents were informed by the tutor ([REDACTED]) that they would no longer receive services, because Arriba Education was unable to pay the tutor.
[REDACTED]	10/26/11	12/01/11	02/10/12	02/10/12	Parent requested a change in provider due to lack of tutoring.
[REDACTED]	10/26/11	12/01/11	03/16/12	03/2012	Parents stated that sessions with tutor [REDACTED] started late and ended early.
[REDACTED]	10/26/11	12/01/11	01/13/12 02/01/12	01/20/12 01/31/12	Tutor [REDACTED] said the company is having problems. Tutor is not showing up & not rescheduling.
[REDACTED]	10/26/11				
[REDACTED]	10/26/11	12/01/11	02/01/12	02/01/12	Tutor ([REDACTED]) showed for one session only. She said the company is having problems.

Upon receipt of this notice, Arriba Education should immediately discontinue all services under the Master Contract. Arriba Education is liable for any costs and expenses related to the transfer of EGUD students to another provider. Costs will be charged and will be deducted out of payments that may be due or may at any time become due to Arriba Education. If costs and expenses are in excess of the sum which will be payable, Arriba Education will promptly pay the amount of such excess to the EGUSD upon notice of the excess so due. Arriba Education is not entitled to anticipatory, lost profits, or consequential damages as a result of this termination.

This notice is deemed served as of the date of mailing.

If you have any questions, you may contact Christina DeWaal at (916) 686-7712.

Sincerely,



Mark Vigario
Director



Lancaster School District

Christa Erolin
Director of Special Programs
44711 North Cedar Avenue, Lancaster, CA 93534
TEL: (661) 948-4661
FAX (661) 948-6780

January 25, 2012

Mr. Steve Carney
Carney Educational Services
430 Grand Cypress Ave., Suite #103
Palmdale, CA 93551

Dear Mr. Carney:

The purpose of this letter is to inform you that the Lancaster School District has determined that Carney Educational Services (Provider) has failed to abide by the contract and/or assurances agreed to on August 30, 2011. According to our Supplemental Educational Services (SES) Contract and/or Assurances, Lancaster School District will terminate the SES contract with your company effective April 30, 2012.

The reason for this termination is as follows:

- Provider has failed to comply with federal, state, and/or local statutes and regulations. Specifically, over the past several months, Provider has failed to pay tutors who have provided tutoring services to Lancaster School District students. Provider did, however, continue to submit invoices requesting payment of said services. Lancaster School district has paid \$13,038 for September's and October's invoices. Another payment was processed last week for invoice #16041 in the amount of \$21,330.00 (this invoice includes 473.25 hours for November and 0.75 hours for October). Additionally, we just received your December invoice, which is being reviewed this week.
- The Lancaster School District through the Department of Special Programs has received complaints from three tutors regarding lack of payment for their services. Furthermore, tutors have provided evidence that October payroll checks from Carney were refused by the bank for non-sufficient funds.
- In the meantime, Lancaster School District has received complaints from at least three parents regarding the lack of tutoring services provided by Carney. Parents were informed that their child/children would no longer be tutored, because the tutor has not been paid by Carney. This has resulted in an interruption of or failure to provide services to our students. According to the contract between Carney and the Lancaster School District, "In the event that initial or subsequent tutoring sessions with a particular family do not work out, provider will immediately notify LEA", (Lancaster School District). No notification from Carney has been received.
- According to the contract, Carney agreed to provide students with a minimum of one hour of tutoring per week. Some Lancaster School District students have not received the agreed upon minimum weekly tutoring time due to the fact that the tutors have stopped providing services until they are paid by Carney.

It is unfortunate that you have not returned my phone calls or email and did not attend the January 17, 2012 meeting held to address these issues. To our knowledge, it has been three months since the October payroll checks were returned to you for non-sufficient funds and that is ample time to rectify the issues preventing our students from receiving the help they need and the tutors from being paid for services provided.

