




MAY 5 1992

Memorandum

Date

From


Richard P. Kusserow
Inspector General

Subject

Review of Emergency Assistance Payments Claimed by the
District of Columbia Department of Human Services Under
Title IV-A of the Social Security Act (A-03-90-00260)

To

Jo Anne B. Barnhart
Assistant Secretary for
Children and Families

The purpose of this memorandum is to alert you to the issuance on May 8, 1992, of our final audit report. A copy is attached.

For Fiscal Years (FY) 1988 and 1989, the District of Columbia Department of Human Services (DHS) made 13,512 payments totaling about \$16.7 million under the Title IV-A Emergency Assistance to Needy Families with Dependent Children (EA) program and claimed about \$8.3 million in Federal financial participation (FFP) as shown below:

- o Grant assistance payments totaling \$4.6 million in FFP provided for such expenses as rent arrearages, utility arrearages and clothing.
- o Shelter payments totaling \$3.6 million in FFP were made to provide temporary shelter to dependent children and their families.
- o Burial payments totaling \$0.1 million in FFP were made to enable eligible families to bury a family member.

The Administration for Children and Families (ACF) reimbursed DHS about \$3.8 million in FFP, disallowed about \$0.1 million, and deferred payment of about \$4.4 million pending further review of the claim.

Our statistical sample of the EA payments claimed in FYs 1988 and 1989 showed that DHS was not entitled to about \$3.3 million of FFP because 59 percent of the payments reviewed (136 of 230) were in violation of one or more program requirements. We determined that the ineligible claims for FFP totaled 37.6 percent for grant assistance payments, 66.1 percent for shelter payments and 24.6 percent for burial payments.

There were many different violations causing the payments to be ineligible for FFP. One of the most prevalent (16.8 percent of the FFP) involved the lack of documentation showing that an eligible dependent child was part of the applicant's household. Another common violation (17.8 percent of the FFP) dealt with the lack of support for the payments in the case files. This occurred primarily in shelter payments where many case files contained little information on the length of the shelter stay, where the families were sheltered or the allowable charges for food and shelter.

Perhaps the most serious violation was the fact that DHS could not furnish us a case file for 4.6 percent of the FY 1988 and 7 percent of the FY 1989 payments reviewed. This weakness in internal controls had not been corrected even though reported by ACF in FY 1987.

We are making procedural recommendations in this report aimed at improving DHS' administration of the Title IV-A EA program. We are also recommending that DHS make a financial adjustment of \$730,085 in FFP reimbursed by ACF and reduce its FY 1989 claim for FFP, which has been deferred for payment by ACF, by \$2,463,004.

The DHS generally disagreed with our findings and recommendations. The ACF generally concurred in our findings and recommendations.

If you have any questions, please call me or have your staff contact John A. Ferris, Assistant Inspector General for Human, Family and Departmental Services Audits, at FTS 269-1175.

Attachment

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**REVIEW OF EMERGENCY ASSISTANCE
PAYMENTS CLAIMED BY THE DISTRICT
OF COLUMBIA DEPARTMENT OF
HUMAN SERVICES UNDER TITLE IV-A
OF THE SOCIAL SECURITY ACT**



Richard P. Kusserow
INSPECTOR GENERAL

CIN: A-03-90-00260



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Mr. Vincent Gray
Director
D. C. Department of Human Services
801 North Capitol Street NE, Room 700
Washington, D. C. 20002


Dear Mr. Gray:

Enclosed for your information and use are two copies of an HHS/OIG Office of Audit Services final audit report titled REVIEW OF EMERGENCY ASSISTANCE PAYMENTS CLAIMED BY THE DISTRICT OF COLUMBIA DEPARTMENT OF HUMAN SERVICES UNDER TITLE IV-A OF THE SOCIAL SECURITY ACT. Your attention is invited to the audit findings and recommendations contained in the report. The official named below will be communicating with you in the near future regarding implementation of these items.

In accordance with the principles of the Freedom of Information Act (Public Law 90-23), HHS/OIG Office of Audit Services reports issued to the Department's grantees and contractors are made available, if requested, to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act, which the Department chooses to exercise. (See Section 5.71 of the Department's Public Information Regulation, dated August 1974, as revised).

To facilitate identification, please refer to the referenced common identification number in all correspondence relating to this report.

Sincerely yours,


G. A. Rafalko
Regional Inspector General
for Audit Services

Enclosure

HHS Contact:

Director, Office of Fiscal Operations
Administration for Children and Families, Region III
P. O. Box 13716, Mail Stop #12
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SUMMARY

Title IV-A of the Social Security Act established the Emergency Assistance to Needy Families with Dependent Children (EA) program to provide temporary financial assistance and social services to needy families in emergency situations. The purpose of the EA program is to prevent the destitution of dependent children and/or to provide living arrangements for them.

In the District of Columbia, the Department of Human Services (DHS) administers the EA program. The DHS also administers the District of Columbia Emergency Assistance program. This program is fully funded by the District of Columbia and is intended to provide assistance to adults without children and to expand the frequency and type of services which can be provided.

During Fiscal Years (FY) 1988 and 1989 (October 1, 1987 through September 30, 1989) DHS made 13,512 payments totaling \$16,692,859 under the EA program. The DHS claimed \$8,346,430 in Federal financial participation (FFP) for these payments, categorized as follows:

- o Grant assistance payments totaling \$4.6 million in FFP provided for such expenses as rent arrearages, utility arrearages and clothing.
- o Shelter payments totaling \$3.6 million in FFP were made to provide temporary shelter to dependent children and their families.
- o Burial payments totaling \$0.1 million in FFP were made to enable eligible families to bury a family member.

The Administration for Children and Families (ACF) within the Department of Health and Human Services (HHS), which is responsible for administering the EA program at the Federal level, reimbursed DHS \$3,816,122 in FFP, disallowed \$92,497 in FFP and deferred \$4,437,811 in FFP pending this review.

To determine if the EA payments claimed for FFP met provisions of Title IV-A and DHS regulations, we selected a stratified random sample of 230 of the 13,374 EA payments claimed by DHS during FYs 1988 and 1989.¹ The sample consisted of 130 payments for FY 1988 and 100 payments for FY 1989. Using a standard scientific estimation process, we estimate that there is a 95 percent probability that at least \$3,274,586 of FFP, or 39.2 percent of

¹ We excluded from our scope of review 138 burial payments totaling \$160,805 that were made in FY 1989. In our opinion, the FFP claimed for these payments was not significant compared to the other two payment categories.

the FFP claimed by DHS, resulted from DHS claiming EA payments that were ineligible for Title IV-A reimbursement.

We found that all or part of 136 payments included in our sample of 230 payments violated one or more provisions of Title IV-A or DHS regulations. In total, 183 violations were noted in the 136 payments. To show the relative significance of the findings as they pertain to the three types of EA payments (grant assistance, shelter and burial payments), we have made separate projections based on the number of violations detected as shown below.²

<u>FFP Claimed for Ineligible EA Payments</u>		
<u>Category</u>	<u>FFP</u>	<u>Percentage</u>
Grant Assistance	\$1,748,550	37.6%
Shelter	\$2,366,440	66.1%
Burial	\$9,448	24.6%

The above chart clearly shows that most of the ineligible payments were in the grant assistance and shelter categories of payments. There were many types of violations, all of which are explained in the body of this report. Some of the more prevalent violations detected in our sample involved:

- o Payments in which the existence of an eligible, dependent child was never documented by DHS (16.8 percent of the FFP). Without such documentation, the payments are ineligible for FFP.
- o Payments not supported in the case files (17.8 percent of the FFP). This occurred primarily in shelter payments where many case files contained little information concerning the length of the shelter stay, where the families were sheltered, or the allowable charges for food and shelter.
- o Payments where there was no application for assistance in the case files or the application was incomplete, thus precluding an eligibility determination (11.2 percent of the FFP).
- o Payments where an emergency situation, a prerequisite for Title IV-A funding, was never documented by DHS (9.6 percent of the FFP).

