

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE INSPECTOR GENERAL**

**AUDIT OF THE
DISTRICT OF COLUMBIA'S
MANAGEMENT OF GENETIC TESTING**



**CHARLES C. MADDOX, ESQ.
INSPECTOR GENERAL**

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Inspector General



October 20, 2003

Robert J. Spagnoletti
Corporation Counsel
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John A. Wilson Building
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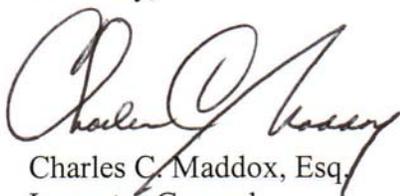
Dear Mr. Spagnoletti:

Enclosed is our final report summarizing the results of the Office of the Inspector General's (OIG) Audit of Rent Collections in the District of Columbia Government (OIG-01-1-26MA).

Our audit report contained four recommendations for necessary action to correct the described deficiencies. We received a response from the Office of Corporation Counsel (OCC) on October 1, 2003, to a draft of this report. We consider actions taken and/or planned by OCC to be responsive to the recommendations. However, OCC was unable to provide target completion dates for corrective actions relative to the report recommendations. Accordingly, we ask that OCC provide target completion dates within 60 days from the date of this report. The complete text of OCC's response is included at Exhibit H. The contractors identified in this report were each provided a courtesy copy of the draft report; however, the contractors did not provide comments to the draft report prior to issuance of this final report. Should they provide comments, these comments will be included as part of the permanent audit working paper files.

We appreciate the cooperation and courtesies extended to our staff during the audit. If you have questions, please contact William J. DiVello, Assistant Inspector General for Audits, or me at (202) 727-2540.

Sincerely,



Charles C. Maddox, Esq.
Inspector General

CCM/cj

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October 20, 2003
OIG No. 03-2-02CB Final Report
Page 3 of 3

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**AUDIT OF THE DISTRICT OF COLUMBIA’S
MANAGEMENT OF GENETIC TESTING**

ACRONYMS

AABB	American Association of Blood Banks
CO	Contracting Officer
COTR	Contracting Officer’s Technical Representative
CSED	Child Support Enforcement Division
DCMR	District of Columbia Municipal Regulations
DNA	Deoxyribonucleic Acid
MOU	Memorandum of Understanding
OCC	Office of the Corporation Counsel
OCP	Office of Contracting and Procurement
OIG	Office of the Inspector General
RFP	Request for Proposal
UIFSA	Uniform Interstate Family Support Act

**AUDIT OF THE DISTRICT OF COLUMBIA’S
MANAGEMENT OF GENETIC TESTING**

TABLE OF CONTENTS

EXECUTIVE DIGEST i

INTRODUCTION

 BACKGROUND 1

 OBJECTIVES, SCOPE, AND METHODOLOGY 3

FINDING AND RECOMMENDATIONS

 FINDING: MANAGEMENT OF THE GENETIC TESTING PROGRAM..... 5

EXHIBITS

 EXHIBIT A: SUMMARY OF POTENTIAL BENEFITS RESULTING FROM
 AUDIT 14

 EXHIBIT B: OTHER MATTER OF INTEREST 15

 EXHIBIT C: ESTABLISHMENT OF PATERNITY 17

 EXHIBIT D: DEOXYRIBONUCLEIC ACID PROFILING 19

 EXHIBIT E: CASE COORDINATOR AND CONTRACTING OFFICER’S
 TECHNICAL REPRESENTATIVE 20

 EXHIBIT F: ADMINISTRATIVE CONTRACT PERFORMANCE ISSUES 22

 EXHIBIT G: SIGNIFICANT CONTRACT PERFORMANCE ISSUES AND
 ALLEGATIONS OF FRAUD 33

 EXHIBIT H: AGENCY RESPONSE 40

EXECUTIVE DIGEST

OVERVIEW

The Office of the Inspector General, District of Columbia, has completed an audit of the District of Columbia's Management of Genetic Testing. The audit was initiated as a result of a request for investigation made by the Office of the Corporation Counsel.

The announced objectives of the audit were to determine whether the District of Columbia's genetic testing program: (1) achieved program results in an effective, efficient, and accurate manner; (2) complied with requirements of applicable laws, regulations, policies, procedures, and contract requirements; and (3) had internal controls in place to prevent or detect material errors and irregularities.

During the initial stages of our audit, we determined that the genetic testing contract was the key element in the management of the genetic testing program. As such, we focused our audit on the examination of the administration of the contract by the Child Support Enforcement Division, Office of the Corporation Counsel and the deliverables required of the contractor.

CONCLUSIONS

This report contains one finding that includes the details supporting the condition we observed and documented.

The Child Support Enforcement Division aggressively monitored the contractor's (Orchid BioSciences, Inc.) performance on a day-to-day basis and exercised effective oversight for the contractor's compliance with the requirements of Contract No. DCCB-2001-D-0021. However, the lack of an administrative agreement with the Superior Court of the District of Columbia concerning genetic testing for non-IV-D cases through the current Contract No. POCB-2003-D-0006 remains unresolved. Although some administrative roles were established through modifications to the contract, the issue remains partially unresolved because solutions were not fully developed through those modifications to establish joint or organizationally unique procedures to govern the administrative and operational management of the District of Columbia's genetic testing program for IV-D and non-IV-D cases. As a result, the lack of an administrative agreement for the management of the District's genetic testing program for non-IV-D cases provides no assurance that the previous contract performance issues will not recur.

EXECUTIVE DIGEST

SUMMARY OF RECOMMENDATIONS

We directed four recommendations to the Corporation Counsel, Office of the Corporation Counsel to:

- Develop proposed joint procedures and organizationally unique procedures to govern the administrative and operational management of the District of Columbia's genetic testing program for IV-D and non-IV-D cases.
- Coordinate with the Superior Court of the District of Columbia to reach agreement on those proposed procedures deemed mutually necessary for the administrative and operational management of the District of Columbia's genetic testing program for IV-D and non-IV-D cases.
- Appropriately modify the existing Memorandum of Understanding between the Office of the Corporation Counsel and the Superior Court of the District of Columbia, or prepare a separate memorandum of understanding between the Office of the Corporation Counsel and the Superior Court of the District of Columbia, to establish the agreed upon procedures.
- Promptly implement the agreed upon procedures in the completed memorandum of understanding, for the administrative and operational management of the District of Columbia's genetic testing program applicable to the Child Support Enforcement Division IV-D cases, to ensure the program's effective and efficient operation.

A summary of the potential benefits resulting from the audit is shown at Exhibit A. Another matter of interest is discussed at Exhibit B.

We received a response from the Office of Corporation Counsel (OCC) on October 1, 2003, to a draft of this report. We consider actions taken and/or planned by OCC to be responsive to the recommendations. The complete text of OCC's response is included at Exhibit H.

Although no recommendations were made to the contractors identified in this report, each was provided a courtesy copy. The contractors did not provide comments to the draft report prior to issuance of this final report. Should the contractors provide comments, these comments will be included as part of the permanent audit working paper files.

INTRODUCTION

BACKGROUND

The Office of the Inspector General (OIG), District of Columbia, has completed an audit of the District of Columbia's Management of Genetic Testing. On October 23, 2002, the Chief, Civil False Claims Unit, Civil Division, Office of the Corporation Counsel (OCC) notified the Deputy Inspector General for Investigations, OIG, of potential fraud committed by a District of Columbia contractor. The package prepared by OCC, "Request for Investigation of Orchid-GeneScreen," indicated that OCC received a complaint that "the District's contractor for genetic testing in paternity and support matters, had falsified the results of a paternity test." The package also stated that OCC had reviewed the complaint for a possible civil enforcement action and for possible criminal prosecution. We performed this audit as a result of the OCC request for investigation.

Organizations Involved in the Genetic Testing Program

Organizations involved in the District of Columbia genetic testing program include the OCC, the Superior Court of the District of Columbia (Superior Court), and the Family Court of the District of Columbia (Family Court).

The Office of the Corporation Counsel. As the attorney for the District government, the Corporation Counsel enforces child support laws within the District of Columbia and OCC serves as the authorized federal IV-D agency for this purpose. Within OCC, the Child Support Enforcement Division (CSED) performs all legal and programmatic functions associated with the District government's child support program.

The overall mission of CSED is to provide child support enforcement services to children so that they can receive from their parents the financial and medical support required by law. Specifically, CSED assists District of Columbia families by establishing paternity, locating absent parents, establishing child and medical support orders, reviewing and modifying child support orders, and enforcing delinquent child support orders. In addition, CSED recoups Temporary Assistance for Needy Family payments made to families when a non-custodial parent is not paying child support, IV-D foster care payments, or Medicaid payments. The District of Columbia's genetic testing program is administered primarily by CSED and secondarily by the Family Court.

The Superior Court of the District of Columbia. The District of Columbia Courts, comprised of the Court of Appeals and the Superior Court, were established to provide efficient, impartial, and accessible resolution of disputes and other legal actions. The Executive Office of the District of Columbia Court System performs and oversees administrative management for the Courts and serves as the primary provider of services for the District of Columbia Court System. The Clerk of the Court performs administrative

INTRODUCTION

functions and daily management of operating divisions and offices. The Superior Court is divided into six divisions and in addition, the Family Court.

The Family Court of the District of Columbia. The Family Court functions as part of the Superior Court. The Family Court serves to protect and support children brought before it, strengthen families in trouble, provide permanency for children and decide disputes involving families fairly and expeditiously while treating all parties with dignity and respect. According to D.C. Code § 11-1101(a)(11), the Family Court has original jurisdiction over proceedings to determine paternity of any child born out of wedlock. The Family Court is divided into six branches, of which the Paternity and Child Support Branch is responsible for processing paternity and support cases. In calendar year 2001, 2,578 new paternity and support cases were filed, 4,564 cases were resolved, and 8,497 cases were pending resolution. Many paternity and support cases take more than 1 year to resolve.

Relevant Legal Standards

The law concerning the use of genetic testing for the establishment of paternity is found in the Social Security Act and the District of Columbia Code (D.C. Code).

Social Security Act. Title IV, part D of the Social Security Act of 1975 (codified as amended at 42 U.S.C.A. §§ 651 - 669b (1991 & Supp. 2002)) provides federal requirements concerning the use of genetic testing for the establishment of paternity. Section 666(f) requires that each State have in effect the Uniform Interstate Family Support Act, which established improved uniformity among the States' child support enforcement procedures. Municipal policies and guidance are found in the D.C. Code.

