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Sacramento Employment and Training Agency

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October 16, 1990

To: City Councilmember Lynn Robie

From: Patricia A. Coleman, Director PAC

Subject: Lao Family Community, Inc. - An Overview

The purpose of this memo is to provide you with some background information on Lao Family Community, Inc. and a profile of the situation that exists currently regarding that organization and its contractual relationship with the Sacramento Employment and Training Agency (SETA).

Who is Lao Family: A California private non-profit corporation located in Santa Ana, California with a branch in Sacramento. They have provided English-As-A-Second Language training as well as employment and training and social services to members of Sacramento's Refugee Community since 1983. The program serves primarily Lao, Hmong and Mien.

Sources of Funding: Lao Family is a Mutual Assistance Agency under the auspices of the federal Targeted Assistance (TA) and Refugee Employment and Social Services (RESS) programs which SETA operates for the County of Sacramento Department of Social Services. The State of California Department of Social Services (DSS) oversees these programs for the federal government.

Funding from SETA: During its last contract with SETA, Lao Family received $169,000 to provide services under TA and RESS. This contract concluded recently as have all of SETA's TA and RESS contracts for 1989-90.

Profile of Present Circumstances:

On October 5, 1990, SETA and all TA/RESS administrators statewide received a communication from DSS that a complaint of discrimination had been filed against the Lao Family Community operations in San Bernadino and Riverside Counties with the State DSS Office of Civil Rights OCR).

A comprehensive investigation by OCR, determined that several Hmong individuals who had sought services through Lao Family in the previously mentioned areas had been extorted for money to fund the Lao National Liberation Front (an organization founded by General Vang Pao, Founder of Lao Family). Those who refused to donate were apparently also denied Lao Family services.

Further evidence uncovered indicates that Lao Family may be utilizing the same practices statewide.

Based on findings, State DSS recommends strongly that all refugee program administrators (SETA included) contracting with Lao Family terminate contracts immediately unless that administrative entity can "ensure" (guarantee) that discriminatory situations such as those described above do not occur.

The State leaves the decision on this matter somewhat up to local discretion but not really. Local administrators may continue contracts but run the genuine risk of having all costs related to that contract disallowed by State auditors, and potentially losing their entire refugee program. SETA has no options but to comply pending investigation.

To that end, SETA has contacted DSS Office of Civil Rights which has begun an investigation of the local Lao Family operation effective October 15, 1990. Lao Family had enrolled 45 individuals in an English-As-A-Second Language (ESL) class in anticipation of the SETA contract for 1990-91. SETA is seeking to transfer these clients to other ESL facilities. We are hoping for a quick conclusion to the Office of Civil Rights' investigation and are hoping that the local Lao Family receives a clean bill of health.

PAC/dh