

Department of Health and Human Services

**OFFICE OF  
INSPECTOR GENERAL**

**CONNECTICUT OFTEN DID NOT  
COMPLY WITH FEDERAL  
ADOPTION ASSISTANCE  
REQUIREMENTS**

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# *Office of Inspector General*

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## EXECUTIVE SUMMARY

***Connecticut often did not comply with Federal requirements in claiming adoption assistance payments for Federal reimbursement. In addition, Connecticut frequently could not provide adequate documentation that it had performed required background checks. As a result, we estimated that Connecticut received at least \$17 million in unallowable adoption assistance payments, and the safety of an estimated 2,862 children may have been at risk.***

### WHY WE DID THIS REVIEW

A prior Office of Inspector General review found that Connecticut's Department of Children and Families (State agency) claimed Federal reimbursement of adoption assistance payments to children who did not meet income eligibility requirements. In addition, Connecticut's A-133 Single State Audit found that the State agency did not always document criminal record checks adequately. When a State agency fails to comply with Federal adoption assistance payment requirements, Federal funds are unallowable. When a State agency fails to maintain evidence of background checks, not only are Federal funds at risk, but the safety of children placed in foster and prospective adoptive families may also be at risk. Therefore, we conducted this review to address background checks and other Federal requirements.

Our objectives were to determine whether the State agency complied with (1) Federal requirements in claiming adoption assistance payments for Federal reimbursement and (2) Federal and State requirements for performing adoption assistance program background checks.

### BACKGROUND

The Department of Health and Human Services, Administration for Children and Families (ACF), Children's Bureau, administers the adoption assistance program established by Title IV-E of the Social Security Act (the Act). The adoption assistance program supports the timely placement of children with special needs who would otherwise be difficult to place with adoptive families. Federal and State Governments share the costs of administering the program, which include monthly subsidies to adoptive families to assist with the care of eligible children. Federal regulation requires retention of records, including documentation to support the eligibility of claimed Federal reimbursement.

In Connecticut, the State agency administers the Title IV-E adoption assistance program. ACF approved the State agency's Title IV-E plan, which cites Federal law, Connecticut General Statute, and Regulations of Connecticut State Agencies regarding background check requirements for foster and prospective adoptive families.

Our audit covered \$49,481,645 that the State agency claimed for reimbursement of adoption assistance payments on behalf of 4,566 children during fiscal years (FYs) 2009 and 2010. We sampled 291 adoptee payment records totaling \$4,062,782 in claimed reimbursements for compliance with Title IV-E requirements. We evaluated compliance with selected Title IV-E adoption assistance requirements and subjected 291 sampled adoptee payment records

(1 sampled record per child) to focused auditor review to determine whether the State agency provided adequate support for compliance.

## **WHAT WE FOUND**

The State agency did not always comply with (1) Federal requirements in claiming adoption assistance payments for Federal reimbursement and (2) Federal and State requirements for performing adoption assistance program background checks. Specifically:

- For 110 of the 291 sampled records, the State agency provided inadequate documentation supporting the allowability of payments totaling \$1,277,914 in FYs 2009 and 2010. On the basis of our sample results, we estimated unallowable payments of at least \$17,499,083 during this period.
- For 185 of the 291 sampled records, the State agency provided inadequate documentation that required background checks had been performed. On the basis of our sample results, we estimated that the safety of 2,862 children may have been at risk.

The State agency claimed ineligible adoption assistance payments because it did not always follow its established procedures for ensuring that claims met Federal requirements for financial eligibility, background checks, and adoption assistance agreements. In addition, the State agency did not have adequate controls in place to ensure that the required background checks were completed for prospective foster and adoptive families and the documentation to support the required background checks was retained.

## **WHAT WE RECOMMEND**

We recommend that the State agency:

- refund to the Federal Government \$17,499,083 in estimated unallowable payments claimed without adequate documentation;
- discontinue claiming Title IV-E adoption assistance reimbursement for the children identified in the 110 sampled adoptee payment records;
- strengthen and implement controls to ensure full compliance with financial and other eligibility requirements; and
- strengthen and implement controls, such as but not limited to accurate and appropriate checklists, to ensure full compliance with background check requirements.