District of Columbia Code. D.C. Code § 16-901(2) (Supp. 2002) defines a IV-D agency as “the organizational unit of the District government, or any successor organizational unit, that is responsible for administering or supervising the administration of the District’s State Plan under title IV, part D, of the Social Security Act, approved January 4, 1975 (88 Stat. 2351; 42 U.S.C. § 651 *et seq.*), pertaining to . . . paternity establishment, . . .” D.C. Code § 16-901(3) defines a IV-D case as that which is “brought by the IV-D agency for the establishment of paternity or the establishment or enforcement of a child support obligation.” A non-IV-D case, then, is a case not brought by nor does it involve the District’s IV-D agency, OCC. D.C. Code §§ 46-301.01 – 46-309.01 (2001) implement the Uniform Interstate Family Support Act for the District of Columbia.

D.C. Code §§ 16-909 and 16-909.01 (Supp. 2002) provide the legal means by which paternity may be established in the District of Columbia. According to these statutes, paternity may be conclusively presumed through genetic testing indicating a 99 percent probability of paternity. Relevant provisions of D.C. Code §§ 16-901 and 16.909.01 are shown at Exhibit C.

INTRODUCTION

OBJECTIVES, SCOPE, AND METHODOLOGY

The announced objectives of the audit were to determine whether the District of Columbia's genetic testing program: (1) achieved program results in an effective, efficient, and accurate manner; (2) complied with requirements of applicable laws, regulations, policies, procedures, and contract requirements; and (3) had internal controls in place to prevent or detect material errors and irregularities.

During the initial stages of our audit, we determined that the genetic testing contract was the key element in the management of the genetic testing program. As such, we focused our audit on the examination of the administration of the contract by CSED and the deliverables required of the contractor.

To accomplish our objectives for the audit, we reviewed files (to include correspondence, draft correspondence, memoranda, briefing charts, emails, handwritten notes, and other types of documents) maintained by CSED for calendar years 2001, 2002, and 2003 through June 2003. We reviewed CSED processes used to manage the genetic testing program and applicable federal and District of Columbia laws and regulations. In addition, we reviewed contractual documents governing genetic testing.

We examined Contract No. DCCB-2001-D-0021 issued by the Office of Contracting and Procurement (OCP) to Lifecodes Corporation to provide genetic testing services to CSED for the District of Columbia. As a result of an acquisition of Lifecodes Corporation by Orchid BioSciences, Inc. (Orchid) on December 5, 2001, Orchid assumed control of the contract. The contract base year was established as May 15, 2001, through May 14, 2002, and the first option year was exercised for May 15, 2002, through May 14, 2003. Orchid performed identity genomic testing pursuant to the contract at its primary facility for the CSED contract located in East Lansing, Michigan. The contract was terminated for convenience as of March 31, 2003, by mutual agreement between Orchid and OCP. A Request for Proposal (RFP) for a follow-on contract was issued before Contract No. DCCB-2001-D-0021 was terminated.

We examined RFP No. POCB-2003-R-0006 issued by OCP on November 26, 2002, and the subsequent Contract No. POCB-2003-D-0006 issued by OCP on March 19, 2003 (effective April 1, 2003). The contract was issued to Fairfax Identity Laboratories (Fairfax) to provide genetic testing services to CSED for the District of Columbia. The contract base year was established as April 1, 2003, through March 31, 2004.

In addition, we examined the monitoring and oversight performed by CSED for Orchid's compliance with the requirements of Contract No. DCCB-2001-D-0021. However, we did not examine the monitoring and oversight by CSED for Fairfax's compliance with the

INTRODUCTION

requirements of Contract No. POCB-2003-D-0006 because that contract was not effective until the audit work was nearly completed.

In addition, we examined the Memorandum of Understanding (MOU) between the OCC and the Superior Court, for FY 2003 (effective January 9, 2003); and the MOU between the District of Columbia Department of Human Services and the Superior Court, for FY 1997, (effective May 5, 1997).

Further, we interviewed representatives from OCC/CSED, judges of the Family Court, and administrative personnel of the District of Columbia Courts and of the Family Court.

The audit covered the period of calendar years 2001, 2002, and 2003 through June 2003. We did not use computer-processed data to perform the audit. The audit was conducted in accordance with generally accepted government auditing standards and included such tests, as we considered necessary under the circumstances.

OTHER MATTER OF INTEREST

We believe that CSED should consider modifying Contract No. POCB-2003-D-0006 to limit the distance an individual involved in an Uniform Interstate Family Support Act case must travel from their residence to a sample collection site. Traveling excessive distances to provide a sample specimen may create a hardship for many of the individuals involved in this process through such necessities as time away from work, travel expenses, and/or childcare expenses. This other matter of interest is discussed at Exhibit B.

In response to a draft of this report, OCC stated that they were not contemplating modifying its current genetic testing contract to include a provision to address this issue. The complete text of OCC's response is included at Exhibit H.

FINDING AND RECOMMENDATIONS

FINDING: MANAGEMENT OF THE GENETIC TESTING PROGRAM

SYNOPSIS

CSED aggressively monitored Orchid's performance on a day-to-day basis and exercised effective oversight for Orchid's compliance with the requirements of Contract No. DCCB-2001-D-0021. However, the lack of an administrative agreement with the Superior Court concerning genetic testing for non-IV-D cases through the current Contract No. POCB-2003-D-0006 remains unresolved. Although some administrative roles were established through modifications to the contract, the issue remains partially unresolved because solutions were not fully developed through those modifications to establish joint or organizationally unique procedures to govern the administrative and operational management of the District of Columbia's genetic testing program for IV-D and non-IV-D cases. As a result, the lack of an administrative agreement for the management of the District's genetic testing program for testing non-IV-D cases provides no assurance that the previous contract performance issues will not recur.

DISCUSSION

Contract No. DCCB-2001-D-0021 provided the services, quantities, prices, work statements, requirements, deliverables, term of contract, and contract administration data necessary for the performance of the District of Columbia's genetic testing program by the contracted vendors, as does the current Contract No. POCB-2003-D-0006.

Background

Both contracts prescribe requirements for the sample collection site, procedures for specimen collections, and criteria for genetic testing.

Sample Collection Site. Under both contracts, the sample specimens of individuals requiring genetic testing are collected by phlebotomists (specimen collectors for the purpose of this report) at the District's sample collection site and forwarded to the contractor's laboratory for testing. The sample specimens are collected Monday through Friday (except for District of Columbia holidays) from 9:00 a.m. to 4:00 p.m. at the District's sample collection site located in the Superior Court building at 500 Indiana Avenue, N.W., Washington, D.C.

Specimen Collection. Normally, sample specimens of cells are obtained by buccal swab sample collection, although blood samples can be drawn. Buccal swab samples are obtained by using cotton or synthetic swabs to gently stroke the lining of the inner cheek.

FINDINGS AND RECOMMENDATIONS

Deoxyribonucleic acid (DNA) testing using the buccal swab technique is painless, non-invasive, and as reliable as a DNA test using blood. The cells collected in the sample specimens contain the DNA required to perform parentage testing or DNA profiling. A detailed description of DNA profiling is shown at Exhibit D.

Contract No. DCCB-2001-D-0021 required that “[t]he non-invasive method of DNA analysis testing shall be employed.” Contract No. PO CB-2003-D-0006 requires Fairfax to “obtain samples using the Buccal Swab test or similar medically acceptable technique for use in DNA testing by means of blood, bodily tissue and/or bodily fluids containing DNA suitable for use in parentage testing.”

Genetic Testing Requirements. Contract No. DCCB-2001-D-0021 required Orchid to “perform genetic testing enough to exclude 99% of wrongly accused men.” Contract No. PO CB-2003-D-0006 requires Fairfax to “perform genetic testing sufficient to affirm at least a 99% probability that the putative father is the father of the child.”

Contract Monitoring and Oversight

CSED aggressively monitored Orchid’s performance on a day-to-day basis and exercised effective oversight for the Orchid’s compliance with the requirements of Contract No. DCCB-2001-D-0021. However, the lack of an administrative agreement with the Superior Court concerning genetic testing for non-IV-D cases through the current Contract No. PO CB-2003-D-0006 remains unresolved.

Case Coordinator and the Contracting Officer’s Technical Representative. The CSED Case Coordinator and the Contracting Officer’s Technical Representative (COTR) had the primary responsibilities for monitoring Orchid’s performance on a day-to-day basis and exercising oversight for Orchid’s compliance with the requirements of the contract, respectively. The responsibilities of the CSED Case Coordinator and the COTR are discussed at Exhibit E.

Contract Performance Issues. Contract performance issues arise when a contractor does not perform in accordance with the contract terms. Ten administrative and significant contract performance issues involving Orchid were identified during our review of CSED files documenting work performed under Contract No. DCCB-2001-D-0021.

Administrative Contract Performance Issues

Of the 10 contract performance issues identified, we determined that 6 were administrative issues that affected the management of the contract. The administrative contract performance issues are shown in Table 1.

FINDINGS AND RECOMMENDATIONS

**Table 1. Administrative Contract Performance Issues
Contract No. DCCB-2001-D-0021**

- Maintaining Accreditation by the American Association of Blood Banks
- Errors in Invoicing for Specimen Collections and Paternity Testing
- Novation Process for a Corporation Name Change
- Qualifications of Contractor Specimen Collectors
- Staffing the Sample Collection Site
- Scheduling and Reporting for Specimen Collections
 - Timeliness in Scheduling Uniform Interstate Family Support Act Cases for Specimen Collections
 - Weekly Status Report Showing Individuals Who Appeared or Who Did Not Appear for Scheduled Specimen Collections
 - Collected Specimens for Uniform Interstate Family Support Act Cases Sent to Contractor Laboratories Other than East Lansing
 - Distances in Scheduling Uniform Interstate Family Support Act Cases for Specimen Collections

For each of the administrative contract performance issues shown in Table 1, we concluded that the issue had been resolved by CSED. The six administrative contract performance issues are discussed in detail at Exhibit F.

Significant Contract Performance Issues

Of the 10 contract performance issues identified, we determined that 4 were significant. These four contract performance issues were of greater significance because of the actual or potential impact on the determination of parentage provided in genetic testing results, and involved two distinct but related problem areas. We identified the two problem areas as the chain of custody for collected specimens and the specimen collections and paternity testing for non-IV-D cases. The significant performance issues are shown in Table 2.

FINDINGS AND RECOMMENDATIONS

**Table 2. Significant Contract Performance Issues
Contract No. DCCB-2001-D-0021**

- Chain of Custody for Collected Specimens -
Validation of Collected Specimen Packages
- Chain of Custody for Collected Specimens -
Forwarding Collected Specimens for Testing
- Chain of Custody for Collected Specimens -
Identification of Parties Providing Specimens
- Specimen Collections and Paternity Testing for Non-IV-D Cases

The three issues concerning chain of custody for collected specimens are discussed in detail at Exhibit G. The issue concerning specimen collections and paternity testing for non-IV-D cases is discussed in detail below.

