



OFFICE OF INSPECTOR GENERAL

U.S. Department of Energy

AUDIT REPORT

DOE-OIG-21-30

July 2021

**NATIONAL ENERGY TECHNOLOGY
LABORATORY'S CHILDCARE CENTERS**



Department of Energy
Washington, DC 20585

July 7, 2021

MEMORANDUM FOR THE DIRECTOR, NATIONAL ENERGY TECHNOLOGY
LABORATORY

A handwritten signature in black ink, appearing to read "Jack Rouch", is written over a horizontal line.

FROM: Jack Rouch
Deputy Assistant Inspector General
for Audits
Office of Inspector General

SUBJECT: INFORMATION: Audit Report on “National Energy Technology
Laboratory’s Childcare Centers”

RESULTS IN BRIEF

We reviewed childcare centers at two Department of Energy National Energy Technology Laboratory sites and were unable to verify that one of the childcare centers had complied with requirements for background investigations for its employees. Additionally, we found that neither site ensured that employees had completed state-mandated minimal hours of training as well as first aid training. Hiring personnel without completing full background checks may put children at risk. Further, employees who were not properly trained may lack awareness of important changes to childcare techniques or precautions. Given these risks, the National Energy Technology Laboratory took timely action to address these deficiencies during our audit.

BACKGROUND

The National Energy Technology Laboratory (NETL) entered into Memoranda of Agreement (MOA) with two nonprofit organizations, Bruceton Kids, Inc. (Bruceton Kids) and METC Kids, Inc. (METC Kids), to provide childcare centers at its sites in Pittsburgh, Pennsylvania, and Morgantown, West Virginia. NETL relies on both organizations to provide primary oversight and contract with independent providers to operate their sites’ childcare centers. In Pittsburgh, Bruceton Kids contracted with Bright Beginnings of South Park, LLC (Bright Beginnings) to provide childcare services to children from infancy through age 5, and before and after school care for school-aged children. In Morgantown, METC Kids contracted with Young Hearts, LLC (Young Hearts), a childcare development center that provides childcare services to children from infancy through pre-kindergarten.

Both childcare centers are expected to adhere to all applicable laws, regulations, codes, and licensing requirements, including the *Crime Control Act of 1990 (Crime Control Act)*. The

Crime Control Act requires every childcare facility operated by, or under contract with the Federal Government, ensure that all existing and newly hired employees undergo criminal background checks, which are based on a set of the employee's fingerprints obtained by a law enforcement officer and on other identifying information. Additionally, the contractors running the childcare centers must adhere to applicable state laws and regulations that provide additional requirements for vetting employees and ensuring that they are adequately trained. Specifically, Bright Beginnings must adhere to requirements of Pennsylvania Code 3270 *Child Day Care Centers* (PA Code 3270), and Young Hearts must adhere to requirements of the *West Virginia Department of Health and Human Resources Legislative Rules Family Child Care Facility Licensing Requirements* (West Virginia Licensing Requirements). Finally, both contractors must comply with additional requirements included in their contracts with their respective governing organizations.

We initiated this audit to determine whether the childcare centers at NETL sites were managed in accordance with the *Crime Control Act*, applicable state requirements, and the requirements set forth by the respective contracts.

RESULTS OF AUDIT

We were unable to verify that Young Hearts had complied with the background check requirements of the *Crime Control Act*, and applicable state and contract requirements. Specifically, during the time of our audit, Young Hearts provided no evidence that 12 of its 23 employees had background checks conducted based on fingerprints. Additionally, we were unable to determine whether Young Hearts had ensured that employee background records were in accordance with state requirements because it provided no evidence of completed Statements of Criminal Records, signed Child Abuse and Neglect Checks, or signed Verification of Sex Offender Registry Checks. Additionally, we determined that Bright Beginnings complied with Federal and state background check requirements.

Further, we found that neither site ensured that all employees met state-mandated minimal hours of training. Specifically, we found that only 1 of 23 employees at Young Hearts met the West Virginia state 12-hour training requirement for 2016 or 2017, and that none of the employees met the training requirement for 2018. We also found that 6 of 24 Bright Beginnings employees did not meet the Pennsylvania state requirement for 6 annual training hours in 1 or more years reviewed. In addition to not meeting minimum hours, many staff at both sites lacked first aid training. Specifically, 12 of 23 Young Hearts employees and 11 of 24 Bright Beginnings employees were missing evidence of first aid training or had lapses in first aid training.

