

North Central Texas Council of Governments

August 19, 2026

Mr. Anthony Terlizzi
President, Direct Services Division
Career Team, LLC
2 Enterprise Drive, Suite 424
Shelton, Ct 06484

Dear Mr. Terlizzi:

The North Central Texas Council of Governments has completed a Support Services Review covering the period March 2026, for Fiscal Year 2026 under contract FY26-TWC-02 with Career Team, LLC for the management of Workforce programs for Workforce Solutions for North Central Texas. The specific fiscal compliance area reviewed included support services payments along with related policies and procedures in accordance with §16.9 Monitoring, Audits, and Evaluations of the contract.

The attached report describes the scope of work performed and the monitoring results of support services payments selected during the period of March 2026. Career Team management provided responses and supporting documentation as requested. Based on the items reviewed and discussions with management, reportable findings were identified, indicating a need for improvement in fiscal internal controls. This review is finalized upon issuance of this report.

We appreciate your cooperation in providing staff with the necessary information to complete the review. If you have any questions, please contact Fatima Parsons on 817-704-5671.

Sincerely,

Phedra Redifer
Executive Director of Workforce Development

cc: **Career Team, LLC**

Peggy Montalvo, Chief Financial Officer
David Shufrin, General Counsel & Chief Compliance Officer
Shellonda Rucker, Regional Director of Operations

North Central Texas Workforce Development Board

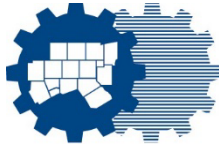
Christopher Bentle, Chairperson, Oversight and Accountability

North Central Texas Council of Governments

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North Central Texas Council of Governments

FY2026 Career Team Support Services Review Report
for
Career Team, LLC
Contract FY26 -TWC-02

Prepared by the
North Central Texas Council of Governments
Workforce Solutions for North Central Texas
August 19, 2026

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North Central Texas Council of Governments

Workforce Solutions for North Central Texas FY2026 Support Services Review Report Career Team, LLC - Contract FY26-TWC-02

Background

The North Central Texas Council of Governments (NCTCOG) contracts with Career Team, LLC, to operate and manage the Workforce Innovation and Opportunity Act, and Trade Adjustment Act programs and funding in all 14 counties for the North Central Texas Workforce Development Board in support of the Board's oversight responsibilities.

All funding received from the Texas Workforce Commission (TWC) for program management and operations must comply with the requirements outlined in TWC's Financial Manual for Grants and Contracts. In accordance with:

- §16.10 Monitoring, Audits, and Evaluations of contract FY26-TWC-02,
- Texas Administrative Code Title 40, Part 20, Chapter 802, Subchapter B §802.21 Board Contracting Guidelines, Subchapter D §802.64, and
- 2 CFR 200.332 (e).

NCTCOG conducted a Support Services Review to monitor the integrity of the Workforce System for the selected items. As part of its ongoing due diligence, NCTCOG is responsible for providing oversight of fiscal, operational, and program requirements.

Risk

NCTCOG conducted the review to assess risks related to the Board's oversight in the following areas:

- Compliance with requirements established by federal laws and regulations, of contracts or grant agreement provisions, and any additional requirements imposed by the pass-through entity.
- Efficient and effective use for authorized purposes, with safeguards in place to prevent waste, fraud, and abuse, and financial statements misstatements.
- Allowability, necessity, and reasonableness of expenses at the time they were incurred.

Objective

NCTCOG's monitoring and review process is focused on reviewing and testing strategic components of the processes to identify and present findings and issues for correction and improvement. As part of the review process, NCTCOG may perform a variety of procedures including the testing of internal controls and substantive testing of details as appropriate.

The primary objective of the review was to evaluate a sample of support services payments for occurrence, completeness, accuracy, authorization, classification, and rights and obligations. The selected payments were incurred in the normal course of business conducted on behalf of the NCTCOG and in accordance with Texas Grant Management Standards (TxGMS) Version 2, section on Standard Financial Management Conditions, and subsections Financial Management and Internal Control.

This review did not evaluate the implementation or operating effectiveness of internal controls in this review process nor was the primary intent of the review to evaluate operating effectiveness.

Additionally, the examination of documents was not intended to confirm, validate, or refute information obtained from other areas of the assessment. A broader review scope could have

identified additional items, which may or may not have been significant to the overall process or results.

Scope

We sampled 61 support services payments made during March 2026. Specific compliance areas reviewed included support services payments and associated program eligibility along with related policies and procedures as well as federal or state guidance.

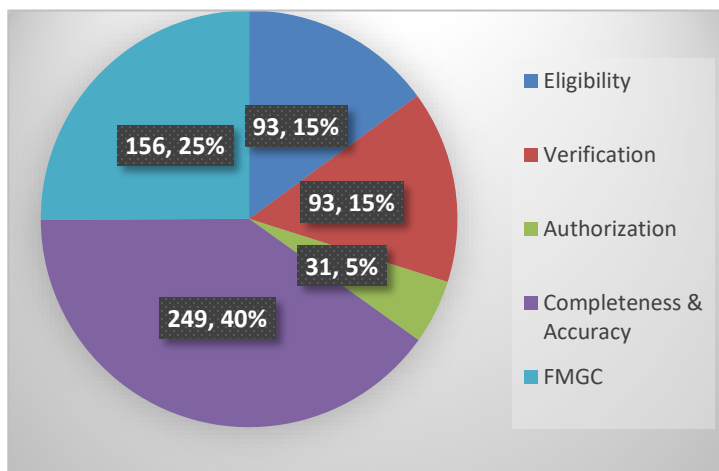
Methodology

NCTCOG's review of support service disbursements included:

- examination of payments, general ledger detail, proof of payment, and supporting documentation.
- verification that the transactions were accounted for in the general ledger individually and in aggregate, and
- verification of the accuracy, reasonableness, and allowability of the activity for the sample evaluated against the contract and other relevant standards using the general ledger reports, receipts, invoices, and other supporting documentation.
- review of participant eligibility, participation, and need, contemporaneous to the time the expense was incurred to ascertain the allowability of the payments. This review was conducted using information from WorkinTexas.com (WIT) and Laserfiche to ensure compliance with Federal, State, and programmatic regulations, rules, and policies.

Summary of Results

Below is the summary of elements reviewed for support services payments.



Eligibility – regulatory requirements in the areas of program eligibility and participation

Verification – transaction components, description, location, support services and transportation forms, approval date

Authorization – approval by supervisor

Completeness & Accuracy – testing for payments timeliness, invoice, SS and TR vouchers, correctness, funding code, & WIT ID.

FMGC Components - testing for

reasonableness, allocability, allowability, supporting documentation, and properly recorded in GL.

We tested 1,214 elements across a sample of 61 payments and identified three fiscal findings related to gas-card controls, payment timeliness, and missing vendor receipt.

Findings:

1. Although the Career Team maintains a daily gas card inventory log, the log does not identify the specific card numbers issued to participants. Therefore, we could not trace individual card issuances or reconcile distributed cards with the inventory remaining on hand.

Career Team Response: *No response received.*

Recommendation: We recommend that the Career Team strengthen controls over gas card inventory by recording each card number, issuance date, participant name and SID, card amount, and the issuing staff member in the inventory log; obtaining documented participant acknowledgment of receipt; and performing periodic reconciliations of cards issued to cards remaining on hand, with evidence of supervisory review.

2. According to NCTCOG CEW10-201611-01 WIOA Supportive Services, the Workforce Center Subrecipient must establish internal procedures to implement a payment process to provide funds to participants within (10) business day or less, upon receipt of an approved request. We noted that transportation requests were not processed within the required timeframe.

Career Team Response: *No response received.*

Recommendation: We recommend that the Career Team strengthen its procedures to ensure transportation assistance is provided within 10 business days of receiving an approved request. Management should implement a tracking mechanism that records the approval date, required payment date, and actual payment date; promptly follows up on pending requests; escalates items approaching the deadline; and documents supervisory review of timeliness and any delays.

3. Adequate supporting documentation was not provided for work-clothing purchases made on behalf of the two participants. Career Team provided the order number and stated that it is equivalent to the confirmation number. While the order number identifies the purchase, the confirmation number serves as evidence of the payment made for that order. The documentation provided included the order number but did not contain a payment confirmation code or other proof of payment. The payment was unsupported due to insufficient documentation.

Career Team Response: Per the QA Dept., the order number is equivalent to the confirmation number. No other backup documentation is available.

Recommendation: We recommend that the Career Team require and retain itemized vendor receipts for all work-clothing purchases. Supporting documentation should be reviewed for completeness and matched to the participant, approved request, and payment amount before the expenditure is approved, with any missing documentation promptly resolved and supervisory review documented.

For CI/ Quality Assurance Testing:

NCTCOG Continuous Improvement Quality Assurance (CI/QA) conducted a review of sixty-one files that included Choices, SNAP, NCP, WIOA Adult, Dislocated Worker, and Youth programs to determine program eligibility, participation eligibility requirements, and documentation were met. CI/QA testing identified no general eligibility issues; however, two of 180 applicable elements reflected ineligible support payments totaling \$341.96.

The issues identified were for the failure to meet participation requirements. In two instances, the subrecipient staff issued support for customers that were not eligible for the payment; one instance was for work related expenses, \$329.96, and the other was for a gas card in the amount of \$12. The subrecipient was notified of the overpayments and given deadlines to reimburse NCTCOG using non-federal funds.

Based upon review of the supporting documentation provided, the sample of 61 support services payments from the period March 2026, appears to have occurred, was complete, accurate, properly authorized and classified, and the resulting liabilities were obligations of Career Team.

Career Team management provided responses and supporting documentation as requested. The support services provided to the 61 participants were determined to be allowable based on review of documentation of participant eligibility, participation, and need.

Conclusion:

Based on the items reviewed and discussions with management, reportable findings were identified, indicating a need for improvement in fiscal internal controls. This review is finalized upon issuance of this report. NCTCOG appreciates the cooperation and assistance received by Career Team employees during the execution of the contract.

Appendix A

Acronyms

CI\QA	Continuous Improvement\Quality Assurance
GL	General Ledger
NCTCOG	North Central Texas Council of Governments
NCTWDB	North Central Texas Workforce Development Board
SS	Supportive Services Voucher
TR	Transportation Voucher
TWC	Texas Workforce Commission
WIT	Work in Texas Case Management System

SharePoint URL

[https://nctcog.sharepoint.com/sites/WD-CareerTeamProjects/Shared%20Documents/Forms/AllItems.aspx?Support Services > March 2026](https://nctcog.sharepoint.com/sites/WD-CareerTeamProjects/Shared%20Documents/Forms/AllItems.aspx?Support%20Services%20March%202026)