² Since these projections are based on the number of violations presented at the midpoint estimate rather than on the number of payments with violations presented at the lower bound, they do not add to our overall projection of \$3,274,586.

Perhaps the most serious of the violations was the fact that 6 (4.6 percent) of the 130 FY 1988 payments and 7 (7 percent) of the 100 FY 1989 payments included in our sample were not supported by case files. We made a separate projection for this violation and estimate that DHS was reimbursed about \$1,148,071 in FFP for EA payments not supported by case files.

This is a weakness in controls that has been ongoing for some years. The Family Support Administration (this organization was merged into ACF) in its review of EA payments made in FY 1987 reported that 3.7 percent of the case files were missing.

We are making procedural recommendations in this report aimed at improving DHS' administration of the EA program. We are also recommending financial adjustments totaling \$3,193,089 (this takes into account our projected amount of \$3,274,586 plus estate recoveries of \$11,000 minus \$92,497 disallowed by ACF). Specifically, DHS should:

- o make a financial adjustment of \$730,085 which represents FFP in ineligible EA payments which have been reimbursed by ACF, and
- o reduce its FFP claim for FY 1989 by \$2,463,004 which represents FFP in ineligible payments which have been deferred by ACF.

By letter dated February 27, 1992, DHS responded to a draft of this report. The DHS generally disagreed with our sampling methodology and the findings. The DHS provided its reasons for disagreement on a case by case basis.

We have summarized DHS' response along with our comments after each individual finding. We have also included DHS' letter as Appendix F to this report. We did not include the enclosures to the letter because of their bulk and to protect the confidentiality of the emergency assistance clients.

INTRODUCTION

BACKGROUND

The Emergency Assistance to Needy Families with Dependent Children (EA) program was authorized under Section 406 of Title IV-A of the Social Security Act through the enactment of Public Law 90-248 in January 1968. The intent of the EA program is to provide temporary financial assistance and social services to needy families in emergency situations in order to prevent the destitution of a child and/or to provide living arrangements.

According to 45 CFR 233.120(b) Federal financial participation (FFP) is available for emergency assistance to or on behalf of a needy child under 21 and any other member of the household in which the child is living if:

- o such child is living with any of the relatives specified in section 406(a)(1) of the Act in a place of residence maintained by one or more of such relatives as their own home;
- o such child is without resources immediately accessible to meet his needs;
- o the emergency assistance is necessary to avoid destitution of such child or to provide living arrangements for him in a home; and
- o the child's destitution or need for living arrangements did not arise because he or his relative refused without good cause to accept employment or training for employment.

Federal matching is available only for emergency assistance which the State authorizes during 1 period of 30 consecutive days in any 12 consecutive months (hereafter referred to as the 30-day period), including payments which are to meet needs which arose before such 30-day period or are for such needs as rent which extend beyond the 30-day period.

Section 233.120(a) requires that the State plan specify the eligibility conditions imposed for the receipt of emergency assistance, the emergency conditions that will be met, and the services that will be provided.

The EA program is administered on the Federal level by the Office of Family Assistance within the Administration for Children and Families (ACF), formerly the Family Support Administration (FSA). In 1991, FSA merged with the Office Of Human Development Services to form ACF.

In the District of Columbia, the Department of Human Services (DHS) is the State agency responsible for administration of the EA program. Within DHS, the Income Maintenance Administration (IMA) servicing centers are responsible for determining eligibility and processing payment authorizations for EA grants. In addition, the Office of Emergency Shelter and Support Services (OESSS) is responsible for determining eligibility and processing payment authorizations for EA shelter cases. The OESSS is required to refer families obtaining more permanent housing to IMA for any necessary EA grant assistance.

Emergency Assistance services are funded at a 50 percent matching rate by the Federal Government under Title IV-A (for purposes of this report, we refer to this as the EA program). The District also funds some Emergency Assistance services at 100 percent (referred to in this report as the DCEA program). The purpose of the DCEA program is to provide coverage for adults without children who are not included under the Title IV-A program, and to expand the frequency and type of services which can be provided to eligible families with children.

During the period October 1, 1987 through September 30, 1989, (Fiscal Years [FYs] 1988 and 1989), the DHS claimed about \$16.7 million (FFP of \$8.3 million) for 13,512 EA payments. These amounts are exclusive of purchased services and administrative costs but include grant assistance payments, shelter payments and burial payments as shown below.

AMOUNT CLAIMED

<u>FY</u>	<u>Grant Assistance</u>	<u>Shelter</u>	<u>Burial</u>	<u>Total</u>
1988	\$4,867,756	\$2,711,876	\$ 76,815	\$ 7,656,447
1989	<u>4,428,138</u>	<u>4,447,483</u>	<u>160,791</u>	<u>9,036,412</u>
Total	<u>\$9,295,894</u>	<u>\$7,159,359</u>	<u>\$237,606</u>	<u>\$16,692,859</u>
FFP	<u>\$4,647,947</u>	<u>\$3,579,680</u>	<u>\$118,803</u>	<u>\$ 8,346,430</u>

Of the \$3,828,224 in FFP claimed in FY 1988, ACF paid \$3,735,727 and disallowed \$92,497. Of the \$4,518,206 claimed in FY 1989, ACF paid \$80,395 for burial assistance and deferred the remaining \$4,437,811 pending the outcome of this review.

SCOPE OF AUDIT

We conducted our audit in accordance with generally accepted Government auditing standards. The objective of our review was to determine if the EA payments claimed for FFP by DHS in FYs 1988 and 1989 met provisions of Title IV-A, implementing Federal regulations, the State plan and DHS regulations.

To achieve our audit objective, we compared DHS policies and procedures with applicable Federal laws and regulations to determine if there was any conflict between the two. We then tested for compliance by selecting for review a scientific random sample of 230 EA payments claimed in FY 1988 and 1989. The samples were stratified by type of claim: 50 grant assistance payments, 50 shelter payments, and 30 burial payments in FY 1988; and 50 grant assistance payments and 50 shelter payments in FY 1989. We excluded from our review 138 burial payments made in FY 1989 because of relative insignificance. Therefore, our audit scope covers 13,374 EA payments totaling \$16,532,068.

We requested the case files for all 230 EA payments in our sample. We reviewed the documents in the available case files to determine if the sampled payments were eligible for FFP under the EA program. We discussed the results of our review with DHS staff and adjusted our findings to reflect information subsequently retrieved from sources outside the case files.

For the period of our review, DHS was unable to locate case files to support 13 of the payments included in our sample. These payments included: 1 grant assistance payment, 11 shelter payments and 1 burial payment. Since these payments were not supported, we included them in our questioned costs.