## **STATE AGENCY COMMENTS**

In written comments on our draft report, the State agency stated that it would resolve all outstanding issues with ACF.

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## INTRODUCTION

### WHY WE DID THIS REVIEW

A prior Office of Inspector General (OIG) review found that Connecticut's Department of Children and Families (State agency) claimed Federal reimbursement of adoption assistance payments to children who did not meet income eligibility requirements.<sup>1</sup> In addition, Connecticut's A-133 Single State Audit found that the State agency did not always document criminal record checks adequately. When a State agency fails to comply with Federal adoption assistance payment requirements, Federal funds are unallowable. When a State agency fails to maintain evidence of background checks, not only are Federal funds at risk, but the safety of children placed in foster and prospective adoptive families may also be at risk. Therefore, we conducted this review to address background checks and other Federal requirements.

### OBJECTIVES

Our objectives were to determine whether the State agency complied with (1) Federal requirements in claiming adoption assistance payments for Federal reimbursement and (2) Federal and State requirements for performing adoption assistance program background checks.

### BACKGROUND

#### Title IV-E Adoption Assistance Program

The Department of Health and Human Services, Administration for Children and Families (ACF), Children's Bureau, administers the adoption assistance program established by Title IV-E of the Social Security Act (the Act). The adoption assistance program supports the timely placement of children with special needs who would otherwise be difficult to place with adoptive families. Federal and State Governments share the costs of administering the program, which include monthly subsidies to adoptive families to assist with the care of eligible children. Federal regulation requires State agencies to retain records supporting the eligibility of claimed Federal reimbursement.

The Federal Government pays its share of a State's adoption assistance payments based on the Federal medical assistance percentage (FMAP), which varies depending on the State's relative per capita income. The American Recovery and Reinvestment Act of 2009, section 5001, established temporary Title IV-E FMAP increases applicable to Federal fiscal years (FYs) 2009 and 2010.

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<sup>1</sup> *Review of Connecticut's Title IV-E Adoption Assistance Costs for State Fiscal Years 2002 Through 2004* (A-01-06-02506).

## **Connecticut Department of Children and Families**

In Connecticut, the State agency administers the Title IV-E adoption assistance program. The State agency's stated mission is to protect children, improve child and family well-being, and support and preserve families. The State agency's mission statement says that these efforts are accomplished by respecting and working within individual cultures and communities in Connecticut and in partnership with others.

For FYs 2009 and 2010, Connecticut's Title IV-E FMAP was 56.2 percent. Throughout this report, we refer only to Federal share (i.e., FMAP) for all dollar amounts. During FYs 2009 and 2010, the State agency claimed \$49,481,645 for adoption assistance payments.

### **HOW WE CONDUCTED THIS REVIEW**

Our audit covered \$49,481,645 that the State agency claimed for reimbursement of adoption assistance payments on behalf of 4,566 children during FYs 2009 and 2010. We focused our review on the risk areas we had identified in a prior OIG Title IV-E review and A-133 Single State Audit findings in Connecticut. We evaluated compliance with selected Title IV-E adoption assistance requirements by reviewing 291 sampled adoptee payment records<sup>2</sup> with payments totaling \$4,062,782 and their supporting documentation. This report does not represent an overall assessment of all claims submitted by the State agency for Title IV-E reimbursement. Rather, the report focuses on the State agency's compliance with Title IV-E requirements for financial eligibility, adoption assistance agreements, and background checks.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

ACF approved the State agency's Title IV-E plan, which cites Federal law, Connecticut General Statute, and Regulations of Connecticut State Agencies regarding background check requirements for foster and prospective adoptive families. Appendix A details the Federal and State laws, regulations, and policies relevant to our review. Appendix B contains the details of our audit scope and methodology, Appendix C contains the details of our statistical sampling methodology, and Appendix D contains our sample results and estimates.

### **FINDINGS**

The State agency did not always comply with (1) Federal requirements in claiming adoption assistance payments for Federal reimbursement and (2) Federal and State requirements for performing adoption assistance program background checks. Specifically:

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<sup>2</sup> Each child is associated with one payment record.