Specimen Collections and Paternity Testing for Non-IV-D Cases. Orchid began providing genetic testing services to the Superior Court for non-IV-D cases at some point during the contract period through contract termination on March 31, 2003.¹ On May 7, 2002, CSED personnel received a telephone call from a judge of the Superior Court regarding several cases that the judge had referred to the contractor for genetic testing. The judge was concerned because the results of genetic tests for these cases had not been received in a timely fashion by the Superior Court or had not been received at all. It appears from the CSED files reviewed that the telephone call from the judge was the first indication for CSED that Orchid was performing non-IV-D genetic testing for the Superior Court. However, neither CSED nor the Superior Court was aware of the number of non-IV-D cases referred by the Superior Court to Orchid for testing or the number of tests performed by Orchid.

Contract No. DCCB-2001-D-0021. Contract No. DCCB-2001-D-0021 required Orchid to perform genetic testing for IV-D cases to meet the mandated responsibilities of OCC/CSED and did not authorize the performance of non-IV-D genetic testing. Therefore, Orchid's performance of genetic testing in non-IV-D cases pursuant to Superior Court order was beyond the scope of the contract.

¹ The date that Orchid began providing genetic testing services to the Superior Court for non-IV-D cases could not be determined from CSED contract administration files.

FINDINGS AND RECOMMENDATIONS

Contract No. POCB-2003-D-0006. Contract No. POCB-2003-D-0006 (issued on March 19, 2003, and effective April 1, 2003) required Fairfax to perform genetic testing for IV-D cases to meet the mandated responsibilities of OCC/CSED. Similar to Orchid's contract, Fairfax's contract did not authorize the performance of non-IV-D genetic testing. However, Fairfax did not perform non-IV-D testing for the Superior Court from the effective date of the contract through April 27, 2003. Fairfax did not perform non-IV-D testing (as the previous contractor Orchid had done) due to the direction of the former Director, CSED, to comply with stated contract requirements to perform only IV-D genetic testing.

Contract No. SS-03-020. The District of Columbia Courts contracted with Fairfax under Contract No. SS-03-020, "Genetic Testing Services," dated April 28, 2003, and the term of the contract was April 28, 2003, through May 27, 2003. On May 28, 2003, Fairfax started performing non-IV-D genetic testing under the CSED Contract No. POCB-2003-D-0006 pursuant to a modification made to that contract.

Modifications to Contract No. POCB-2003-D-0006. In addition to entering into Contract No. SS-03-020, the Superior Court also made a request to CSED during April 2003 to modify and use the CSED contract (Contract No. POCB-2003-D-0006) for non-IV-D genetic testing. The Superior Court made this request because non-IV-D genetic testing had not been performed for the Superior Court from April 1, 2003, through April 28, 2003.

As a result of the request, actions were initiated by the Superior Court and OCP to modify Contract No. POCB-2003-D-0006 to accommodate the need for non-IV-D genetic testing by the Superior Court. Those actions involved discussions among OCP, the Superior Court, and eventually CSED and the OIG. During the course of our audit, we reviewed the proposed modifications and suggested changes, additions, and deletions to the proposed modifications.

Modification M00001. Modification M00001 (effective May 7, 2003) incorporated "The District of Columbia Procurement Practices Act of 1985, as amended, and Title 27 of the District of Columbia Municipal Regulations, as amended," into the contract. The IV-D and non-IV-D portions of the contract are both subject to these regulations. Details are shown in paragraph "Novation Process for a Corporation Name Change" at Exhibit F.

The modification cited "partial" collections but did not define the term. We asked that the term be defined and that the payment process for "partial" collections be clarified. The COTR provided a clear definition of a "partial case" and a revised specification clause describing the contractor procedures for submitting an invoice for a partial case. These changes were made to ensure proper billing for IV-D and non-IV-D cases.

FINDINGS AND RECOMMENDATIONS

Modification M00002. Modification M00002 (effective May 28, 2003) added new sections to the contract to require Fairfax to provide non-IV-D genetic testing services for the CSED on behalf of the Superior Court. The modification also established the responsibilities for a Superior Court-appointed COTR “for general administration of the contract modification” and “ensuring that the work conforms to the requirements of this contract modification.” The modification also added provisions to the contract to govern deliverables, invoice payment, and invoice submission for non-IV-D genetic testing cases. We also suggested numerous changes, additions, and deletions to this proposed modification. As a result, Fairfax began performing non-IV-D genetic testing for the Superior Court on May 28, 2003.

In our opinion, the Modifications M00001 and M00002 to the contract were adequate to resolve the issue of performing non-IV-D genetic testing for the Superior Court under the CSED contract.

Memoranda of Understanding. The MOU between OCC and the Superior Court for FY 2003 was created to govern the Superior Court’s assistance to the District of Columbia’s child support IV-D program and to establish the relationships and responsibilities of the Superior Court, OCC, and CSED for administering the IV-D program. The MOU was prepared to facilitate administration of the program, to assure optimum programs results, and to address matters of common concern in the delivery of paternity establishment and child support services. Additionally, the MOU addresses financial arrangements, the monitoring process of activities performed, and general terms and conditions. However, the MOU does not address the administrative and operational management responsibilities and oversight for of non-IV-D genetic testing performed for the Superior Court through the current contract.

Management and Oversight for Non-IV-D Genetic Testing Under Contract No. DCCB-2001-D-0021. Specific management and oversight functions were not performed by CSED for the non-IV-D genetic testing that Orchid provided to the Superior Court. No requirement existed for CSED to specifically provide management and oversight for the non-IV-D genetic testing performed by Orchid because Contract No. DCCB-2001-D-0021 did not authorize genetic testing for non-IV-D cases. However, in our opinion, the aggressive oversight of the contractor’s performance provided by CSED indirectly benefited the Superior Court through its overall management of the IV-D genetic testing program. Further, the former Director, CSED believed that the Superior Court exercised little or no oversight over the non-IV-D testing and that the lack of that oversight may have contributed to the significant contractor performance issues.

Management and Oversight for Non-IV-D Genetic Testing Under Contract No. POCB-2003-D-0006. Modification M00002 to Contract No. POCB-2003-D-0006 established the responsibilities of the COTR appointed by the Superior Court for the administration of non-IV-D cases. However, although that modification resolved the use of

FINDINGS AND RECOMMENDATIONS

the CSED contract for non-IV-D genetic testing on behalf of the Superior Court, the modified contract did not fully establish joint procedures and organizationally unique procedures to govern the administrative and operational management of the District's genetic testing program for IV-D and non-IV-D cases. Therefore, the lack of an administrative agreement between OCC/CSED and the Superior Court concerning genetic testing for non-IV-D cases remained unresolved by the modification of the contract. As a result, the lack of an administrative agreement for the management of the District's genetic testing program for testing non-IV-D cases provides no assurance that the previous contract performance issues will not recur.

Actions Needed to Improve the Management of the District of Columbia's Genetic Testing Program. We believe that OCC/CSED and the Superior Court each have responsibilities for the overall management of the District's genetic testing program to ensure its effective and efficient operation. As such, OCC/CSED should immediately develop and coordinate with the Superior Court proposed joint procedures and organizationally unique procedures to govern the administrative and operational management of the District of Columbia's genetic testing program for IV-D and non-IV-D cases.

The MOU should facilitate administration of the District of Columbia's genetic testing program to assure optimum programs results and address matters of common or joint concern in the establishment of paternity through the genetic testing program. The MOU should detail the relationships and responsibilities of the Superior Court, OCC, and CSED as necessary for the Superior Court to manage the non-IV-D cases and CSED to manage the IV-D cases as part of the District's overall genetic testing program.

Specifically, the MOU should include provisions for the oversight and monitoring process of genetic testing performed, internal controls, financial arrangements, and general terms and conditions. OCC/CSED should modify the existing MOU between OCC and the Superior Court or prepare a separate memorandum of understanding between OCC and the Superior Court, to establish the agreed upon procedures. Finally, CSED should promptly implement the agreed upon procedures in the completed MOU that are applicable to the CSED IV-D cases and provide assistance to the Superior Court to implement the procedures for the Superior Court's non-IV-D cases. We believe that those actions will establish the necessary administrative relationships between OCC/CSED and the Superior Court and will improve the management of the District of Columbia's genetic testing program.

Conclusion

We concluded for each of the administrative contract performance issues identified (shown in Table 1) that the issue had been resolved by CSED. The issues were resolved because Contract No. POCB-2003-D-0006 contained reasonable requirements to provide controls over those issue areas, reasonable requirements were subsequently added to the contract

FINDINGS AND RECOMMENDATIONS

through modifications to provide controls over those issue areas, and the requirements of a particular issue area no longer needed to be addressed in the contract. The administrative contract performance issues are discussed in detail at Exhibit F.

We also concluded for the three significant contract performance issues involving the chain of custody for collected specimens (shown in Table 2) that those issues had been resolved by CSED. However, due to the uniqueness of the three incidents that occurred, none were or could be, in our opinion, directly addressed in either contract clauses concerning requirements or deliverables. The three issues concerning chain of custody for collected specimens are discussed in detail at Exhibit G. Further, allegations of potential fraud involving the proper identification of parties who provided specimens to be tested are also discussed at Exhibit G. Nevertheless, we believe that those three issues were adequately resolved because Contract No. POCB-2003-D-0006 contained reasonable requirements to provide controls over these areas.

Finally, we concluded that the significant contract performance issue involving the specimen collections and paternity testing for non-IV-D cases (shown in Table 2) was not fully resolved by OCC/CSED. We believe that our recommendations in this audit report, if implemented, will resolve potential problems that might occur in this issue area.

RECOMMENDATIONS

We recommended that the Corporation Counsel, Office of Corporation Counsel:

1. Develop proposed joint procedures and organizationally unique procedures to govern the administrative and operational management of the District of Columbia's genetic testing program for IV-D and non-IV-D cases.
2. Appropriately modify the existing Memorandum of Understanding between the Office of the Corporation Counsel and the Superior Court of the District of Columbia or prepare a separate memorandum of understanding between the Office of the Corporation Counsel and the Superior Court of the District of Columbia, to establish the agreed upon procedures.
3. Promptly implement the agreed upon procedures in the completed memorandum of understanding, for the administrative and operational management of the District of Columbia's genetic testing program applicable to the Child Support Enforcement Division IV-D cases, to ensure the program's effective and efficient operation.

FINDINGS AND RECOMMENDATIONS

4. Coordinate with the Superior Court of the District of Columbia to reach agreement on those proposed procedures deemed mutually necessary for the administrative and operational management of the District of Columbia's genetic testing program for IV-D and non-IV-D cases.

