

Los Angeles Unified School District
Office of the Inspector General

Incurred Cost Audit
HeyTutor, Inc.
Contract No. 4400010491

CA 24-1449
May 20, 2025

Sue Stengel
Inspector General





**Los Angeles Unified School District
Office of the Inspector General**

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May 20, 2025

Mr. Matthew Friedman
Chief Procurement Officer
Procurement Services Division
Los Angeles Unified School District
333 S. Beaudry Avenue, 28th Floor
Los Angeles, CA 90017

RE: Audit of HeyTutor, Inc. – Contract No. 4400010491

Dear Mr. Friedman:

Enclosed is the final report on our audit of Contract No. 44400010491 awarded to HeyTutor, Inc.

Please contact our office if you have any questions.

Sincerely,

Mark H. Pearson

Digitally signed by Mark H. Pearson
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Mark H. Pearson, CPA, CFE, CIGA
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Sue Stengel, Esq., CIG
Inspector General

c: Jorge Ballardo, Cheri Thomas, Ivory King, Dana Greer, Lissette Pacheco, Dr. Frances Baez



Los Angeles Unified School District

Incurred Cost Audit of HeyTutor, Inc.
Contract No. 4400010491

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June 17, 2024

Los Angeles Unified School District
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At the request of the Los Angeles Unified School District (the District) Office of the Inspector General (OIG), Baker Tilly Advisory Group, LP (Baker Tilly) in conjunction with the OIG completed an internal audit of the incurred costs by the District of the HeyTutor, Inc. (HeyTutor) contract for tutoring services (Contract No. 4400010491).

The internal audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. The objectives of the internal audit were to determine whether (i) District staff complied with District policies and procedures in the execution of the Contract, (ii) the amounts billed for the 13 invoices paid as of October 2023 were allowable, reasonable, and adequately supported in accordance with the terms and conditions of the Contract, and (iii) HeyTutor performed or delivered the required services as stipulated in the Contract.

As of June 17, 2024, the OIG was unable to obtain all requested documentation from HeyTutor and the District, which limited the ability to assess compliance with certain terms of the Contract.

The audit resulted in seven recommendations to enhance controls and improve the processes for invoice review, compliance with District requirements, and monitoring and evaluation of Contract compliance. The findings and recommendations are detailed in the Audit Results section of the accompanying report.

The information in the accompanying report has been prepared pursuant to a client relationship exclusively with, and solely for the use and benefit of, LAUSD and is subject to the terms and conditions of our related contract. Baker Tilly disclaims any contractual or other responsibility to others based on its use and, accordingly, this information may not be relied upon by anyone other than LAUSD.

The Baker Tilly team appreciates the coordination, time, and responsiveness of the OIG, stakeholders, and personnel involved in the internal audit.

Sincerely,

Chris Jeffrey, Principal, on behalf of Baker Tilly Advisory Group, LP

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

EXECUTIVE SUMMARY

At the request of the Los Angeles Unified School District (District) Office of the Inspector General (OIG), Baker Tilly performed an incurred cost audit of the HeyTutor, Inc. (HeyTutor) Contract for tutoring services. The objectives of this audit were to determine whether (i) District staff complied with District policies and procedures in the execution of the Contract, (ii) the amounts billed for the 13 invoices paid as of October 2023 were allowable, reasonable, and adequately supported in accordance with the terms and conditions of the Contract, and (iii) HeyTutor performed or delivered the required services as stipulated in the Contract.

Baker Tilly requested documentation to support the procedures in executing the Contract to determine whether District staff complied with District policies and procedures. Additionally, Baker Tilly obtained the executed Contract, the 13 invoices paid to HeyTutor, which totaled \$12,599,017, as of October 2023, the underlying support from HeyTutor, and the related purchase orders (POs) from the District to determine whether District staff complied with key terms in the invoicing process as well as determine whether the amounts billed from HeyTutor were allowable, reasonable, and adequately supported in accordance with the terms and conditions of the Contract.¹ Lastly, Baker Tilly selected a random sample of 25 tutors to determine whether HeyTutor performed or delivered the required services per the terms of the Contract.

Audit Conclusions

- HeyTutor did not provide evidence of background checks and Tuberculosis (TB) screenings for 13 of 25 (52%) tutors selected for detailed testing.
- HeyTutor did not provide Fingerprint and Criminal Background Check Certification forms or a list of the Contractor's employees who may have contact with pupils to the District's Risk Finance and Insurance Services, as required.
- Neither the schools nor the Division of Instruction (DOI) ensured that HeyTutor submitted the Fingerprint and Criminal Background Check Certification forms, with the tutor's names, to Risk Finance and Insurance Services, which is required by District policy.
- District schools did not utilize the SAP² Shopping Cart System or written order forms to place orders for tutoring services during the 2022/2023 school year.
- Baker Tilly tested 13 invoices and determined:
 - Four of 13 invoices included tutors with "N/A," "TBD," or no school site identified. Billing attributable to these instances totaled 841.12 hours (\$37,850).
 - Two of the 13 invoices included a school that was not an LAUSD school (Benjamin Franklin Elementary School). HeyTutor billed the District a total of 114.89 hours (\$5,171).
 - Three of 13 invoices included services HeyTutor performed before the work

¹ Baker Tilly selected a sample of two invoices and observed HeyTutor re-generate the underlying data.

² SAP is the District's system application for financial transactions and is the financial system of record. SAP is an acronym for Systems, Applications & Products in Data Processing.

authorization's timestamp. Although HeyTutor was issued a purchase order before tutorial services were rendered, work authorizations specific to school sites were frequently sent to the District *after* services were performed at a particular school. After the District's Tutorial Services department noted issues with work orders and communicated these issues to HeyTutor, the District authorized payment in full for services done before creating a work order. The DOI confirmed during the audit that this practice will cease in School Year 2024-2025.

- 105 tutors attended training that exceeded the three-hour limit permitted by the contract. The additional training hours billed to the District totaled 437.51 (\$19,688).

As of June 17, 2024, the OIG could not obtain all requested documentation from HeyTutor and the District, which limited the ability to assess compliance with specific terms of the Contract.

Recommendations

Baker Tilly made seven recommendations to enhance controls and improve the processes for invoice review, compliance with District requirements, and monitoring and evaluation of Contract compliance, as follows:

Recommendation No. 1 - The District recently provided the schools with written guidelines for tutoring services ("Implementation of District-Funded Tutoring Services Reference Guide"); however, this was not in place during our audit period under review. We recommend that the District widely communicate and perform training on these guidelines to all schools involved in tutoring services to help ensure process consistency across tutoring service vendors/schools, enforce District compliance, and assist with understanding the District's requirements.

Recommendation No. 2 - The District should ensure that the appropriate approvals and documentation are completed before allowing a vendor to deliver and bill for services.

Recommendation No. 3 - The District should develop a formalized process to verify the accuracy of the services performed and the amounts being billed in compliance with the contract terms. A formalized process could include performing a detailed review of the underlying support to ensure the accuracy of tutoring service hours, delivery to appropriate schools, tutor training hours, etc., and investigating any questions or variances with HeyTutor.

Recommendation No. 4 - The District should work with HeyTutor to recover \$62,709 for unsupported costs invoiced.

Recommendation No. 5 - The District and HeyTutor should ensure the appropriate documentation (e.g., training, supervision, evaluation, background checks) is completed and maintained by HeyTutor.

Recommendation No. 6 - The Procurement Services Division (PSD) should educate and emphasize to all contracting entities who may come into contact with students that the company must submit the Fingerprint and Criminal Background Check Certification forms and provide a list of the names of the Contractor's employees who may have contact with pupils to the District Risk Finance and Insurance Services before the employee has contact with students. Ensure the contracting entity is aware that the list shall be updated for employee changes and shall list employees by appropriate school site, if applicable. Ensure that all LAUSD departments that sponsor contracts that may have contact with pupils, such as the DOI, Beyond the Bell,

and Facilities Services Division, are fully aware of these terms and conditions.

Recommendation No. 7 - As the sponsor of several tutorial services contracts, the DOI must increase monitoring activities of the Fingerprint and Criminal Background Check Certification forms for all contracting entities that may come into contact with students by assigning responsibility to one of its departments.

INTRODUCTION

At the OIG's request, Baker Tilly performed an incurred cost audit of the HeyTutor, Inc. (HeyTutor) Contract for tutoring services.