- For 110 of the 291 sampled records, the State agency provided inadequate documentation supporting the allowability of payments totaling \$1,277,914 in FYs 2009 and 2010. On the basis of our sample results, we estimated unallowable payments of at least \$17,499,083 during this period.
- For 185 of the 291 sampled records, the State agency provided inadequate documentation that required background checks had been performed. On the basis of our sample results, we estimated that the safety of 2,862 children may have been at risk.

The State agency claimed ineligible adoption assistance payments because it did not always follow its established procedures for ensuring that claims met Federal requirements for financial eligibility, background checks, and adoption assistance agreements. In addition, the State agency did not have adequate controls in place to ensure that the required background checks were completed for prospective foster and adoptive families and the documentation to support the required background checks was retained.

## **THE STATE AGENCY CLAIMED UNALLOWABLE PAYMENTS**

The State agency claimed unallowable adoption assistance payments related to 110 sampled payment records. We determined the payments to be unallowable when the State agency's documentation meant to support the payment record did not support (1) financial eligibility (69 sampled records), (2) any required background checks for the prospective foster or adoptive family (50 sampled records), or (3) adoption assistance agreements (16 sampled records).<sup>3</sup>

On the basis of our sample results, we estimated that the State agency claimed at least \$17,499,083 in unallowable payments. The State agency claimed ineligible adoption assistance payments because it did not always follow its established procedures for ensuring that claims met Federal requirements.

### **Inadequate Financial Eligibility Documentation**

Section 473 of the Act establishes adoption assistance eligibility requirements. Specifically, a child is eligible for Title IV-E adoption assistance payments if the child is eligible for Supplemental Security Income (SSI) or meets other specific requirements.<sup>4</sup> One of these requirements is that the income of the child's family at the time the child was removed from the

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<sup>3</sup> Twenty-five of these sampled payment records had more than one type of unallowable payment, but we counted each unallowable payment only once in estimating total unallowable payments.

<sup>4</sup> A child may be eligible for Title IV-E adoption assistance if he or she is determined by the State to meet the statutory definition of a child with special needs and at least one of the following: (1) meets AFDC requirements (as in effect on July 16, 1996) at the time of removal from the home, (2) meets the requirements for SSI, (3) is the child of a minor parent in foster care, or (4) was previously eligible for Title IV-E adoption assistance.

home did not exceed the ceiling for the former Aid to Families With Dependent Children (AFDC) program (as in effect on July 16, 1996).<sup>5,6</sup>

For 69 of the sampled records that resulted in unallowable payments, the State agency did not provide adequate documentation of financial eligibility, which generally resulted when the State agency:

- did not provide required documentation that showed eligibility for Title IV-E adoption assistance (e.g., evidence of AFDC or SSI eligibility) or
- provided documentation that showed ineligibility for Title IV-E adoption assistance (e.g., evidence that income exceeded the AFDC threshold).

### **Lack of Background Check Documentation**

The Adoption and Safe Families Act of 1997 (ASFA)<sup>7</sup> established a Federal requirement for States to develop procedures for criminal records checks for any prospective foster and adoptive parent before the foster or adoptive parent may be finally approved for the placement of a child. Although ASFA required States to develop procedures for criminal records checks, it did not require any specific type of criminal records check.

The Adam Walsh Child Protection and Safety Act of 2006 (Adam Walsh Act)<sup>8</sup> required an approved Title IV-E State plan to develop procedures before a prospective foster or adoptive parent may be finally approved for placement of a child for (1) fingerprint-based national criminal history records checks for prospective foster and adoptive parents and (2) child abuse and neglect registry records checks for all household adults.

For 50 sampled payment records, the State agency did not provide documentation for any required background checks of the prospective foster or adoptive families. Thus, the adoption assistance payments associated with these 50 sampled records were unallowable. We

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<sup>5</sup> Section 473(a)(2)(A)(i)(I) of the Act specifies that a special-needs child may be ruled eligible for Title IV-E adoption assistance if the child would have been eligible for assistance under the AFDC program when the child resided in the home from which he or she was removed and (1) there was evidence that a judicial determination was made that the child's continuation in the home from which he or she was removed would be contrary to the child's welfare or (2) the child was removed from the home on the basis of a voluntary placement agreement and previously received Title IV-E foster care maintenance payments.

