

Howard S. Weitzman
Comptroller

Elizabeth Botwin
Chief Deputy Comptroller

Aline Khatchadourian
Deputy Comptroller
for Audit & Special Projects



OFFICE OF THE COMPTROLLER

240 Old Country Road
Mineola, New York 11501
Tel: (516) 571-2386
Fax: (516) 571-5900

October 30, 2008

Mr. Michael Pitts
Vice President of Tax
Amedisys, Inc.
5959 S. Sherwood Forest Blvd.
Baton Rouge, LA 70816

Re: Limited Audit of Tender Loving Care Health Care Services, Inc. Compliance with the Nassau County Living Wage Law

Dear Mr. Pitts:

A limited compliance audit was performed of contract # CQSS07000163 between Tender Loving Care Health Care Services, Inc.¹ (“TLC”) and Nassau County. The objective of this audit was to determine whether TLC was in compliance with the Nassau County Living Wage Law (“the Law”) and the related Rules. The period of review was calendar year 2007, the term of the contract. To accomplish our objective, we reviewed TLC’s pertinent books and records and interviewed personnel.

Based on our limited audit, our findings and recommendations are as follows:

Audit Finding (1):

Compensated Days Off

TLC did not comply with the Law’s requirement for compensated days off for its covered employees. The Law requires that employers shall provide employees “no fewer than twelve paid days off per year for sick leave, vacation or personal necessity at the employee’s request. Full-time employees shall accrue such leave at a rate of one day per month of full-time employment. Part-time employees who work twenty or more hours per week shall accrue such leave in increments proportional to the rate of accrual for full-time employees.”²

¹ TLC was acquired by Amedisys, Inc. on March 26, 2008.

² “Nassau County Living Wage Law,” Nassau Co. Misc. Laws, Title 57, § 3 (2007). The Law and the related Rules can be found on the Comptroller’s website, at <http://www.nassaucountyny.gov/agencies/Comptroller/LivingWage/index.html>.

TLC did not provide the mandatory compensated days off for any of its covered employees. As a result, covered employees were deprived of paid time off to which they were entitled by the Law. In dollar amounts, a full-time employee who worked all year would have been eligible for 12 compensated days off and would have been underpaid by \$1,056; a part-time employee working the minimum twenty hours would have been underpaid by \$528.

Audit Recommendations:

For the 2007 calendar year, TLC should compute the number of compensated days off that covered employees are eligible for and make the days available to the employees. In instances where days off cannot be provided (i.e. employee has been terminated), cash compensation should be made at the mandated rate, which is \$11.00 per hour since TLC does not provide health benefits.

TLC should create a written policy regarding compensated days to conform with the Law. This policy should be distributed to all covered employees so that they are aware of their entitlements under the Law.

Audit Finding (2):

Health Benefits/Child Care Benefits

TLC did not provide the mandated health or child care benefits nor did it make any payments in lieu of offering health or child care benefits. The Law requires employers to “pay their employees no less than the living wage for each hour they perform County work and either provide them benefits or supplement their hourly wage rate by an amount no less than the benefits supplement rate”³; “‘Benefits’ means payment by an entity subject to the provisions of this law to its employees or on their behalf of an amount no less than one dollar and fifty cents per hour worked towards the provision of health benefits or child care benefits for employees and/or their dependents.”⁴ Therefore TLC should have paid its employees at least \$1.50 extra for each hour worked.

Audit Recommendation:

For the audit period, TLC should calculate the amount of benefit payments that are owed to each of its covered employees and pay them immediately. It should also distribute a written policy informing covered employees of their entitlement to these benefits.

Audit Finding (3):

Living Law Wage Rate

TLC did not comply with the Law in regard to the mandated living wage rate for some of its covered employees. From January 2, 2007 to July 31, 2008, the mandated hourly rate was \$9.50. TLC paid its live-in aides \$9.00 per hour for weekdays, an underpayment of \$0.50 per hour.

³ “Nassau County Living Wage Law,” at § 3(a).

⁴ “Nassau County Living Wage Law,” at § 2.

Audit Recommendations:

TLC should identify all of the wage payments made below the mandated rate of \$9.50 per hour, calculate the amount owed to each employee, and make the necessary payments. It should also distribute a written policy to covered employees informing them of their entitlement to the mandated wage rate.

Response from TLC:

We are in receipt your report summarizing the results of the audit to determine whether TLC is in compliance with the Nassau County Living Wage Law. We have reviewed your findings and agree with your determination.

We have provided you with a schedule calculating the discrepancy between the mandated rate and the rates previously in effect for each employee during the audit period. We have calculated that we owe the referenced employees an additional \$64,153.77 in order to be in full compliance with the Nassau County mandatory wage rate.

We will make full payment in lump sum before September 30, 2008. Once payment is made we will provide your office proof of payments. If you disagree with our calculation please contact me immediately to discuss.

Auditors Follow-up Response:

We concur with the corrective actions being taken by TLC. We have issued an engagement letter informing Amedisys Home Health Services that we will be commencing an audit of TLC's compliance under its 2008 contract and its calculation of the \$64,153.77 owed to employees under the 2007 contract.

In addition, we reiterate our recommendation that TLC distribute a written policy informing covered employees of their entitlements under the Law.

Sincerely,



Aline Khatchadourian
Deputy Comptroller for Audit and Special Projects