



April 1, 2019

**United States  
Department of  
Agriculture**

Food and  
Nutrition  
Service

Northeast Region

10 Causeway St.  
Rm. 501  
Boston, MA  
02222

Courtney E. Hawkins, Director  
Rhode Island Department of Human Services  
Louis Pasteur Building  
57 Howard Avenue  
Cranston, RI 02920

Dear Director Hawkins:

Food and Nutrition Service (FNS) staff from the Grants Management and Administrative Services Division (GMASD) conducted a review of Rhode Island Department of Human Services' FFY 2017 Supplemental Nutrition Assistance Program (SNAP) during the 2018 Financial Management Review (FMR). The primary purpose of this review was to validate costs reported on Federal financial reports.

As indicated in the FMR Report, issued to your office on August 21, 2018, FNS identified certain legal costs expensed to the SNAP program that were related to post-UHIP implementation. FNS has made a determination on the allowability of these costs.

After review, FNS has determined that any legal fees incurred as a result of failures with the SNAP eligibility system, produced from an agreement between a State Agency and contracted vendor, with no prior approval from FNS, are not allowable for Federal reimbursement.

Further, legal fees related to any lawsuits brought against RI Executive Office of Health and Human Services (EOHHS)/Department of Human Services (DHS) as a result of the failed eligibility system, are also deemed unallowable.

Regulations at 7 CFR 277.16(b)(1):

FNS may disallow costs in accordance with Part 276 and effect nonpayment for some or all costs incurred by a State agency which are normally allowable but are determined by FNS to be nonreimbursable because the State Agency has failed to comply with any of the provisions contained in the Act, regulations, or FNS-approved State Plan of Operation.

On September 2, 2016, FNS issued a memo to former Director Depeña, informing that FNS was unable to concur with the State's decision to "Go-Live" with implementation of the eligibility system due to a lack of sufficient piloting.

On November 3, 2016, FNS provided notification that several contract amendments associated with the EOHHS and Deloitte Consulting contract, were executed without prior FNS approval. FNS determined that the RI SNAP program was out of compliance with FNS regulations and disallowed costs in association with contract amendments 11, 20, 31, 34, 34B, and 35.

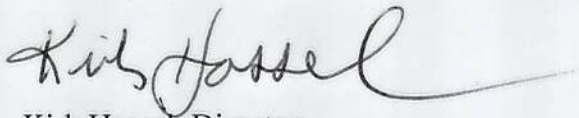
Regulations 7 CFR 277.18(c)(2)(ii)(C):

All contract amendments must be submitted to FNS. Unless specifically exempted by FNS, the State agency shall obtain prior written approval from FNS of any contract amendments which cumulatively exceed 20 percent of the base contract costs before being signed by the State agency.

As a result of this determination, RI DHS must provide a written response to FNS within 30 days of receipt of this letter to identify the agency's corrective action plan for addressing disallowed legal costs.

Should you have any questions in regard to this letter, please contact Grants Management Branch Chief, Miranda E. Miranda, 617-565-4509.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kirk Hassel", with a long horizontal flourish extending to the right.

Kirk Hassel, Director  
Grants Management and Administrative Services Division  
Food and Nutrition Service

Cc: Deborah Barclay  
Bonnie Brathwaite



**United States  
Department of  
Agriculture**

Food and  
Nutrition  
Service

Northeast Region

10 Causeway St.  
Room 501  
Boston, MA 02222

Melba Depeña Affigne, Director  
RI Department of Human Services  
Louis Pasteur Building  
57 Howard Avenue  
Cranston, Rhode Island 02920

SEP 02 2016

Dear Director Depeña:

This letter is in regard to the Rhode Island Department of Human Services' (DHS) plan to Go Live with the RIBridges system on September 13, 2016. The Food and Nutrition Service (FNS) has not received the State's pilot results, demonstrating compliance with its "go/no-go criteria" and its complete readiness to proceed. As the State's conversion schedule commences tomorrow morning, we must advise you that FNS is unable to concur if the State decides to proceed with implementation.

FNS has worked closely with the RIBridges project staff during development and testing to ensure functionality and performance are compliant with the Supplemental Nutrition Assistance Program (SNAP) requirements. In May 2016, FNS sent a letter indicating our decision not to allow DHS to implement as planned, requiring a full three month Pilot in a live production environment followed by a phased statewide implementation of Bridges. DHS replied in June 2016, with an alternate proposal of a Hybrid Pilot of 2800 cases through August 31, 2016 in the Pawtucket office. We have the following concerns:

- There remain a number of high level defects in an open status:
  - Some have yet undefined workarounds for Go-Live; others are being placed On-Hold until they can be prioritized by the leadership team.
- Staff readiness is not complete as interim business processes are still being developed in anticipation of refresher training during the "Dark Days" period, and there is no defined process to handle reported data conflicts. Staff that is not adequately trained or engaged presents a risk to daily business and continuity of SNAP program operations.
- There is a lack of detail in contingency planning, as to defined criteria which determines successful checkpoints up to and after Go-Live. The State has noted they reserve the right to continue to finalize plans up to Go-Live.