<sup>6</sup> The Fostering Connection to Success and Increasing Adoption Act of 2008 (P.L. No. 110-351, Oct. 7, 2008), section 402, delinked adoption assistance from AFDC eligibility, with new eligibility criteria to be phased in from FY 2010 to FY 2018. Beginning in FY 2010, an applicable child was (1) at least 16 years of age at the time of the adoption assistance agreement, or was any age if the child (2) had been in foster care under the responsibility of the State for at least 60 consecutive months, or (3) was the sibling of an applicable child and was placed with the sibling.

<sup>7</sup> ASFA is P.L. No. 105-89, effective November 19, 1997. Section 106 established section 471(a)(20)(A) of the Act.

<sup>8</sup> The Adam Walsh Act is P.L. No. 109-248. Section 152(a) amended sections 471(a)(20)(A) and (B) of the Act effective October 1, 2006.

determined that a sampled record's adoption assistance payments were unallowable on the basis of background checks only when (1) the State agency provided no evidence for completion of any required background checks and (2) data provided by the State agency indicated that the prospective foster or adoptive family was licensed or approved on or after November 19, 1997 (the date after which some type of background check was required for initial licensing or approval).

### **Inadequate Adoption Assistance Agreement Documentation**

Adoption assistance payments are available on behalf of eligible children if the State enters into an adoption assistance agreement with prospective adoptive parent(s) prior to the finalization of the adoption, and the agreement must be signed by all parties (45 CFR 1356.40).

For 16 of the sampled records that resulted in unallowable payments, the State agency did not provide adequate documentation of adoption assistance agreements, which generally resulted when the State agency:

- did not provide an adoption assistance agreement,
- provided an adoption assistance agreement that did not include signatures from all required parties, or
- provided an adoption assistance agreement that was signed after the final decree of adoption.

### **INADEQUATE BACKGROUND CHECKS MAY HAVE PLACED THE SAFETY OF CHILDREN AT RISK**

ACF approved the State agency's Title IV-E plan, which cites Federal law, Connecticut General Statute, and Regulations of Connecticut State Agencies regarding background check requirements for foster and prospective adoptive families. Appendix A details pertinent Federal and State laws, regulations, and policies related to background checks and how they changed over the period pertinent to our review.

The State agency provided adequate documentation for required background checks for 106 of the 291 sampled records. However, the remaining 185 sampled records had either no evidence (50 sampled records) or inadequate evidence (135 sampled records) of required background checks; examples of required background checks included State criminal records checks, national criminal records checks, and child abuse and neglect registry checks.

We identified the following examples of inadequate documentation of background checks:

- The State agency did not provide background check documentation for a child's biological father (a known drug abuser), whose parental rights had been legally terminated, yet still lived in the child's adoptive household.

- The State agency did not provide child abuse and neglect registry check documentation for an adoptive mother’s mother, who lived in the household and whom the State agency terminated as a foster parent because of medical neglect prior to the sampled child’s placement.
- A State agency request for State police background checks, based on name and date of birth, reversed the dates of birth of one child’s adoptive parents, and the response for both parents was “no record.” However, an earlier State police check of the adoptive father, with his correct date of birth, showed that he had a record of five arrests.

On the basis of our sample results, we estimated that the safety of 2,862 of the 4,566 children (63 percent) covered by our review may have been at risk. The State agency did not have adequate controls in place to ensure that the required background checks were completed for prospective foster and adoptive families and the documentation to support the required background checks was retained. Specifically, the State agency used a number of checklists to ensure that the required background checks were completed; however, the checklists were not always consistent with the type of background check required.

### **RECOMMENDATIONS**

We recommend that the State agency:

- refund to the Federal Government \$17,499,083 in estimated unallowable payments claimed without adequate documentation;
- discontinue claiming Title IV-E adoption assistance reimbursement for the children identified in the 110 sampled adoptee payment records;
- strengthen and implement controls to ensure full compliance with financial and other eligibility requirements; and
- strengthen and implement controls, such as but not limited to accurate and appropriate checklists, to ensure full compliance with background check requirements.

