

Report in Brief

Date: December 2020

Report No. A-12-20-20001

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



Why OIG Did This Audit

The Office of Refugee Resettlement (ORR), a program office of the Administration for Children and Families (ACF) within HHS, manages the Unaccompanied Alien Children Program. ORR funds a network of about 195 facilities. ORR also operates influx care facilities to provide temporary emergency shelter and services for children. ORR contracted with Comprehensive Health Service, LLC (CHS), a medical management services provider, to operate a temporary influx care facility located in Homestead, Florida. Some members of Congress have expressed concerns about ORR's awarding of a \$341 million sole source contract to CHS.

Our objectives were to determine whether ORR: (1) awarded a \$341 million sole source contract to CHS in accordance with Federal statutes, regulations, and HHS policies and procedures, and (2) managed its four contracts for services to provide influx care at the Homestead influx care facility (Homestead) during our audit period in accordance with Federal statutes, regulations, and HHS policies and procedures.

How OIG Did This Audit

Our audit included the review of ORR's awarding of a sole source contract to CHS with a ceiling value of \$341,124,733, as well as the review of contracts for the three other Homestead service providers. We reviewed invoices from the three contractors that provided services at Homestead during the audit period.

The Office of Refugee Resettlement Did Not Award and Manage the Homestead Influx Care Facility Contracts in Accordance With Federal Requirements

What OIG Found

ORR did not award a \$341 million sole source contract to CHS in accordance with Federal regulations and did not effectively manage its HHS contracts for services provided at Homestead in accordance with Federal statutes, regulations, and HHS policies and procedures. Because ORR did not follow Federal regulations or effectively manage its contracts for services provided at Homestead, it: (1) did not receive the benefit of a full and open competition, such as potentially receiving higher quality services or services at a lower cost when it awarded a sole source letter contract to CHS; (2) paid approximately \$67 million to operate Homestead fully staffed and equipped for nearly 3 months after the last child left Homestead; (3) increased the risk of approving invoices that were incorrect or for services not performed; and (4) made approximately \$2.6 million in overpayments to CHS.

What OIG Recommends and Agency Comments

We made several recommendations to ORR, including that it: (1) develop plans for upcoming service needs by using all available data and indicators to ensure that it adheres to Federal requirements and (2) recoup the \$2,581,157 overpayment of fixed fees from CHS. We also made several other recommendations related to establishing policies and procedures to better protect Federal funds and manage its contracts in accordance with Federal statutes, regulations, and HHS policies and procedures.

In written comments on our draft report, ACF, commenting on behalf of ORR, concurred with five of our six recommendations and described the actions it has taken or plans to take to address them. For example, ACF stated that the recently created Office of Government Contracting Services (GCS) and ORR began discussions in September 2020 regarding ORR's new requirement for influx care operations and services. Specifically, GCS established standard operating procedures for reviews at multiple acquisition and procurement lifecycle stages to include acquisition strategy, presolicitation, and contract reviews. ACF did not indicate concurrence or nonconcurrence with our final recommendation to recoup the \$2,581,157 overpayment of fixed fees from CHS, instead stating that if PSC determined an overpayment was made, it would work with PSC to recoup the overpayment. Finally, ACF stated that ORR did not agree with the conclusion in our first finding that ORR did not comply with the Federal Acquisition Regulation. We disagree with this and maintain that our findings and recommendations are valid.