SCOPE AND OBJECTIVES

The objectives of the audit were to determine whether:

1. District staff complied with District policies and procedures in the execution of the contract.
2. The amounts billed for the 13 invoices paid as of October 2023 were allowable, reasonable, and adequately supported in accordance with the terms and conditions of the Contract.
3. HeyTutor performed or delivered the required services stipulated in the Contract.

The audit covered the period August 2022 – October 2023. We applied these objectives to the 13 invoices paid to HeyTutor, which totaled \$12,599,017 as of October 2023, and the District's processes and procedures.

Over the course of the audit period, there was a change in the way the District processed purchase orders and work orders:

- During the 2022-2023 school year, purchase orders were utilized.
- During the 2023-2024 school year, work orders were entered into a Google worksheet.

METHODOLOGY

To achieve the objectives of the audit, Baker Tilly performed the following:

- Met with the following District personnel:
 - o The PSD to understand the processes in place for contracting with HeyTutor.
 - o The DOI to understand the processes in place for providing tutoring services to District schools and reviewing invoices.
 - o The 95th Street Elementary School Principal to understand the school site processes around requesting and monitoring tutoring services.
- Met with the HeyTutor Chief Executive Officer, Controller, and Senior Director of Financial Planning and Analysis to understand the processes in place for tutor invoicing and oversight.
- Performed detailed testing for each objective:
 - o Objective 1
 - Obtained and reviewed documentation to determine whether the District followed the required bidding requirements based on the size of the Contract and whether

appropriate approvals were received prior to entering into the Contract.

- Obtained and reviewed evidence of the Board of Education approval for the vendor selection and Contract, as required for new professional service contracts exceeding \$250,000.
 - Obtained and reviewed the executed Contract to understand the agreed-upon requirements for any school/office interested in ordering services from HeyTutor.
 - Obtained and reviewed the purchase orders (POs) to determine whether the appropriate District procedures were followed prior to services being provided.
- Objective 2
- Obtained the 13 invoices from HeyTutor during the audit period and reviewed the underlying supporting documentation.
 - Observed HeyTutor regenerate the underlying data (timekeeping records) for two invoices.
 - Recalculated the mathematical accuracy of each of the 13 invoices.
 - Analyzed the invoices and underlying supporting documentation and data for the 13 invoices to determine compliance with key contract billing terms.
 - Determined whether the invoices included all required information per the terms of the Contract.
 - Determined whether the rates in each invoice agreed with the rate schedule (per Exhibit B of the Contract) for in-person tutoring during the current launch / cohort.
 - Determined whether the school sites noted in the underlying invoice support (timekeeping records) were schools within the District.
 - Determined whether the total invoices paid did not exceed the approved PO amounts (2022-2023 school year).
 - Obtained and reviewed the Google drive worksheet to determine whether any services were completed before the work authorization was executed (2023-2024 school year).
- Objective 3
- Selected a sample of 25 tutors and obtained documentation to determine whether the required procedures were performed (e.g., tutor hiring, screening, training, supervision, and evaluation of tutors).

Audit Limitation

As of June 17, 2024, we were unable to obtain the following requested documentation, which limited our ability to assess compliance with certain terms of the Contract:

- District approval of the invoices by a District Administrator or designee.
- Goods receipt to identify the acceptance of services by the District.
- Invoices submitted by HeyTutor via email and submitted to the invoices@lausd.net email.
- Completion of launch requirements by the schools before receiving services.

RESULTS OF AUDIT

Objective 1: Determine whether Los Angeles Unified School District (District) staff complied with District policies and procedures in executing the Contract.

We did not note any non-compliance findings with District policies; however, we noted the following District-related findings and observations with the terms and conditions of the Contract:

Contract term	Finding No. 1.1																		
<p>Contract Fee and Fee Tracking: 5.2 District Payment on Orders for Services shall be contingent upon approval of the corresponding invoice(s) by the appropriate District Administrator or designee. The District will process payment within 45 days after receipt of Contractor’s invoice(s) that meet the requirements of this section, so long as the District has on file a fully executed Contract for the invoiced services. The invoice date shall not be before the date goods and/or services have been accepted by the District.</p>	<p>We noted the following exceptions related to this contract section:</p> <ul style="list-style-type: none"> Five of 13 invoices were paid beyond 45 days: <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="background-color: #333; color: white;">Invoice Date</th> <th style="background-color: #333; color: white;">Invoice Number</th> <th style="background-color: #333; color: white;">Payment Date</th> </tr> </thead> <tbody> <tr> <td>7/31/2023</td> <td>9431EBDE-1166</td> <td>9/11/2023</td> </tr> <tr> <td>11/30/2022</td> <td>9431EBDE-0466</td> <td>1/27/2023</td> </tr> <tr> <td>2/28/2023</td> <td>9431EBDE-0651</td> <td>5/15/2023</td> </tr> <tr> <td>3/31/2023</td> <td>9431EBDE-0779</td> <td>5/22/2023</td> </tr> <tr> <td>4/30/2023</td> <td>9431EBDE-0983</td> <td>6/26/2023</td> </tr> </tbody> </table> <ul style="list-style-type: none"> This is based on a comparison of the invoice date and payment date, as we could not determine the date the District received invoices. <p>We were not able to obtain evidence to support the following requirements:</p> <ul style="list-style-type: none"> District approval of the invoices by the District Administrator or designee. Goods receipt to identify the acceptance of services by the District. 	Invoice Date	Invoice Number	Payment Date	7/31/2023	9431EBDE-1166	9/11/2023	11/30/2022	9431EBDE-0466	1/27/2023	2/28/2023	9431EBDE-0651	5/15/2023	3/31/2023	9431EBDE-0779	5/22/2023	4/30/2023	9431EBDE-0983	6/26/2023
Invoice Date	Invoice Number	Payment Date																	
7/31/2023	9431EBDE-1166	9/11/2023																	
11/30/2022	9431EBDE-0466	1/27/2023																	
2/28/2023	9431EBDE-0651	5/15/2023																	
3/31/2023	9431EBDE-0779	5/22/2023																	
4/30/2023	9431EBDE-0983	6/26/2023																	

Recommendation No. 1

The District recently provided the schools with written guidelines for tutoring services (“Implementation of District-Funded Tutoring Services Reference Guide”); however, this was not in place during our audit period under review. We recommend that the District widely communicate and train all schools involved in tutoring services on these guidelines to ensure process consistency across tutoring service vendors/schools, enforce District compliance, and assist with understanding the District’s requirements.

PSD and DOI’s Responses

The PSD and the DOI agreed with the OIG’s recommendation and outlined the following corrective actions:

- The PSD will include the procedures detailed in the District’s "Implementation of District-Funded Tutoring Services Reference Guide" in contracts to ensure consistency and compliance with District policies.

- The DOI has prepared a presentation and will continue to conduct orientation meetings with vendors and onboarding sessions with school sites to communicate guidelines and maintain consistency across all schools.

HeyTutor’s Response

HeyTutor provided the following response to Finding No. 1.1:

HeyTutor has expressed a desire for prompt payment from the District within the 45-day term. However, they stated that the District had not consistently adhered to the contracted payment term. As invoices approach their due dates or become overdue, HeyTutor pointed out that they must send automated reminders and call the District. HeyTutor intends to continue this practice in the upcoming semester.

Contract term	Finding No. 1.2
<p>27. ORDERS FOR SERVICES 27.2 Any school/office interested in purchasing under this Agreement shall use the District’s “SAP Shopping Cart System” to place Orders for Services, as described below. Contractor shall not provide any services under this Agreement without first receiving a written Order Form for Services (as provided herein) and the copy of purchase order. A copy of the Order form is attached hereto as EXHIBIT _E_ and made a part hereof for purposes of any purchases made pursuant to this Agreement.</p>	<p>We noted the following exceptions related to this contract section:</p> <ul style="list-style-type: none"> • District schools did not utilize the SAP Shopping Cart System or written order forms to place orders for tutoring services. However, the District provided HeyTutor with approved POs for services. • There were two invoices received prior to the PO date (e.g., services performed prior to the PO). • There were two POs that included a delivery date before the PO date (indicating services were delivered before the PO). Per discussions with the District, this was due to the delay in executing the contract (a limited notice to proceed was executed) while needing the tutoring services to start.

