

Report in Brief

Date: September 2020
Report No. A-03-16-00250

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



Why OIG Did This Audit

Within HHS's Administration for Children and Families, the Office of Refugee Resettlement (ORR) manages the Unaccompanied Alien Children (UAC) program. The UAC program served 7,000 to 8,000 children annually from fiscal years (FYs) 2005 through 2011. In FY 2012, the number of children served began to increase. In FY 2015, ORR served 33,726 children.

Youth For Tomorrow – New Life Center, Inc. (YFT), a UAC program grantee responsible for caring for children in ORR custody, received \$9.2 million in Federal funds during FY 2015 for the care and placement of 266 children. We selected YFT for audit because of the high amount of Federal funding it received and because it had State licensing office health and safety violations during FYs 2014 and 2015.

The objectives of this audit were to determine whether YFT: (1) met applicable requirements for the care and release of children in its custody and (2) claimed only allowable expenditures in accordance with applicable laws, regulations, and Departmental guidance.

How OIG Did This Audit

We inspected shelter care residences and reviewed case files for children released to a sponsor during FY 2015. We also reviewed personnel records, financial transactions, and policies and procedures.

Youth For Tomorrow – New Life Center, Inc., an Administration for Children and Families Grantee, Did Not Comply With All Applicable Federal Policies and Requirements

What OIG Found

YFT did not meet some requirements for the care and release of children in its custody. Specifically: (1) 85 of the 100 sampled case files had UAC assessments that may not have been conducted within the required timeframe, (2) 42 of the 100 sampled case files either did not have all evidence of the proper release of children or did not meet requirements for the release of children, and (3) 3 of the 25 sampled employee files did not meet pre-employment requirements. In addition, the data in YFT's annual performance report, including children served and released to sponsors and educational hours, were incorrect.

YFT also claimed unallowable and potentially unallowable expenditures. Specifically, it: (1) allocated \$1.5 million in staff salaries using estimates, (2) did not allocate \$1.35 million in direct expenditures and up to \$235,253 in related indirect expenditures in proportion to benefits received, (3) allocated \$210,037 in unallowable expenditures and \$23,390 in unapproved expenditures using an unreasonable allocation methodology, (4) claimed \$10,336 in unallowable employee appreciation expenditures, (5) claimed \$6,515 in expenditures not related to the UAC program, and (6) did not use its approved indirect cost rate.

What OIG Recommends and Youth For Tomorrow Comments

We recommend that YFT strengthen existing procedures to ensure that it meets all requirements for the care and release of children and refund to the Federal Government \$10,336 in unallowable employee appreciation expenditures and \$6,515 in unallowable expenditures not related to the UAC program. We also made additional recommendations regarding the unallowable and potentially unallowable allocated expenditures and made other procedural recommendations. The detailed recommendations are listed in the body of the report.

In written comments on our draft report, YFT concurred with one recommendation, partially concurred with three recommendations, and did not concur with the rest, but described actions it took or plans to take to address them. After reviewing YFT's comments, we maintain that our findings and recommendations are valid.