### **STATE AGENCY COMMENTS**

In written comments on our draft report, the State agency stated that it would resolve all outstanding issues with ACF. The State agency’s comments are included in their entirety as Appendix E.

## APPENDIX A: HISTORICAL BACKGROUND CHECK REQUIREMENTS

This appendix details the criteria that we used to determine State agency compliance with Title IV-E adoption assistance background check requirements.

We accepted only authoritative support for each required background check (i.e., documentation from the agency that conducted the background check). For example, we did not accept State agency narratives or checklists referring to results of background checks conducted by another agency.

ACF approved the State agency Title IV-E plan, which cites Connecticut General Statute (CGS) 17a-151 and Regulations of Connecticut State Agencies (RCSA) 17a-145-152 regarding State background check requirements for foster and prospective adoptive families. In addition, the Attorney General of the State of Connecticut (CT AG) stated that the State agency licenses foster parents under CGS 17a-114. The latter statute governs three types of licenses or approvals pertinent to our audit:

1. licenses issued directly by the State agency to foster and prospective adoptive parent(s), which we call “regular”;
2. approval issued to foster and prospective adoptive parent(s) by a private child-placing agency directly licensed by the State agency, which we call “CPA”; and
3. licenses issued directly by the State agency only to foster and prospective adoptive parent(s) who is (are) blood relative(s) of the child(ren) being placed, which we call “relative.”

Date range headings follow with discussion of applicable laws, regulations, or State agency policies in effect.

**Prior to November 19, 1997:** Prior to November 19, 1997, there were no Federal requirements for background checks of foster or prospective adoptive families. The “Adoption and Safe Families Act of 1997” (ASFA) amended section 471(a)(20)(A) of the Act, effective November 19, 1997, to begin requiring such checks. We, therefore, did not require any background checks for licenses or approvals issued prior to November 19, 1997.

**November 19, 1997 – September 30, 2001:** ASFA required “criminal records checks” but did not specify what type of check must be conducted. RCSA 17a-145-152 (for regular licenses) and RCSA 17a-150-110 (for CPA approvals), both effective February 20, 1997, required that foster and prospective adoptive parents have no record of certain criminal violations or substantiated child abuse or neglect, but did not specify what type of records check must be conducted. We, therefore, accepted authoritative support for any type of criminal records check for initial regular licenses and initial CPA approvals issued on or after November 19, 1997, and prior to October 1, 2001 (see period beginning October 1, 2001, below).

RCSA 17a-114-16(a)(3), effective for relative licenses March 22, 1995, required that “[s]uch relative attests that he and any adult living within the household have not been convicted of any crime or arrested for a felony against a person, for injury or risk of injury to or impairing the morals of a child, or for the possession, use or sale of any controlled substance.” We, therefore, required support for such attestation for initial relative licenses issued on or after November 19, 1997, and prior to October 1, 2001 (see period beginning October 1, 2001, below).

**October 1, 2001 – June 30, 2002:** CGS 17a-114, as amended by P.A. 01-159, section 4, effective October 1, 2001, required State Police Bureau of Identification (SPBI) and Federal Bureau of Investigation (FBI) records checks for all foster parents. In addition, the same amendment established a requirement to check the State child abuse registry (also referred to as Child Protective Services (CPS) check) for all foster and prospective adoptive parents. We, therefore, required SPBI, FBI, and CPS records checks for all foster and prospective adoptive parents for initial licenses or approvals issued on or after October 1, 2001.

**July 1, 2002 – September 30, 2003:** State agency Policy 41-17-8, “Renewal of a License,” and State agency Policy 41-17-13, “Content of Licensing Record,” both effective July 1, 2002, required biennial license renewal SPBI and CPS records checks for all household members at least age 16. We, therefore, required SPBI and CPS records checks for all household members at least age 16 for renewals of regular (which included relatives since July 1, 2001) licenses issued on or after July 1, 2002.

