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OFFICE OF INSPECTOR GENERAL  
OFFICE OF AUDIT SERVICES  
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OCT 3 2005

Report Number: A-03-04-00586

Estelle B. Richman, Secretary of Public Welfare  
Pennsylvania Department of Public Welfare  
P.O. Box 2675  
Harrisburg, Pennsylvania 17105

Dear Ms. Richman:

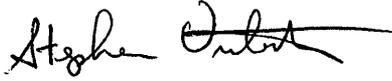
Enclosed are two copies of the Department of Health and Human Services (HHS), Office of Inspector General (OIG) report entitled "Costs Claimed Under Title IV-E Foster Care Program for Children in Castille Contracted Detention Facilities from October 1, 1997, to September 30, 2002." A copy of this report will be forwarded to the action official noted below for his/her 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 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.

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If you have any questions or comments about this report, please contact me at 215-861-4470 or through e-mail at [stephen.virbitsky@oig.hhs.gov](mailto:stephen.virbitsky@oig.hhs.gov) or your staff may contact James Maiorano, Audit Manager, at 215-861-4476 or through e-mail at [james.maiorano@oig.hhs.gov](mailto:james.maiorano@oig.hhs.gov). Please refer to report number A-03-04-00586 in all correspondence.

Sincerely,



Stephen Virbitsky  
Regional Inspector General  
for Audit Services

Enclosures - as stated

**Direct Reply to HHS Action Official**

David Lett  
Regional Administrator  
Administration for Children and Families, Region III  
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Philadelphia, PA 19106-3499

**Department of Health and Human Services**

**OFFICE OF  
INSPECTOR GENERAL**

**COSTS CLAIMED UNDER TITLE IV-E  
FOSTER CARE PROGRAM FOR  
CHILDREN IN CASTILLE  
CONTRACTED DETENTION  
FACILITIES FROM OCTOBER 1, 1997  
TO SEPTEMBER 30, 2002**

**COMMONWEALTH OF  
PENNSYLVANIA DEPARTMENT OF  
PUBLIC WELFARE**



**Daniel R. Levinson  
Inspector General**

**OCTOBER 2005  
A-03-04-00586**

# ***Office of Inspector General***

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In accordance with the principles of the Freedom of Information Act (5 U.S.C. 552, as amended by Public Law 104-231), Office of Inspector General, Office of Audit Services reports are made available to members of the public to the extent the information is not subject to exemptions in the act. (See 45 CFR Part 5.)

## **OAS FINDINGS AND OPINIONS**

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



This report, one of a series of reports, presents the first results of an Office of Inspector General (OIG) "Review of Commonwealth of Pennsylvania Department of Public Welfare Costs Claimed Under Title IV-E Foster Care Program from October 1, 1997, to September 30, 2002."

## **EXECUTIVE SUMMARY**

### **BACKGROUND**

Title IV-E of the Social Security Act (the Act) provides funds to assist States with the costs of foster care maintenance placement for eligible children under the approved State plan. These funds help States provide food, shelter, clothing and personal incidentals for children who are under the jurisdiction of the administering State agency and need temporary placement outside their homes, in a foster family home, or in an institution. The Commonwealth of Pennsylvania (Pennsylvania) administers the Title IV-E program through the Department of Public Welfare (DPW), Office of Children, Youth and Families (OCYF).

During our audit period, Federal Fiscal Years (FFY) 1998 to 2002 (October 1997 through September 2002), Pennsylvania received reimbursement of \$1.5 billion Federal Financial Participation (FFP) under the Title IV-E Foster Care Program for maintenance placement, training and administrative costs. A portion of Pennsylvania's Title IV-E Foster Care Program claims were made under the Castille program, designed to assist Philadelphia County in placing delinquent children. Under the Castille program, Pennsylvania arranged residential services through contracts with private providers for seven facilities made available for children from Philadelphia County when State facilities exceeded capacity. During the audit period, Pennsylvania submitted maintenance placement claims related to the Castille program totaling \$18.3 million.

We are performing a series of audits to determine the allowability of Pennsylvania claims totaling \$1.5 billion FFP. This report, the first in the series, focuses on five Expenditure Adjustments (EAs) related to the Castille Program. These five EAs were selected because our preliminary review identified them as problematic.

### **OBJECTIVE**

The initial objective of our review was to conduct an overview of the Title IV-E Castille maintenance placement claims totaling \$18.3 million FFP. The overview analyzed 18 EAs to determine if they were correctly calculated and supported by claim documentation.

