NEW YORK STATE | Office for People With Developmental Disabilities

KATHY HOCHUL
Governor

WILLOW BAER
Acting Commissioner

May 5, 2025

VIA USPS CERTIFIED MAIL & EMAIL

Laurie Burgaleta, Executive Director
IKAN, Inc.
22 Meadow Road
Suite 2
Florida, New York 10921

Ruth Salkin, President, Board of Directors
[redacted]

Re: Agency Placement on Early Alert

Dear Ms. Burgaleta and Ms. Salkin:

The purpose of this letter is to formally notify you that IKAN, Inc. was placed on Early Alert effective April 18, 2025, due to concerns with the agency's financial viability, fiscal reporting and board governance identified by the Bureau of Fiscal Reporting and Data Analysis (FRDA) and Office of Audit Services (OAS).

To ensure that individuals with developmental disabilities in New York State receive appropriate services and protections, the Office for People With Developmental Disabilities (OPWDD) established the Early Alert Committee. The purpose of the Early Alert process is to monitor the performance of providers that have not maintained compliance with applicable laws and regulations and/or significant fiscal issues that may affect the health and safety of individuals receiving services.

Early Alert placement is attributable to concerns identified by FRDA, including but not limited to the following:

- The 12/31/2023 audited financial statements noted Substantial Doubt about the Organization's Ability to Continue as a Going Concern.
- Significant losses reported in 2022 and 2023 of ($505,877) and ($183,729), respectively.
- In 2023, the agency borrowed $188,040 from the Executive Director. As of December 31, 2023, the agency owed the Executive Director $120,280 from advances, plus $214,526 in unpaid salary accumulated over four years.
- Significant use of the agency's Line of Credit, indicating cashflow concerns (12/31/23 - Approximately $112,000 out of $140,000 borrowed).
- Delinquent Consolidated Fiscal Report filings for the past five years, resulting in monetary penalties.
- Lack of timely and accurate submissions of the internal financial statements.

Early Alert placement is also due to concerns identified by OAS during the ongoing review, including but not limited to the following:

- Limited or no policies and procedures are established and/or implemented to manage the agency's operations.

- Inconsistencies and, in some cases, inaccurate recordings were found in the accounts payable system, which affected payment reconciliations.
- Financial records have not been updated accurately, and bank statements have not been reconciled promptly.
- There are unsupported cash disbursement transactions and unsupported reimbursed Fiscal Intermediary (FI) transactions under the agency's state-paid contract.
- The agency's board of directors has not provided active and effective oversight, particularly in the following areas:
  - Reviewing the annual budget and the finance auditor's findings thoroughly and on time;
  - Conducting an annual evaluation of the Executive Director's performance and compensation;
  - Establish a written repayment agreement for loans provided by the Executive Director and a key employee; and
  - Ensuring timely oversight of a related-party transaction that involves the Executive Director.

While on Early Alert, OPWDD will monitor the agency's progress in remediating areas of non-compliance and will determine when the agency has demonstrated that compliance has been systemically achieved and has effective systems in place to maintain ongoing compliance. During this time, OPWDD will not consider any agency requests for service expansion and will suspend any expansion that is in process.

Representatives from OPWDD will meet with the agency's leadership and board of directors to further discuss these concerns, the Early Alert process and OPWDD's expectations.

If you have any questions before the meeting, please get in touch with Robert Borchers, Deputy Director, Office of Audit Services, at Robert.borchers@opwdd.ny.gov or Ken Glindmyer, Assistant Director of Fiscal Reporting and Data Analysis, at Kenneth.V.Glindmyer@opwdd.ny.gov.

Sincerely,

Megan O'Connor-Hebert
Deputy Commissioner
Division of Quality Improvement

cc: Agency Board of Directors
Willow Baer, Acting Commissioner
Deborah Ellis, Chief of Staff
Eileen Hayes, Deputy Commissioner and General Counsel
Josh Olsen, Deputy General Counsel, Counsel's Office
Erica Pandolfo, Deputy Counsel, Counsel's Office
Angela Hernandez, Senior Attorney, Counsel's Office
Mary Jane Vogel, Deputy Director, Division of Quality Improvement
Brian O'Donnell, Statewide Director, Bureau of Program Certification
Chris Darcey, Regional Director, Bureau of Program Certification
Robert Borchers, Deputy Director, Office of Audit Services
Abiba Kindo, Deputy Commissioner, Service Access, Program Implementation & Stakeholder Support
Ann Marie Peterson, Associate Commissioner, Service Access, Program Implementation & Stakeholder Support
Delia Tucker, Statewide Operations Director, Regional Field Offices
Joan Volpe, Director, Region 3, Service Access, Program Implementation & Stakeholder Support
Joanne Howard, Director, Fiscal Reporting
Kenneth Glindmyer, Assistant Director, Bureau of Fiscal Reporting and Data Analysis
Earl Jefferson, Director, Central Operations
Ellie Smith, Director, Statewide Director, Continuous Quality Improvement and Quality Strategies
Michele Schwartz, Area Director, Continuous Quality Improvement