**October 1, 2003 – September 30, 2006:** CGS 17a-114 and CGS 17a-151, as amended by P.A. 03-243, sections 7 and 8, respectively, both effective October 1, 2003, broadened the scope of the statute to include the requirement of SPBI, FBI, and CPS records checks for all household members at least age 16 for CPA approvals as well as regular licenses. We, therefore, required SPBI, FBI, and CPS records checks for all household members at least age 16 for all initial foster and prospective adoptive licenses and approvals on or after October 1, 2003. In addition, we required SPBI and CPS records checks, and FBI records checks if none had previously been conducted for the household member, for all household members at least age 16 for all renewals of foster and prospective adoptive licenses and approvals issued on or after October 1, 2003.

**October 1, 2006 – September 30, 2010 (end of period under review):** Sections 471(a)(20)(A) and (B) of the Act, as amended by P.L. No. 109-248, “Adam Walsh Child Protection and Safety Act of 2006,” effective October 1, 2006, section 152(a) required fingerprint-based national criminal history records checks for prospective foster and adoptive parents, and child abuse and neglect registry records checks for all household adults. We, therefore, required, in addition to requirements discussed above, that FBI records checks be fingerprint based for all licenses and approvals issued on or after October 1, 2006.

## **APPENDIX B: AUDIT SCOPE AND METHODOLOGY**

### **SCOPE**

Our audit covered \$49,481,645 that the State agency claimed for reimbursement of adoption assistance maintenance payments on behalf of 4,566 children during FYs 2009 and 2010. We focused our review on the risk areas we had identified as a result of a prior OIG Title IV-E review and A-133 Single State Audit findings in Connecticut. We evaluated compliance with selected Title IV-E adoption assistance requirements. This report focuses on selected risk areas and does not represent an overall assessment of all claims submitted by the State agency for Title IV-E reimbursement.

We limited our review of the State agency's internal controls to those applicable to the Title IV-E adoption assistance areas of review because our objective did not require an understanding of all internal controls over the State agency's foster and adoptive services. Our review enabled us to establish reasonable assurance of the authenticity and accuracy of the data obtained from the State agency's detailed transactions file, and we reconciled the file to amounts reported to ACF.

We conducted our fieldwork from October 2012 through February 2013.

### **METHODOLOGY**

To accomplish our objective, we:

- reviewed Federal and State laws and regulations;
- reviewed the State agency's policies and procedures;
- obtained a Microsoft Access database from the State agency that included foster care and adoption assistance maintenance payments and subsequent adjustments;
- reconciled State agency transaction detail to ACF's quarterly expenditure reports for adoption assistance maintenance payment reimbursements;
- selected a stratified sample of 291 adoptee payment records (Appendix C) and:
  - requested sampled adoptee case files from the State agency for review,
  - determined for each sampled adoptee case file whether evidence for financial eligibility and adoption assistance agreements was adequate,
  - determined for each sampled adoptee case file whether evidence of completion of required background checks for preadoptive families was adequate,
  - discussed inadequate documentation with State agency officials and reviewed additional documentation provided to OIG, and

- analyzed and summarized the results of the sample;
- used our sample results to estimate unallowable reimbursements for adoption assistance maintenance payments and the number of children whose safety may have been at risk because they were placed in preadoptive families with inadequately supported background checks (Appendix D); and
- discussed the results of our review with State agency and ACF officials.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## APPENDIX C: SAMPLE DESIGN AND METHODOLOGY

### POPULATION

The population consisted of State agency foster care and adoption assistance maintenance payments and subsequent adjustments made October 1, 2008, through June 30, 2012.

### SAMPLING FRAME

The sample frame was an Access database of 4,566 adoptee payment records totaling \$49,481,645.

### SAMPLE UNIT

The sample unit was an adoptee payment record.

### SAMPLE DESIGN

We used a stratified random sample as follows.

<b>Stratum</b>	<b>Description of Stratum</b>	<b>Number of Adoptee Payment Records</b>	<b>Federal Share of Payments</b>
1	Payments > \$0 and < \$9,814	1,273	\$6,441,505
2	Payments >= \$9,814 and <= \$20,000	3,202	40,710,195
3 (100% review)	46 judgmentally selected <sup>9</sup> plus 45 with payments > \$20,000	91	2,329,945
<b>Total</b>		<b>4,566</b>	<b>\$49,481,645</b>

### SAMPLE SIZE

We randomly selected 100 sample units from both stratum 1 and stratum 2. We selected all 91 sample units from stratum 3. Our total sample size was 291 sample units.