Although we excluded FY 1989 burial payments from our statistical sample, we reviewed DHS' internal controls in place over recoveries from estates. We did this to determine if the Federal Government was being credited its share of recoveries from estates of EA recipients.

We performed our survey in July 1990. Our audit was conducted during the period December 1990 to April 1991 at DHS in Washington, D.C. and at the FSA Region III office in Philadelphia, Pennsylvania.

FINDINGS AND RECOMMENDATIONS

INELIGIBLE EMERGENCY ASSISTANCE PAYMENTS CLAIMED FOR FFP

Our review disclosed widespread noncompliance at DHS with Federal regulations, State Plan, District statutes and DHS policies and procedures for the processing and payment of EA claims under Title IV-A.

Using a standard scientific estimation process, we estimate that there is a 95 percent probability that at least \$6.5 million (\$3,274,586 in FFP) of the \$16.5 million of EA

payments made by DHS and claimed for FFP during the period October 1, 1987 through September 30, 1989, was ineligible for FFP under the provisions of Title IV-A and implementing regulations.

Our estimates are based on a stratified sample of 230 EA payments³ consisting of 100 grant assistance payments, 100 shelter payments and 30 burial payments. We found that 136 of the 230 EA payments contained 183 errors, or were undocumented, as shown below:

- o Forty-two grant assistance payments were made to applicants who were ineligible to receive assistance under the EA program.
- o Seventy-three shelter payments were ineligible because of shelter-related violations and/or because the DHS did not properly determine the eligibility of the applicant for the EA program.
- o Eight burial payments were made to applicants who were ineligible to receive assistance under the EA program.
- o Thirteen payments were ineligible because DHS could provide no documentation supporting the validity of the payments. The case files were missing for 1 grant payment, 11 shelter payments and 1 burial payment. We consider these payments to be ineligible and have included them in the findings for each category of assistance.

About 59 percent of the 230 EA payments that we reviewed involved one or more violations of Title IV-A or DHS regulations. This widespread noncompliance resulted in DHS claiming almost \$3.3 million in FFP for ineligible EA payments.

³ We selected 130 payments for FY 1988 and 100 payments for FY 1989.

Our statistical sample was drawn from a universe of 13,374 emergency assistance payments (we did not sample from 138 FY 1989 burial payments) totalling \$16.5 million for FYs 1988 and 1989, and our projected estimate of the unallowable FFP reimbursed DHS is an unduplicated error projection. It does not take into account that 29 of the shelter payments found in error were not in compliance with more than one law or regulation (violations ranged from two to six).

To show the relative significance of the findings for each of the three types of payments, we made separate projections for grant assistance, shelter and burial payments. We also made a separate projection for all payments not supported by a case file.

Taken separately, these projections can be used to reasonably estimate the amount of FFP reimbursed to the State agency for a specific category of EA that was not in compliance with the Act, implementing Federal regulations, the State Plan, D.C. statutes, or DHS policies; or for payments not supported by case files. Since these projections are based on the instances of noncompliance (183 errors) presented at the midpoint estimate rather than on the number of payments (136 payments) that were in error, presented at the lower bound the individual projections cannot be added to arrive at our projection of \$3,274,586 for ineligible FFP reimbursements.

Grant Assistance Payments

The DHS claimed grant assistance payments totaling \$9,295,894 in FYs 1988 and 1989 and was reimbursed \$2,433,878 in FFP, of which \$92,497 was subsequently disallowed. Reimbursement of \$2,214,069 in FFP for FY 1989 was deferred by ACF. Based on the results of our statistical sample, we concluded that DHS claimed \$3,497,100 (point estimate) for payments not eligible for FFP under Title IV-A. The FFP in these ineligible claims totaled \$1,748,550.

About 37.6 percent of FFP claimed for EA grant payments was in violation of Title IV-A and DHS regulations.

Our review of 100 randomly selected grant assistance payments showed that 42 of them were ineligible for FFP either in whole or in part because of various violations of Federal and DHS requirements, and 1 was ineligible because it was unsupported by a case file (Appendix A).

EA Payments Authorized Outside of 30-Day Time Frame

There were six payments totaling \$5,824 that were made outside of the initial 30-day period within a 12-month period. Title 45 CFR

233.120(b)(3) states:

"Federal matching is available only for emergency assistance which the state authorizes during one period of 30 consecutive days in any 12 consecutive months...."

Adherence to this time frame was reemphasized in Action Transmittal SSA-AT-82-28 issued on November 5, 1982. According to this document, the Federal position has been that once an EA has been received there must be an interval of 11 months before EA may again be authorized. If States were permitted to vary the calculation of the 12-month period, a different standard would be used for some families than others. This conflicts with the equitable treatment regulations at CFR 233.10(a)(1) because some families would be entitled to EA while others would not, even though they were equally needy and faced the same emergency. Therefore, the first EA payment authorized for a family begins the 30-day period of assistance and also the 12-month period.

Under its own DCEA program, DHS allowed for multiple payments throughout the 12-month period under certain conditions. According to the District of Columbia Act 7-296, section 30 and the DHS Emergency Assistance Service (EAS) Manual, there is no limit on the number of times that food may be authorized. Furthermore, DCEA may be authorized more frequently than "one month out of twelve" if: the assistance is in another category; the applicant has an on-going plan of management; the applicant can demonstrate that the emergency did not arise from mismanagement; and the applicant has agreed to attend a financial counseling session.

The categories were defined as: clothing, utilities, rent, mortgage, items for the home, employment necessities, home repairs, moving and storage, and security deposits. Thus, for example, an applicant could receive a DCEA for clothing in one 30-day period, a DCEA for rent in another 30-day period, and a DCEA for moving and storage in still another 30-day period, all within the same 12 months.

To ensure that FFP was not claimed for multiple payments outside of a 30-day period, DHS had implemented a computer edit check within the Medicaid Administrative Terminal System (MATS) that focused on the payment authorization date. This was the date that a supervisor and the intake worker signed off on the completed application, effectively approving assistance to an applicant. This date was input into MATS on a payment authorization form and matched against any previous dates input for prior emergency assistance provided to an applicant. If the current authorization date was outside of the 30-day period, the payment was not included in the claim for FFP.

Our review showed that there were six EA payments in our sample that were authorized after the initial 30-day period. Five of

these payments were included in the FFP claim because DHS employees did not enter into MATS the correct authorization date, thereby, effectively bypassing DHS' edit control. For example:

- o An applicant applied for and was authorized shelter assistance on March 8, 1988. The family resided in the shelter for 183 days. The DHS claimed \$6,302 of the total costs of \$13,670 for FFP. This claim was allowable. On August 3, 1988, the applicant applied for a grant assistance payment to pay a security deposit on a new apartment and to buy furniture. On August 5, 1988 a grant assistance payment of \$1,400 was authorized at OESSS. The DHS claimed the \$1,400 for FFP. This second payment is ineligible for FFP because it was outside of the 30-day time period. The reason that this payment bypassed the MATS edit check for authorization dates was that the OESSS worker input into MATS incorrect authorization dates for both payments. The September 2, 1988 date was entered rather than the correct dates of March 8 and August 5.

We found one case that involved an applicant using her maiden name for one payment and her recently acquired married name for a subsequent payment outside of the 30-day period.