### **SUMMARY OF FINDINGS**

Of the \$18.3 million claimed by DPW from October 1997 through September 2002 \$609,681 FFP was not allowable. The balance of \$17.7 million will be sampled to determine the validity of the claims and will be discussed in separate audit reports.

- Pennsylvania claimed 9,002 days of care for children who did not meet Federal requirements for eligibility. Claims for these ineligible children amounted to \$517,191 FFP. Section 472(a) of the Act establishes requirements children must meet to be eligible for Title IV-E.
- Pennsylvania did not provide documentation to support expenditures of \$92,490 FFP under the Castille facility accounting codes, nor could it determine which children benefited from the claims submitted, as no support from DPW existed. Office of Management and Budget (OMB) Circular A-87 requires costs to be adequately documented.

## **RECOMMENDATIONS**

We recommend that Pennsylvania refund unallowable foster care maintenance placement costs in the amount of \$609,681 claimed under the Castille program as follows:

1. Refund unallowable FFP totaling \$517,191 for foster care maintenance placement costs claimed for ineligible children.
2. Refund unallowable FFP totaling \$92,490 for foster care maintenance placement costs claimed that were unsupported.

## **AUDITEE COMMENTS**

In a response dated August 1, 2005, DPW concurred with finding one, concurred only in part with finding two, but made no comment about the recommendations of the report. DPW produced additional claims documentation for one EA. DPW stated that, in error, it had destroyed some records that had passed their required retention date, but supplied indirect documentation for a portion of some additional claimed costs. DPW's response is summarized in the report, and is included as the Appendix to the report.

## **OFFICE OF INSPECTOR GENERAL RESPONSE**

We have made changes, where appropriate, to our final report to address the documentation that DPW provided to support a portion of the claims discussed in finding two of this report. However, the EA for which DPW destroyed records had not passed the records retention limit. Pursuant to 45 CFR 74.53(b), the State must retain all records pertaining to an award "for a period of three years from the date of submission of the final expenditure report." DPW did not submit the EA in question until September 30, 2002, so the State should have retained the documents. We accepted only that portion of the EA for which DPW provided indirect supporting documentation.

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## **INTRODUCTION**

### **BACKGROUND**

Title IV-E of the Social Security Act (the Act) provides funds to States to assist with the costs of foster care maintenance placement for eligible children under the approved State plan. These funds help States provide food, shelter, clothing and personal incidentals for children who are under the jurisdiction of the administering State agency and need temporary placement outside their homes, in a foster family home or an institution.

During our audit period, Federal Fiscal Years (FFY) 1998 to 2002 (October 1997 through September 2002), the Commonwealth of Pennsylvania (Pennsylvania) received reimbursement of \$1.5 billion Federal Financial Participation (FFP) under the Title IV-E Foster Care Program for maintenance placement, training and administrative costs. The FFP rate for these services varied from between 52.85 percent to 54.76 percent during our audit period. During the audit period, Pennsylvania submitted maintenance placement claims related to the Castille program totaling \$18.3 million. These claims were all related to adjudicated delinquent youths who were placed at facilities collectively known as Castille contracted facilities.

We are performing a series of audits to determine the allowability of Pennsylvania claims totaling \$1.5 billion FFP. This report, the first in the series, focuses on five Expenditure Adjustments (EAs) related to the Castille Program. These five EAs were selected because our preliminary review identified them as problematic.

### **Commonwealth of Pennsylvania Department of Public Welfare**

Pennsylvania's child welfare and juvenile justice services are organized, managed, and delivered by County Children and Youth Agencies and County Juvenile Probation offices. Staffs in the county agencies and Juvenile Probation offices are county employees. Pennsylvania's Department of Public Welfare (DPW) supervises the child welfare system through the Office of Children, Youth, and Families (OCYF) Bureau of County Children and Youth Programs, which oversees child welfare and Juvenile Justice services, including those funded under Title IV-E.

### **Castille Program**

A portion of Pennsylvania's Title IV-E Foster Care Program claims were made under the Castille program, created by court order (No. 2533 C.D. 1988) to assist Philadelphia County in placing delinquent children who had not received timely placements due to overcrowding in existing facilities. Pursuant to the court order, DPW arranged residential services through contracts with private providers for seven facilities made available to children from Philadelphia County when State facilities exceeded capacity. The seven facilities are Abraxas, Chamberlain Academy, Clarinda Academy, Glen Mills, St. Gabriels, Tarkio, and VisionQuest.