Because of Carney's failure to fulfill its obligations to the Lancaster School District, the district will terminate the agreement at the end of the contract period, April 30, 2012 and will not enter into another contract with Carney Educational Services for the remainder of the CDE approval period, 6/30/2012.

It is the expectation of the Lancaster School District that Carney Educational Services will fulfill all aspects of the contract/assurances through the remainder of the contract period. If you are not able to fulfill any part of the contract, please notify us immediately. The Lancaster School District will continue to pay for services rendered as stipulated in the contract, upon receipt of required documentation.

Please contact me directly with any questions.

Sincerely,



Christa Erolin
Director of Special Programs

L11.021
CE:yc

c: Mr. Chris Swenson, Director Improvement & Accountability Division - CDE
Mr. Michael Carney, Glendale Office
Howard Sundberg, Ph.D., Lancaster School District Superintendent



Lancaster School District

Christa Erolin
Director of Special Programs
44711 North Cedar Avenue, Lancaster, CA 93534
TEL: (661) 948-4661
FAX (661) 948-6780

January 25, 2012

Mr. Steve Carney
Arriba Education!
430 Grand Cypress Ave., Suite #104
Palmdale, CA 93551

Dear Mr. Carney:

The purpose of this letter is to inform you that the Lancaster School District has determined that Arriba Education! (Provider) has failed to abide by the contract and/or assurances agreed to on August 30, 2011. According to our Supplemental Educational Services (SES) Contract and/or Assurances, Lancaster School District will terminate the SES contract with your company effective April 30, 2012.

The reason for this termination is as follows:

- Provider has failed to comply with federal, state, and/or local statutes and regulations. Specifically, over the past several months, Provider has failed to pay tutors who have provided tutoring services to Lancaster School District students. Provider did, however, continue to submit invoices requesting payment of said services. Lancaster School district has paid \$6,140 for September's and October's invoices. Another payment was processed last week for November's invoice in the amount of \$6,340.00 (for 158.50 hours of service). Additionally, we just received your December invoice, which is being reviewed this week.
- The Lancaster School District through the Department of Special Programs has received complaints from two tutors regarding lack of payment for their services.
- In the meantime, Lancaster School District has received complaints from approximately eight families regarding the lack of tutoring services provided by Arriba. Parents were informed that their child/children would no longer be tutored, because the tutor has not been paid by Arriba. This has resulted in an interruption of or failure to provide services to our students. According to the contract between Arriba and the Lancaster School District, "In the event that initial or subsequent tutoring sessions with a particular family do not work out, provider will immediately notify LEA", (Lancaster School District). No notification from Arriba has been received.
- According to the contract, Arriba agreed to provide students with a minimum of one hour of tutoring per week. Some Lancaster School District students have not received the agreed upon minimum weekly tutoring time due to the fact that the tutors have stopped providing services until they are paid by Arriba.

It is unfortunate that you have not returned my phone calls or email and did not attend the January 17, 2012 meeting held to address these issues. Based on our investigation there has been ample time to rectify the issues preventing our students from receiving the help they need and the tutors from being paid for services provided.

Because of Arriba's failure to fulfill its obligations to the Lancaster School District, the district will terminate the agreement at the end of the contract period, April 30, 2012 and will not enter into another contract with Arriba Education! for the remainder of the CDE approval period, 6/30/2012.

It is the expectation of the Lancaster School District that Arriba Education! will fulfill all aspects of the contract/assurances through the remainder of the contract period. If you are not able to fulfill any part of the contract, please notify us immediately. The Lancaster School District will continue to pay for services rendered as stipulated in the contract, upon receipt of required documentation.

Please contact me directly with any questions.

Sincerely,



Christa Erolin
Director, Special Programs

L11.022
CE:yc

c: Mr. Chris Swenson, Director Improvement & Accountability Division - CDE
Mr. Michael Carney, Glendale Office
Howard Sundberg, Ph.D., Lancaster School District Superintendent