Verification of Emergency

There were 12 payments totaling \$6,790 that lacked documentation verifying that an emergency existed. Federal regulations require that the emergency assistance is necessary to avoid destitution of a child or to provide living arrangements for a child. The State agency is responsible for assuring that such an emergency exists before authorizing an EA payment.

The DHS had established procedures to ensure that the emergency conditions were verified. According to Section 1700 of the EAS Manual, an applicant must demonstrate that he and/or his dependents are or would be deprived of a basic necessity if the request for assistance is not honored. The manner in which this is to be demonstrated depended on the category of assistance to be provided.

For example, the applicant had to verify by a police or fire report that his clothing was lost or destroyed before receiving an EA payment for clothing. For an EA payment for rent arrearages, the applicant had to furnish a Landlord Tenant Court summons or referral, Writ of Restitution, Notice to Vacate or other correspondence showing that the applicant is the tenant and has a current rent arrearage which will result in eviction by a certain date.

The case files for 12 payments did not include documentation which verified the existence of an emergency. The 12 payments were in the following categories:

- o Eight payments were for rent and security deposits. We did not find proof such as a court summons or eviction notice to show that eviction was imminent in these files.
- o Two payments were for moving expenses. We did not find any documentation to show that the applicants were forced to move.
- o One payment was for repair of an appliance. We did not find proof such as a sales receipt to verify that the appliance was owned by the applicant.
- o One payment was for a utility bill. We did not find a notice of utility cutoff.

Applicant's Contribution

There were nine payments which were not offset by the applicant contributions totaling \$2,586. Section 2100 of the EAS manual describes how payments are to be computed. After establishing that the applicant met all eligibility requirements, the DHS worker must: determine the applicant's anticipated expenses in the next 30 days; determine the applicant's income (after certain disregards) in the next 30 days; subtract the expected expenses from the expected income; and apply the applicant's contribution (expected income in excess of expected expenses) to the amount requested for the crisis.

The information in the case files indicated that all of the above steps save for the last--applying the applicant's contribution against the EA payment--were followed. There was no information to show why the applicant's contribution was not applied against the grant assistance payment. The intake worker was required to explain why excess income was not applied to the amount requested. The contributions or, excess income, ranged from \$93 to \$749 and averaged \$287.

Ongoing Financial Plan

There were nine payments totaling \$10,129 where there was no indication that the applicant had an ongoing financial plan. The State plan, Attachment 3-A, required "the applicant to have a reasonable stable plan for income and money management once the immediate crisis had been met."

This requirement was based on the premise that the purpose of EA is to resolve a temporary crisis, not to delay one. The DHS policy guidelines include a specific example showing that an EA

payment must be denied to an applicant for rent arrearages if his ongoing expenses, including his monthly rent, exceed his income. The EA payment would not resolve the crisis but merely delay it until the next time that the rent was due.

Requiring a family to have a reasonably stable ongoing financial plan encourages a more prudent use of available assets and can help prevent a reoccurrence of the emergency situation. The plan would also show if the available resources limited the family's ability to plan for the emergency, and might demonstrate how they could not have planned for or avoided the emergency. The plan holds the applicant accountable in the handling of the family's available financial resources and in preventing displacement of the family unit. States were permitted to include such accountability in the scope of the State plan according to Action Transmittal SSA-AT-82-28.

Other Errors

There were seven other errors found in our review of 100 grant assistance payments. These consisted of:

- o Three payments totaling \$2,057 that lacked documentation verifying the existence of an eligible child. Without such documentation, there was no assurance that the child was under 21 or met the provisions of Section 406(a)(1) of the Act regarding family relationships.
- o Two payments were eligible for FFP. However, in computing the amount of the payments, workers made mathematical errors resulting in excess payments of \$429.
- o One payment of \$1,831 was made to an applicant who refused to remain employed without good cause. This is a violation of 45 CFR 233.120(B) and DHS policies. These policies state that voluntarily leaving employment is not a valid reason for emergency assistance unless certain factors are present such as physical or mental impairment, lack of transportation, wages below the minimum wage requirement, working conditions that violate health and safety regulations and so on. The case file documentation specifically noted that the crisis was caused by the applicant's voluntary resignation for personality differences with his employer. This is not a legitimate reason for unemployment.
- o One payment of \$385 (FY 1989) was not supported by a case file. Information on missing case files can be found on page 15 of this report.

Shelter Assistance Payments

The DHS claimed shelter payments totaling \$7,159,359 in FYs 1988 and 1989. The ACF reimbursed DHS \$1,355,938 in FFP and deferred payment of \$2,223,742 in FFP pending the results of this review. Based on the results of our statistical sample, we concluded that DHS claimed \$4,732,880 (point estimate) for payments not eligible for FFP under Title IV-A. The FFP in these ineligible claims totaled \$2,366,440.

About 66.1 percent of the FFP claimed for shelter payments was in violation of Title IV-A or DHS regulations.

Our review of 100 stratified selected shelter payments (50 for each fiscal year) showed that 84 (Appendix B) were ineligible for FFP either in whole or in part because DHS failed to:

- o comply with provisions of D.C. Law 7-86 in selecting the shelter (15 payments);
 - o properly support shelter charges claimed for FFP (43 payments);
 - o adequately determine the eligibility of the applicants for the EA program (33 payments); and
 - o maintain a case file to support payments (11 payments).
- As can be deduced from the preceding numbers, several of the payments had more than one violation of Federal or District requirements.

DHS Failed to Comply With D.C. Law

There were 15 payments totaling \$73,108 to shelters that were not in compliance with D.C. Law 7-86, Emergency Shelter Services for Families Reform Amendment Act of 1987. This law requires that each emergency shelter family housing unit shall be a supervised apartment-style housing. A homeless family with minor children shall not be placed in a hotel, motel, or other similar shelter unless:

- "(1) Unforeseen circumstances leave no acceptable alternative that is in the best interest of the homeless family including the minor children;
- and

- (2) The placement is for no longer than 15 calendar days, provided that this section shall not be construed to require or authorize the refusal to house or the displacement of any family otherwise entitled to shelter."

This law became effective on March 11, 1988. We noted, however, that DHS did not halt its practice of somewhat routinely placing homeless applicants in hotel/motel type shelters. From October 1, 1987, through March 10, 1988, 62 percent of the applicants in our sample were placed in hotel/motel shelters. From March 11, 1988 through September 30, 1989, 68 percent of the applicants in our sample were placed in the same type facilities. Thus, there was no apparent move by DHS to comply with the D.C. law.

None of the case files for the 15 payments that we are questioning contained documentation indicating that provisions (1) or (2) above were complied with. Nor was it demonstrated that OESSS staff had made a good faith effort to locate and place a family in supervised apartment styled housing as required by the Law. We noted that for 13 of the 15 payments questioned, DHS claimed FFP for hotel/motel styled shelter in excess of the 15-day limit. We also noted that six of these payments contained other errors as well.

Unsupported Charges

There were 43 payments that contained unsupported charges of \$94,756. These unsupported charges fell into two categories. There were 22 payments containing charges of \$80,882 that were unsupported because we could not determine from the case files the applicants' length of stay at the shelter, where they were placed, or the allowable charges for food and shelter. Without a source document such as a vendor's invoice, cost summary breakdown, or shelter attendance summary, there was no way to verify that the applicant family had actually been placed once assistance was approved. For example:

- o The file for an applicant showed a referral to a shelter on November 18, 1988. This information was noted by the intake worker on the application. There was no other documentation in the file to confirm that this was actually where the family was placed, how long the family remained in the shelter, and whether this was the only placement for this family. Our review of other files noted that families were not always placed in the shelter identified on the application. The DHS claimed payments of \$7,506 on the expenditure report without providing support for the amount claimed.