District policies and procedures	Observation No. 1
<p>PROCUREMENT MANUAL, 9th EDITION Issued on July 2022 Section F.2.a After the Fact and Unauthorized Commitments (DD-1) The District will not process invoices that do not have a valid contract with Purchase Order or Purchase Order (low-dollar professional service Purchase Orders) executed by authorized District personnel. Therefore, all vendors are required to have a valid contract or Purchase Order prior to providing services or delivering goods to a school or office within the District. If the vendor provides services or delivers goods in advance of a valid executed contract or Purchase Order, the vendor does so at its own risk and invoices received will not be processed for payment. Therefore, you must ensure that prior to receipt of services or goods delivered by a vendor, the appropriate procedures are followed to ensure payment to the vendor. Anyone who willfully and intentionally violates the procedures set forth in this Procurement Manual may be personally liable for the costs of services or goods incurred by the District.</p>	<p>We noted the following observation:</p> <ul style="list-style-type: none"> Although HeyTutor was issued a purchase order before tutorial services were rendered, during FY 2023-2024, work authorizations (work orders) specific to school sites were frequently sent to the District after services were performed at a particular school. Work orders include the following elements: Scope of services, period of performance, duties/deliverables, rates, school administrator, title; and contractor name, title, and date signed. There were three invoices in which services were performed by HeyTutor prior to the timestamp of a work order. After the District’s Tutorial Services department noted issues with work orders and communicated these issues to HeyTutor, the District authorized payment in full for services done prior to the creation of a work order. Tutorial Services confirmed during the audit that this practice will cease in School Year 2024-2025.

Recommendation No. 2

The District should ensure that the appropriate approvals and documentation are completed before allowing a vendor to deliver and bill for services.

PSD and DOI’s Responses

The PSD and the DOI agreed with the OIG’s recommendation and outlined the following corrective actions:

- The PSD will continue issuing purchase orders based on approved purchase requisitions.
- The DOI will ensure that each school submits a work order form to initiate services at the school site when submitting a blanket purchase requisition for schools to opt into. The DOI will also ensure compliance with the invoice procedures, including reviewing invoices before submitting them to Accounts Payable (AP).

HeyTutor’s Response

HeyTutor provided the following response to Finding No. 1.2:

HeyTutor stated that the District authorized them to begin services under an approved Limited Notice to Proceed agreement and purchase order. They also emphasized that they strive to provide tutoring services to schools as requested by the District.

Objective 2: Determine whether the amounts billed for the 13 invoices paid as of October 19, 2023, were allowable, reasonable, and adequately supported under the terms and conditions of the Contract.

We noted the following findings with the terms and conditions of the Contract:

Contract term	Finding No. 2.1
<p>5.2. Contract Fee and Fee Tracking: Invoices must (a) reference this Agreement number and the related purchase order number, (b) be signed and submitted by the Contractor via email in PDF format to invoices@lausd.net, (c) comply with the specifications outlined in Exhibit D, and (d) itemize services, service date(s), and payment rate(s) consistent with the terms of this Agreement.</p> <p>Appendix B: Verified rates utilized in the 13 invoices agree with the Appendix B Rate Schedule Hourly rate: \$45/hour Number of hours per week: 17.5 hours Program managers (9 total): \$40/hour</p> <p>Payment schedule for in-person tutoring will reflect the actual number of deployed tutors.</p>	<p>We noted the following exceptions related to this contract section:</p> <ul style="list-style-type: none"> • The October 2022 (#9431 EBDE-0466) and November 2022 (#9431 EBDE-0508) invoices and supporting details included 24 tutors that had a "TBD" school site listed, totaling 443.14 hours (\$19,941), and one tutor with no school name listed, totaling 7.26 hours (\$327). • The two December 2022 invoices (#9431 EBDE-0549 and #9431 EBDE-0550) and supporting details included 16 tutors who had "N/A", "TBD", or no school listed, totaling 390.72 hours (\$17,582). • The November and December 2022 invoices included one school in the invoice breakdown that was not a District school (Benjamin Franklin Elementary School), totaling 114.89 hours (\$5,171).
Contract term	Finding No. 2.2
<p>Tutor Training: Each tutor will receive three hours of training paid by the District at the tutor’s designated hourly rate of \$45/hour. Such training will be tailored to the District’s needs and specific requirements. If any additional training is required, this can be negotiated at the contracted hourly rate. HeyTutor will provide ongoing training to tutors at no cost to the District.</p>	<p>We noted the following exception related to this contract section:</p> <ul style="list-style-type: none"> • 105 tutors exceeded the three hours of training allowable per the Contract. The additional training hours billed to the District totaled 437.51 (\$19,688 in fees).
Contract term	Finding No. 2.3
<p>Contract Fee and Fee Tracking: 5.2 Invoices must (a) reference this Agreement number and the related purchase order number, (b) be signed and submitted by the Contractor via email in PDF format to invoices@lausd.net, (c) comply with the specifications outlined in Exhibit D, and (d) itemize services, service date(s), and payment rate(s) consistent with the terms of this Agreement. Contractor shall not generate invoice until services have been provided by the vendor. The invoice date shall not be before the date goods and/or services have been accepted by the District.</p>	<p>We noted the following exceptions related to this contract section:</p> <ul style="list-style-type: none"> • None of the invoices referenced the Contract number (44000010491). • Five invoices did not include itemized services or payment rate(s). • None of the invoices contained itemized training hours. <p>We were not able to obtain evidence to support the following requirement: Invoices were signed and submitted by HeyTutor via email and submitted to the invoices@lausd.net email.</p>

Recommendation No. 3

The District should develop a formal process to verify the accuracy of the services and the amounts being billed in compliance with the contract terms. This process could include a detailed review of the underlying support to ensure the accuracy of tutoring service hours, delivery to appropriate schools, tutor training hours, etc., and investigating any questions or variances with HeyTutor.

PSD and DOI's Responses

The PSD and the DOI agreed with the OIG's recommendation and outlined the following corrective actions:

- The PSD will ensure that the vendor's quotes for services are attached when processing purchase requisitions.
- The DOI will (a) ensure that the vendor's quote is consistent with the pricing outlined in the Contract, (b) follow up with the vendor if the documentation has errors or needs clarification, and (c) ensure that invoices are reviewed within 48 hours of receipt (business days) and either accept or return the invoice to the vendor to address errors before forwarding to AP for processing and payment.

OIG's Response to PSD and DOI

The DOI should establish clear, standardized procedures for reviewing and approving invoices to enhance accountability and prevent overbilling or unauthorized costs. These procedures should include the following steps:

1. **Documentation Verification:** Review logs and records detailing tutoring session dates, times, durations, and descriptions of services provided.
2. **Time Validation:** Cross-check the billed tutoring hours with HeyTutor's time-tracking records, such as timesheets and session logs.
3. **Authorized Hours Comparison:** Ensure that the hours billed align with the authorized hours specified in approved work orders and purchase orders.
4. **Service Confirmation:** Verify that the tutoring services were received and utilized by the intended schools or end users.
5. **Proper Approval Routing:** Confirm that all invoices were reviewed and approved through the designated approval chain before payment is issued.

By implementing these measures, DOI can minimize the risk of overbilling and maintain financial transparency.

HeyTutor's Response

HeyTutor provided the following response to Finding No. 2.3:

- HeyTutor acknowledged that they inadvertently omitted the invoice's contract number but emphasized that each invoice correctly referenced the corresponding purchase order number.
- HeyTutor disputed the claim that they failed to itemize services or rates on five invoices. For the invoices that did not list the name of the school sites, HeyTutor countered that the Contract does not require this level of specificity. However, starting in January 2023, HeyTutor voluntarily began including the details of individual school sites on the invoices.

- HeyTutor disputed the claim that the invoices failed to contain itemized training hours and stated that all training hours are separately identified on the invoices.
- HeyTutor explained that the Division of Instruction specifically directed HeyTutor to send invoices to Carlen Powel for the 2022-2023 School Year and to Tutoring Services for the 2023-2024 School Year.

HeyTutor provided the following response to Recommendation No. 3:

HeyTutor stated that, according to their understanding, the school sites verified whether services were rendered before the District issued payments to HeyTutor.

Recommendation No. 4

The District should work with HeyTutor to recover \$62,709 in questioned costs under Findings Nos. 2.1 and 2.2, and summarized in the following table:

Summary of Questioned Costs (Finding No. 2.1 and No. 2.2)	Amount
a. The October 2022 (#9431 EBDE-0466) and November 2022 (#9431 EBDE-0508) invoices and supporting details included 24 tutors that had a "TBD" school site listed, totaling 443.14 hours (\$19,941) and one tutor with no school name listed, totaling 7.26 hours (\$327).	\$19,941 \$327
b. The two December 2022 invoices(#9431 EBDE-0549 and #9431 EBDE-0550) and supporting details included 21 tutors who had "N/A", "TBD", or no school listed, totaling 390.72 hours (\$17,582).	\$17,582
c. The November and December 2022 invoices included one school in the invoice breakdown that was not a District school (Benjamin Franklin Elementary School), totaling 114.89 hours (\$5,171).	\$5,171
d. 105 tutors exceeded the three hours of training allowable per the Contract. The additional training hours billed to the District totaled 437.51 (\$19,688 in fees).	\$19,688
Total	\$62,709

PSD and DOI’s Responses

The DOI indicated they would review the work orders and invoices to confirm overpayments. The PSD clarified that they were not involved in processing work orders or invoices.