Finally, we found that METC Kids did not adhere to the MOA with the Department of Energy by ensuring that Young Hearts achieved accreditation with the National Association for the Education of Young Children (NAEYC) within a reasonable amount of time after the contract was awarded.

Background Checks at Young Hearts

We were unable to verify that background checks had been completed for all Young Hearts employees in accordance with the *Crime Control Act* and West Virginia Licensing

Requirements. For example, we were only able to verify that 11 of 23 Young Hearts employees during the period of our audit had completed a background check based on fingerprints as required by the *Crime Control Act*. Young Hearts initially did not provide any documentation regarding background investigations of its employees, citing West Virginia confidentiality rules. After additional requests from the Office of Inspector General (OIG) for access to personnel files, site officials provided partial documentation for 11 employees. This documentation included a *Notification of Eligible Fitness Determination* from the West Virginia Department of Health and Human Resources or other communication from state officials, which enabled us to verify that background checks based on fingerprints were conducted on these 11 employees in accordance with the *Crime Control Act*. Young Hearts informed us that the remaining 12 employees, for which documentation was not provided, were no longer employed or documentation was unavailable. As such, we were unable to determine whether background checks were performed for these employees in compliance with the *Crime Control Act*. Of particular note, we determined that the business owner had not undergone a background check. NETL officials informed us that a background check was not required for the business owner. However, we found no evidence of an exemption for the business owner.

Additionally, without access to employee personnel records, we were unable to determine whether Young Hearts had ensured that employee background records were maintained in accordance with state requirements. Specifically, Young Hearts provided no evidence of completed Statements of Criminal Records, signed Child Abuse and Neglect Checks, or signed Verification of Sex Offender Registry Checks for any of its 23 employees. West Virginia Licensing Requirements state that each staff member shall sign a Statement of Criminal Record, consent to a check for records of child abuse, adult abuse, and neglect, and submit fingerprints for the purpose of obtaining a criminal record background check at least every 5 years. According to the West Virginia Department of Health and Human Resources, all West Virginia childcare centers are required to maintain personnel files that include a hard copy of the West Virginia CARES Determination Letter, the Protective Services Record Check, and Sex Offender Results. However, due to restrictions in accessing this information, we were unable to obtain or review copies of these documents. As a basis for its decision not to provide the documentation, Young Hearts cited West Virginia confidentiality rules that prevented it from sharing personal information on its employees. Our access to the records was additionally hampered by the fact that neither the MOA between NETL and METC Kids, nor the contract between METC Kids and Young Hearts, included a provision for ensuring the OIG had access to records at Young Hearts. Department Order 221.2A, *Cooperation with the Office of Inspector General*, provides guidance to Department employees and contractors on expectations for cooperating with the OIG. Had NETL ensured that the requirements of the Order flowed down to the contract between METC Kids and Young Hearts, we may have been better positioned to obtain the records necessary to complete our audit.

To its credit, NETL acted during our audit to address these deficiencies. Specifically, NETL revised the MOA in May 2019 to further clarify background check requirements, recordkeeping and access requirements, and the need to cooperate with all information and documentation requests.

Background Checks at Bright Beginnings

We found that Bright Beginnings complied with its background check requirements. We reviewed background checks at Bright Beginnings to confirm that fingerprinting, Criminal Record Checks, Child Abuse History Clearance or Child Abuse Registry Checks, personal references, and education checks were completed, reviewed, and/or verified in accordance with the *Crime Control Act* and PA Code 3270. We were able to confirm that all 24 employees had Criminal Record Checks, Child Abuse History Clearances/Child Abuse Registry Checks, personal references, and education checks. However, we were unable to confirm fingerprint checks for two employees. NETL Pittsburgh officials informed us that evidence of completed background checks with fingerprints could not be provided for these two employees because they left before the 90 days that it took them to receive the certified letters from the Pennsylvania Department of Human Services, which would have been provided to Bright Beginnings. While the certified letters indicating completion were unavailable, Bright Beginnings was able to provide evidence that these two employees submitted to background checks.

Training Deficiencies at Young Hearts

We found that Young Hearts had not ensured the completion of annual training hours and additional essential training courses required by West Virginia Licensing Requirements. Under West Virginia Licensing Requirements, each staff member must complete at least 12 hours of training annually. Additionally, each staff member must successfully complete cardiopulmonary resuscitation training or other certified first aid, including rescue breathing and first aid for choking, or have a plan to do so within the first 6 months of employment. We found that only 1 employee met the minimum 12 hours of training in 2016 and 2017, and none of the 23 employees met the minimum training requirement in 2018. Additionally, we found that 9 of 23 Young Hearts employees were missing evidence of required cardiopulmonary resuscitation, or first aid training, and 3 of 23 employees had lapses in required cardiopulmonary resuscitation, or first aid training. The training issues occurred because Young Hearts officials responsible for maintaining and managing the employee training records did not provide adequate oversight.