OCC RESPONSE (Recommendations 1-4)

OCC concurred with the recommendations and has planned or taken action to address the issues identified. The full text of OCC's response is at Exhibit H.

OIG COMMENT (Recommendations 1-4)

We considered OCC's actions to be responsive and meet the intent of the recommendations.

EXHIBIT A

SUMMARY OF POTENTIAL BENEFITS RESULTING FROM AUDIT

Recommendation	Description of Benefit	Amount and Type of Benefit
1	Program Results. The development of joint procedures and organizationally unique procedures to govern the administrative and operational management of the District of Columbia's genetic testing program for IV-D and non-IV-D cases.	Non-monetary. Identification of the management controls to be used by each organization to operate and monitor all aspects of the genetic testing program.
2	Program Results. The coordination with the Superior Court of the District of Columbia to reach agreement on those procedures deemed mutually necessary to govern the administrative and operational management of the District of Columbia's genetic testing program for IV-D and non-IV-D cases. The modification or preparation of a memorandum of understanding to establish the agreed upon procedures.	Non-monetary. Establishment of the necessary management controls that are ratified into a written agreement. Reduction or elimination of potential conflicts over each organization's roles, functions, and responsibilities in the management of the genetic testing program.
3 and 4	Program Results. The implementation of the agreed upon procedures for the management of the District of Columbia's genetic testing program applicable to the Child Support Enforcement Division IV-D cases.	Non-monetary. Effective and efficient operation of the genetic testing program by the involved organizations.

EXHIBIT B

OTHER MATTER OF INTEREST

Pursuant to 42 U.S.C.A. § 666(f) (Supp. 2002), each State must have in effect the Uniform Interstate Family Support Act (UIFSA). Section 701 of the UIFSA discusses the determination of parentage and states that interstate determination of parentage is authorized. D.C. Code § 46-307.01 (Supp. 2002) provides that “[a] tribunal [a court, administrative agency, or quasi-judicial entity authorized to establish, enforce, or modify support orders or to determine parentage] of the District may serve as an initiating or responding tribunal in a proceeding . . . to determine that the petitioner is a parent of a particular child or to determine that a respondent is a parent of that child.”

Child Support Enforcement Division (CSED) files showed that on six occasions during 2001 and 2002, parties in UIFSA cases were scheduled by Orchid at sample collection sites that CSED believed to be of an excessive travel distance from the individual’s residence. Examples of excessive travel distances from the individual’s residence to a sample collection site were discussed in CSED files. In one case, a party was scheduled to appear at a site 26 miles distant, while in another case, a party was scheduled at a site 126 miles distant. However, we could not determine from CSED files whether the noted occurrences were a complete record of all cases scheduled at excessive travel distances.

Lifecodes Corporation (the contractor at the time) stated its policy on November 16, 2001, as

We have a program that looks at the city and state of the person or persons you need scheduled. It then finds the closest drawsite that we have. It also shows us the amount that the drawsite charges. We have instructed our client service personnel to use the least expensive drawsite that is closest to the people that need scheduling. . . . We have an employee in Washington D.C. that will collect our paternity cases, and in most cases is very close to where you need someone scheduled. Since he is an employee, there is no charge to us for collection.

In an email on July 12, 2001, the CSED Case Coordinator cited another earlier statement by a contractor employee. The Case Coordinator wrote that a contractor employee “informed me they [the contractor] were giving us a rock bottom price and they cannot continue to schedule parties in Prince George’s and Montgomery County because they are charged \$40.00 per person when they schedule through another laboratory”

CSED proposed a modification to Contract No. DCCB-2001-D-0021 to limit travel distances because the contract did not address travel limits for scheduling specimen collections at sample collection sites in UIFSA cases. CSED proposed the following modification in letters to the contracting officer on May 7 and June 12, 2002: “The contractor shall ensure that the party being scheduled in an interstate case shall travel no more than 20 miles from their

OTHER MATTER OF INTEREST

residence to the genetic testing location.” However, the contract was never changed to include this proposed modification.

We believe that the CSED proposal to modify Contract No. DCCB-2001-D-0021 to limit travel distances was reasonable. Traveling excessive distances to provide a sample specimen may create a hardship for many of the individuals involved in this process through such necessities as time away from work, travel expenses, and/or childcare expenses. We believe that CSED should consider modifying Contract No. POCB-2003-D-0006 to limit the distance an individual in UIFSA cases must travel from their residence to a sample collection site. Although there is no evidence in CSED files that this situation currently exists under the current contract, a modification to the contract would preclude future occurrences of this problem. We also believe that CSED should consider including a clause restricting scheduled travel distances in any future genetic testing contracts.

In response to a draft of this report, OCC stated that they were not contemplating modifying its current genetic testing contract to include a provision to address this issue. The complete text of OCC’s response is included at Exhibit H.

EXHIBIT C

ESTABLISHMENT OF PATERNITY

D.C. Code §§ 16-909 and 16-909.01 (Supp. 2002) provide the legal means by which paternity may be established in the District of Columbia. D.C. Code § 16-909.01 addresses the admissibility of a genetic test and affidavit as evidence of paternity. D.C. Code §§ 16-909 and 16.909.01 also provide for accreditation requirements for laboratories performing genetic tests to determine paternity. Relevant provisions of these statutes are provided below.

§ 16.909. Proof of child's relationship to mother and father.

...

(b-1) A conclusive presumption of paternity shall be created:

(1) Upon a result and an affidavit from a laboratory of a genetic test of a type generally acknowledged as reliable by accreditation bodies designated by the Secretary of the U.S. Department of Health and Human Services that is performed by a laboratory approved by such a body indicating a 99% probability that the putative father is the father of the child; or

(2) If the father has acknowledged paternity in writing as provided in section 16-909.01(a)(1).

....

§ 16.909.01. Establishment of paternity by voluntary acknowledgement and based on genetic test results.

(a) Paternity may be established by:

...

(2) A result and an affidavit from a laboratory of a genetic test of a type generally acknowledged as reliable by accreditation bodies designated by the Secretary of the U.S. Department of Health and Human Services that is performed by a laboratory approved by such a body, that affirms at least a 99% probability that the putative father is the father of the child.

...

ESTABLISHMENT OF PATERNITY

(b) An acknowledgement in accordance with subsection (a)(1) of this section, which has not been rescinded pursuant to subsection (a-1) of this section, or a genetic test and affidavit that meet the requirements of subsection (a)(2) of this section shall legally establish the parent-child relationship between the father and the child for all rights, privileges, duties, and obligations under the laws of the District of Columbia. The acknowledgement or genetic test and affidavit shall be admissible as evidence of paternity.

....

(Emphases supplied.)

DEOXYRIBONUCLEIC ACID PROFILING

Deoxyribonucleic acid (DNA) profiling permits the direct examination of the genetic material that a child inherits from its biological parents. DNA is a specialized molecule that encodes all of the genetic information of an individual. A child receives one half of his or her DNA from each biological parent, forming a pattern, or “profile,” that is unique from individual to individual. The only exception is for identical twins.

By comparing the DNA characteristics of the mother and her child, it is possible to identify the characteristics that the child inherited from the biological mother. Any remaining DNA characteristics that are identified must come from the biological father. If the DNA profile from the tested man does not contain these obligatory paternal characteristics, he is excluded as the biological father. If the DNA profile from the tested man is found to contain these obligatory characteristics, a statistical analysis is performed to calculate the probability of paternity. As a result, it can be established with greater than 99.9 percent certainty that the tested man is the biological father.

Paternity can also be established in cases where the mother is not tested. By increasing the number of tests performed, motherless testing can be an informative method of examining paternity. However, when the mother is available for testing, she should be included in the analysis. DNA testing can also be performed in instances where the alleged father is unavailable but close relatives of his are willing to be tested, such as the father’s own parents, or his siblings.

This information was provided to us by Fairfax Identity Laboratories and is being re-printed in this report with Fairfax Identity Laboratories’ permission.

EXHIBIT E

**CASE COORDINATOR AND CONTRACTING OFFICER'S
TECHNICAL REPRESENTATIVE**

The Child Support Enforcement Division (CSED) Case Coordinator (the Coordinator) and the Contracting Officer's Technical Representative (COTR) had the primary responsibilities for monitoring the contractor's performance on a day-to-day basis and exercising oversight for the contractor's compliance with the requirements of the contract, respectively.

Case Coordinator. The Coordinator performed operational management duties by monitoring certain aspects of the contractor's performance on a day-to-day basis. The Coordinator's primary duties involved scheduling specimen collections through the contractor, monitoring whether the parties appeared for the scheduled collections, and re-scheduling collections for those parties who did not appear. The Coordinator scheduled parties for collections within the District of Columbia and coordinated with the contractor to ensure that parties were scheduled for collections in jurisdictions other than the District of Columbia (Uniform Interstate Family Support Act cases). The Coordinator also coordinated with other jurisdictions on the time and place of collections.

Further, the Coordinator ensured that genetic test reports were issued by the contractor prior to the party's next Superior Court hearing and forwarded copies of the genetic test reports to the parties involved and to other jurisdictions. This daily interface with the contractor's genetic testing procedures to collect specimens and issue genetic test conclusions often provided the Coordinator with the first opportunity to observe the contractor's performance and opine on whether it was adequate. When the Coordinator was unable to resolve problems with the contractor's performance, those problems were brought to the attention of the COTR.

Contracting Officer's Technical Representative. The COTR exercised oversight duties by ensuring the contractor's compliance with the contract. Contract No. DCCB-2001-D-0021 stated

The COTR is responsible for general administration of the contract and advising the Contracting Officer as to the Contractor's compliance or noncompliance with the contract. In addition, the COTR is responsible for the day-to-day monitoring and supervision of the contract, of ensuring that the work conforms to the requirements of this contract and such other responsibilities and authorities as may be specified in the contract.

In addition, an appointment letter charged the COTR with the primary duty of ensuring that the contractor performed the technical requirements of the contract in accordance with the contract terms, funding, conditions, and specifications. The appointment letter also charged the COTR with ensuring that the contractor submitted required reports in a timely manner as

EXHIBIT E

**CASE COORDINATOR AND CONTRACTING OFFICER'S
TECHNICAL REPRESENTATIVE**

specified in the contract. The COTR was to perform inspections necessary to ensure that the contractor's performance was in accordance with contract terms, maintain communications with the contractor and the contracting officer (CO), and provide the designated finance and accounting office and the CO with appropriate proof of delivery and acceptance. Further, although the COTR was authorized to approve minor changes in specifications to the contract, the COTR was not authorized to make modifications to the contract. The COTR was expected to maintain a file of all correspondence or data initiated or received by the COTR in connection with the subject contract. The COTR was also to advise the CO when the contractor's performance was not satisfactory and deliverable items were not delivered as required by the contract.