OIG’s Response to PSD and DOI

It is important to emphasize that simply reviewing work orders and invoices is not sufficient to detect overpayments. According to Exhibit D of the Contract (Contractor Invoice Requirements), the contractor must provide supporting documentation, where applicable, when submitting invoices. If HeyTutor cannot produce documentation to verify the billed services on invoices that are missing school names or are marked as "TBD" or "N/A," the DOI should seek a refund for the overbilled amount. Furthermore, DOI should ensure that HeyTutor reimburses the District for any overpayments related to services provided to non-district schools or for unallowable training costs exceeding the authorized hours.

Although the PSD was not directly involved in processing work orders or invoices for the questioned costs, it retains responsibility for recovering any identified overpayments. Regardless of PSD's limited role in the initial processing, it is the designated unit responsible for overseeing the Contract, including initiating recovery actions in cases of overpayment under this agreement.

HeyTutor's Response

HeyTutor provided the following responses to Finding Nos. 2.1 and 2.2 :

- HeyTutor reiterated that the Contract with the District does not require or request that HeyTutor's invoices detail tutoring services by school site. Nevertheless, HeyTutor voluntarily adopted this practice in January 2023.
- HeyTutor explained that the specific tutor shown as assigned to Benjamin Franklin Elementary School (a non-district school) was due to an inadvertent error and should be disregarded. HeyTutor clarified that this tutor has always been assigned and clocked her time to Normandie Elementary School, a District school; the correct site is Normandie Elementary School.
- HeyTutor stated they have underbilled the District at least \$72,000 for tutoring services as presented in a schedule they provided with their responses (see Attachment II). Therefore, HeyTutor suggested a true-up in which HeyTutor's under-billed tutoring services are netted against the claimed over-billed training costs.

OIG's Response to HeyTutor

Section 8 of the Contract requires HeyTutor to maintain comprehensive documentation that accurately reflects all claimed expenses. This provision grants the District the right to examine and audit these records. If HeyTutor opts to omit school site names from invoices submitted for payment, it must be prepared to provide sufficient evidence to validate the services delivered at those unspecified schools or sites labeled as "N/A" or "TBD," especially if requested by the District during an audit.

If the invoices in question contain errors, HeyTutor should submit additional documentation to verify the tutoring services rendered and billed. Specifically, for invoices mistakenly referencing Benjamin Franklin Elementary School, HeyTutor must provide relevant supporting details, including:

- **Time Sheets:** Documenting the dates and hours of tutoring sessions.
- **Session Descriptions:** Indicating the types of sessions conducted.
- **Student Information:** Listing the names of students served.
- **Other Supporting Evidence:** Any additional documentation substantiating the services provided at Normandie Elementary School, as reflected in the November and December 2022 invoices.

Furthermore, HeyTutor should supply the DOI with detailed documentation supporting any claimed under-billed amounts, beyond the provided schedule indicating an under-billing of \$72,000. The DOI must carefully review and validate this information to determine the legitimacy of these claims and work with HeyTutor to resolve any identified instances of overbilling or underbilling. It is important to note that if underbilling is confirmed, there is a possibility of additional overbilling beyond the costs questioned in this audit. Ultimately, as the service provider, HeyTutor is responsible for ensuring that all financial records, invoices, and related documentation accurately and adequately support the amounts invoiced and reflect the tutoring services delivered to the District.

The following observations were noted from our testing of HeyTutor’s compliance with the terms and conditions of the Contract:

Contract term	Observation No. 2																				
<p>5.2. Contract Fee and Fee Tracking: Invoices must (a) reference this Agreement number and the related purchase order number, (b) be signed and submitted by the Contractor via email in PDF format to invoices@lausd.net, (c) comply with the specifications outlined in Exhibit D, and (d) itemize services, service date(s), and payment rate(s) consistent with the terms of this Agreement.</p> <p>Appendix B:</p> <p>Verified rates utilized in the 13 invoices agree with the Appendix B Rate Schedule</p> <ul style="list-style-type: none"> • Hourly rate: \$45/hour • Number of hours per week: 17.5 hours • Program managers (9 total): \$40/hour <p>Payment schedule for in-person tutoring will reflect the actual number of deployed tutors.</p>	<p>We noted the following observations related to this contract section:</p> <ul style="list-style-type: none"> o During the regeneration of underlying invoice data for two invoices, the hours downloaded from HeyTutor’s timekeeping system (Deputy) did not match the hours noted in the invoice, as follows: <table border="1" data-bbox="841 520 1474 1041"> <thead> <tr> <th>Invoice Details</th> <th>Invoice Hours</th> <th>Deputy Hours</th> <th>Variance</th> </tr> </thead> <tbody> <tr> <td>May 2023</td> <td>50,911.74</td> <td>51,176.11</td> <td>(264.37) Hours</td> </tr> <tr> <td>9431 EBDE-1055</td> <td></td> <td></td> <td>(\$11,897)</td> </tr> <tr> <td>July 2023</td> <td>38,271.76</td> <td>38,276.82</td> <td>(5.06) Hours</td> </tr> <tr> <td>9431 EBDE-1166</td> <td></td> <td></td> <td>(\$228)</td> </tr> </tbody> </table> <p>Per discussions with HeyTutor, the variances were due to:</p> <ul style="list-style-type: none"> – The tutor completed HeyTutor specific training that was not billed to the district – Timesheet adjustments after the invoice was finalized. – Mispunch / inaccurate time recording / clocking adjustment. 	Invoice Details	Invoice Hours	Deputy Hours	Variance	May 2023	50,911.74	51,176.11	(264.37) Hours	9431 EBDE-1055			(\$11,897)	July 2023	38,271.76	38,276.82	(5.06) Hours	9431 EBDE-1166			(\$228)
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9431 EBDE-1166			(\$228)																		
Contract term	Observation No. 3																				
<p>27. ORDERS FOR SERVICES</p> <p>27.2 Any school/office interested in purchasing under this Agreement shall use the District’s “SAP Shopping Cart System” to place Orders for Services, as described below. Contractor shall not provide any services under this Agreement without first receiving a written Order Form for Services (as provided herein) and the copy of purchase order. A copy of the Order form is attached hereto as EXHIBIT E and made a part hereof for purposes of any purchases made pursuant to this Agreement.</p>	<p>We noted the following exception related to this contract section:</p> <ul style="list-style-type: none"> • There were three invoices in which services were performed by HeyTutor prior to the timestamp of a work authorization. Baker Tilly noted that 1,714.12 hours (\$77,135 in fees) of services were performed prior to the timestamp of a work authorization. 																				

HeyTutor's Response

HeyTutor provided the following responses to Observation Nos. 2 and 3:

HeyTutor stated that, in each instance cited under Observation No. 2, HeyTutor billed the District the lower amount.

HeyTutor disputed the exceptions noted under Observation No. 3, stating that they prioritize open communication with the school sites and the District before initiating services. HeyTutor disagreed with the claim that services began without a work order in three instances, asserting that only one such occurrence occurred, in Spring 2024, at the request of a school site seeking immediate tutoring services as soon as possible. During this period, HeyTutor maintained ongoing communication with the District's Tutoring Services team regarding the services provided at 122nd Street Elementary School. HeyTutor emphasized that they do not have any records that reflect instances in which the tutoring services pre-dated the work order timestamp.

HeyTutor pointed out that the District has been inconsistent in enforcing the requirement for work orders to be in place before services commence. HeyTutor added that they always ensure regular and open communication with the District and the school sites before services commence.

Objective 3: Determine whether HeyTutor performed or delivered the required services as stipulated in the Contract.

