



October 18, 2010

Office of Audit Services
Jacob Javits Federal Building
26 Federal Plaza, Room 3900
New York, NY 10278

Report Number: A-02-09-02003

Allison Blake, Ph.D., L.S.W.
Commissioner
New Jersey Department of Children and Families
222 South Warren Street
P.O. Box 729
Trenton, NJ 08625-0729

Dear Dr. Blake:

Enclosed is the U.S. Department of Health & Human Services (HHS), Office of Inspector General (OIG), final report entitled *Review of New Jersey's Title IV-E Adoption Assistance Costs for Federal Fiscal Year 2006*. We will forward a copy of this report to the HHS action official noted below.

Section 8L of the Inspector General Act, 5 U.S.C. App., requires that OIG post its publicly available reports on the OIG Web site. Accordingly, this report will be posted at <http://oig.hhs.gov>.

If you have any questions or comments about this report, please direct them to the HHS action official. Please refer to report number A-02-09-02003 in all correspondence.

Sincerely,

/James P. Edert/
Regional Inspector General
for Audit Services

Enclosure

HHS Action Official:

Ms. Joyce A. Thomas
Regional Administrator
Administration for Children and Families, Region II
26 Federal Plaza, Room 4114
New York, NY 10278

Department of Health & Human Services

**OFFICE OF
INSPECTOR GENERAL**

**REVIEW OF NEW JERSEY'S
TITLE IV-E ADOPTION
ASSISTANCE COSTS FOR
FEDERAL FISCAL YEAR 2006**



Daniel R. Levinson
Inspector General

October 2010
A-02-09-02003

Office of Inspector General

<http://oig.hhs.gov>

The mission of the Office of Inspector General (OIG), as mandated by Public Law 95-452, as amended, is to protect the integrity of the Department of Health & Human Services (HHS) programs, as well as the health and welfare of beneficiaries served by those programs. This statutory mission is carried out through a nationwide network of audits, investigations, and inspections conducted by the following operating components:

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Notices

THIS REPORT IS AVAILABLE TO THE PUBLIC

at <http://oig.hhs.gov>

Section 8L of the Inspector General Act, 5 U.S.C. App., requires that OIG post its publicly available reports on the OIG Web site.

OFFICE OF AUDIT SERVICES FINDINGS AND OPINIONS

The designation of financial or management practices as questionable, a recommendation for the disallowance of costs incurred or claimed, and any other conclusions and recommendations in this report represent the findings and opinions of OAS. Authorized officials of the HHS operating divisions will make final determination on these matters.

INTRODUCTION

BACKGROUND

Title IV-E Adoption Assistance Program

Pursuant to Title I -E of the Social Security Act (the Act), the U.S. Department of Health & Human Services, Administration for Children and Families (ACF) administers the foster care and adoption assistance programs. The foster care program helps States provide proper care for children who are placed in a foster home or institution. The adoption assistance program helps States encourage the adoption of children with special needs.

The Federal Government shares in the States' cost of adoption assistance for payments for children who meet supplemental security income (SSI) requirements or other specific requirements.¹ To meet SSI requirements, a child must be disabled, his or her household income must be below a specified ceiling, and he or she must be under a specific age. Children who do not meet SSI requirements may still be eligible for Federal reimbursement if they meet other specific requirements. One of these requirements is that the income of the child's family at the time the child was removed from the home not exceed the ceiling for the former Aid to Families with Dependent Children (AFDC) program. Children who meet AFDC eligibility requirements qualify for Title IV-E assistance if their removal from the home was based on either:

- a voluntary placement agreement, provided that the child is receiving Title IV-E foster care payments, or
- a judicial determination obtained within 6 months of the child's removal from the home demonstrating that continuation in the home would be contrary to the child's welfare.

New Jersey's Title IV-E Adoption Assistance Program

In New Jersey, the Department of Children and Families (the State agency) is responsible for administering the Title IV-E adoption assistance program.² To claim these costs for Title IV-E reimbursement, the State agency submits claims on a quarterly basis to ACF. To determine its quarterly expenditures, the State agency uses an electronic database that contains adoption assistance subsidy information for the entire State.

For Federal fiscal year (FFY) 2006 (October 1, 2005, through September 30, 2006), the State agency claimed adoption assistance payments for 5,237 children, totaling \$34,673,762 (\$17,336,881 Federal share), in Title IV-E adoption assistance payments on its Federal quarterly

¹ The Federal Government pays its share of a State's adoption assistance payments based on the Federal medical assistance percentage, which varies depending on the State's relative per capita income.

² Within the State agency, the Division of Youth and Family Services (DYFS) is responsible for investigating allegations of child abuse and neglect and, if necessary, arranging for child protection and family treatment. DYFS may ask the local family court to place the child in foster care. If the family court determines a child cannot be safely returned home from foster care, DYFS assists with adoption planning.

expenditure reports. We reviewed payments associated with the 100 children for whom the State received the highest dollar amounts (high-dollar payments).

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

Our objective was to determine whether the State agency complied with Federal eligibility requirements in claiming high-dollar payments for Federal reimbursement.

Scope

We reviewed the eligibility of children for whom the State agency claimed Title IV-E adoption assistance costs in FFY 2006. Of the 5,237 children for whom the State agency received adoption assistance payments, we limited our review to the 100 children for whom the State agency received the highest dollar amounts.³

We performed our fieldwork at the State agency in Trenton, New Jersey from April through December 2009.

Methodology

To accomplish our objective, we:

- reviewed applicable Federal laws and regulations and ACF program and policy announcements,
- reconciled total adoption assistance payments that the State agency claimed in FFY 2006 to individual supporting claims, and
- reviewed the eligibility case file for each of the 100 children for whom the State agency received the highest dollar amounts in FFY 2006.

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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

RESULTS OF AUDIT

The State agency complied with Federal eligibility requirements in claiming high-dollar payments for Federal reimbursement.

³ Adoption assistance payments associated for these 100 children for FFY 2006 was \$1,661,117.