- o The DHS claimed payments of \$6,767 on another case for the shelter stay of a family of four. The case file did not contain any source documents confirming the length of stay, the shelter rates for room and board and food, and actual location of the family during their shelter stay. There were tracking sheets and intake worker narratives that mentioned two shelters and dates. However, a recomputation of the allowable payments to be claimed by DHS did not agree with the information on the narrative and tracking sheet.

There were 21 payments that contained other types of unsupported charges totaling \$13,874. Based on the file documentation for these payments, DHS claimed costs that were in excess of the documented shelter stay and food charges. There was no documentation explaining how these excess charges related to the shelter stay. For example:

- o An applicant with two children was placed in two shelters for a total of 90 days. Based on the rates in effect for these two shelters, we calculated that the total to be claimed for FFP was \$3,952. However, DHS claimed \$7,781 on the expenditure report for this shelter stay. There was no documentation in the file to show what the additional payments of \$3,829 were and how they related to the shelter stay for this family. We questioned the \$3,829.
- o A single mother and her two children received shelter services for 347 days. We determined that \$7,492 of the \$8,505 claimed for 90 days of services agreed with calculations. However, the cost summary in the file showed food charges of \$1,013 for an additional adult. There was no support in the file for the extra adult. We questioned the \$1,013.

Applicants Were Ineligible for the EA Program

There were 33 payments totaling \$127,845 (containing 62 eligibility errors) that were ineligible for FFP because DHS failed to ensure that the applicants were eligible for the EA program (Appendix C). Nineteen of these payments had more than one violation.

- o Eighteen payments totaling \$86,268 were made in cases where there was no evidence that there was a child in care. The Act requires the presence of eligible children in the household under the age of 21. The intake worker had not verified the existence of a minor child or that the child was a blood relative of the adult applicant. The OESSS used a Case Record Management File Guide that listed verifying documents, such as a birth certificate

or Social Security card. We noted that the documents were either never requested or were requested, but never obtained from the applicant. For example, an applicant listed her foster child as her son on the application. A foster child was not a valid family relationship for EA. We identified cases where the applicant had a different last name from the children listed. There were no verifying documents or other evidence to show a valid family relationship for EA existed between the adult and the children.

- o Twelve payments totaling \$59,833 were made in cases where there was either no application in the case file or the application was incomplete. The 45 CFR 233.120 and Action Transmittal SSA-AT-78-44 requires that eligibility for EA must be based on an application. The 45 CFR 201.15(c)(5) specifies that if the documents necessary to determine the allowability of the claim are not made available, the claim should be disallowed. Four of the 12 payments were not supported by an application. There were applications for eight of the payments but they were incomplete, preventing us from determining the allowability of the payments. Some of the information missing included source and amount of income, children's birth dates and Social Security numbers, most recent address and living arrangements, and names of people who may be able to help the applicant. The documentation supporting the incomplete applications failed to address any of the blank entries. None of the missing entries had been notated as "Not Applicable".
- o Thirteen payments totaling \$44,379 were made in cases where there was not a documented emergency. Federal regulations require that EA is necessary to avoid destitution of the child. The intake worker could verify the emergency that caused the applicant's homelessness through phone conversations, documents, reports, correspondence and conferences. However, we found no documentation verifying an emergency in the files such as self declaration statements, eviction notices, notarized statements, police reports, or a record of discussion.
- o Ten payments totaling \$22,216 were made in cases where there was not a documented financial need. Federal regulations require that the household is financially needy. The DHS reviewed the application with the applicant to determine if there were available resources such as bank accounts, credit cards, and cash on hand. There were no records of discussion in the files to show the results of these queries. For those files stating "no income", there was no explanation as to why the

applicant's work status was unemployed. Assistance cannot be given to applicant households where the refusal of employment or training contributed to the emergency. None of the cases involved Federal cash assistance recipients.

- o Five payments totaling \$36,925 were made in cases where the applicants did not have an ongoing financial plan to obtain permanent housing. For extended shelter stays, both the applicant and OESSS were required to develop and implement a plan to locate and secure permanent housing within the community. This was mandated in the D.C. Law 7-86 and the Notice of Rulemaking for Overnight Emergency Shelter. There was no documented evidence that any efforts to locate housing were made nor was there a plan of action on file.
- o Two payments totaling \$2,481 were made in cases where there was a break in stay. According to 45 CFR 233.120(b)(3), FFP can only be claimed for consecutive days of a shelter stay.
- o Two payments totaling \$14,030 were made in cases where the applicants were not documented as being residents of the District. The DHS requires that applicants be living in the District at the time of application. We found a family that requested 1 night of shelter claiming that they were moving from California via the District of Columbia to Mexico to find a job for the father. Another applicant was a woman with two children from Schenectady, New York who was the financial responsibility of Traveler's Aid. The family was returned to Schenectady within 3 days.

Missing Case Files

There were 11 shelter payments totaling \$38,617 that were not supported by case files. We are questioning these payments because DHS cannot document that the payments adhere to Federal regulations, the State Plan and D.C. Law.

Burial Assistance Payments

The DHS claimed burial assistance payments totaling \$76,815 in FY 1988 and was reimbursed \$38,408 in FFP. Based on the results of our statistical sample, we concluded that DHS claimed \$18,897 (point estimate) for payments not eligible for FFP under Title IV-A or DHS policy and procedures. The DHS was reimbursed FFP of \$9,448 for the ineligible burial payments.

The DHS Central Services Division was responsible for determining eligibility and processing payment authorizations for burial

assistance at the central IMA office. The standards for burial eligibility were based on the District's "Choice of Undertaker's Act of 1979" and subsequent amendments and contracts with funeral directors. Although the indigent burial program has been in effect since the 1800's, we determined that there were no written policies and procedures for eligibility and payment processing. Additionally, there was no mechanism to prevent DHS from claiming FFP for payments where the applicant had been authorized assistance in a prior 30-day period.

We questioned 9 of 30 randomly selected payments because they were not in compliance with Title IV-A or DHS regulations. These payments consisted of:

- o Four payments totaling \$2,340 authorized outside of the 30-day period.
- o Two payments totaling \$1,469 made to applicants with no documented proof of a child in care.
- o Two payments totaling \$134 made in excess of the allowable maximum.
- o One payment of \$486 not supported by a case file.

We also noted that there were no procedures to ensure that the Federal Government was credited its share of recoveries from decedents' estates. The Office of Estate Collections and Recovery in the DHS Controller's office was responsible for the identification and recovery of overpayments to decedents' estates. During our review of burial cases, we discovered that monies recovered from estates were applicable to the federally subsidized cases. However, DHS had failed to refund any FFP recovered. In fact, no mechanism existed to capture such information. As a result of our review, DHS identified \$22,000 in recovered monies (\$11,000 in FFP). The DHS staff believed that additional funds were also subject to recovery. We were assured by the chief of Estate Collections and Recovery that further investigation will be performed to identify additional recovered burial assistance.