Based on discussions with the District and school site personnel, HeyTutor performed and delivered the required services (holistically, “In-Person Tutoring Program”) as stipulated in the Contract. In addition, we noted the following HeyTutor exceptions with the terms and conditions of the Contract:

Contract term	Finding No. 3.1
<p>29. CONTRACTOR CERTIFICATIONS AND RESPONSIBILITIES</p> <p>29.5 Contractor certifies that all personnel providing Services to students are adequately screened so as to prevent the assignment of personnel who may pose a threat to the safety and welfare of students.</p> <p>29.6 Contractor certifies it shall comply with Education Code section 49406 with respect to tuberculosis testing for its personnel who will have frequent or prolonged contact with District pupils or other Contractor staff as the District may identify.</p> <p>23. FINGERPRINTING.</p> <p>23.3. Using the District’s fingerprinting certification form, certify in writing that neither Contractor nor any of Contractor’s employees, who may enter a school site during the time that pupils are present, have been convicted of a felony as defined in the California Education Code section 45122.1 and provide such certification to the District Risk Finance and Insurance Services.³</p>	<p>We noted the following exceptions related to this contract section:</p> <ul style="list-style-type: none"> • For 13 of the 25 (52%) tutors selected for detailed testing, HeyTutor was unable to provide evidence of background checks and that tuberculosis screenings were performed. According to HeyTutor, this condition was due to their transition to a new Human Resource Information System (HRIS) system on January 1, 2023. It is noted that resumes and offer letters were provided to the audit team for all 25 tutors in the sample. • HeyTutor did not provide evidence of the fingerprinting certification form, which was required to be submitted to the District’s Risk Finance and Insurance Services. HeyTutor, stated that they did not recall if the certification for all the tutors assigned to LAUSD was submitted to the District. • Although HeyTutor was contractually required to submit the fingerprinting certification form to the District, it is noted that neither the school nor the sponsoring office requesting the contract,

³ District bulletin BUL-3872.0, “Fingerprinting and Criminal Background Compliance for Contractors,” dated August 7, 2007, Page 1 states: “All LAUSD contracts where the contracting entity may come into contact with students shall require that the contracting entity’s employees submit or have submitted their fingerprints in a manner authorized by the DOJ. The School/Office requesting the contract (“Sponsor”) shall ensure that the contracting entity (“Contractor”) certifies in the Fingerprint and Criminal Background Check Certification form (“Certification”) (**Attachment A**) that any employees who may come into contact with students have not been convicted of a serious or violent felony as defined in Education Code 45122.1, unless the employee has received a certificate of rehabilitation and a pardon. The Certification shall be submitted to ORMIS.” In addition, the Education Code, Section 45125.1(b)(3) states: “If a pupil participates in services by a contractor as part of an independent study program and the pupil is under the immediate supervision and control of the pupil’s parent or guardian during the provision of those services, the local educational agency shall do either of the following: (A) Verify completion of a valid criminal records summary for all employees of the contractor who interact with the pupil. (B) Ensure that the parent or guardian of the pupil has signed a consent form before the pupil’s interaction with a person employed by the contractor, attesting that the parent or guardian understands that the person employed by the contractor has not completed a valid criminal records summary as described in Section 44237.”

Contract term	Finding No. 3.1 (Continued)
<p>23.4. Provide a list of the names of Contractor’s employees who may have contact with pupils to the District Risk Finance and Insurance Services. This list shall be updated for employee changes and shall list employees by appropriate school site.</p> <p>24. TUBERCULOSIS CLEARANCE. Contractor will prohibit any agent or employee of Contractor from entering a District school site until Contractor has submitted to a tuberculosis risk assessment. If tuberculosis testing is warranted, Contractor agent or employee shall not enter a school site until Contractor has received, for that agent or employee, the “certificate” described in California Education Code §49406(d), showing the agent or employee to be free from infectious tuberculosis and dated within the sixty (60) days prior to the agent’s or employee’s first entry onto a District school site and will require an updated “certificate” every four years thereafter while that employee is continuously employed by Contractor or that agent is continuously retained by, or otherwise represents, Contractor.</p>	<p>the DOI, did not ensure that the Contractor submitted the fingerprinting certification form with tutor’s names to Risk Finance and Insurance Services, as required by BUL- 3872.0.</p> <ul style="list-style-type: none"> It is noted that Contract No. 4400010491 executed between HeyTutor and the District included the following exhibits: (1) Statement of Work, (2) Rate Schedule, (3) Contractor Code of Conduct, (4) Contractor Invoice Requirements, and (5) Order for Services work order template. It is noted that the Fingerprint and Criminal Background Check Certification form was not included in the 56-page executed Contract.
Contract term	Finding No. 3.2
<p>29. CONTRACTOR CERTIFICATIONS AND RESPONSIBILITIES</p> <p>29.2 Contractor shall be solely responsible for its staff providing Services under this Agreement. Contractor certifies that staff and/or trainees providing the Services hereunder are adequately trained and prepared according to prevailing professional standards for providing such Services and that personnel providing Services are appropriately licensed and/or otherwise legally qualified. Contractor certifies that it shall provide adequate supervision of the staff and/or trainees. District is responsible for ensuring that a designated supervisor is present at each participating school site.</p> <p>Exhibit A Statement of Work Additionally, all vendors must provide regular training, supervision, and evaluation of their tutors.</p>	<p>We noted the following exceptions related to this contract section:</p> <ul style="list-style-type: none"> HeyTutor does not maintain or retain formal documentation to evidence that evaluations of tutors are performed.

Recommendation No. 5

The District and HeyTutor should ensure that HeyTutor completes and maintains the appropriate documentation (e.g., training, supervision, evaluation, and background checks).

PSD and DOI's Responses

The PSD and the DOI agreed with the OIG's recommendation and outlined the following corrective actions:

- The PSD will ensure the Fingerprinting and Tuberculosis Certification forms are included in the Contract and that vendors are aware that they must submit the certification forms to the school site administrator before the vendor's employees have contact with students. The PSD will also ensure the vendor is aware that the list of employees who may have contact with pupils is updated to reflect employee changes and that sponsoring departments are fully aware of these terms and conditions.
- The DOI will ensure that vendors who interact with students submit the Fingerprinting and Tuberculosis Certification forms to the school site administrator before services commence.

HeyTutor's Response

HeyTutor provided the following response to Finding No. 3.1:

HeyTutor stated that federal and state laws prevent the company from sharing the results of background checks and TB screenings for its employees. HeyTutor referenced California Civil Code 56.2, which prohibits disclosing medical information, such as TB test results, without the written consent of the employees involved. HeyTutor also referenced the Fair Credit Reporting Act, which prohibits them from sharing the results of criminal background checks with third parties without the written consent of the affected employees. HeyTutor explained that Baker Tilly and/or the District could have obtained consent directly from the employees, but they chose not to pursue this option. HeyTutor indicated its willingness to provide documentation beyond the screening results to confirm that all employee screening requirements were met before deployment.

HeyTutor added that in January 2023, about three months after starting services for the District, HeyTutor transitioned to a new Human Resource Information System (HRIS) for managing employees. Under this new system, HeyTutor keeps a separate record that confirms employee screenings were completed before deployment. HeyTutor informed Baker Tilly of this and suggested they select a sample of tutors hired in 2023 for testing because 52% of the sample set selected by Baker Tilly was from 2022, before HeyTutor moved into its current HRIS system. However, Baker Tilly proceeded with a sample set of tutors hired in 2022 and 2023. HeyTutor reiterated that they provided 100% evidence of required screenings to the District for tutors hired after 2023, post-migration in HRIS. HeyTutor also claimed that the Division of Student Instruction never requested fingerprinting certification forms, and the certification form was not included in the Contract.

HeyTutor provided the following response to Finding No. 3.2:

HeyTutor stated they complied with their obligations under the Contract to provide regular training and supervision and refuted any exceptions to contract performance. HeyTutor pointed out that the Contract does not require documentation to be provided to the District regarding its ongoing evaluation of tutors. HeyTutor also explained that several program managers are deployed full-time to monitor, train, and ensure tutors meet expectations. The program managers are responsible for providing ongoing evaluations of tutors and feedback/coaching as necessary. Additionally, two dedicated customer success managers regularly conduct site visits and provide ongoing coaching and support to the tutors.

HeyTutor indicated that the Contract does not require them to maintain or retain formal evaluation documentation. HeyTutor clarified that they informed Baker Tilly that they did not claim that such records do not exist, but rather that the documentation was not readily accessible at the time of the audit. HeyTutor elaborated that providing evaluation documents for the more than 2,000 tutors who worked on the District's after-school tutoring program would have been unduly burdensome for them.

HeyTutor provided the following response to Recommendation No. 5:

HeyTutor reiterated that all training records were provided to Baker Tilly during the audit. Likewise, all background checks and TB testing documentation maintained after the migration to the HRIS system were also provided to Baker Tilly.

