State of California
Employment Training Panel
Arnold Schwarzenegger, Governor

August 18, 2008

Fred Heslet, Senior Director Customer Advocacy and Logistics
LogicVision, Inc.
25 Metro, Third Floor
San Jose, CA 95110
fheslet@logicvision.com

Transmitted Via Email

Dear Mr. Heslet:

RE: FINAL MONITORING VISIT REPORT for LogicVision, Inc. – ET07-0279

Date of the Visit:	8/18/2008 (desk review)
Date of Last Visit:	6/10/2008 (phone conference)
Visit Location:	Desk monitoring review
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	2/5/2008 – 8/5/2008	**Agreement Amount:**	$42,224
Training Start Date:	2/5/2008	**No. to Retain:**	28
Date Training must be Completed:	5/5/2008	**Range of Hours:**	8 - 60
Type of Trainee:	Retrainees	**Weighted Ave. Hours:**	58

FINAL REPORT SUMMARY:

- ***HISTORY OF AGREEMENT CHANGES***

The Agreement was executed on February 5, 2007, and training began on February 13, 2008. Your staff reported that all training was completed on March 7, 2008, which allows for the 90-day retention period to be completed within the term ending date of the Agreement – August 5, 2008.

At your request, ETP approved one Agreement Amendment on October 24, 2007, to change the Agreement term date from February 5, 2008, to August 5, 2008, extending the term by 6 months.

- ***INTERVIEW WITH THE SIGNATORY, MR. FRED HESLETT, SENIOR DIRECTOR CUSTOMER ADVOCAY AND LOGISTICS***

You provided the answers to the following questions:

- *What barriers, if any, did your company experience in implementing your ETP project?*

"We could have paid more attention to the training regarding understanding the ETP documentation requirements. We missed some credits as we should have submitted request earlier. Grant approval was great, compared to last time. We are lean as far as staff and did not fully understand staffing requirement to support documentation. "

- *What problems, if any, did your company experience with ETP record keeping?*

"I am not a detail person. Transfer of paper doc to your electronic system resulted in some errors. Anna was great in giving feedback to support accuracy. (We experienced) some difficulty getting signatures from trainees in Southern California who attended via video or those attending from offices throughout California."

- *What assistance could ETP have provided that would improve the process for future Contractors?*

As a 'Contractor' and being a company very lean it was difficult to keep record keeping as a priority. We must become profitable (we should make it by Q1 09) we have limited our staffing with those who work administratively with the grant. Record keep for the grant has improved sense I had the Grant at Credence. I had a staff; sr. admin funded to support the project. I would have been helpful to eliminate any duplication of tasks.

1. Transfer of hard copy to your data system. (initial date collect on a doc that could be scanned)
2. Request for employ list twice. (salary increase during grant, not sure why it would impact grant)
3. Larger companies would have the staff to manage. Small companies would struggle as we did. At the same time we had the need for support.

- *How did your company benefit from the ETP training?*

  - "Structure of Grant management did help insure training was delivered
  - Planning helped overall training better to have impact across departments
  - Aided in hiring of new employees. The fact we viability of training help market company.
  - No attrition during Grant.
  - Labs helped fully integrate training
  - Training critical to our sales process support and increased sales."

Breakdown and discussion of expected earnings:

LogicVision's records show that 15 trainees have completed training and the 90 day retention period (55% of planned retentions). You project earnings to be $13,464 (32% of the encumbered total $42,224). Current records show that LogicVision has received $11,934 in progress payments, which has been yet to be approved as earned. Ms. Nastari reminded you that the closeout invoice should be submitted no later than 30 days after the end term date of the Agreement which is August 5, 2008.

You informed the analyst that during the development of LogicVision's training plan, your team put a proposal together that would address company wide needs. However, due to an unexpected, but welcomed, increase in business which resulted in a heavier workload on staff, LogicVision was not able to release staff to attend training as it had originally planned. LogicVision, however, made a conscience effort to deliver the training which was essential to assist workers in meeting the increase in business.

LogicVision found the training beneficial to its workers in meeting the increase in business and customers' demands. You feel that if the company hadn't experienced the shift in business demands, this training opportunity would have been more successful.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Started Training:	19	**Completed Training:**	17
Dropped Following Enrollment:	0	**Completed Retention:**	17
Completed Minimum Hours for reimbursement:	17	**In Retention Period:**	0

ATTENDANCE ROSTERS/TRACKING:

At the monitoring visit of May 12, 2008, Ms. Nastari reviewed a sampling of your original rosters and identified several items that needed correcting. Ms. Nastari provided Ms. Valdez a detailed list of those items which needed appropriate action. Following is a concise list of those issues and the actions that Ms. Valdez would take to correct them:

- Issue: Training hours had not been entered for trainees who had signed rosters.
  Action: she will enter the hours;
- Issue: Duplicate training dates and hours had been entered in error for a few trainees.
  Action: she will delete the duplicate information;
- Issue: Training hours had been entered on specific dates for a few trainees who hadn't signed the rosters
  Action: she will check to ensure the trainees actually attended the training and will acquire their signatures on the rosters. If they didn't attend the training on the specified dates you will delete the reported information; and
- Issue: Two rosters were entered with the incorrect roster numbers which were inconsistent with the original rosters.
  Action: she will correct the roster numbers in the On-Line system.

During the phone conference of June 10, 2008, between Ms. Valdez and Ms. Nastari, it was found that four items were still pending action. Ms. Nastari again reviewed those items with Ms. Valdez who would then take the appropriate action. **As of this report all of the issues have been resolved.**

INVOICES:

You informed Ms. Nastari that your representative would submit the invoices after all training and the 90-day retention was completed by your trainees. As of this report all trainees have completed their training and 90-day retention. Therefore, you should submit any pending Invoices and Final Invoices. Submission of the invoices should be completed by no later than September 5, 2008, 30 days after your Agreement term date of August 5, 2008.

AUDIT:

LogicVision will be notified in writing if this agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. 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 Anna Nastari at (650) 655-6941 or at anastari@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

Anna Nastari

Anna Nastari, Contract Analyst

San Francisco Bay Area Regional Office

cc: Amber Luiz, Assistant Director
Kulbir Mayall, Fiscal Manager
Master File
Project File

Date Mailed: August 20, 2008