Missing Case Files

During our review of the randomly drawn stratified statistical sample of 230 cases, we were unable to review 13 cases (6 FY 1988 and 7 FY 1989) because DHS was unable to locate the respective case files. Since the documentation for the payments was not available for review, we considered these payments to be unsupported and, therefore, ineligible for Federal reimbursement. The payment errors associated with these missing cases were projected earlier with the other errors. However, by projecting these payments to the total number of payments claimed for FFP,

we conclude that DHS claimed FFP of about \$1,148,071 (point estimate) in FYs 1988 and 1989 for EA payments that were unsupported by case records.

We believe that DHS' inability to maintain control over case files represents an internal control weakness that needs correction. This appears to be an ongoing problem at DHS. In its review of FY 1987 EA payments, FSA reported that 3.7 percent of the case files for payments included in its sample were missing. During our review, we found that 6 (4.6 percent) of the 130 FY 1988 payments and 7 (7 percent) of the 100 FY 1989 payments included in our sample were not supported by case files.

CONCLUSIONS AND RECOMMENDATIONS

Based on the results of our statistical sample, we estimated that at least \$6,549,171 of the \$16.5 million in EA payments claimed for FFP under Title IV-A in FYs 1988 and 1989 and subject to our review was ineligible for Federal reimbursement. The FFP in these ineligible claims totaled at least \$3,274,586 of which ACF: reimbursed DHS \$719,085; disallowed \$92,497; and deferred reimbursement of \$2,463,004 pending the results of this review.

There were many different types of violations which caused these payments to be ineligible for FFP. For instance, we noted widespread violations of Federal regulations such as:

- o no documentation to support the existence of an eligible child (16.8 percent of the FFP claimed involved this violation),
- o no applications or incomplete applications in case files (11.2 percent of the FFP claimed involved this violation),
- o no documentation to support the existence of an emergency situation (9.6 percent of the FFP claimed involved this violation, and
- o no documentation to support the allowability of payments (17.8 percent of the FFP claimed involved this violation.

We also noted widespread violation of District of Columbia laws and/or DHS regulations. For example, we noted that, contrary to D.C. Law 7-86, DHS continued to routinely place families in hotel/motel type shelters instead of supervised apartment-style housing. About 13.7 percent of the FFP claimed involved this violation.

Among the most serious of all violations was DHS' apparent lack of control over EA case files. The DHS was unable to provide us with 5.6 percent of the case files that we requested. Based on

our statistical sample, we estimate that DHS was reimbursed about \$1,148,071 in FFP for EA payments not supported by case files.

The 45 CFR 201.15(c)(5) specifies that if the documents necessary to determine the allowability of the claim are not made available, the claim should be disallowed. We believe that DHS needs to ensure that staff adhere to the regulations and to properly document the actions taken to comply with the regulations.

We, therefore recommend that DHS:

1. Reemphasize to appropriate staff the importance of complying with the emergency assistance provisions of Title IV-A, the State plan, and DHS policies and procedures in determining eligibility.
2. Reemphasize to appropriate staff the importance of documenting in case files the actions taken to comply with all EA regulations.
3. Reemphasize to appropriate staff the importance of entering into MATS the correct authorization date so that the edit check can effectively identify EA payments authorized beyond the 30-day period.
4. Require the Central Services Division, which determines eligibility for burial assistance payments to access MATS to determine if EA was authorized in a prior 30-day period.
5. Establish procedures to credit the Federal Government its share of decedent's estates in cases where EA burial assistance was provided.
6. Refund to the Federal Government the \$719,085 in reimbursed payments made during FY 1988 that were not eligible for FFP under Title IV-A.
7. Reduce its FFP claim by \$2,463,004 which represents the FFP in ineligible claims for FY 1989 which were deferred for reimbursement by ACF.
8. Refund to the Federal Government the \$11,000 in FFP for burial payments that were ineligible due to the discovery and recovery from an estate by the Office of Estate Collections and Recovery.

DHS Response and OIG Comments

The DHS generally disagreed with our conclusions and recommendations. In its response, DHS presented a capsulized

summary of its position for each of the 136 payments questioned. In summary, the DHS agreed that 21 of the 136 questioned payments were in error. The DHS believed the other 115 payments were valid and requested a joint OIG-DHS review of the cases. The DHS also had some questions about our sampling methodology and our review of burial claims.

We have reviewed the DHS response carefully. The information provided by DHS on the 115 payments in dispute does not cause us to change our opinion. A good example of this is the nine payments cited in the report as being in error because the applicant's contribution was not considered. The DHS states that its review showed that only one of the nine payments was in error and that for the other eight payments the applicants had no resources. We disagree. The applications in all nine cases clearly show that the applicants' income exceeded their expenses for a 30-day period. We considered the excess income to be available as a contribution. We believe this is in accordance with DHS policy.

Another example is the nine payments that we determined to be ineligible because of a lack of an ongoing financial plan. The DHS stated that no plan was required. We disagree. As stated in the report, Attachment 3-A to the State plan requires an ongoing plan to ensure that EA funds are used to resolve a temporary crisis and not to delay one.

Rather than conduct a joint DHS/HHS review of the disputed cases, the DHS should provide all of the information that it has gathered to ACF for its review. We will be available to assist ACF in this review if requested to do so.

Regarding DHS' concerns about our sampling techniques, we selected the items for our sample using a certified random number generator. The sample items were selected after the universe of federally claimed grant, shelter and burial claims was established using the EAS Federal Financial Participation Claim Report provided us by DHS. Additional sample items were requested to increase our sample size (this was done prior to reviewing any of the originally requested claims). We also requested additional claims to replace claims erroneously requested due to misnumbering. The erroneously requested claims were not reviewed. All requested items were drawn using a randomly generated group of numbers which generated a sufficient amount of reserve numbers to take into account the need for additional sampling.

The DHS was concerned about the selection of three burials in the same family and questioned the randomness of this. The DHS maintained a separate file on each of the three burials. The three were randomly selected for our sample. The three randomly

generated numbers happened to be consecutive. We did not arbitrarily substitute or replace individual claims since this would have added bias to the random selection. It should be noted that the universe of burials was relatively small (128). From this universe we drew a sample of 30 claims. It is not unusual to generate three consecutive numbers from such a sample frame.

GRANT PAYMENTS QUESTIONED

Sample Number	Amount Reviewed	Amount Questioned	Amount Validated	Authorized Outside of 30 days	No Verified Emergency Contribution	Applicante	No Child In Care	No Ongoing Plan	Refused Employment	Unverified Costs	Missing Files
231	\$813	\$720	\$93		\$720						
321	\$980	\$247	\$733			\$247					
378	\$680	\$244	\$436			\$244					
983	\$798	\$798	\$0		\$798						
1347	\$108	\$93	\$16			\$93					
1666	\$2,087	\$334	\$1,752			\$334					
2472	\$1,175	\$234	\$941			\$234					
3012	\$1,831	\$1,831	\$0					\$1,831			
3190	\$309	\$309	\$0		\$309						
3999	\$180	\$128	\$52			\$128					
3966	\$875	\$875	\$0		\$875						
4247	\$588	\$588	\$0		\$588						
4460	\$595	\$595	\$0								
4582	\$553	\$553	\$0	\$595							
4856	\$595	\$73	\$521						\$73		
5145	\$1,400	\$1,400	\$0	\$1,400							
5891	\$901	\$901	\$0				\$901				
17 Payments	\$14,467	\$9,923	\$4,544	\$1,995	\$3,842	\$1,280	\$901	\$0	\$1,831	\$73	\$0