OIG's Response to HeyTutor

HeyTutor's assertion that legal constraints prevent it from sharing TB screening and background check results does not absolve it of its contractual obligations to the District. The District is not seeking access to sensitive personal information for unrelated purposes; rather, it is requesting certification from HeyTutor that its employees who work with District students meet the essential health and safety requirements outlined in Section 29 of the Contract. While HeyTutor correctly notes that employee consent is necessary to share such information, the responsibility to facilitate compliance rests primarily with HeyTutor. Instead of expecting the District or Baker Tilly to obtain consent during the audit, HeyTutor, as the employer, should have proactively implemented a process to secure employee consent at the time of hiring—particularly given the nature of the work and the known compliance requirements.

Although HeyTutor transitioned to a new Human Resource Information System (HRIS) in January 2023, which may have improved its record-keeping capabilities, this change does not exempt the company from demonstrating compliance for tutors hired before the system upgrade. The scope of Baker Tilly's audit correctly included both pre- and post-migration hires to assess compliance with the District's safety requirements throughout the entire contract period. Since services were delivered in 2022, a complete assessment must include tutors hired before the HRIS upgrade. As the service provider, HeyTutor is responsible for maintaining accessible and verifiable records for all personnel, regardless of their hire date or the system used for data management. The inability to readily provide documentation for 2022 hires raises concerns about the adequacy of internal controls during the initial stages of service delivery.

Regarding fingerprinting certification forms, HeyTutor was required to submit these certifications to the District under Section 23.3 of the Contract. Even if the Contract does not explicitly specify the form or require submission upon request, the core obligation to ensure student safety remains. In the absence of a formal request or specified form, HeyTutor should have proactively sought clarification from the District to ensure compliance and maintain appropriate documentation.

The OIG also notes that while HeyTutor asserts it fulfilled its obligations to provide regular training and supervision, the lack of accessible documentation to support these activities makes independent verification difficult. Although the Contract may not explicitly mandate the submission or retention of evaluation records, HeyTutor has a duty to maintain sufficient evidence demonstrating that its services are delivered in accordance with the District's standards, especially in a large-scale program involving over 2,000 tutors.

HeyTutor's reliance on program and customer success managers for ongoing supervision and coaching is acknowledged. However, the claim that providing evaluation records for all tutors would have been "unduly burdensome" does not absolve HeyTutor of its responsibilities. The OIG's review of Baker Tilly's work papers

found no indication that Baker Tilly requested to verify the records of all 2,000 tutors. Even if the Contract does not explicitly require the retention or submission of evaluation records, principles of transparency, due diligence, and accountability still apply.

Recommendation No. 6

The PSD should educate and emphasize to all contracting entities who may come into contact with students that the company must submit the Fingerprint and Criminal Background Check Certification forms and provide a list of the names of the Contractor's employees who may have contact with pupils to the District Risk Finance and Insurance Services before the employee has contact with students. Ensure the contracting entity is aware that the list shall be updated for employee changes and shall list employees by appropriate school site, if applicable. Ensure that all LAUSD departments that sponsor contracts that may have contact with pupils, such as the DOI, Beyond the Bell, and Facilities Services Division, are fully aware of these terms and conditions.

PSD and DOI's Response

The PSD and the DOI agreed with the OIG's recommendation and outlined the following corrective actions:

- The PSD stated that the District will soon implement new policies and procedures regarding fingerprinting and TB compliance. The Fingerprinting Certification form will be included in the contracts, and vendors who will interact with students must submit this form to the school site administrator before beginning their services. The PSD will also ensure that vendors understand that the form must be updated whenever employee changes occur. Additionally, sponsoring departments will be fully informed of these policies and procedures.
- The DOI will ensure that vendors who will interact with students submit the Fingerprinting Certification form to the school site administrator before starting their services. The DOI will also ensure that vendors understand the need to update the form whenever employee changes occur. Additionally, the DOI will inform sponsoring departments about these policies and procedures.

Recommendation No. 7

As the sponsor of several tutorial services contracts, the DOI must increase monitoring activities of the Fingerprint and Criminal Background Check Certification form for all contracting entities that may come into contact with students by assigning responsibility to one of its departments.

PSD and DOI's Response

The PSD and the DOI agreed with the OIG's recommendation. Additionally, the DOI stated they would (a) help to ensure that vendors who will come into contact with students submit the Fingerprinting Certification form to the school site administrator before the commencement of services; (b) ensure that the vendor is aware that the form must be updated for employee changes, and: (c) ensure that sponsoring departments are aware of these policies and procedures.

RESPONSES FROM PSD AND DOI

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INTER-OFFICE CORRESPONDENCE
LOS ANGELES UNIFIED SCHOOL DISTRICT

TO: Mark H. Pearson, Assistant Inspector General
Office of the Inspector General

Date: April 30, 2025

FROM: Matthew A. Friedman, Interim Chief Procurement Officer ^{initial} MF
Procurement Services Division (PSD)

Dr. Frances Baez, Chief Academic Officer ^{us} FB
Division of Instruction (DOI)

SUBJECT: RESPONSE TO DRAFT AUDIT REPORT OF HEYTUTOR, INC. - CONTRACT NO. 4400010491

The following is in response to the draft incurred cost audit report of HeyTutor, Inc. - Contract No. 4400010491. The results of the audit indicated the following:

Recommendation No. 1: Page 6

Report states: "The District recently provided the schools with written guidelines for tutoring services ("Implementation of District-Funded Tutoring Services Reference Guide"); however, this was not in place during our audit period under review. We recommend the District widely communicates and performs training on these guidelines to all schools involved in tutoring services to help ensure process consistency across tutoring service vendors/schools, enforce District compliance, and assist with understanding of the District's requirements."

Response: PSD and DOI agree with the recommendation.

PSD will incorporate the procedures outlined in the "Implementation of District-Funded Tutoring Services Reference Guide" (hereafter "Reference Guide") into contracts to ensure consistency and compliance with District policies.

DOI has prepared a presentation and will continue to hold orientation meetings with vendors and onboarding sessions with school sites to communicate guidelines and ensure consistency across all schools.

Date for Action: July 2025

Recommendation No. 2: Page 6

Report states: "The District should ensure that the appropriate approvals and documentation are completed prior to allowing a vendor to deliver and bill for services."

Response: PSD and DOI agree with the recommendation.

RESPONSES FROM PSD AND DOI

DocuSign Envelope ID: 592FA4CA-8839-431E-8A85-511F294C5427

PSD will continue to issue purchase orders when initiated via an approved purchase requisition.

DOI will ensure that when submitting a blanket purchase requisition for schools to opt into, each school submits a work order form to initiate services at the school site. DOI will also ensure compliance with the invoice procedures outlined in the Reference Guide, including review of invoices before submittal to Accounts Payable (AP).

Date for Action: July 2025

Recommendation No. 3: Page 8

Report states: "The District should develop a formalized process to verify the accuracy of the services performed and the amounts being billed in compliance with the contract terms. A formalized process could include performing a detailed review of the underlying support to ensure the accuracy of tutoring service hours, delivery to appropriate schools, tutor training hours, etc. and investigate any questions or variances with HeyTutor."

Response: PSD and DOI agree with the recommendation.

PSD will ensure upon processing a purchase requisition, that the vendor's quote for services is attached.

DOI will ensure that the vendor's quote is consistent with the pricing set forth in the contract. DOI will follow up with the vendor if the documentation has errors or needs clarification. DOI will also ensure that invoices are reviewed within 48 hours of receipt (business days), accepted, or returned to the vendor to address errors, and forwarded to AP for processing and payment.

Date for Action: July 2025

Recommendation No. 4: Page 8

Report states: "The District should work with HeyTutor to recover \$62,709..."

Response: No response at this time.

PSD was not involved in the processing of work orders or invoices.

DOI will review the work orders and invoices to confirm overpayments.

Date for Action: July 2025

Recommendation No. 5: Page 12

Report states: "The District and HeyTutor should ensure the appropriate documentation (e.g., training, supervision, evaluation, background checks) is completed and maintained by HeyTutor."

RESPONSES FROM PSD AND DOI

DocuSign Envelope ID: 582FA4CA-8839-431E-8A85-511F294C5427

Response: PSD and DOI agree with the recommendation.

PSD will ensure the Fingerprinting and Tuberculosis Certification forms are included in the contract and that vendors who will come into contact with students are aware that they must submit the Fingerprinting and Tuberculosis Certification forms to the school site administrator before the vendor's employees have contact with students. PSD will also ensure the vendor is aware that the list must be updated for employee changes and that sponsoring departments are fully aware of these terms and conditions.