EXHIBIT F

ADMINISTRATIVE CONTRACT PERFORMANCE ISSUES

We examined Contract No. DCCB-2001-D-0021 issued by the Office of Contracting and Procurement (OCP) to Lifecodes Corporation to provide genetic testing services to the Child Support Enforcement Division (CSED) for the District of Columbia. As a result of an acquisition of Lifecodes Corporation by Orchid BioSciences, Inc. on December 5, 2001, Orchid BioSciences, Inc. assumed control of the contract. In this exhibit, we will refer to both corporations collectively as the contractor.

Contract Period. The contract base year was established as May 15, 2001, through May 14, 2002, and the first option year was exercised for May 15, 2002, through May 14, 2003. The contractor performed identity genomic testing for paternity through its Orchid GeneScreen (current name) facility located in East Lansing, Michigan. The contract was terminated for convenience as of March 31, 2003, by mutual agreement of the contractor and OCP.

Contract Performance Issues. Contract performance issues arise when a contractor does not perform in accordance with the contract terms. Ten contract performance issues involving the contractor were identified during our review of CSED files documenting work performed under Contract No. DCCB-2001-D-0021. Of the 10 contract performance issues identified, we determined that 6 were administrative issues that affected the management of the contract. Those six administrative issues are:

- Maintaining Accreditation by the American Association of Blood Banks
- Errors in Invoicing for Specimen Collections and Paternity Testing
- Novation Process for a Company Name Change
- Qualifications of Contractor Specimen Collectors
- Staffing the Sample Collection Site
- Scheduling and Reporting for Specimen Collections
 - Timeliness in Scheduling Uniform Interstate Family Support Act Cases for Specimen Collections
 - Weekly Status Report Showing Individuals Who Appeared or Who Did Not Appear for Scheduled Specimen Collections
 - Collected Specimens for Uniform Interstate Family Support Act Cases Sent to Contractor Laboratories Other than East Lansing
 - Distances in Scheduling Uniform Interstate Family Support Act Cases for Specimen Collections

The administrative contract performance issues are discussed below in detail.

Maintaining Accreditation by the American Association of Blood Banks. The admissibility of genetic testing results in a court of law and the accreditation requirements for laboratories performing genetic tests to determine paternity are governed by 42 U.S.C.A. § 666 (Supp. 2002). Section 666(5)(F)(i) states that to be admitted into evidence for purposes of establishing paternity, the results of any genetic test must be “of a type generally

EXHIBIT F

ADMINISTRATIVE CONTRACT PERFORMANCE ISSUES

acknowledged as reliable by accreditation bodies designated by the Secretary” and “performed by a laboratory approved by such an accreditation body [.]”

D.C. Code §§ 16-909(b-1) and 16-909.01(a)(2) similarly require that to establish a presumption of paternity, genetic test results must come from a laboratory certified by the American Association of Blood Banks (AABB). In addition, the Invitation for Bids No. DCCB-2001-B-0021 required that bidders have accreditation by the AABB and that an AABB accreditation certificate be submitted with the bid.

Lifecodes Corporation submitted a certificate of its accreditation by AABB in response to the Invitation for Bids No. DCCB-2001-B-0021 (resulting in Contract No. DCCB-2001-D-0021) that was issued by OCP on February 22, 2001. Subsequently, on December 5, 2001, Orchid BioSciences, Inc. completed its acquisition of Lifecodes Corporation.

The Contracting Officer’s Technical Representative (COTR) made an inquiry to the contracting officer (CO) on December 11, 2001, as to the accreditation status of the new corporation. On December 27, 2001, the CO issued a cure notice to the contractor informing the contractor, among other items, that due to its name change it needed to provide OCP with evidence of its continued accreditation by AABB. The contractor responded to the cure notice in an undated letter to the CO that the AABB accreditation held by the Orchid GeneScreen East Lansing laboratory had not expired due to its integration with the new company. Furthermore, the contractor stated that it would go “through the standard accreditation renewal process January 31, 2002” and that the certificate would show the new name of the company.

On January 16, 2002, the COTR informed the CO that the AABB accreditation for the contractor had expired on December 31, 2001. On February 20, 2002, the CO notified the contractor that its accreditation was expired and requested that the contractor provide the status of its accreditation renewal. A subsequent letter from AABB, provided by the contractor on March 11, 2002, stated that the accreditation for the East Lansing laboratory had been extended to March 30, 2002.

On July 16, 2002, the CO once again notified the contractor that its last AABB accreditation had expired on March 30, 2002, and that OCP had yet to receive proof of the contractor’s current accreditation. The contractor faxed a copy of the AABB accreditation certificate for the East Lansing laboratory on July 18, 2002. The certificate was valid from June 28, 2002, through December 30, 2003. On November 19, 2002, the contractor faxed a letter dated March 26, 2002, from AABB showing an extension of the accreditation from December 30, 2001, to June 30, 2002.

We determined that this contract performance issue was a systemic problem in that the contractor failed to provide CSED with proof of current AABB accreditation. Without proof

ADMINISTRATIVE CONTRACT PERFORMANCE ISSUES

of current AABB accreditation from the contractor, CSED would not have been able to provide a conclusive presumption of paternity as provided by D.C. Code §§ 16-909(b-1) and 16-909.01(a)(2). Our overall assessment was that initially the contractor partially implemented acceptable corrective actions in response to CSED and OCP inquiries. Subsequently, after several notices from the COTR and the CO, the contractor provided an AABB extension of the accreditation from December 30, 2001, to June 30, 2002, and a certificate of accreditation that was valid from June 28, 2002, through December 30, 2003. Those documents provided CSED with proof of current AABB accreditation.

We concluded that CSED personnel exercised adequate oversight because they identified and notified the contractor of the contractor's failure to provide CSED with proof of current AABB accreditation. Further, CSED, through the COTR, kept the CO informed of unresolved problems involving this issue. We also concluded that this issue required a contractual solution. Finally, we concluded that Contract No. POCB-2003-D-0006 contained adequate and reasonable requirements for evidence of AABB accreditation.

Errors in Invoicing for Specimen Collections and Paternity Testing. Contract No. DCCB-2001-D-0021 required the District of Columbia to make "payments to the Contractor, upon the submission of proper invoices or vouchers, at the prices stipulated in this contract, for supplies delivered and accepted and/or services performed and accepted, less any discounts, allowances, or adjustments provided for in this contract." The contract also specified the information required on a contractor invoice for that document to constitute a proper invoice.

CSED files showed more than 40 occurrences of errors on contractor invoices during 2001 and 2002. However, we could not determine from the files whether the noted occurrences were a complete record of all invoice errors. CSED personnel pursued corrective actions by contacting the contractor either directly or through the CO to request explanations and corrections, if necessary, of the errors.

We determined that this contract performance issue was a systemic problem due to the numerous recurring instances of invoice errors. Our overall assessment was that initially the contractor partially implemented acceptable corrective actions, in response to CSED and OCP inquiries, to satisfy the requirement of the contract for proper invoices. Although the contractor failed to respond adequately with corrective measures in the early stages of the contract, improvement occurred in the later stages of the contract. As of the termination date of the contract, CSED personnel stated that all invoice errors previously made by the contractor were resolved.

We concluded that CSED personnel exercised adequate oversight because they identified and notified the contractor of invoice errors and ensured that the contractor took adequate corrective actions to resolve those errors. Further, CSED, through the COTR, kept the CO

ADMINISTRATIVE CONTRACT PERFORMANCE ISSUES

informed of unresolved problems involving this issue. We also concluded that this issue required a contractual solution. Finally, we concluded that Contract No. POCB-2003-D-0006 contained adequate and reasonable requirements for information needed on contractor invoices for those documents to constitute proper invoices.

Novation Process for a Corporation Name Change. Orchid BioSciences, Inc. completed its acquisition of Lifecodes Corporation on December 5, 2001. As a result, a novation agreement was required between Orchid BioSciences, Inc., Lifecodes Corporation, and the District of Columbia before business transactions could occur with Orchid BioSciences, Inc.²

Title 27 District of Columbia Municipal Regulations (DCMR) § 1220 provides the procedures to be followed to reach a novation agreement, and § 1220.6 states “[i]f recognizing a successor in interests to a District contract is consistent with the best interest of the District, the responsible contracting officer shall execute a novation agreement with the transferor and the transferee.”³

Title 27 DCMR § 1220.7 provides the requirements that should be contained in a novation agreement. The requirements are “[t]hat the transferee [in this case Orchid BioSciences, Inc.] assumes all of the transferor’s [in this case Lifecodes Corporation] obligations under the contract including those incurred in the past unless the contracting officer waives these obligations in writing after determining waiver to be in the best interests of the District . . . ” and “[t]hat nothing in the agreement shall relieve the transferor or transferee from compliance with any applicable law or regulation.”

An inquiry was made by the COTR to the CO on December 11, 2001, in regard to obtaining a formal name change from the contractor. On December 27, 2001, the CO issued a cure notice to the contractor informing the contractor of its requirement, among other items, to provide OCP with documentation of the formal name change, as required by DCMR title 27, Chapter 12. The contractor responded to the cure notice in an undated letter to the CO that formal documentation for the integration of the two companies would be forwarded from the corporate offices. The contractor did not provide the novation documents for more than 5 months until discussions between CSED and the contractor of potential contract modifications and the exercise of Option Year One made the novation agreement necessary.

² According to Black’s Law Dictionary (5th ed. 1979), “[a] novation substitutes a new party and discharges one of the original parties to a contract by agreement of all three parties. A new contract is created with the same terms as the original one but only the parties are changed.”

³ Contract No. DCCB-2001-D-0021 specifically incorporated Title 27 of the DCMR, as amended, as part of the contract.

ADMINISTRATIVE CONTRACT PERFORMANCE ISSUES

On May 28, 2002, the contractor notified the CO by letter that “[t]he novation documents have been completed which was a prerequisite for addressing modifications to the contract.” In addition, the CO reiterated that he was unable to deal with anyone except Lifecodes Corporation until the novation agreement was complete. The novation documents provided by the contractor were received by the CO on June 5, 2002, and were forwarded to the Office of the Corporation Counsel (OCC) for review. On September 18, 2002, the CO noted that the novation agreement was not complete. Subsequently, a novation agreement with an undated signature page was provided by OCP, showing the agreement to be effective retroactively to December 12, 2001. Nevertheless, although the proposed modifications (noted in the previous paragraph) to the contract were never implemented, Option Year One of the contract was executed using the Lifecodes Corporation name and was effective May 15, 2002.

