

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**AUDIT OF
OFFICE OF REFUGEE RESETTLEMENT
GRANT NO. 90RN0015
FOR THE PERIOD
SEPTEMBER 30, 1997 THROUGH
SEPTEMBER 29, 2000**

**ASIAN COUNSELING &
REFERRAL SERVICES
SEATTLE, WASHINGTON**



**JANET REHNQUIST
INSPECTOR GENERAL**

**NOVEMBER 2001
A-10-01-00013**

OFFICE OF INSPECTOR GENERAL

OIG Website: www.dhhs.gov/progorg/oig

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Region IX
Office of Audit Services
50 United Nations Plaza
Room 171
San Francisco, CA 94102

CIN: A-10-01-00013
November 28, 2001

Diane Narasaki
Executive Director
Asian Counseling & Referral Services
720 8th Avenue South, Suite 200
Seattle, Washington 98104

Dear Ms. Narasaki:

Enclosed are two copies of the U.S. Department of Health and Human Services (HHS), Office of Inspector General, Office of Audit Services' (OAS) report entitled, "Audit of Office of Refugee Resettlement Grant No. 90RN0015 for the Period September 30, 1997 through September 29, 2000." A copy of this report will be forwarded to the action official noted below for his review and any action deemed necessary.

Final determination as to actions taken on all matters reported will be made by the HHS action official named below. We request that you respond to the HHS action official with 30 days from the date of this letter. Your response should present any comments or additional information that you believe may have a bearing on the final determination.

In accordance with the principles of the Freedom of Information Act (5 U.S.C. 552, as amended by Public Law 104-231), OIG, OAS reports issued to the Department's grantees and contractors are made available to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act which the Department chooses to exercise. (See 45 CFR Part 5.) As such, within 10 business days after the final report is issued, it will be posted on the world wide web at <http://www.hhs.gov/progorg/oig>.

To facilitate identification, please refer to Common Identification Number A-10-01-00013 in all correspondence relating to this report.

Sincerely,

Lori A. Ahlstrand
Regional Inspector General
for Audit Services

Enclosures

Direct Reply to HHS Action Official:

Mike Hill, Director
Division of Financial Integrity
Room 6th Floor East Aerospace Building
370 L'Enfant Promenade S.W.
Washington D. C. 20447

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November 28, 2001

Diane Narasaki
Executive Director
Asian Counseling & Referral Services
720 8th Avenue South, Suite 200
Seattle, Washington 98104

Dear Ms. Narasaki:

This report provides you with the results of our audit of grant number 90RN0015 awarded to Asian Counseling & Referral Services (ACRS) by the Office of Refugee Resettlement (ORR)¹. The award covered the period September 30, 1997 through September 29, 2000. The purpose of the audit was to determine if ACRS accomplished the objectives of the grant.

The ACRS did not achieve the results planned for the 3-year project period. Additionally, we were unable to verify the accomplishments that were reported because ACRS neither effectively maintained supporting records nor adequately monitored its subrecipients. We recommend that ACRS improve its record keeping procedures and more closely monitor its subrecipients. The ACRS and its subrecipient organizations concurred with the recommendations, but provided several additional comments, as summarized in the AUDITEE COMMENTS section on page 5. These comments are included in their entirety as an APPENDIX to this report.

INTRODUCTION

BACKGROUND

The Refugee Act of 1980, Public Law 92-212, codified and strengthened the United States policy of aiding individuals fleeing persecution in their homelands. Title IV of the Immigration and Nationality Act (INA) contains the provisions of the Refugee Act. The INA provides for a formal definition of "refugee," the foundation for the asylum adjudication process, and the development of ORR within the Department of Health and Human Services.

¹ The ORR is one of the divisions of the Administration for Children and Families (ACF) within the Department of Health and Human Services.

A “refugee” is defined as:

any person who is outside any country of such person’s nationality or, in the case of a person having no nationality, is outside any country in which such person last habitually resided, and who is unable or unwilling to return to, and is unable or unwilling to avail himself or herself of the protection of, that country because of persecution or a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion.

The ORR’s mission is to assist refugees and other special populations in obtaining economic and social self-sufficiency during their resettlement in the United States. To accomplish this, ORR funds and facilitates a variety of programs including: cash and medical assistance, employment preparation and job placement, skills training, English language training, social adjustment, and aid for victims of torture.