DOI will ensure that vendors who will have contact with students submit the Fingerprinting and Tuberculosis Certification forms to the school site administrator prior to the commencement of services.

Date for Action: July 2025

Recommendation No. 6: Page 12

Report states: "The Procurement Services Division should educate and emphasize to all contracting entities who may come into contact with students that the company must submit the Fingerprint and Criminal Background Check Certification form and provide a list of the names of the Contractor's employees who may have contact with pupils to the District Risk Finance and Insurance Services before the employee has contact with students. Ensure the contracting entity is aware that the list shall be updated for employee changes and shall list employees by appropriate school site, if applicable. Ensure that all LAUSD departments that sponsor contracts who may have contact with pupils, such as the Division of Instruction, Beyond the Bell, and Facilities Services Division, are fully aware of these terms and conditions."

Response: PSD and DOI agree with the recommendation.

The District will soon implement new policies and procedures for fingerprinting and tuberculosis compliance.

PSD will ensure the Fingerprinting Certification form is included in the contract and that vendors who will come into contact with students are aware that they must submit the form to the school site administrator prior to the commencement of services. PSD will also ensure the vendor is aware that the form must be updated for employee changes and that sponsoring departments are fully aware of these policies and procedures.

DOI will help to ensure that vendors who will come into contact with students submit the Fingerprinting Certification form to the school site administrator prior to the commencement of services. DOI will help to ensure that the vendor is aware that the form must be updated for employee changes and that sponsoring departments are aware of these policies and procedures.

Date for Action: July 2025

RESPONSES FROM PSD AND DOI

DocuSign Envelope ID: 592FA4CA-8839-431E-8A85-511F294C5427

Recommendation No. 7: Page 12

Report states: "As the sponsor of several tutorial services contracts, the Division of Instruction must increase monitoring activities of the Fingerprint and Criminal Background Check Certification form for all contracting entities who may come into contact with students by assigning responsibility to one of its departments."

Response: PSD and DOI agree with the recommendation.

DOI will help to ensure that vendors who will come into contact with students submit the Fingerprinting Certification form to the school site administrator prior to the commencement of services. DOI will help to ensure that the vendor is aware that the form must be updated for employee changes and that sponsoring departments are aware of these policies and procedures.

Date for Action: July 2025

RESPONSES FROM HEYTUTOR



September 20, 2024

HeyTutor, Inc.
21700 Oxnard St.
Suite 1540
Woodland Hills, CA 91367

Attention:
Mark Pearson, CPA, CFE, CIG
Assistant Inspector General, Audits
Los Angeles Unified School District
333 South Beaudry Avenue, 12th Floor,
Los Angeles, CA 90017

Dear Mr. Pearson,

Thank you for providing HeyTutor, Inc. ("HeyTutor") with Baker Tilly's Draft Audit report. We appreciate our partnership with LAUSD and continue to strive to deliver the highest quality of tutoring services to students, partnering with stakeholders across the district. Below please see our responses to include in the Final Audit report. Please let us know if you have any questions or concerns regarding our statements. Otherwise, we look forward to seeing them included in the Final Audit Report.

Executive Summary

HeyTutor takes its partnership and contract with LAUSD incredibly seriously, always endeavoring to deliver the highest quality services to LAUSD's students. HeyTutor is fully compliant with its contractual obligations as described in detail below. We note that a number of items referenced in Baker Tilly's executive summary and findings are related to terms and conditions that the contract does not contemplate and that have never been communicated to HeyTutor. If such terms and conditions had been in the contract or communicated to HeyTutor, the company would have responded affirmatively to such terms and conditions during the period of service in question.

Below we have summarized our responses to various items identified in the Draft audit report. HeyTutor requests that BakerTilly append our responses to these items throughout the audit.

We look forward to continuing to collaborate with LAUSD and thank you for your continued support and partnership.

RESPONSES FROM HEYTUTOR

Baker Tilly report item:	HeyTutor response:
<p>HeyTutor did not provide evidence of background checks and tuberculosis screenings for 13 of 25 (52%) tutors selected for detailed testing.</p>	<p>During the audit process, HeyTutor informed Baker Tilly and LAUSD that federal and state law prohibits the company from sharing the background check results and tuberculosis screenings of its employees. More specifically, California Civil Code 56.2 prohibits HeyTutor from sharing medical information (e.g., TB Test results) without written consent of the impacted employees. Similarly, the Fair Credit Reporting Act prohibits HeyTutor from sharing criminal background check results with third parties without written consent of the impacted employees. Baker Tilly and/or LAUSD could have sought the consent of the impacted employees, however, they elected not to do so.</p> <p>Nevertheless, and in an effort to collaborate with Baker Tilly and LAUSD during the audit, HeyTutor advised that it would be possible to provide other documentation (outside of the results of the actual screenings) establishing that HeyTutor employees had satisfied all screening requirements before deployment. HeyTutor moved into its current HRIS/employee management system in January 2023—approximately, 3 months after LAUSD services started. Under this new HRIS system, HeyTutor maintains a separate record confirming that employee screenings are completed prior to deployment. HeyTutor advised Baker Tilly of this fact and suggested that Baker Tilly select a sample set of tutors hired in 2023 for testing. Baker Tilly declined this suggestion and proceeded with the sample set of tutors hired in 2022 and 2023.</p> <p>The 52% of the sample set selected by Baker Tilly was from 2022 before HeyTutor moved into its current HRIS system. Significantly, HeyTutor provided 100% evidence of required screenings to the District for tutors</p>

RESPONSES FROM HEYTUTOR

	hired after 2023.
HeyTutor did not provide Fingerprint and Criminal Background Check Certification forms or a list of names of the Contractor's employees who may have contact with pupils, to the District's Risk Finance and Insurance Services, as required.	See comment above. In addition, the Division of Student Instruction never requested such certification forms.
Baker Tilly tested 13 invoices and determined: Four of 13 invoices included tutors who had "N/A," "TBD," or no school site identified. Billing attributable to these instances totaled 841.12 hours (\$37,850).	HeyTutor's contract with LAUSD does not require or request that HeyTutor's invoices detail tutoring services by school site. Nevertheless, HeyTutor voluntarily adopted this practice in January 2023.
Two of the 13 invoices included a school that was not an LAUSD school (Benjamin Franklin Elementary School). HeyTutor billed the District a total of 114.89 hours (\$5,171).	Due to an inadvertent error, one specific tutor shows as assigned to Benjamin Franklin ES (a non LAUSD school). However, as relayed to Baker Tilly, this tutor has always been assigned and clocked her time to Normandie ES (an LAUSD school). Please disregard the Benjamin Franklin ES site. The correct site is Normandie ES.
We noted the following exceptions related to this contract section: • Five of 13 invoices were paid beyond 45 days: Invoice Date Invoice Number Payment Date 7/31/2023 9431EBDE-1166 9/11/2023 11/30/2022 9431EBDE-0466 1/27/2023 2/28/2023 9431EBDE-0651 5/15/2023 3/31/2023 9431EBDE-0779 5/22/2023 4/30/2023 9431EBDE-0983 6/26/2023 • This is based on a comparison of the invoice date and payment date, as we were unable to determine the date the District received invoices. We were not able to obtain evidence to support the following	HeyTutor notes that the District did not remit payments for invoices consistently in accordance with the contracted payment terms. Prompt payment in accordance with the 45 day terms is appreciated as we continue this partnership. HeyTutor has always sent automated reminders and placed phone calls to the District as invoices are coming due for payment and after they have become past due. HeyTutor intends to continue this practice in the upcoming semester.