Although the novation process was an unforeseen one-time occurrence, we determined that this contract performance issue was a systemic problem due to the numerous efforts by the CO and CSED to obtain novation documents. Our overall assessment was that the contractor took no corrective action to resolve this problem until faced with executing proposed modifications and a proposed contract extension that were in its interest. After apparently ignoring repeated and continuous notifications and inquiries made by the CO and CSED to resolve this issue, actions were taken by the contractor on June 5, 2002 (6 months after the acquisition completion on December 5, 2001), due to the proposed contract extension and modifications.

We concluded that CSED personnel exercised adequate oversight because they identified and notified the contractor of novation issues (including the necessity to complete the novation agreement before the proposed contract extension or modifications took place). This resulted in the contractor providing novation documents. Further, CSED, through the COTR, kept the CO informed of unresolved problems involving this issue. We also concluded that this issue required a contractual solution. Finally, we concluded that Contract No. POCB-2003-D-0006 did not have adequate and reasonable requirements for a novation process, as the contract did not contain any reference to DCMR, Title 27, Chapter 12.

We notified OCP of the omission of DCMR title 27, Chapter 12, from Contract No. POCB-2003-D-0006. OCP personnel stated that DCMR title 27 would be incorporated in total into Contract No. POCB-2003-D-0006 by a contract modification. This modification was completed and signed by the CO on May 7, 2003.

Qualifications of Contractor Specimen Collectors. Contract No. DCCB-2001-D-0021 required the contractor to provide a qualified Phlebotomist (specimen collector) for the collection of specimens. The contract further required the contractor provide CSED within 2 days after the contract award, and each 6 months thereafter, with current health certificates

EXHIBIT F

ADMINISTRATIVE CONTRACT PERFORMANCE ISSUES

for all staff that come into contact with the specimens in order to establish the absence of communicable disease.

In addition, the contract required certain background information for each specimen collector to be placed in files within 2 days after contract award. That information generally included a job description, application for employment, references, applicable licenses and certifications, documentation of training, records of required medical examinations, personnel actions, and notations of actions taken for any alleged misconduct and resulting termination of employment, if any. The contract also required the contractor to submit evidence to CSED that the specimen collectors did not have any prior criminal record of conviction for certain specified crimes.

CSED files showed that the contractor failed initially to provide any health certificates or background information for its specimen collectors as required by the contract. The COTR notified the CO on June 19, 2001, and again on December 11, 2001, that this problem continued to exist and that the contract requirements had not been met. On December 27, 2001, the CO issued a cure notice to the contractor informing the contractor, among other items, that it had not met the contract requirement to provide health certificates and background information.

Although the contractor responded to the cure letter with proposed corrective actions, the CO once again had to notify the contractor on February 20, 2002, that it had not provided the necessary health certificates or background information and that several of the deficiencies identified in the cure notice had not been adequately addressed. The contractor notified the CO on March 11, 2002, that the health certificate for the primary specimen collector had been completed; that the qualifications of the specimen collectors had been verified; and that the necessary information was placed in each employee's personnel file. The COTR responded to the contractor on March 15, 2002, refuting the corrective action taken by the contractor due to a "pending" status on the health certificate for the primary specimen collector, the lack of any health certificate for the backup specimen collector, and the lack of any background information on either specimen collector. The contractor responded on March 22, 2002, stating that the health certificate was marked "pending" only for the specimen collector's x-ray and that the contractor had also provided a tuberculosis test result for the backup specimen collector. The contractor also questioned the reason for the health certificates and asked how to provide private personal background information to CSED.

Although the contractor informed the CO that the qualifications of the specimen collectors had been verified and placed in each employee's personnel file, there was no evidence that CSED received this documentation. On August 9, 2002, the contractor stated that the three specimen collectors all had health certificates showing that they were free of tuberculosis, and that each had a criminal background check completed for the last 7 years.

ADMINISTRATIVE CONTRACT PERFORMANCE ISSUES

We determined that this contract performance issue was a systemic problem due to the extended failure of the contractor to provide health certificates and background information for its specimen collectors as required by the contract. Our overall assessment was that the contractor failed to respond adequately with corrective action to fulfill the requirements of the contract, despite numerous inquiries by CSED and OCP, until late into the contract period. Health certificates for the primary and the backup specimen collectors were not provided until nearly a year had passed, and the background information was never provided. Furthermore, it was found in June 2002, that two substitute backup specimen collectors were collecting specimens without the necessary health certificates being provided to CSED, although the contractor stated that the certificates were on file. However, no further occurrences of the problem were noted in CSED files after August 2002.

We concluded that CSED personnel exercised adequate oversight because they identified and notified the contractor of qualification issues and eventually ensured that the contractor took adequate corrective action to resolve those problems. Further, CSED, through the COTR, kept the CO informed of unresolved problems involving this issue. We also concluded that this issue required a contractual solution. Finally, we concluded that Contract No. POCB-2003-D-0006 did not have adequate and reasonable requirements for the health certificates and background information, as the contract did not contain any reference to those requirements.

We notified CSED personnel of the omission of health certificate and background information requirements from Contract No. POCB-2003-D-0006. However, based on information provided to us by CSED on April 23, 2003, District of Columbia laws or regulations did not require health tests or examinations, health certificates, and background information for specimen collectors. Therefore, we concluded that it was not necessary to include these requirements in Contract No. POCB-2003-D-0006.

Staffing the Sample Collection Site. Contract No. DCCB-2001-D-0021 stated, “[t]he contractor shall collect specimens Monday through Friday from 9:00 a.m. to 4:00 p.m., except District of Columbia holidays.” The contract also required the contractor to provide a qualified backup specimen collector within 1 hour if the primary specimen collector was not available to appear on a given day. CSED files showed numerous occurrences at the sample collection site in which specimen collectors did not report to work, reported late to work, or brought unauthorized dependents to the work site. It was also noted that back-up specimen collectors were not always available or did not always meet the qualifications requirements of the contract. When these incidents occurred, individuals waiting to have specimens collected were either delayed or had to return on another date to provide specimens.

On December 27, 2001, the CO issued a cure notice to the contractor informing the contractor, among other items, that “It is imperative that Lifecodes ensure that the phlebotomist or back-up phlebotomist collect the specimens as described in the contract.”

ADMINISTRATIVE CONTRACT PERFORMANCE ISSUES

The contractor responded to the cure notice in an undated letter to the CO that the primary specimen collector was scheduled to work the hours as defined in the contract. On February 20, 2002, the CO once again notified the contractor of its responsibility to have a specimen collector available at the sample collection site at the hours stated in the contract, determine whether the primary specimen collector was absent, and ensure that a backup specimen collector was on site if the primary was unavailable. The contractor responded on March 11, 2002, indicating that the work hours for the sample collection site “have been changed to 8:30 AM until 4:30 PM effectively immediately.” The contractor provided specific call-in procedures to its employees.

Despite the contractor’s response, the problem of specimen collectors failing to arrive in a timely manner or not at all at the sample collection site continued and new problems, such as children being brought to the sample collection site by the specimen collector(s), arose. Additional letters were sent to the contractor by the COTR on May 13 and June 25, 2002, and by the CO on July 16, 2002. These additional letters cited ongoing or new problems at that time and discussed resolving the problems as noted above. The contractor responded on August 9, 2002, indicating that the specimen collectors had been informed of a requirement to sign in and out each day and that unauthorized persons were not to be permitted at the sample collection site. No further occurrences of the problem were noted in CSED files after August 2002.

We determined that this contract performance issue was a systemic problem due to the failure to consistently staff the sample collection site at the hours specified by the contract. Our overall assessment was that the contractor failed to respond adequately with corrective actions to fulfill the requirements of the contract, despite numerous inquiries by CSED and OCP, until late into the contract period.

We concluded that CSED personnel exercised adequate oversight because they identified and notified the contractor of absences or late arrivals of specimen collectors at the sample collection site. Further, CSED, through the COTR, kept the CO informed of unresolved problems involving this issue. We also concluded that this issue required a contractual solution. Finally, we concluded that Contract No. POCB-2003-D-0006 contained adequate and reasonable requirements for the sample collection site.

Scheduling and Reporting for Specimen Collections. Contract No. DCCB-2001-D-0021 addressed contract deliverables for specimen collections at the sample collection sites located in the District of Columbia and outside the District of Columbia (UIFSA sites) as follows. “The contractor shall submit to the COTR all notarized genetic test reports, including interstate and international genetic tests, within fourteen (14) calendar days after collection of specimen by contractor.” Contract deliverables also required that “[b]y close of business each Friday, the contractor shall submit to the COTR a report containing a list of all

EXHIBIT F

ADMINISTRATIVE CONTRACT PERFORMANCE ISSUES

persons who appeared for testing and a list of all persons who failed to appear for testing for that particular week, including that Friday.”

Contract No. DCCB-2001-D-0021 also addressed contract requirements for specimen collections at UIFSA sample collection sites located in jurisdictions outside of the District of Columbia by requiring the contractor to “possess expertise and experience in dealing with two separate jurisdictions in order to coordinate all aspects of genetic testing for the determination of paternity in any interstate or international case . . .” and to “schedule all interstate and international cases with 24-48 hours of notification by the COTR.” In addition, the contract stated “[f]or this procurement our facility in East Lansing, Michigan will be used as the primary testing facility.”

The problems in this contract performance issue area involved four different but related functions that were either contract requirements or contract deliverables. Those functions involved the:

- timeliness in scheduling UIFSA cases for specimen collections,
- weekly status report showing individuals who appeared or who did not appear for scheduled specimen collections,
- collected specimens for UIFSA cases sent to contractor laboratories other than East Lansing, Michigan, and
- distances in scheduling UIFSA cases for specimen collections.

We noted in the discussion of each function listed above the number of incidents shown in CSED files that did not comply with contract terms. However, because we could not determine from the CSED files whether the noted incidents comprised a complete record of all occurrences within a particular function, more incidents may have occurred but were not specifically noted in the CSED files.

Timeliness in Scheduling UIFSA Cases for Specimen Collections. CSED files showed that on 22 occasions, the contractor took more than the 48 hours required by the contract to schedule UIFSA cases for specimen collections. Four cases were shown to have taken more than 79 days each to schedule. The CSED Case Coordinator believed that the contractor’s practice of seeking independent sample collectors that did not charge fees for the specimen collection might have delayed the scheduling of UIFSA cases. The lack of timeliness in scheduling UIFSA cases for specimen collections may have delayed the receipt of the tested sample results and may have caused the re-scheduling of court appearances due to the length of time to obtain the test results.

