State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

May 14, 2008

Transmitted Via E-Mail

Sacha Heng, Vice President of Operations
Unigen Corporation
45388 Warm Springs Boulevard
Fremont, CA 94539
ssheng@unigen.com

Dear Ms. Heng:

RE: **MONITORING VISIT REPORT** for Unigen 3 – ET06-0291

Date of the Visit:	4/23/08
Beginning/Ending Time:	1:20 – 3:35 p.m.
Date of Last Visit:	8/22/07 and 8/31/07
Visit Location:	Fremont
Persons in attendance:	Pamela Morgan, Human Resources Manager; Teresa Teles, ETP Analyst
Action Required:	**NO**

CONTRACT INFORMATION:

Term of Agreement:	5/9/06 - 5/8/08	**Agreement Amount:**	$99,450
Type of Trainee:	Retrainee	**No. to Retain:**	90
Date Training must be completed:	2/7/08	**Range of Hours:**	24 - 120
Last Day of Training	2/8/08	**Weighted Ave. Hours:**	85

FINAL REPORT SUMMARY:

INTERVIEW WITH CONTRACT REPRESETATIVE

- What barriers, if any, did your company experience in implementing your ETP project? During the ETP project, the construction to expand the facility delayed the start of training.
- What problems, if any, did your company experience with ETP record keeping? Entering the hours on-line and the invoicing caused some problems but ETP was able to correct the errors.

- What assistance could ETP have provided that would improve the process for future Contractors?
  Making the invoicing more user friendly would help.
- How did your company benefit from the ETP training?
  The company was able to conduct training that might have been postponed without the ETP funds.

PROJECT STATUS:

Trainees Started Training:	86	**Completed Minimum Hours:**	63
Trainees Enrolled:	135	**Completed Training:**	63
Dropped Following Enrollment:	45	**Completed Retention:**	63

According to your records at the time of this final meeting, you expected to retain a total of 63 trainees (70% percent of planned retentions) for a total reimbursement of $68,614, (69 percent of the encumbered amount).

ATTENDANCE ROSTERS:

During the review of the training documentation, Ms. Teles found some duplicate entries and one roster could not be located. Since the visit, Ms. Morgan deleted the missing roster and corrected the duplicate hours.

Please note that the findings are based only on the training records reviewed during this visit and represents only a limited sample of the training records reviewed. It is the company's responsibility to ensure that all training records are in compliance with Panel requirements for auditing purposes.

AUDIT:

Unigen Corporation will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk audit (or "review"). These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Teresa Teles at (650) 655-6940 or at tteles@etp.ca.gov within ten (10) working days from receipt of this report.

Sincerely,

Creighton Chan

Creighton Chan, Manager
San Francisco Bay Area Regional Office

Teresa Teles

Teresa Teles, Analyst
San Francisco Bay Area Regional Office

cc: Pamela Morgan, Unigen Corporation, pfmorgan@unigen.com
Kulbir Mayall, Manager, Fiscal and Certification
Master File
Project File

Date report mailed to Contractor 5/14/08