RESPONSES FROM HEYTUTOR

<p>requirement:</p> <ul style="list-style-type: none"> • District approval of the invoices by District Administrator or designee. • Goods receipt to identify the acceptance of services by the District 	
<p>We noted the following exceptions related to this contract section:</p> <ul style="list-style-type: none"> • District schools did not utilize the SAP Shopping Cart System or written order forms to place orders for tutoring services. However, the District provided HeyTutor with approved POs for services. • There were two invoices received prior to the PO date (e.g., services performed prior to the PO). • There were two POs that included a delivery date prior to the PO date (indicating services were delivered prior to the PO). Per discussions with the District, this was due to the delay in executing the contract (a limited notice to proceed was executed) while needing the tutoring services to start. 	<p>HeyTutor strives to provide tutoring services to schools when they are requested. The District explicitly authorized HeyTutor to begin services under the Limited Notice to Proceed and the Purchase Order.</p>
<p>We noted the following exception related to this contract section:</p> <ul style="list-style-type: none"> • 105 tutors exceeded the three hours of training allowable per the Contract. The total additional training hours billed to the District totaled 437.51 (\$19,688 in fees) 	<p>HeyTutor has underbilled the District by at least \$72,000 (see schedule attached) for tutoring services. HeyTutor is open to a true-up in which its underbilling is netted against the claimed over-billing for training.</p>
<p>We noted the following exceptions related to this contract section:</p> <ul style="list-style-type: none"> • None of the invoices referenced the Contract number (44000010491). • Five invoices did not include itemized services or payment rate(s). • None of the invoices contained itemized training hours. We were not able to obtain evidence to support the following requirement: Invoices were signed and submitted by 	<p>It was inadvertent that HeyTutor did not reference the contract number; however, each invoice properly referenced the purchase order number.</p> <p>HeyTutor disputes that it did not itemize services or rates on five invoices. To the extent that this references the failure to list school sites on the 2022 invoices, HeyTutor notes that this level of specificity is not required by the contract. Nonetheless,</p>

RESPONSES FROM HEYTUTOR

<p>HeyTutor via email and submitted to the invoices@lausd.net email.</p>	<p>HeyTutor voluntarily included school site-level invoicing detail starting in January 2023.</p> <p>HeyTutor disputes that the invoices failed to contain itemized training hours. All training hours are separately identified in HeyTutor's invoices.</p> <p>HeyTutor notes that the Division of Instruction specifically instructed HeyTutor to send invoices to Carlen Powel in 22-23 school year and to Tutoring Services in 23-24 school year.</p>
<p>(3) The District should develop a formalized process to verify the accuracy of the services performed and the amounts being billed in compliance with the contract terms. A formalized process could include performing a detailed review of the underlying support to ensure the accuracy of tutoring service hours, delivery to appropriate schools, tutor training hours, etc. and investigate any questions or variances with HeyTutor.</p>	<p>Regarding recommendation #3, based on conversations with the District, it was HeyTutor's understanding that school sites verified services were rendered prior to LAUSD's issuance of payment to HeyTutor.</p>
<p>Regarding invoices 9431-EBDE1055 and 9431 EBDE1166, Per discussions with HeyTutor, the variances were due to:</p> <ul style="list-style-type: none"> - The tutor completed HeyTutor specific training that was not billed to the district - Timesheet adjustments after the invoice was finalized - Mispunch / inaccurate time recording / clocking adjustment 	<p>In each of these instances, HeyTutor billed the lesser amount to the District.</p>
<p>We noted the following exception related to this contract section:</p> <ul style="list-style-type: none"> • There were three invoices in which services were performed by HeyTutor prior to the 	<p>HeyTutor disputes that there were 3 separate instances where services were started prior to receipt of the work order. There was only a single instance brought to HeyTutor's</p>

RESPONSES FROM HEYTUTOR

<p>timestamp of a work authorization. Baker Tilly noted that 1,714.12 hours (\$77,135 in fees) of services were performed prior to the timestamp of a work authorization.</p>	<p>attention in which a work order timestamp post-dated the start of services. That particular instance, which occurred in Spring 2024, was due to a demand from the school site that HeyTutor start ASAP. Moreover, the HeyTutor team was in regular communication with the Tutoring Services team about the start of services at 122nd Street. We do not have any records reflecting that LAUSD notified us of other instances in which services pre-dated the work order timestamp.</p> <p>Notably, throughout the duration of our contractual relationship with LAUSD, the District has been inconsistent with its requirement that work orders be in place before services commence. HeyTutor always ensures regular and open communication with school sites and District before services ever commence.</p>
<p>We noted the following exceptions related to this contract section:</p> <ul style="list-style-type: none"> • For 13 of the 25 (52%) tutors selected for detailed testing, HeyTutor was unable to provide evidence of background checks and that tuberculosis screenings were performed. According to HeyTutor, this condition was due to their transition to a new Human Resource Information System (HRIS) system on January 1, 2023. It is noted that resumes and offer letters were provided to the audit team for all 25 tutors in the sample. • HeyTutor did not provide evidence of the fingerprinting certification form, which was required to be submitted to the District's Risk Finance and Insurance Services. HeyTutor, stated that they did not recall if the certification for all the tutors assigned to LAUSD was submitted to the District. • Although HeyTutor was contractually required to submit the fingerprinting certification form to the District, it is noted that neither the school nor sponsoring office requesting the contract, the Division of 	<p>We completed the required screening process including but not limited to BG checks and TB screenings. 52% of the sample set selected by BT was from 2022 before HT moved into its current HRIS system. As explained to BT, HT had no way of providing proof of BG checks and TB screenings without running afoul of Federal and State law. HT provided 100% evidence of required screenings for tutors hired after 2023.</p> <p>It is noted in the contract that the certification form was not included in our contract.</p>

RESPONSES FROM HEYTUTOR

<p>Instruction, did not ensure that the Contractor submitted the fingerprinting certification form with tutor's names to Risk Finance and Insurance Services, as required by BUL3872.0.</p> <ul style="list-style-type: none"> • It is noted that Contract No. 4400010491 executed between HeyTutor and the District included the following exhibits: (1) Statement of Work, (2) Rate Schedule, (3) Contractor Code of Conduct, (4) Contractor Invoice Requirements, and (5) Order for Services work order template. It is noted that the Fingerprint and Criminal Background Check Certification form was not included in the 56-page executed Contract. 	
<p>We noted the following exceptions related to this contract section:</p> <ul style="list-style-type: none"> • HeyTutor does not maintain or retain formal documentation to evidence that evaluations of tutors are performed. 	<p>HeyTutor complies completely with its obligations under the contract to provide regular training, supervision and thus refutes that there is any exception to the performance of the contract. Indeed, nowhere in the contract is HeyTutor required to provide documentation to LAUSD related to its ongoing evaluation of tutors.</p> <p>As LAUSD is aware, we have several program managers deployed to the field full time to monitor, train and ensure tutors are meeting expectations. These program managers are responsible for provide ongoing evaluations of tutors and feedback/coaching as necessary. In addition, we have had two dedicated Customer Success Managers for LAUSD that regularly conducts site visits and provides ongoing coaching and support to our tutors.</p> <p>Specifically the contract has no element that mandates HeyTutor maintain or retain formal documentation. HeyTutor responded to Baker Tilly during the audit that such documentation is not readily available. HeyTutor never stated that such documents do not exist. It would be unduly burdensome for HeyTutor to provide evaluation documents for the more than 2,000</p>

RESPONSES FROM HEYTUTOR

	tutors that have worked for HeyTutor on the LAUSD after-school tutoring program.
Recommendation (5) The District and HeyTutor should ensure the appropriate documentation (e.g., training, supervision, evaluation, background checks) is completed and maintained by HeyTutor	100% of training records were provided to Baker Tilly. Similarly, 100% of BG check and TB testing evidence was provided to Baker Tilly post migration into HRIS system in 2023.

We look forward to continuing to collaborate with LAUSD and thank you for your continued support and partnership.

Sincerely, 
Jennifer Sheffield
CEO of HeyTutor, Inc.

RESPONSES FROM HEYTUTOR

HeyTutor Inc
LAUSD Invoicing analysis

Billing Rate \$ 45.00

Note: This comparison is tutor hours only. Excludes the Program Manager Invoicing amounts.

Historical Timecards paid
report from Deputy -->>
LAUSD Invoice Support --
>>

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Total Hours	Total \$\$
Per Historical TimeSheets Report	22,417.38	32,634.14	37,207.19	35,077.86	51,176.11	27,341.97	38,276.82	56.00	11,792.98	40,556.50	296,536.95	\$ 13,344,162.75
Per LAUSD x HeyTutor Invoice Support shared sheet	21,933.82	32,511.31	37,073.09	34,805.31	50,911.74	27,261.30	38,271.76	-	11,732.45	40,430.27	294,831.05	\$ 13,271,897.25
Hours incurred by HT, not invoiced to LAUSD	483.56	122.83	134.10	272.55	264.37	80.67	5.06	56.00	60.53	126.23	1,605.90	\$ 72,265.50

← based on timesheets, this is the amount LAUSD has not been invoiced for since 1/1/2023

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If you wish, we will keep your identity confidential. You can remain anonymous if you prefer. And you are protected by law from reprisal by your employer.

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The Board approved the Whistleblower Protection Policy on February 12, 2002. This policy protects LAUSD employees who make allegations of improper governmental activity from retaliation or reprisal. To ensure the reporting of any activity that threatens the efficient administration of the LAUSD reports that disclose improper governmental activities shall be kept confidential.

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