To its credit, during our audit, NETL revised the MOA in May 2019 to further clarify the need to meet all training requirements.

Training Deficiencies at Bright Beginnings

We found that Bright Beginnings had not ensured the completion of annual childcare training hours required by PA Code 3270 and additional essential training courses. Specifically, we found that 6 of 24 employees did not meet the 6-hour childcare training requirement, as specified in PA Code 3270, in 1 or more years reviewed. To its credit, we noted that all employees at Bright Beginnings had training on recognizing and reporting child abuse. Further, although not all employees are required by the state to complete first aid training, we found that 8 of 24 employees at Bright Beginnings were missing evidence of first aid training and that 3 of 24 employees had lapses in their first aid training. Per PA Code 3270, one or more staff at the

facility with children in care must have first aid training. A NETL Pittsburgh official informed us that while the state does not require that all staff be certified in first aid, the center considers it a best practice to exceed minimums.

The training issues occurred because Bright Beginnings officials responsible for maintaining and managing the employee training records did not provide adequate oversight. According to a NETL Pittsburgh official, the due dates of the annual training were not on a calendar year cycle. Instead, employees had 1 year from their date of employment to complete the required training. However, we were unable to find evidence to support this assertion. To its credit, during our audit, NETL revised the MOA in July 2019 to further clarify the need to meet all training requirements.

Lack of NAEYC Accreditation at Young Hearts

We found that Young Hearts had not achieved NAEYC accreditation as required by its contract with METC Kids and the MOA between METC Kids and the Department. The MOA states that Young Hearts should achieve NAEYC accreditation within a reasonable amount of time after a contract has been awarded. The contract between Young Hearts and METC Kids states that NETL, Young Hearts, and METC Kids acknowledged and agreed that the NAEYC standard is the appropriate national accreditation standard for the programs conducted at the center. However, officials at NETL Morgantown informed us that the site was not NAEYC-accredited.

The NETL Morgantown officials stated that the lack of NAEYC accreditation occurred because Young Hearts considered the benefit of NAEYC accreditation and determined that it did not bring value to the center given the cost to join. We noted that neither the contract nor the MOA had been modified to remove this requirement.

However, as a result of our audit, NETL revised the MOA in May 2019 to include quality of care and qualification requirements in lieu of NAEYC accreditation since it was determined that accreditation would result in inflated costs being transferred to customers of the daycare center.

Improved Operations of Childcare Centers

As a result of issues that we identified, it was discovered that individuals who were employed by Young Hearts provided care to children at childcare centers without evidence of completed background checks based on fingerprints. Hiring personnel without completing full background checks may put children at risk. Further, Bright Beginnings employees at NETL Pittsburgh and Young Hearts employees at NETL Morgantown who are not trained in accordance with policies and procedures may lack awareness of important changes to childcare techniques or precautions.

ACTIONS TAKEN BY NETL TO ADDRESS DEFICIENCIES

Prior to the completion of our audit, NETL management took actions to address the deficiencies that we identified at the two childcare centers. As previously discussed, management revised the METC Kids MOA in May 2019 to further clarify background checks requirements, recordkeeping and access requirements, the need to meet all training requirements, the need for accreditation, and the need to cooperate with all future information and documentation requests. Further, management revised the Bruceton Kids MOA in July 2019 to further clarify the need to

meet all training requirements. As part of these revised MOA, NETL continues to rely on Bruceton Kids and METC Kids to provide primary oversight of the childcare centers. Given the timely actions taken by NETL management, this report includes no recommendations.

Attachments

cc: Deputy Secretary
Chief of Staff
Acting Under Secretary for Science and Energy

OBJECTIVE, SCOPE, AND METHODOLOGY

OBJECTIVE

We conducted this audit to determine whether the childcare centers at National Energy Technology Laboratory sites were managed in accordance with the *Crime Control Act of 1990*, applicable state requirements, and the requirements set forth by the respective contracts.