OCYF, Bureau of Program Support, submitted claims on behalf of Pennsylvania for the Castille program. These were the only claims for maintenance placement payments made directly by Pennsylvania during the 5-year scope of our review. On August 31, 2002, Pennsylvania transferred responsibility to Philadelphia County for this program.

### **Department of Public Welfare Claiming Process**

Pennsylvania administers the Title IV-E program through the DPW, OCYF. The Bureau of County Children and Youth Programs within OCYF is responsible for policy, planning and program development. The Title IV-E program is administered through Pennsylvania's counties. Counties submit claims directly to the DPW for reimbursement. In the past, however, Philadelphia County did not pay contractors promptly. To ensure prompt payment the Castille providers contracted directly with the DPW. The DPW administered the Castille program and paid claims on behalf of Philadelphia County.

The OCYF Bureau of Program Support is responsible for program compliance. It receives invoices from the Castille program contractors. Initially OCYF charged these invoices to non-Federal program funds. Subsequently the Bureau of Program Support coordinated with county personnel to determine the eligibility of each child claimed by the Castille contractors. EA invoices were then submitted to the DPW Comptroller's Office for approval. An EA is an accounting transaction used to change the appropriation or year of a transaction that was previously posted. In these cases, the EA adjusted appropriations from State-only funding to Title IV-E accounts with Federal participation.

## **OBJECTIVE, SCOPE AND METHODOLOGY**

### **Objective**

The initial objective of our review was to conduct an overview of the Title IV-E Castille maintenance placement claims totaling \$18.3 million FFP. The overview analyzed 18 EAs to determine if they were correctly calculated and supported by claim documentation.

### **Scope**

During our audit period, FFY 1998 to 2002 (October 1997 through September 2002), DPW claimed \$18.3 million in Castille program claims. The Castille Program claims were included on 18 EAs.

This report focuses on five EAs that we identified in our preliminary work. Portions of the five EAs valued at \$609,681 FFP lacked supporting documentation for the claimed amounts or were calculated in a questionable manner. The balance of \$17.7 million will be sampled to determine the validity of the claims and will be discussed in separate audit reports.

We performed our review from September 2004 to April 2005 at the DPW offices in Harrisburg, PA.

## **Methodology**

To determine if Pennsylvania properly supported claims submitted for Title IV-E maintenance placement costs, we:

- reconciled the quarterly Federal claims made by DPW to its accounting system,
- reviewed the accounting system to identify all maintenance placement claims that were directly claimed by Pennsylvania,
- requested that Pennsylvania personnel provide us with the names of children who benefited from each of the claims,
- reviewed and reconciled maintenance placement costs claim documentation to the amounts posted in the accounting records,
- reviewed Federal criteria related to Title IV-E Foster Care claims,
- reviewed Pennsylvania criteria related to Title IV-E Foster Care claims, and
- interviewed DPW Comptroller's Office and OCYF Bureau of Program Support personnel regarding the claims made by Pennsylvania.

We conducted our audit in accordance with generally accepted government auditing standards.

## **FINDINGS AND RECOMMENDATIONS**

Of the \$18.3 million claimed by DPW from October 1997 through September 2002 \$609,681 FFP was not allowable. The balance of \$17.7 million will be sampled to determine the validity of the claims and will be discussed in separate audit reports.

- Pennsylvania claimed 9,002 days of care for children who did not meet Federal requirements for eligibility. Claims for these ineligible children amounted to \$517,191 FFP. Section 472(a) of the Act establishes requirements children must meet to be eligible for Title IV-E.
- Pennsylvania did not provide documentation to support expenditures of \$92,490 FFP under the Castille facility accounting codes, nor could it determine which children benefited from the claims submitted, as no support from DPW existed. Office of Management and Budget (OMB) Circular A-87 requires costs to be adequately documented.

## **FINDING 1- PENNSYLVANIA CLAIMED FFP FOR INELIGIBLE CHILDREN**

The OCYF Bureau of Program Support determined that 239 claims for children representing 9,002 days on three EAs were not eligible for Federal participation because the children did not meet Federal requirements. However, when the three EA transactions were reported on the accounting system, all children regardless of the eligibility determination were charged to the program. This resulted in an overpayment of \$517,191 FFP.