The ACRS is a multicultural, multilingual nonprofit organization founded in 1973. Its mission is to provide and advocate for human services to empower Asian Pacific Islanders to attain social and economic well-being. Staff members speak 30 languages/dialects and deliver culturally and linguistically appropriate services including: (i) specialized mental health counseling; (ii) aging and adult services; (iii) children, youth and family early intervention, prevention, and counseling; (iv) information and referral; (v) vocational services; (vi) food bank and emergency feeding; and (vii) consultation and training services. The ACRS began providing naturalization classes in 1996 in response to welfare reform.

The ACRS was awarded a \$450,000 grant for the project period September 30, 1997 through September 29, 2000. The total consisted of \$150,000 for each year of the 3-year project period. The grant was awarded to provide refugee assistance that included citizenship classes, help with completion of naturalization applications, and referral services. To achieve the grant objectives ACRS entered into collaborative/subrecipient agreements with four other organizations to help provide refugee assistance. The subrecipients were Center for the Career Alternatives, Horn of Africa Services, International District Housing Alliance, and Refugee Women’s Alliance.

OBJECTIVE, SCOPE, AND METHODOLOGY

The ORR grant (90RN0015) was selected for audit along with other discretionary grants awarded by ACF. The audit was performed in accordance with generally accepted government auditing standards. The purpose of the audit was to determine if ACRS achieved the grant objectives. Accordingly, we reviewed the quantitative outcomes reported that would reflect the achievement of grant objectives.

To accomplish the audit objective, we examined the grant proposal, progress reports, policies and procedures, client files maintained at ACRS and the subrecipient organizations, and other supporting documentation. We also conducted interviews with key personnel and the Executive Directors of the subrecipient organizations.

We limited the scope of our audit to an examination of the objectives of the grant. We did not review the grantee's fiscal accountability or compliance with standard terms and conditions of the grant. We did not determine whether costs claimed were allowable. Our review of management controls was limited to those controls considered necessary to achieve our objective.

Our audit was performed during July through September 2001 with fieldwork conducted at ACRS in Seattle, Washington and the offices of the four subrecipients.

RESULTS OF AUDIT

The ACRS did not achieve the results planned for the 3-year project period. In addition, we were unable to verify the accomplishments reported because ACRS neither effectively maintained supporting records nor adequately monitored its subrecipients.

ACCOMPLISHMENTS

The progress reports submitted to ORR showed that ACRS did not accomplish the seven quantitative outcomes shown in its application. The four grant objectives are listed below followed by a table comparing the projected and reported quantitative outcomes.

The grant objectives were:

- Objective 1 To increase culturally and linguistically appropriate naturalization and citizenship services for underserved and vulnerable refugee groups in King County including enhanced citizenship and English-as-a-second-language classes, application assistance, bilingual/bicultural case management, and support services.
- Objective 2 To offer specialized services for the elderly, disabled, homebound refugee women, and pre-literate adults and to increase the number of naturalized citizens within these groups.
- Objective 3 To provide the necessary support services to reduce barriers to underserved refugee groups.
- Objective 4 To build and strengthen the coalition to offer collaborative services which best meet the needs of project participants.

Comparison of Projected and Reported Quantitative Outcomes

Outcomes	Projected	Reported	Difference
Citizenship class participants	558	527	31
Citizenship applications completed	447	287	160
Participants attaining citizenship	279 ²	116	163
Increased knowledge of English	558	396	162
Successful mock interviews	447	224	223
New citizen voter registrations	279 ³	60	219
Referrals for other services	558	454	104

As illustrated in the table above, ACRS fell short of meeting each of the projected outcomes. The ACRS staff informed us that the expected outcomes were not achieved, in part, because INS was slow in processing applications and ORR did not always provide the necessary technical assistance requested. Due to external factors outside management's control, we are not making recommendations in these areas.

RECORD KEEPING

The ACRS did not maintain sufficient records or adequately monitor its subrecipients. As a result, ACRS was not able to provide adequate support for the numbers of refugees served as reported in its progress reports to ORR. The following examples illustrate some of the deficiencies in record keeping.