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<sup>9</sup> Before we designed our sample, we judgmentally selected and reviewed 46 payment records to determine whether a problem existed that warranted the review of a statistical sample. Although some of these 46 payment records met the criteria for being included in strata 1 and 2, we removed them from the sampling frame before we selected our random sample.

## **SOURCE OF RANDOM NUMBERS**

We used the OIG, Office of Audit Services (OAS), statistical software to generate the random numbers.

## **METHOD OF SELECTING SAMPLE UNITS**

We consecutively numbered the sample units in each stratum. After generating 100 random numbers for stratum 1 and 100 random numbers for stratum 2, we selected corresponding frame items for review. We selected all 91 sample units from stratum 3.

## **ESTIMATION METHODOLOGY**

We used the OAS statistical software to estimate the Federal share of total unallowable payments for Title IV-E adoption assistance maintenance payments made from October 1, 2008, through September 30, 2010.

We also used the OAS statistical software to estimate the number of children whose safety may have been at risk.

**APPENDIX D: SAMPLE RESULTS AND ESTIMATES**

**UNALLOWABLE PAYMENTS CLAIMED**

<b>Stratum</b>	<b>Frame Size</b>	<b>Value of Frame</b>	<b>Sample Size</b>	<b>Value of Sample</b>	<b>Number of Disallowed Payments</b>	<b>Value of Disallowed Payments</b>
1	1,273	\$6,441,505	100	\$483,715	41	\$203,830
2	3,202	40,710,195	100	1,249,122	45	556,513
3	91	2,329,945	91	2,329,945	24	517,571
<b>Total</b>	<b>4,566</b>	<b>\$49,481,645</b>	<b>291</b>	<b>\$4,062,782</b>	<b>110</b>	<b>\$1,277,914</b>

**Estimated Total Disallowed Payments**  
*(Limits Calculated for a 90-Percent Confidence Interval)*

Point estimate	\$20,931,869
Lower limit	17,499,083
Upper limit	24,364,654

**INADEQUATE BACKGROUND CHECKS MAY HAVE PLACED THE SAFETY OF CHILDREN AT RISK**

<b>Stratum</b>	<b>Frame Size</b>	<b>Sample Size</b>	<b>Number With Disallowed Payments Due to Lack of Background Checks</b>	<b>Number With Incomplete Background Checks</b>	<b>Total Sampled Children at Safety Risk</b>
1	1,273	100	14	45	59
2	3,202	100	25	39	64
3	91	91	11	51	62
<b>Total</b>	<b>4,566</b>	<b>291</b>	<b>50</b>	<b>135</b>	<b>185</b>

**Estimated Total Children Whose Safety May Have Been at Risk**  
*(Limits Calculated for a 90-Percent Confidence Interval)*

Point estimate	2,862
Lower limit	2,593
Upper limit	3,131

APPENDIX E: STATE AGENCY COMMENTS



Joette Katz  
Commissioner

**DEPARTMENT of CHILDREN and FAMILIES**  
*Making a Difference for Children, Families and Communities*

OFFICE OF THE COMMISSIONER



Dannel P. Malloy  
Governor

September 27, 2013

Department of Health and Human Services  
Office of the Inspector General  
Office of Audit Services, Region 1  
JFK Federal Building  
15 New Sudbury Street, Room 2425  
Boston, MA 02203  
Attention: George A. Nedder, Acting Regional Inspector General for Audit Services

**RE: Connecticut Often Did Not Comply With Federal Adoption Assistance Requirements**

Dear Mr. Nedder:

Thank you for the time and effort you and your staff have devoted to auditing the Department of Children and Families' Title IV-E claims for reimbursement of adoption assistance costs. We have reviewed your draft recommendations and understand the issues you have identified. We will resolve all outstanding issues with the Administration for Children and Families.

Yours truly,

  
Joette Katz  
Commissioner

Cc: Fernando Muñiz, Deputy Commissioner  
Cindy Butterfield, Chief Fiscal Officer  
Susan Hamel, Director, Revenue Enhancement Division  
Barbara Claire, Agency Legal Director

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