SCOPE

The audit was conducted from August 2018 through October 2020 at the National Energy Technology Laboratory sites located in Pittsburgh, Pennsylvania, and Morgantown, West Virginia. Our scope included the management of Bright Beginnings of South Park, LLC and Young Hearts, LLC. The audit was conducted under Office of Inspector General project number A18GT027C. This report is one in a series that will be issued on childcare centers operated on behalf of the Department of Energy.

METHODOLOGY

To accomplish our audit objective, we:

- Researched appropriate laws, regulations, and policies, including the *Crime Control Act of 1990*, Pennsylvania Code 3270, and the *West Virginia Department of Health and Human Resources Legislative Rules Family Child Care Facility Licensing Requirements*.
- Identified and interviewed key personnel involved in the program.
- Reviewed the process of hiring childcare employees at Bright Beginnings of South Park, LLC and Young Hearts, LLC.
- Determined whether background checks were completed within the established timeframes and in accordance with applicable laws, regulations, and guidelines.
- Reviewed background checks at Bright Beginnings of South Park, LLC for fingerprinting, Criminal Record Check, Child Abuse History Clearance/Child Abuse Registry, personal references, and education.
- Reviewed documentation at Young Hearts, LLC for West Virginia Department of Health and Human Resources Notification of Eligible Fitness Determination, which included fingerprint checks. However, as discussed in the report, we experienced a scope limitation in not being able to obtain Statements of Criminal Records, signed Child Abuse and Neglect Checks, and signed Verification of Sex Offender Registry Checks.

- Identified staff training requirements and reviewed staff training records to determine whether staff obtained the minimum hour requirements, and whether training was received in the following areas: cardiopulmonary resuscitation and first aid for both sites and recognizing child abuse for the Pittsburgh site.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions. Accordingly, we assessed significant internal controls and compliance with laws and regulations to the extent necessary to satisfy the audit objective. Because our review was limited, it would not necessarily have disclosed all internal control deficiencies that may have existed at the time of our audit. We did not rely on computer-processed information to perform fieldwork, as it did not materially support the findings, conclusions, or recommendations. Therefore, a reliability assessment was not performed.

An exit conference was waived by officials at National Energy Technology Laboratory on May 17, 2021.

PRIOR REPORTS

- Audit Report on [*The Child Development Center at Argonne National Laboratory*](#) (DOE-OIG-20-38, April 2020). The audit found that although the Argonne Child Development Center had conducted background checks on all 23 of its employees, these background checks were not conducted in accordance with the *Crime Control Act of 1990* or UChicago Argonne, LLC's contract with Bright Horizons. Specifically, fingerprint checks, credit checks, and driving record checks had not been conducted on any of the 23 Argonne Child Development Center employees. Further, checks for potential child abuse and neglect were not conducted for 21 employees. The audit report made three recommendations to help improve the Argonne Child Development Center's operations. Management concurred with the report's recommendations and indicated that corrective actions have been taken to address the issues identified in the report.
- Audit Report on [*The Children's Center at Fermi National Accelerator Laboratory*](#) (DOE-OIG-20-35, March 2020). The audit found that Fermi National Accelerator Laboratory (Fermilab) had not managed its Children's Center in compliance with all applicable requirements. Specifically, background checks on Fermilab's Children's Center employees were not always completed in accordance with applicable laws, the contract, policies, and procedures. The audit also found that Fermilab had not ensured that all Children's Center employees met the minimum 20-hour training requirement. Additionally, some employees had not met the required cardiopulmonary resuscitation training, First Aid, Bloodborne Pathogens, and child abuse trainings. The audit report made five recommendations to help improve Fermilab's Children's Center operations. Management concurred with the report's recommendations and indicated that corrective actions have been taken to address the issues identified in the report.
- Audit Report on [*Compliance with the Memorandum of Agreement Between the U.S. Department of Energy and the Energy Child Development Centers, Inc.*](#) (OAS-M-14-04, April 2014). The Office of Inspector General contracted with an independent certified public accounting firm, Lopez and Company, LLP (Lopez), to determine if Energy Child Development Centers, Inc. (ECDC) met the reporting and performance requirements of its December 16, 2002, Memorandum of Agreement with the Department of Energy for the period of December 16, 2002, through December 31, 2011. Lopez concluded that ECDC did not meet the reporting and performance compliance requirements of the Memorandum of Agreement. Due to a lack of documentation maintained by ECDC, Lopez was unable to determine ECDC's compliance with 8 of 13 major-risk areas. For the remaining key processes, Lopez concluded that ECDC did not materially comply with reporting and performance requirements. As a result, the Department terminated the Memorandum of Agreement with ECDC.

FEEDBACK

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