- We requested client listings for each year of the project. We noted 34 duplicate social security numbers in the listings and determined that ACRS had counted some program participants more than once.
- We requested client files for 17 refugees served by the Center for Career Alternatives during the first year of the grant. Five files could not be located and the other files did not contain the necessary documentation to support the attainment of the various outcomes. Most files did not contain information such as: address, refugee status, mock interview results, score on citizenship examination, or voter registration form.
- We requested client files for five refugees served by Horn of Africa during the second year of the grant. Three of the files were not available for review. Horn of Africa, as a subrecipient, performed no services itself, but outsourced the work to three other organizations without written approval as required by the terms of its agreement with ACRS.

² The projected outcome for participants attaining citizenship in the original grant application was 70 new citizens the first year and 450 new citizens over the 3 years of the project. The ACRS received less funding than originally requested and adjusted its first year budget and quantitative outcomes accordingly. We adjusted ACRS' 3-year target in the same proportion as the reduced funding, calculating 279 new citizens.

³ The original grant application projected that 100 percent of the new citizens would be registered to vote.

The ACRS did not adequately monitor its subrecipients. During the first 2 years of the grant, ACRS did not perform any monitoring of its subrecipients. During the first half of the third year of the grant, ACRS performed site-monitoring visits and provided written reports discussing record-keeping deficiencies and recommendations for improvements to the subrecipients. We noted that record keeping improved at all subrecipients after receiving the site visit reports.

RECOMMENDATIONS

We recommend that ACRS:

- 1) Improve its record keeping procedures.
- 2) Monitor its subrecipients more closely.

AUDITEE COMMENTS

The ACRS and its subrecipient organizations concurred with our recommendations; however, they provided several additional comments as follows:

Accomplishments – The ACRS and its subrecipient organizations stated that this was not a 3-year project and the accomplishments of the project should not be viewed or based on an aggregate total across the 3 years of the grant. In addition, they stated that the seven quantitative outcomes were originally based on a 1-year project application for which funding was then renewed by ORR for each of the 2 following years. They also stated that the projected outcome for the number of participants attaining citizenship was only 129 (43 for each year) instead of 279 as presented in the report.

Record Keeping – The ACRS and its subrecipient organizations stated that aggressive measures had already been taken to improve record keeping and monitoring of subrecipients during the latter part of the second year and the third year of the grant. They also stated that ACRS gave verbal approval to the administrators of Horn of Africa Services to outsource its work to three other organizations.

OIG RESPONSE

The grant award document clearly identified the project as a 3-year project. Because our purpose was to determine if ACRS accomplished the objectives of the grant, we looked at the aggregate outcome totals for the entire grant period. Our report reflects ACRS' overall project targets and results.

The grant application submitted to ORR by ACRS identified both 1-year and 3-year quantitative targets for the number of participants becoming new citizens. The 1-year target was 70 new citizens and the 3-year target was 450 new citizens. The grant application stated that the lower first year number was due to INS delays which would affect participants in the first year. When ACRS received less funding than originally requested, they adjusted their budget and 1-year quantitative outcomes accordingly, projecting 43 new citizens the first year. We adjusted ACRS'

3-year target for new citizens in the same proportion as the reduced funding, calculating 279 participants. In like manner, the original application projected that 100 percent of the new citizens would be registered to vote. Accordingly, we show projected new citizen voter registrations to be 279.

We stated in the report that record keeping by subrecipients showed some improvement during the third year of the grant. The improvement occurred as a result of site-monitoring visits by ACRS.

The subrecipient agreement between ACRS and Horn of Africa Services required that any change be in writing. By outsourcing its work, Horn of Africa Services did not follow the agreement and received only verbal approval retroactively.

Final determination as to actions taken on all matters reported will be made by the HHS action official named below. We request that you respond to the HHS action official within 30 days from the date of this letter. Your response should present any comments or additional information that you believe may have a bearing on the final determination.

To facilitate identification, please refer to Common Identification Number A-10-01-00013 in all correspondence relating to this report.