Weekly Status Report Showing Individuals Who Appeared or Who Did Not Appear for Scheduled Specimen Collections. CSED files showed that on 9 occasions, the weekly status report did not accurately or completely show individuals who appeared or

ADMINISTRATIVE CONTRACT PERFORMANCE ISSUES

failed to appear for scheduled specimen collections. In addition, CSED files showed that the contractor submitted the weekly status report late on 3 occasions and did not submit the report at all on 10 occasions. The inaccurate reports showed that individuals had not appeared for specimen collections although they had actually appeared. The incomplete reports indicated, by the absence of individual names, that the individuals had not appeared for specimen collections, although they had actually appeared. The late and missing reports hampered CSED from determining whether individuals had appeared for the scheduled specimen collections. CSED personnel did not believe that the contractor had a policy to verify whether a person had appeared for a scheduled collection. The inaccurate, incomplete, late, and missing weekly status reports resulted in additional time spent by CSED on unnecessary attempts to re-schedule individuals for specimen collections.

Collected Specimens for UIFSA Cases Sent to Contractor Laboratories Other than East Lansing. CSED files showed that on five occasions, specimens were collected at UIFSA locations that appeared to be independent (not associated with the contractor) sample collection sites. The independent sample collectors may have either not known to which contractor facility to send specimens for testing or sent the specimens to the contractor's Dayton, Ohio facility for testing rather than to the East Lansing facility. CSED personnel did not believe that the contractor had procedures in place to ensure that the collected specimens were sent to the primary testing facility. Forwarding collected specimens for UIFSA cases to laboratories other than the contractor's East Lansing facility may have delayed the receipt of the tested sample results and may have caused the re-scheduling of court appearances due to the length of time to obtain the test results.

Distances in Scheduling UIFSA Cases for Specimen Collections. See Exhibit B for a discussion of distances in scheduling UIFSA cases for specimen collection.

We determined that the contractor's overall scheduling and reporting of specimen collections was a systemic problem due to the numerous recurring instances of performance problems in the four functions of scheduling and reporting for specimen collections as discussed above. Our overall assessment was that the contractor failed to respond adequately with corrective actions to fulfill the requirements of the contract, despite numerous inquiries by the CO and CSED, including an OCP cure letter addressing contract deliverables. After several notices and meetings, the performance problems improved only temporarily. However, no further occurrences of problems for this issue were noted in CSED files after September 2002.

We concluded that CSED personnel exercised adequate oversight because they identified and notified the contractor of its performance problems and generally ensured that the contractor took adequate corrective actions to resolve those problems. Further, CSED, through the COTR, kept the CO informed of unresolved problems involving this issue. We also concluded that this issue required contractual solutions. Finally, we concluded that Contract No. POCB-2003-D-0006 contained adequate and reasonable requirements to address

EXHIBIT F

ADMINISTRATIVE CONTRACT PERFORMANCE ISSUES

timeliness in scheduling UIFSA cases for specimen collections, weekly status reports showing individuals who appeared or who did not appear for scheduled specimen collections, and the collection of specimens for UIFSA cases by independent sample collectors.

However, clauses requiring a limit on the distances traveled when scheduling UIFSA cases for specimen collections were not included in either Contract No. DCCB-2001-D-0021 or Contract No. PO CB-2003-D-0006. We discuss suggested limitations on distances traveled when scheduling UIFSA cases for specimen collection in Exhibit B.

EXHIBIT G

**SIGNIFICANT CONTRACT PERFORMANCE ISSUES AND
ALLEGATIONS OF FRAUD**

We examined Contract No. DCCB-2001-D-0021 issued by the Office of Contracting and Procurement (OCP) to Lifecodes Corporation to provide genetic testing services to the Child Support Enforcement Division (CSED) for the District of Columbia. As a result of an acquisition of Lifecodes Corporation by Orchid BioSciences, Inc. on December 5, 2001, Orchid BioSciences, Inc. assumed control of the contract. In this exhibit, we will refer to both corporations collectively as the contractor.

Contract Period. The contract base year was established as May 15, 2001, through May 14, 2002, and the first option year was exercised for May 15, 2002, through May 14, 2003. The contractor performed identity genomic testing for paternity to support the contract through its Orchid GeneScreen (current name) facility located in East Lansing, Michigan. The contract was terminated for convenience as of March 31, 2003, by mutual agreement of the contractor and OCP.

Contract Performance Issues. Contract performance issues arise when a contractor does not perform in accordance with the contract terms. Ten contract performance issues involving the contractor were identified during our review of CSED files documenting work performed under Contract No. DCCB-2001-D-0021. Of the 10 contract performance issues identified, we determined that 4 were significant. These four contract performance issues, of greater significance because of the actual or potential impact on the determination of parentage provided in genetic testing results, are:

- Chain of Custody for Collected Specimens –
Validation of Collected Specimen Packages
- Chain of Custody for Collected Specimens –
Forwarding Collected Specimens for Testing
- Chain of Custody for Collected Specimens –
Identification of Parties Providing Specimens
- Specimen Collections and Paternity Testing for Non-IV-D Cases

The three issues concerning the chain of custody for collected specimens are discussed below in detail. The issue concerning the specimen collections and paternity testing for non-IV-D cases was discussed as part of the finding, “Management of the Genetic Testing Program,” on page 8 of this audit report.

Chain of Custody for Collected Specimens. These three significant performance issues involved different aspects of the chain of custody for collected specimens and included: the validation of collected specimen packages; the process of forwarding the collected specimens to the laboratory for testing; and the proper identification of all parties that provided specimens to be tested. A clear chain of custody for the collected specimens forwarded to a laboratory for testing is a significant performance issue and necessary to

EXHIBIT G

**SIGNIFICANT CONTRACT PERFORMANCE ISSUES AND
ALLEGATIONS OF FRAUD**

ensure the accuracy of paternity test results. To that end, Contract No. DCCB-2001-D-0021 required the contractor to “maintain strict chain of custody procedures and have quality control procedures to ensure accurate identity of all specimens collected.”

Chain of Custody for Collected Specimens - Validation of Collected Specimen Packages. The specimen collector was to sign a “Sample Collector’s Statement” before a collected specimen was forwarded to a laboratory for testing. The statement was signed to validate that the collected specimens in the package represented the same individuals shown on the Client Authorization form. The “Sample Collector’s Statement” stated, “I have drawn, collected, packaged and sealed these sample(s) and have witnessed the above signatures(s) [on the “Client Authorization Form”] at” The “Sample Collector’s Statement” also required the specimen collector to attest to the following: “I affirm under penalties for perjury, that no tampering with the specimens occurred while the specimens were in my control.”

Validation of Collected Specimens Packages. CSED files showed incidents for which one specimen collector signed “Sample Collector’s Statements” for another specimen collector and for which packages not properly sealed, thus bringing into question the chain of custody for the specimens collected.

Signatures on the Sample Collector’s Statement. CSED files showed numerous occurrences for which the contractor’s Specimen Collector B signed the “Sample Collector’s Statement,” with the name of Specimen Collector A. Specimen Collector A was not present at the sample collection site when those occurrences took place. Our review determined that the “Sample Collector’s Statement” for 28 of 37 specimens collected for 12 different case numbers were signed in this manner on 5 different days during April and June 2002.

Condition of Collected Specimens Packages. In addition, on 1 occasion during April 2002, there were 3 specimens collected for 1 case number for which the inner and outer shipping bags were ripped open or were not properly sealed.

Corrective Actions Taken. CSED personnel pursued corrective actions by meeting with the contractor on July 30, 2002, and requesting explanations and corrections for the problems. As a result, the contractor stated in an August 9, 2002, letter that “[t]his letter represents that we have examined all specimens and cases handled by [Specimen Collector B] as per Orchid GeneScreen Standard Operating procedures, and it is our professional opinion that all work was or will be performed in acceptable form for said paternity case result reports.” The contractor also responded to the problem by submitting affidavits concerning the proper chain of custody.

EXHIBIT G

**SIGNIFICANT CONTRACT PERFORMANCE ISSUES AND
ALLEGATIONS OF FRAUD**

Specimen Collector B signed 12 affidavits (one for each case) on August 6, 2002, stating “In the absence of [Specimen Collector A], I signed his name on the phlebotomy certification portion of the Client Authorization Form and submitted this to the laboratory with the samples.” The contractor’s laboratory director also signed 12 affidavits (one for each case) on August 14, 2002, stating “I am aware that [Specimen Collector B] signed [Specimen Collector A’s] name in his absence on the phlebotomy certification portion of the Client Authorization form in the above stated case. I am satisfied with the chain of custody documentation, the laboratory procedures employed, and the results of the genetic testing.”

For the other incident involving specimens with the open or unsealed shipping bags, the contractor’s associate laboratory director signed an affidavit on August 2, 2002, indicating that “[r]eview of the case file and data shows no evidence of any specimen mishandling error.”

The contractor’s letter and affidavits satisfied CSED as to the resolution of those incidents.

Conclusion. We considered the two incidents concerning the validation of collected specimens packages to be, collectively, one-time occurrences. We concluded that the contractor responded adequately to resolve questions concerning the chain of custody for these incidents. However, no evidence was found in CSED files to show the contractor had taken any internal measures to prevent future occurrences of these problems. We concluded that CSED personnel exercised adequate oversight once the occurrences became known by requiring verification from the contractor that the chain of custody was intact for the cases involved. As the two incidents appeared to involve one-time occurrences of employee integrity, we believe it is not always possible to anticipate such incidents of this nature with specific contract provisions. Therefore, we concluded that provisions in Contract No. POCB-2003-D-0006, addressing chain of custody procedures for the validation of collected specimens packages, were reasonable requirements to provide controls for this issue.

Chain of Custody for Collected Specimens - Forwarding Collected Specimens for Testing. The specimen collector was to promptly forward collected specimens to the contractor’s testing laboratory so that the contractor could provide genetic test results to CSED within 14 days after the collection.

SIGNIFICANT CONTRACT PERFORMANCE ISSUES AND ALLEGATIONS OF FRAUD

Forwarding Collected Specimens for Testing. CSED files showed that Specimen Collector A delayed submitting at least 12 IV-D and 19 non-IV-D cases to the contractor's laboratory for testing, thus bringing into question the chain of custody for the specimens collected. Those 31 cases may have involved at least 38 IV-D and 46 non-IV-D specimens collected during May 2002 and required the recollection of the 84 specimens for testing.

Chronology of the Incident. On May 7, 2002, CSED personnel received a telephone call from a judge of the Superior Court regarding several cases that the judge had referred to the contractor for genetic testing. The judge was concerned because there were several cases for which the results of genetic tests had not been received in a timely manner by the Superior Court or had not been received at all. This telephone call was also discussed on page 8 of this audit report. CSED determined that the Superior Court had referred non-IV-D cases to the contractor through Specimen Collector A, and that he had been providing private parties (non-IV-D parties) with specimen collection and genetic testing.