DISTRICT OF COLUMBIA EMERGENCY ASSISTANCE
GRANT PAYMENTS QUESTIONED

Sample Number	Amount Reviewed	Amount Questioned	Amount Validated	Authorized Outside of 30 days	No Verified Emergency	Applicants Contribution	No Child In Care	No Ongoing Plan	Refused Employment	Unverified Costs	Missing Files	
FISCAL YEAR 1989												
383	\$350	\$350	\$0		\$350							
1381	\$787	\$284	\$503			\$284						
1679	\$309	\$309	\$0				\$309				\$385	
1734	\$385	\$385	\$0									
1820	\$640	\$640	\$0	\$640								
1842	\$552	\$273	\$279			\$273						
1980	\$1,991	\$1,991	\$0	\$1,991								
2345	\$258	\$258	\$0	\$258								
2512	\$925	\$749	\$176			\$749						
2524	\$900	\$900	\$0		\$900							
2716	\$941	\$941	\$0	\$941				\$460				
2963	\$460	\$460	\$0								Chronic situation.	
3035	\$309	\$309	\$0		\$309				\$356			
3184	\$930	\$356	\$574									
3188	\$1,565	\$1,565	\$0					\$1,565				
3198	\$1,561	\$1,561	\$0					\$1,561				
3575	\$1,240	\$1,240	\$0					\$1,240				
3906	\$405	\$405	\$0					\$405				
4012	\$705	\$705	\$0					\$705				
4697	\$782	\$782	\$0					\$782			Chronic situation.	
4719	\$900	\$900	\$0		\$900							
4865	\$1,840	\$1,840	\$0					\$1,840				
4980	\$1,515	\$246	\$1,269		\$246							
5004	\$847	\$847	\$0				\$847					
5171	\$1,561	\$1,561	\$0					\$1,561				
5215	\$243	\$243	\$0		\$243							
26 Payments	\$22,910	\$20,109	\$2,801	\$3,829	\$2,948	\$1,306	\$1,156	\$10,129	\$0	\$356	\$385	
TOTALS	\$37,377	\$30,032	\$7,346	\$5,824	\$6,790	\$2,586	\$2,057	\$10,129	\$1,831	\$429	\$385	

DOCUMENT: GRANTALL.WK1

Purpose: To schedule all findings for the grant sample items.

DISTRICT OF COLUMBIA EMERGENCY ASSISTANCE
SHELTER PAYMENTS QUESTIONED

Sample Number	Amount Reviewed	Amount Questioned	Amount Validated	Unsupported & Undocumented Charges	Eligibility Issue (1)	Missing Files	D.C. Law 7-86
FISCAL YEAR 1988							
5	\$150	\$150	\$0		\$150		
68	\$2,194	\$270	\$1,924	\$270			
83	\$1,049	\$1,049	\$0	\$1,049			
111	\$7,965	\$7,965	\$0		\$7,965		
140	\$2,343	\$2,343	\$0		\$2,343		
153	\$112	\$112	\$0	\$112			
155	\$995	\$995	\$0		\$995		
162	\$321	\$321	\$0		\$321		
180	\$1,312	\$187	\$1,125	\$187			
181	\$8,384	\$8,384	\$0			\$8,384	
186	\$5,630	\$539	\$5,091	\$539			
208	\$8,605	\$1,013	\$7,492	\$1,013			
213	\$175	\$175	\$0			\$175	
228	\$525	\$525	\$0		\$525		
286	\$7,781	\$3,829	\$3,952	\$3,829			
300	\$112	\$112	\$0		\$112		
304	\$3,023	\$3,023	\$0			\$3,023	
322	\$337	\$337	\$0		\$337		
335	\$6,992	\$2,036	\$4,956	\$2,036			
370	\$6,785	\$185	\$6,600	\$185			
405	\$8,254	\$1,649	\$4,605	\$1,649 (2)			
443	\$2,984	\$2,984	\$0	\$2,984			
446	\$8,948	\$8,948	\$0	\$443	\$8,948		
457	\$649	\$649	\$0		\$649		
483	\$879	\$879	\$0		\$879		
492	\$37	\$37	\$0			\$37	
508	\$10,116	\$10,116	\$0	\$592	\$10,116		
529	\$4,432	\$4,432	\$0		\$4,432		
553	\$7,407	\$8,309	\$1,098				\$6,309
567	\$7,501	\$7,501	\$0		\$7,501		
589	\$228	\$95	\$131	\$95			
610	\$6,491	\$496	\$5,996	\$496			
618	\$8,805	\$686	\$8,119	\$686			
640	\$327	\$327	\$0	\$327			
665	\$3,069	\$3,069	\$0	\$316	\$3,069		
666	\$74	\$74	\$0				\$74
669	\$93	\$93	\$0			\$93	
37	\$132,962	\$81,693	\$51,059	\$16,807	\$48,342	\$11,712	\$6,383
Payments							

(1) See Appendix C for specific reason for the error

(2) These amounts were allocated between unsupported charges and undocumented items in the shelter payment

DISTRICT OF COLUMBIA EMERGENCY ASSISTANCE
SHELTER PAYMENTS QUESTIONED

Sample Number	Amount Reviewed	Amount Questioned	Amount Validated	Unsupported & Undocumented Charges	Eligibility Issue (1)	Missing Files	D.C. Law 7-86
Fiscal Year 1989							
2	\$7,242	\$197	\$7,045	\$197			
19	\$4,676	\$4,676	\$0			\$4,676	
22	\$50	\$50	\$0		\$50		
41	\$8,948	\$443	\$8,505	\$443			
57	\$5,274	\$5,274	\$0	\$5,274	\$5,274		
96	\$5,641	\$5,641	\$0		\$5,641		
126	\$4,081	\$77	\$4,004	\$77			
136	\$7,844	\$7,844	\$0			\$7,844	
167	\$1,163	\$1,163	\$0	\$1,163	\$1,163		
205	\$7,487	\$7,487	\$0				\$7,487
208	\$5,891	\$5,891	\$0		\$5,891		
228	\$257	\$257	\$0	\$257	\$257		
229	\$563	\$563	\$0			\$563	
249	\$1,160	\$1,160	\$0	\$1,160			
271	\$37	\$37	\$0		\$37		
272	\$7,181	\$7,181	\$0	\$7,181 (2)			
274	\$2,423	\$1,083	\$1,340	\$1,083	\$1,083		
279	\$4,762	\$4,762	\$0				\$4,762
284	\$13,709	\$13,709	\$0	\$13,709	\$13,709		
285	\$7,601	\$7,601	\$0	\$114			\$7,601
288	\$86	\$86	\$0	\$86			
328	\$7,997	\$7,997	\$0		\$7,997		
335	\$87	\$87	\$0		\$87		
343	\$2,394	\$2,394	\$0	\$2,394	\$2,394		
367	\$4,851	\$4,851	\$0			\$4,851	
409	\$6,840	\$6,840	\$0	\$6,840			
422	\$6,767	\$6,767	\$0	\$6,767	\$6,767		
429	\$10,060	\$10,060	\$0	\$10,060			
454	\$5,006	\$5,006	\$0	\$66			\$5,006
461	\$8,496	\$8,496	\$0			\$8,496	
463	\$6,536	\$6,536	\$0		\$6,536		
472	\$1,044	\$1,044	\$0	\$1,044			
505	\$6,396	\$4,348	\$50	\$2,550	\$1,398		\$2,399
507	\$475	\$475	\$0			\$475	
556	\$4,431	\$4,431	\$0	\$4,431			
585	\$6,111	\$6,111	\$0				\$6,111
633	\$7,616	\$3,283	\$4,232				\$3,283
656	\$840	\$840	\$0				\$840
666	\$4,000	\$4,000	\$0	\$60			\$4,000
714	\$4,600	\$4,600	\$0	\$4,600			
722	\$1,310	\$1,310	\$0	\$384			\$1,310
748	\$8,725	\$8,725	\$0				\$8,725
777	\$7,853	\$7,853	\$0	\$611			\$7,853
779	\$7,348	\$7,348	\$0				\$7,348
793	\$8,865	\$8,865	\$0		\$8,865		
812	\$7,506	\$7,506	\$0	\$7,506	\$7,506		
820	\$6,746	\$6,746	\$0		\$6,746		
47	\$236,665	\$213,469	\$25,176	\$77,949	\$81,301	\$26,905	\$66,725
Payments							
Total 84	\$371,647	\$296,362	\$76,265	\$94,766	\$129,643	\$38,617	\$73,108
Payments							