Sincerely,



LORI A. AHLSTRAND
Regional Inspector General
for Audit Services

Attachment

Direct Reply to HHS Action Official:

Mike Hill, Director
Division of Financial Integrity
Room 6th Floor East Aerospace Building
370 L'Enfant Promenade S.W.
Washington D.C. 20447

APPENDIX



Asian Counseling & Referral Service

October 15, 2001

Lori A Ahlstrand
Regional Inspector General
Office of the Inspector General
Department of Health and Human Services
Region IX, Office of Audit Services
50 United Nations Plaza, Room 171
San Francisco, CA 94102

Re: CIN: A-10-01-00013
Audit of ORR Grant No. 90RN0015 – Draft Report

Dear Ms Ahlstrand:

This letter is in response to the draft report entitled, "Audit of Office of Refugee Resettlement (ORR) Grant No. 90RN0015 for the Period September 30, 1997 through September 29, 2000." This response is being co-signed by Asian Counseling and Referral Services (ACRS) and the four grant sub-recipients, Horn of Africa Services (HOAS), Center for Career Alternatives (CCA), International District Housing Alliance (IDHA), and Refugee Women's Alliance (ReWA), representing the partnership of community based organizations who joined to provide needed naturalization services under this grant.

We want to first express our sincere appreciation for ORR and its support in serving our communities. The development of our respective naturalization programs began in response to the impending impacts of welfare reform and their negative effects on immigrants and refugees. For many agencies, this response represented programming run solely as a volunteer effort, with ACRS's volunteer program managing over 20 classes in eight different languages. These volunteer programs ran with minimal resources for over a year. As volunteer programs, primary efforts were focused on simply providing services to meet the overwhelming demand for classroom instruction. Students represented the most vulnerable clients, elderly, disabled and those with no English skills at all, including those illiterate in their native languages.

The ORR grant was critical in providing seed money so that programs could build infrastructure, including curricula, data tracking, and begin focusing on enhancing quality of services. This seed money was instrumental in ACRS's eventual development as the largest citizenship class provider in Washington State. The funding also succeeded in promoting community development, and nearly a year after completing the 3 years of ORR funding, the partners have stronger programs and have continued to function as a coalition by advocating for and acquiring additional funding to maintain services to the community after the end of the ORR grant.

The partners have reviewed the draft report and given the recommendations to ACRS, as stated in the draft report;

1. Improve its record keeping procedures,
2. Monitor its sub recipients more closely;

ACRS, CCA, IDHA, HOAS and ReWA concur with the recommendations, however we wish to also respond to and request clarification on specific comments made in the report regarding accomplishments and record keeping.

While we do concur with the recommendations, we also wish to note that during the latter part of the second year and third year of the grant, ACRS had already taken aggressive measures to improve record keeping and monitoring of sub recipients. This resulted in significant improvements in quality of documentation and tracking of outcomes across the five agency partners.

Accomplishments Section

Regarding the opening statement, *"The ACRS did not achieve the results planned for the 3-year project period"* and in the Accomplishments section, we wish to note that this was not a 3-year project and that accomplishments of the project should not be viewed or based on an aggregate total across the three years of the grant. The seven quantitative outcome goals were originally based on a one-year project proposal, for which funding was then renewed by ORR for each of the two following years. When viewing the outcome accomplishments based on the individual project years, results show that the project did in fact achieve several of the projected goals and showed progressive increases across the project years as our transition from primarily volunteer run programs to funded programs occurred and our infrastructure developed. See revised table of accomplishments below.

Outcomes	Project Targets	1997 - 2000 Sum of Targets	Project Year 1997-1998		Project Year 1998-1999		Project Year 1999-2000		Total Achieved 1997 - 2000
			Number Achieved	% Achieved	Number Achieved	% Achieved	Number Achieved	% Achieved	
Citizenship class participants	186	558	176	95%	161	87%	190	102%	527
Citizenship applications completed	148	447	74	50%	81	54%	132	89%	287
Participants attaining citizenship	43	129	15	35%	46	107%	55	126%	116
Increased knowledge of English	186 or 100%	558	157	84%	104	56%	135	73%	396
Successful mock interview	149 or 80%	447	54	36%	54	36%	116	78%	224
New citizen voter registrations	43 or 100%	129	6	14%	15	35%	39	94%	60
Referrals for other services	186 or 100%	558	118	63%	161	87%	175	94%	454

Note also that in the draft report, the projected outcome for *Participants attaining citizenship* is incorrectly identified as 279; it should read 129, representing a target of 43 for each year.