While DHS has asserted that it can neither conduct a live pilot nor a phased rollout, its failure to do so is in violation of the SNAP regulation at 7 CFR 277.18(g)(2)(ii) which establishes the requirements for the pilot and provides the basis for continued Federal Financial Participation (FFP). The preamble to the subject regulation allowed for alternative methods for UAT and Pilot testing; thus FNS was willing to consider

DHS' assurances that the intent of the regulations to fully demonstrate system readiness could be met without a live Pilot.

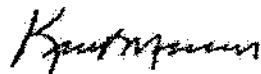
Following site visits by FNS to observe Mock Pilot 2 in Middletown (October 2015) and Mock Pilot 3 in Providence (May 2016), as well as our review of the Hybrid Pilot status reports during weekly conference calls, we have confirmed that this methodology is not sufficient to prove that Rhode Island is ready to Go Live as planned.

Launching a system without having conducted a live pilot is against the intent of the regulations and against our best advice, and by doing so, FNS wishes DHS to know that it proceeds with the deployment of RIBridges at its own risk. Risks include reduced program access, worker backlogs, delayed application processing and untimely benefits, over-issuances and increased payment error rates. Such outcomes may affect our continued FFP and DHS may be subject to program penalties or disallowed costs.

FNS appreciates the Rhode Island team's ongoing efforts to identify and analyze issues and we are aware that DHS is working to address remaining deficiencies in the system and in user readiness, to reduce existing risks as much as possible. However, with the State's planned conversion activities starting almost immediately, we remain concerned that there is not sufficient time to adequately demonstrate readiness before the planned launch date of September 13<sup>th</sup>. FNS plans to continue ongoing communications with the Rhode Island project staff to monitor the project status and provide technical assistance.

Please contact either Bonnie Brathwaite, Northeast Regional SNAP Director, at 617-565-6397, or Jennifer Renegar of the FNS State Systems Office at 616 942-4111 ext 128 or [jennifer.renegar@fns.usda.gov](mailto:jennifer.renegar@fns.usda.gov) with questions or comments.

Sincerely,



Kurt Messner  
Regional Administrator  
Northeast Region

cc:

Thom Guertin, RI  
Wayne Hannon, RI  
Terrance Lew, CMS  
Karen Painter-Jaquess, FNS  
Kirk Hassel, FNS



NOV 03 2016

United States  
Department of  
Agriculture

Food and  
Nutrition  
Service

Northeast Region

10 Causeway St.  
Room 501  
Boston, MA 02222

Melba Depeña Affigne, Director  
RI Department of Human Services  
Louis Pasteur Building  
57 Howard Avenue  
Cranston, Rhode Island 02920

Dear Director Depeña:

In a letter dated February 10, 2016, the Food and Nutrition Service (FNS) requested Supplemental Nutrition Assistance Program (SNAP) cost information on contract amendments 11, 20, 31, 34, 34B, and 35 related to the contract executed between the Rhode Island Executive Office of Health and Human Services (EOHHS) and Deloitte Consulting on January 17, 2013. These contract amendments were executed without FNS review or approval. The State submitted its reply on August 10, 2016. Total costs allocated to SNAP for these amendments were \$1,610,394.


The FNS Oversight Committee has approved a disallowance of SNAP funds due to Rhode Island's actions of entering into contract amendments without prior approval from FNS. Specifically, we have identified disallowed costs in the amount of \$805,197, representing FNS's share of Design, Development and Implementation costs for these amendments. Please contact us within 30 days of receipt of this letter to make repayment arrangements, or to dispute the amount in question or to provide documentation which would support an alternate disallowance amount.

Regulations at 7CFR 277.18(c)(2)(ii)(C) state:

All contract amendments must be submitted to FNS. Unless specifically exempted by FNS, the State agency shall obtain prior written approval from FNS of any contract amendments which cumulatively exceed 20 percent of the base contract costs before being signed by the State agency.

If you have any questions in regard to this letter, or procurement thresholds, please contact either Bonnie Brathwaite, Northeast Regional SNAP Director, at 617-565-6397, or Jennifer Renegar of the FNS State Systems Office at 616-942-4111 ext. 128 or [jennifer.renegar@fns.usda.gov](mailto:jennifer.renegar@fns.usda.gov) with questions or comments.

Sincerely,

  
Kurt Messner  
Northeast Regional Administrator  
USDA-Food and Nutrition Service

cc: Karen Painter-Jaquess, FNS  
Kirk Hassel, FNS