### **Federal Criteria**

Title IV-E of the Act provides financial reimbursement to States on a matching basis to support their efforts to provide food, shelter, clothing and personal incidentals for children who have been placed out of their homes. Section 472 (a) of the Act establishes the requirements for Title IV-E eligibility. Any child for whom Title IV-E foster care maintenance placement payments are claimed must meet these general requirements:

- The child must be a "dependent child" as defined in section 406 (a) or 407 of the Act (as in effect on July 16, 1996) and the applicable regulation, 45 CFR 233.90 (c)(1), but for his or her removal from the home of a specified relative.
- The child was eligible for Aid to Families with Dependent Children (AFDC) in the month described in section 472 (a)(4)(A) of the Act and consistent with the contingencies explained in section 472 (a)(4)(B) of the Act.
- The child must be removed from the home of a relative pursuant to a voluntary placement agreement or as the result of a judicial determination to the effect that continuation in the home would be contrary to the welfare of the child and that reasonable efforts were made prior to placement to prevent the need for removal of the child from his home.
- The child's placement and care must be the responsibility of the State Title IV-E agency or another public agency with which the State agency has a currently effective agreement.

### **Pennsylvania Charged For Ineligible Children**

Of the five EAs we questioned, the OCYF Bureau of Program Support determined that three EAs for VisionQuest included 239 claims for a total of 9,002 days of care for children who did not meet eligibility requirements for FFP. However, when DPW reported the EA transactions in the accounting system, it erroneously charged the program days for all children regardless of their eligibility determination. The Bureau of Program Support determined that claims amounting to \$517,191 represented payments for children who were ineligible for FFP. Nevertheless, accounting records showed that

DPW charged these claims to FFP accounts instead of State-only accounts. The Bureau of Program Support performed the calculation to determine the eligible days for each EA as shown on Table 1. We checked Bureau of Program Support calculations and found them to be correctly calculated.

**Table 1: Ineligible Days**

Facility	EA Number	Days Claimed	Days Eligible	Ineligible Days
VisionQuest	EA0010000346	7,692	5,254	2,438
VisionQuest	EA0010000234	8,891	6,028	2,863
VisionQuest	EA0010000488	8,655	4,954	3,701
<b>Total</b>		<b>25,238</b>	<b>16,236</b>	<b>9,002</b>

We will sample the claims related to eligible days to determine the validity and will discuss them in a separate report.

**Miscalculation of Eligible Days**

Bureau of Program Support personnel stated that the total number of days posted on the VisionQuest invoices was used in error to calculate the FFP. As a result, the summary prepared by the Bureau of Program Support did not match the details for eligible days on the posted invoice. The Comptroller then posted the incorrect summary figure to the FFP, which included the entire number of invoiced days (25,238) submitted from the facility, instead of the days (16,236) eligible for placement maintenance. The number of eligible days was overstated by 9,002 days.

**Maintenance Placement Costs were Overstated**

When performing the calculation, the Bureau of Program Support made a clerical error, which resulted in an overstatement of \$517,191 for 9,002 days claimed. The following three EAs represent the overpayment amount associated with the miscalculated claims for unsupported days.

**Table 2: Costs Associated with Ineligible Children**

Facility	EA Number	Ineligible Days	Rate Per Day	FFP Rate	Over Claimed Amount
VisionQuest	EA0010000346	2,438	\$106.75	53.82%	\$140,070
VisionQuest	EA0010000234	2,863	\$106.75	53.82%	164,488
VisionQuest	EA0010000488	3,701	\$106.75	53.82%	212,633
<b>Total</b>		<b>9,002</b>			<b>\$517,191</b>

## FINDING 2 - UNSUPPORTED CLAIMS

The DPW did not maintain documentation to support the eligibility of some recipients or for some program expenditures. According to the Bureau of Program Support, it did not know why the documentation was not available to support \$92,490 FFP charged to the Title IV-E program under the Castille facility accounting codes. In fact, the DPW could not determine which children benefited from the claims submitted, as no support could be provided.

### Federal Criteria

OMB Circular A-87 establishes principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments. Attachment A of the Circular establishes principles for determining the allowable costs incurred. The basic guidelines affecting allowability of costs require that costs “be adequately documented.”

