



James L. Coughlan
22 Market Street
Poughkeepsie, NY 12601

June 15th, 2011

Dear Mr. Coughlan;

We have reviewed the audit report issued by your office on June 2nd, 2011 outlining your findings for the period of January 1st, 2010 through December 31, 2010. Your summary of findings has disallowed claims totaling \$6,022.98 for travel and lodging expenses. These expenses were incurred by BI for the purpose of temporary staffing which we provided to the Dutchess County CTC in order to sustain contracted staffing levels and therefore remain contract compliant.

The Dutchess County Probation Department who oversees the program has required commensurate staffing levels to insure the orderly operation of the facility and to maintain community and public safety. BI responded accordingly and provided staff from other programs that had personnel available to meet the CTC needs. This need arose after staff members had either been terminated for cause, or left due to downsizing to meet requirements of the new CTC contract. It is our opinion that this is the cost of operating the CTC and is therefore a reimbursable and allowable expense. We object to the subjective disqualification of these expenses and cite a lack of written policy on the part of the Comptroller's office which prohibited the expenses as reimbursable.

As we were instructed during our meeting with you on June 2nd, we have no ability to appeal this decision and have no choice but to reimburse the amount listed above. In doing so, BI is in no way admitting to the improper use of funds or violating any such policies due to the material fact and your acknowledgement on the 2nd that no policies exist which prohibit the expenses in question. We respectfully request the Controller's office compile a list of non reimbursable expenses and forward them to my attention so this does not occur again in the future.

Respectfully,

A handwritten signature in black ink, appearing to read "Matthew Wirtner", is written over a light blue horizontal line.

Matthew Wirtner, Eastern Regional Manager
BI Incorporated