Having never provided funded naturalization services to this scale prior to the initial receipt of the ORR grant, the partners came together and to the best of their abilities projected outcomes and goals. In reviewing the above table, it is clear that the project experienced significant challenges in achievement of outcome targets, which were articulated in all of the Progress Reports. These challenges stemmed from

our own growth and development of the project as well as external barriers. In spite of the challenges, the project continued although faced with clearly ambitious outcomes.

In terms of specific outcome targets, the project partners encountered system barriers, which impeded our accomplishments. In the first year of the grant, the partners learned quickly that the significant increase in applications for citizenship across the nation created a backlog at the Immigration and Naturalization Service (INS) and a wait time for clients of a year to two years before gaining an interview. This wait time impacted the utilization patterns of students. In effect, students would sign up for class, complete their N-400 and after learning of the waiting period elected to stop attending the program, planning to rejoin closer to their scheduled interview. The impact to our outcome accomplishments was that students completing classes during one project year, would not have any opportunity to *Attain citizenship* and *Complete voter registrations* until potentially the following project year. Additionally new citizen voter registrations became very difficult to track as once students became new citizens they left the programs and lost touch with agencies.

In terms of *Citizenship applications completed*, we found that many students came to us having already completed or submitted their N-400 applications. As these students were still in need of services, we enrolled them in classes in spite of the impact on our goals. For many of these students, we did provide advocacy, problem solving and follow-up with the INS on the status of their applications.

Record Keeping Section

~~In terms of duplicate social security numbers, we request clarification on what is noted as a "significant number" and that we have an opportunity to review, correct, refute, and/or clarify the claim of duplicate clients.~~

As described previously, given the one to two year waiting period between INS application submission and actual interview, students often left and came back to partner agencies seeking services over the course of a two year period. Additionally, given the limited number of agencies with the capacity to serve refugees, many clients also sought services at more than one of the partner agencies. As a coalition, we felt very strongly that clients should not be penalized for the systemic barriers creating the INS backlog and chose not to deny services to students in need, even though they had previously enrolled and dropped out of the program. In addition for those participants that sought services at more than one partner agency, we made every effort to eliminate duplication in counting.

In response to the comment on Horn of Africa Services, "*as a sub recipient, performed no services itself, but outsourced the work to three other organizations without written approval as required by the terms of its agreement with ACRS.*" HOAS, during the grant period, was considered an umbrella organization representing and supporting several much smaller East African refugee community organizations such as Mutual Assistance Associations (MAAs). As soon as ACRS became aware of the outsourcing, we requested and received in writing confirmation of HOAS's relationship with the other organizations. At the time, HOAS itself was developing its capacity and also wished to spread the vital resources to the variety of East African community groups. ACRS then met with HOAS administrators and gave verbal approval for the change to the agreement. As a result of the ORR funding, both HOAS and several other MAAs have built and maintained their capacity to provide classes and other related social services to their East African communities.

~~In response to the last bullet of this section, regarding ACRS, "*Three of the files were for refugees who had already passed the citizenship exam and were not part of the target group to be served.*" again we request the names of these clients so that we might have the opportunity to review, correct, refute, and/or clarify this statement.~~

Office of Audit Services Note – The shaded comments above pertain to material included in the draft report but not included in this final report.

In closing, we hope we can receive a response to our comments and requests prior to release of a final draft of the report. Regarding the specific recommendations, again we do concur and wish to note improvements had been made during the final year (1999 - 2000). We feel that in spite of the many challenges faced by this project over its three-year history, the ORR funding enabled the partnership to achieve significant successes individually and as a coalition in addition to those project outcomes. We are thankful for the support, which allowed us to engage in community building and maintain a sustained coalition of refugee serving organizations.

We look forward to your response. Please feel free to contact Janet SooHoo, Deputy Director, ACRS at (206) 695-7632 with any questions or comments.

With Respect;



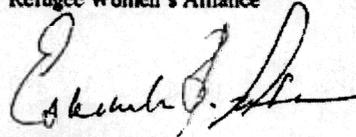
Diane Narasaki
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