### Claims Were Unsupported

DPW could not provide support for two of the five EAs. The Bureau of Program Support could not supply any support for Title IV-E claims on one EA. For this EA, however, the DPW located an invoice from the facility and used the listing of eligible children from the prior quarter to show that eligible children accounted for 3,877 of the 5,335 days claimed. DPW could not provide any documentation to show that any of the other children on the invoice were Title IV-E eligible. On a second EA, it could not support claims for 92 maintenance placement days out of 12,963 days claimed. Listed in Table 3 are the EAs with the unsupported days claimed.

**Table 3: Unsupported Days**

Facility	EA Number	Days Claimed	Unsupported Days	Unsupported Children
VisionQuest	EA0020000145	5,335	1,458	*Unknown
Glen Mills	EA0270000531	12,963	92	*Unknown
<b>Total</b>		<b>18,298</b>	<b>1,550</b>	

\* No documentation existed to determine the number of children associated with the unsupported claims.

### **No Record Retention for Claimed Costs**

According to the Bureau of Program Support, it did not maintain an adequate backup of records to support the claimed costs. Bureau of Program Support staff told us that the documents must have been misplaced or lost for EA0020000145, and that they were not sure why the documentation to support EA0270000531 was not available.

### **Maintenance Placement Costs Were Overstated**

Pennsylvania could not support maintenance placement payments resulting in an overpayment of \$92,490 to the Castille program. Therefore, these costs were not allowable, reasonable or allocable to the Title IV-E program. Table 4 shows the overpayment amount associated with the unsupported days claimed.

**Table 4: Costs Associated with Unsupported Claims**

<b>Facility</b>	<b>EA Number</b>	<b>Unsupported Days</b>	<b>Rate Per Day</b>	<b>FFP Rate</b>	<b>Over Claimed Amount</b>
VisionQuest	EA0020000145	1,458	\$113.00	53.82%	88,670
Glen Mills	EA0270000531	92	\$78.56	52.85%	3,820
<b>Total</b>		<b>1,550</b>			<b>\$92,490</b>

### **RECOMMENDATIONS**

We recommend that Pennsylvania refund unallowable foster care maintenance placement costs in the amount of \$609,681 claimed under the Castille program as follows:

1. Refund unallowable FFP totaling \$517,191 for foster care maintenance placement costs claimed for ineligible children.
2. Refund unallowable FFP totaling \$92,490 for foster care maintenance placement costs claimed that were unsupported.

### **AUDITEE COMMENTS**

In a response dated August 1, 2005, DPW concurred with finding one, concurred only in part with finding two, but made no comment about the recommendations of the report.

DPW concurred with finding one, that Pennsylvania claimed \$517,191 FFP for ineligible children. DPW suggested that new staff, unfamiliar with the process, made errors in transposing days of care from summary sheets.

DPW concurred only in part with finding two, that Pennsylvania had submitted unsupported claims totaling \$394,592. DPW provided documentation not available during the audit to support EA 0180000490, for \$66,315. Regarding EA 0020000145, DPW did not concur, but asserted that the federal record retention period had expired on the documentation, which was destroyed in error. However, DPW did provide indirect support for a part of the EA. DPW concurred with the finding of \$3,820 for claims reported on EA0270000531 and stated that a clerical error had caused the overstatement in the claim. DPW's response is included as the Appendix to the report.

## **OFFICE OF INSPECTOR GENERAL RESPONSE**

We are pleased that DPW concurred with finding one, in the amount of \$517,191, and with \$3,820 for for claims reported on EA0270000531 in finding two. We have made changes, where appropriate, to our final report to address the documentation that DPW provided to support a portion of the claims discussed in finding two of this report. However, the destroyed records to support 0020000145 had not passed the records retention limit as DPW asserted. Pursuant to 45 CFR 74.53(b), the State must retain all records pertaining to an award "for a period of three years from the date of submission of the final expenditure report." Section (b)(1) further states: "If any litigation, claim, financial management review, or audit is started before the expiration of the 3-year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved and final action taken."

DPW did not submit the EA in question until September 30, 2002, so the State should have retained the documents. We therefore accepted only that portion of the EA for which DPW provided indirect supporting documentation.