On May 8, 2002, CSED was informed by contractor personnel that they were aware that Specimen Collector A "was holding the collected samples" and indicated that 11 cases may have been involved. On May 21, 2002, contractor personnel stated, "The reason for re-collection is due to incomplete chain of custody at the time of collection."

Corrective Actions Taken. CSED personnel initially pursued corrective actions by trying to determine the identification and number of IV-D and non-IV-D cases that had been delayed by Specimen Collector A. CSED requested explanations and corrections for the problems in a letter to the contractor on May 13, 2002. On May 14, 2002, the contractor informed CSED that Specimen Collector A was "no longer the technician at the laboratory." Additional correspondence was exchanged between CSED and the contractor during May 2002 concerning the number and identification of cases that required recollection and testing.

Further, in a July 16, 2002, letter from the contracting officer and in a meeting with contractor management personnel on July 30, 2002, the contractor was again asked for an explanation of the incident, for the identification and number of cases, and for the status of the cases recollected and tested.

In response, the contractor stated in a letter on August 9, 2002, that it had "examined all specimens and cases handled by [Specimen Collector A] ... and it is our professional opinion that all work was or will be performed in acceptable form for said paternity case result reports." The contractor also provided as an attachment to a letter dated August 14, 2002, a computer spreadsheet representing "the entire group of cases that were performed

EXHIBIT G

**SIGNIFICANT CONTRACT PERFORMANCE ISSUES AND
ALLEGATIONS OF FRAUD**

by [Specimen Collector A] . . . in which a recollection of specimens was performed or is scheduled to be performed.”

In an internal email on August 21, 2002, the COTR indicated stated “I have reviewed the material submitted [by Orchid] this morning, and to the best of my ability am satisfied that Orchid GeneScreen produced what we asked for”

Conclusion. We considered the incident concerning the forwarding of collected specimens for testing to be collectively a one-time occurrence. We concluded that the contractor responded adequately to resolve questions concerning the chain of custody for this incident. Evidence was found in CSED files to show that the contractor took actions to recollect and test specimens not forwarded by Specimen Collector A and that the contractor dismissed Specimen Collector A from the sample collection site.

However, the CSED files did not show the specific time periods covered for the specimens collected but not forwarded by Specimen Collector A. Further, although Specimen Collector A was dismissed, no evidence was found in CSED files to show that any internal measures were taken by the contractor to preclude future occurrences of this problem. We concluded that CSED personnel exercised adequate oversight once the occurrences became known by requiring recollection and testing of the questioned specimens to verify valid chains of custody for the cases involved. As the incident appeared to involve one-time occurrences of employee integrity, we believe it is not always possible to anticipate such incidents of this nature with specific contract provisions. Therefore, we concluded that provisions in Contract No. POCB-2003-D-0006, addressing chain of custody procedures for the forwarding of collected specimens for testing, provided reasonable controls for this issue.

Chain of Custody for Collected Specimens - Identification of Parties Providing Specimens. The proper identification of all parties (e.g., the mother, the putative father, and child(ren)) who provide specimens to be tested is required to ensure that the results of paternity tests are accurate.

Identification of Parties Providing Specimens. In one case, the identification of the parties providing specimens was questionable. CSED files showed a single occurrence in which the putative father was excluded as the biological father of a minor child as the result of a first genetic test but was included as the biological father of the minor child as the result of a second genetic test. However, the specific reasons that caused this incident to occur were not definitely determined. CSED personnel indicated that to their knowledge, the reversal of test results had not previously occurred.

EXHIBIT G

**SIGNIFICANT CONTRACT PERFORMANCE ISSUES AND
ALLEGATIONS OF FRAUD**

Chronology of the Case. The case was initiated during December 1999, when the mother filed a petition against the putative father to establish paternity and provide support. After a lengthy search, the putative father was eventually served with notice to report for paternity testing. Because the putative father denied paternity, he, the mother, and the minor child were directed to the District's sample collection site on May 14, 2002, to have specimens collected for genetic testing.

On May 23, 2002, the contractor issued a report indicating that all of the parties had appeared, had their specimens collected on May 14, 2002, at 11:20 a.m., and that the putative father could not be included as the biological father of the minor child. The report was signed and affirmed under penalty of perjury by Specimen Collector B, who was on duty at the time, that there was no tampering with the specimens. At a Superior Court hearing on July 9, 2002, the mother requested a second genetic test, and all of the parties had their samples collected at the same time that day.

On July 22, 2002, a report was issued by the contractor indicating that all of the parties had their specimens collected on July 9, 2002, at 11:10 a.m., and that the second test indicated a 99.99 percent probability of paternity. This second report was again signed and affirmed under penalty of perjury by the same Specimen Collector B that was on duty on May 14, 2002.

Conclusion. We considered the incident concerning the identification of parties providing specimens to be a one-time occurrence. We concluded that the contractor did not actually propose any specific actions to resolve questions concerning the chain of custody for this incident or take any actions other than dismiss Specimen Collector B from the sample collection site as of October 2, 2002. Further, although Specimen Collector B was dismissed, no evidence was found in CSED files to show that internal measures were taken by the contractor to preclude future occurrences of this problem. We concluded that CSED personnel exercised adequate oversight once the occurrence became known, although little direct action could be taken due to the nature of the incident. Indirect actions taken by CSED were to seek a refund for the mother for the second paternity test taken and to provide an internal reminder to CSED staff on the CSED policy regarding requests for re-tests.

We believe it is not always possible to anticipate such an incident of this nature with specific contract provisions. Therefore, we concluded that provisions in Contract No. POCB-2003-D-0006, addressing chain of custody procedures for the identification of parties providing specimens for testing, were reasonable requirements to provide controls for this issue.

EXHIBIT G

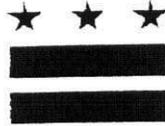
**SIGNIFICANT CONTRACT PERFORMANCE ISSUES AND
ALLEGATIONS OF FRAUD**

Allegations of Potential Fraud. There were several different allegations given by the mother, the contractor's employee, and CSED personnel as to the cause for this incident. In our opinion, some of the allegations represent indications of potential fraud. However, it is also our conclusion that the opinions expressed by the individuals involved were based on incomplete and unproven data and should be considered as speculative on the part of the individuals rendering those opinions. As such, the allegations would require further formal investigation to determine their validity. This audit will not pursue the indications of potential fraud so as not to interfere with any formal investigation that may result.

OCC/CSED personnel pursued corrective actions by preparing a "Request for Investigation of Orchid-GeneScreen" package dated October 23, 2002. This package was prepared by the Civil False Claims Unit, Civil Division, OCC, and provided notification of potential fraud to the Office of the Deputy Inspector General for Investigations, OIG. This audit was performed as a result of that request. We will refer the results of this audit to the Assistant Inspector General for Investigations, OIG, for any action he deems appropriate.

EXHIBIT H

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Corporation Counsel



Corporation Counsel

September 30, 2003

Charles C. Maddox, Esq.
Inspector General
Office of the Inspector General
717 14th Street, N.W.
Washington, D.C., 20005

Re: Draft Audit Report of the District of Columbia's Management of the Genetic Testing
(OIG No. 03-2-02CB)

Dear Mr. Maddox:

This letter is in response to your letter addressed to Mr. Robert J. Spagnoletti, Corporation Counsel, dated September 16, 2003, regarding the draft audit report summarizing the results of the Office of the Inspector General's ("OIG") audit of the District of Columbia's Management of Genetic Testing (OIG No. 03-2-02CB).

In that letter you asked that we provide you with our response. You specifically requested that we include actions taken or planned, target dates for completion of planned actions, and reasons for any disagreements with the findings or recommendations.

The draft audit determined that the Child Support Enforcement Division aggressively monitored the contractor's (Orchid BioSciences, Inc.) performance on a day-to-day basis and exercised effective oversight for the contractor's compliance with the requirements of Contract No. DCCB-2001-D-0021. We agree with this finding. The audit also recommended that the Office of the Corporation Counsel, Child Support Enforcement Division ("OCC/CSED"), take the following actions:

- Develop proposed joint procedures and organizationally unique procedures to govern the administrative and operational management of the District of Columbia's genetic testing program for IV-D and non-IVD cases.
- Coordinate with the Superior Court of the District of Columbia to reach agreement on those proposed procedures deemed mutually necessary for the administrative and operational management of the District of Columbia's genetic testing program for IV-D and non-IV-D cases.

- Appropriately modify the existing Memorandum of Understanding between the Office of the Corporation Counsel and the Superior Court of the District of Columbia, or prepare a separate memorandum of understanding between the Office of the

Corporation Counsel and the Superior Court of the District of Columbia to establish the agreed upon procedures.

- Promptly implement the agreed upon procedures in the completed memorandum of understanding, for administrative and operational management of the District of Columbia's genetic testing program applicable to the Child Support Enforcement Division IV-D cases, to ensure the programs' effective and efficient operation.

Below is our response to your recommendations.

As indicated in the draft audit, immediately upon recommendation by the OIG, the OCC/CSED modified its existing contract with Fairfax Identification Laboratories ((POCB-20030D-0006) to include a clear statement of work to establish operational management for non-IV-D cases. This modification now includes a clear statement of work for the portion of the contract regarding non-IV-D cases. Additionally, the modification designates a separate COTR from the Superior Court for the monitoring of the non-IV-D cases described in this modification (Modification M00002).

The OCC/CSED is still in the progress of working with the Superior Court of the District of Columbia to reach an agreement on procedures deemed mutually necessary for the administrative and operational management of the District of Columbia's genetic testing program for IV-D and non-IV-D. Additionally, it is the goal of the OCC/CSED that such agreed upon procedures will be incorporated into a revised Memorandum of Understanding between the OCC/CSED and the Superior Court of the District of Columbia. As you may know, I have just been appointed Director of the Office of the Corporation Counsel, Child Support Enforcement Division, effective September 22, 2003, and have yet to determine the Division's priorities. With this in mind, I cannot at this time give you target dates for the completion of the recommended planned actions.

In addition, the draft audit also included Exhibit B - Other Matter of Interest. This Other Matter of Interest stated that the OIG believes that CSED should consider including a clause restricting travel distances in any future genetic testing contracts. OCC/CSED is not contemplating considering modifying its current genetic testing contract to include such a provision.

Charles C. Maddox, Esq.
September 30, 2003
OIG No. 03-2-02CB
Page 3 of 3

I look forward to working with you. Please feel free to contact me at (202) 724-1548, should you have any questions.

Sincerely,

ROBERT J. SPAGNOLETTI
Corporation Counsel



BY: BENIDIA A. RICE, ESQ.
Director
Child Support Enforcement Division

BAR/tsc

cc: Mark D. Back, Special Counsel, Office of the Corporation Counsel, D.C.
The Honorable Rufus G. King, III, Chief Judge, Superior Court of the District of
Columbia