# **APPENDIX**

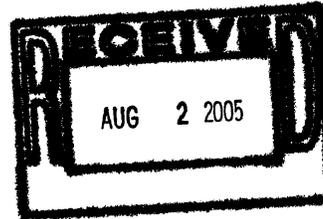
COMMONWEALTH OF PENNSYLVANIA  
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Mr. Stephen Virbitsky  
Regional Inspector General  
for Audit Services  
Office of Audit Services  
Office of Inspector General  
Department of Health and Human Services  
Suite 316  
150 South Independence Mall West  
Philadelphia, Pennsylvania 19106-3499



Dear Mr. Virbitsky:

This is in response to the May 10, 2005, letter to Secretary Estelle B. Richman which transmitted the draft report entitled, "Review of Commonwealth of Pennsylvania Department of Public Welfare Costs Claimed Under Title IV-E Foster Care Program for Children in Castille Contracted Detention Facilities from October 1, 1997, to September 30, 2002," Report Number A-03-04-00586. The draft report, the first in a series of reports, recommends that Pennsylvania refund unallowable foster care maintenance placement costs in the amount of \$911,783 claimed under the Castille Program. The Department of Public Welfare (DPW) response to the two report recommendations are as follows:

**Recommendation 1: Pennsylvania Claimed FFP for Ineligible Children (\$517,191)**

**DPW Comment:** The DPW concurs with this finding, recognizing that there were errors in transposing days of care from summary sheets to three quarterly claims made between October 1, 1999 and June 1, 2000, most likely due to new staff being unfamiliar with the process. In recording days of care, the total days paid for by the DPW for all children placed under the Castille agreement were used rather than days of care for only those youth determined to be eligible for IV-E reimbursement. This error was not repeated in any claims submitted after June 2000.

**Recommendation 2: Unsupported Claims (\$394,592)**

**DPW Comment:** The DPW does not concur with this finding. Although invoices and supporting documentation could not be located for expenditure adjustments EA0180000490 (Tarkio Academy) and EA0270000531 (VisionQuest), when the auditors were on-site, such documentation has since been located.

Mr. Stephen Virbitsky

- 2 -

Included as Attachment A, is a copy of the original detail report and related documents that served as supporting documentation for youth determined to be IV-E eligible and placed by the DPW in the Tarkio Academy in July, August, and September of 1997. This report shows that 1,414 days of IV-E placement was provided, consistent with our \$66,315.31 claim. Your recommendation for a disallowance of these days should therefore be withdrawn.

Actual invoices have also been located for youth placed and paid for by the DPW in the residential program at VisionQuest for the months of July, August, and September of 2000. A copy of the invoices is enclosed as Attachment B. However, the DPW has not been able to locate the supporting Title IV-E eligibility listing that identifies which specific children on the VisionQuest invoices were determined to be Title IV-E eligible in that quarter. The audit commenced on November 19, 2003, after the federal record retention period for the listing had expired [45 C.F.R. §74.53(b)]. The DPW believes the listing was inadvertently destroyed prior to the commencement of the audit.

The DPW was able to crosswalk individuals listed on these invoices with individuals identified as IV-E eligible in claims submitted in the quarter immediately preceding the quarter in question, indicating that they were eligible for IV-E reimbursement. The enclosed invoices identify 3,877 days of care, with a claim value of \$236,394, were provided to youth in VisionQuest based on matched IV-E eligibility determinations from the prior quarter. This figure is consistent with the amount of the filed claim. Since the Commonwealth was not required to retain the Title IV-E eligibility listing for the fiscal quarter ending September 30, 2000, at the time the audit commenced, and the DPW has been able to document Title IV-E eligibility for most of the children in the prior quarter, the recommendation to disallow these costs should be withdrawn. The HHS Departmental Appeals Board has held that a state will be excused from producing relevant documentation, if the documents actually existed and were innocently destroyed prior to the commencement of an audit of the costs in question (e.g., California Department of Health Services, DAB No. 1240 (1991)).

The DPW does not dispute that 92 of the 12,963 total days claimed under EA0270000531 were overstated due to a clerical error and agrees that the \$3,820 recommended disallowance for these days should stand.

Thank you for the opportunity to comment on the draft report. If you have questions or require further clarification on this matter please contact Linda Swick, Bureau of Financial Operations at 717-783-7218.

Sincerely,



Michael Stauffer

Enclosures

Attachment A

**Documentation**

**EA0180000490      Tarkio Academy**

**Detail Report IV-E Eligible Youth  
July, August and September 1997**

**Days of Care Claimed under IV-E = 1,414**

**Amount Claimed = \$66,315.31**

Attachment B

**Documentation**

**EA0020000145 VisionQuest  
July, August and September 2000**

**Original Claim: 5,335 Days, \$324,453.56**

**Documented Claim: 3,877 Days, \$236,394**