(1) See Appendix C for specific reason for the error

(2) These amounts were allocated between unsupported charges and undocumented items in the shelter payment

DISTRICT OF COLUMBIA EMERGENCY ASSISTANCE
SHELTER PAYMENTS QUESTIONED FOR ELIGIBILITY

Sample Number	Amount Reviewed	Amount Questioned	Amount Validated	No Child In Care	Incomplete Application	No Emergency	Reason For Eligibility Errors				Not A.D.C. Resident
							Financial Need	No Ongoing Plan	Break In Stay		
FISCAL YEAR 1988											
5	\$150	\$150	\$0	\$150		\$150					
111	\$7,965	\$7,965	\$0	\$7,965			\$7,965				
140	\$2,343	\$2,343	\$0	\$2,343		\$2,343	\$2,343				
165	\$995	\$995	\$0			\$995	\$995				
162	\$321	\$321	\$0			\$321	\$321				\$321
228	\$525	\$525	\$0			\$525					
300	\$112	\$112	\$0				\$112				
322	\$337	\$337	\$0	\$337			\$337				
446	\$8,948	\$8,948	\$0	\$8,948				\$8,948			
457	\$649	\$649	\$0		\$649						
483	\$879	\$879	\$0		\$879						
508	\$10,116	\$10,116	\$0	\$10,116							
529	\$4,432	\$4,432	\$0		\$4,432	\$4,432					
567	\$7,501	\$7,501	\$0					\$7,501			
665	\$3,069	\$3,069	\$0		\$3,069	\$3,069					
Subtotal FY88	\$46,342	\$46,342	\$0	\$28,659	\$9,029	\$11,514	\$15,142	\$16,449	\$0	\$321	
15 Payments											
FISCAL YEAR 1989											
22	\$50	\$50	\$0	\$50		\$50					
57	\$5,274	\$5,274	\$0		\$5,274	\$5,274					
96	\$5,541	\$5,541	\$0	\$5,541		\$5,541					
167	\$1,163	\$1,163	\$0	\$1,163							
208	\$5,891	\$5,891	\$0	\$5,891							
228	\$257	\$257	\$0	\$257		\$257					
271	\$37	\$37	\$0	\$37		\$37					
274	\$2,423	\$1,083	\$1,340						\$1,083		
284	\$13,709	\$13,709	\$0	\$13,709		\$13,709		\$13,709			\$13,709
328	\$7,997	\$7,997	\$0		\$7,997	\$7,997					
335	\$87	\$87	\$0	\$87							
343	\$2,394	\$2,394	\$0		\$2,394						
422	\$6,787	\$6,787	\$0	\$6,787		\$6,787					
463	\$6,536	\$6,536	\$0	\$6,536				\$6,787			
505	\$6,398	\$6,346	\$50								
793	\$8,865	\$8,865	\$0	\$8,865		\$8,865					
812	\$7,506	\$7,506	\$0	\$7,506							
820	\$6,746	\$6,746	\$0					\$6,746			
Subtotal FY89	\$80,893	\$79,503	\$1,390	\$58,409	\$50,804	\$32,865	\$7,074	\$20,476	\$2,481	\$13,709	
16 Payments											
Totals	\$129,235	\$127,845	\$1,390	\$86,268	\$59,833	\$44,379	\$22,216	\$36,925	\$2,481	\$14,030	
33 Payments											

**DISTRICT OF COLUMBIA EMERGENCY ASSISTANCE
BURIAL PAYMENTS QUESTIONED**

Sample Number	Amount Reviewed	Amount Questioned	Amount Validated	Authorized After 30 Days	No Child In Care	Excess Payment	Missing Casaffle
FISCAL YEAR 1988							
17	\$721	\$721	\$0		\$721		
22	\$801	\$27	\$774			\$27	
23	\$513	\$513	\$0	\$513			
36	\$748	\$107	\$841			\$107	
69	\$841	\$841	\$0	\$841			
70	\$593	\$593	\$0	\$593			
71	\$593	\$593	\$0	\$593			
95	\$748	\$748	\$0		\$748		
114	\$488	\$488	\$0				\$488
9							
Payments	\$5,844	\$4,429	\$1,415	\$2,340	\$1,469	\$134	\$488

Legend: I (Infant), C (Child), A (Adult).

Purpose: To show results of burial review for Fiscal Year 1988.

Source: Workpapers E-1-5-1 Through E-1-5-30.

Scope: Using criteria provided by the Burial section at IMA Central Services Division, we noted those cases that were not in compliance with established policies and procedures.

We reviewed the 1988 and 1989 expenditure reports to determine if any grant or shelter assistance had been provided earlier that would disqualify claiming FFP for any of these cases.

Conclusions: We identified 9 cases that were not in compliance. 4 of these were 2-n-12 cases.

We questioned \$4,429 to the dollars reviewed.

1 casaffle was not available for our review.

2 cases involved adults who did not seem to have a relationship to a minor child in care or there was no minor child at all.

1 case exceeded the maximum allowable for a child's burial.

1 paid for church services that were not provided or shown on the bill.

APPENDIX E

SAMPLING METHODOLOGY AND RESULTS

On a scientific random selection basis, we examined 230 emergency assistance payments made by the District of Columbia Department of Human Services (DHS), from a population of 13,374 payments with a total value of \$16,532,068 claimed for Federal Financial Participation (FFP) during the period October 1, 1987 to September 30, 1989 (Federal Fiscal Years 1988 and 1989). Our sample was stratified into 100 grant claims and 100 shelter claims (50 from each fiscal year); and 30 burial claims from fiscal year 1988.

We defined an error as the amount of FFP claimed for any payment which was ineligible for any of the several reasons identified in this report.

Of the 230 payments sampled, we determined that 136 payments were ineligible for FFP for one or more reasons. Using a standard scientific estimation process, we concluded that there is a 95 percent probability that from October 1, 1987 through September 30, 1989, DHS claimed Federal reimbursement for \$6,549,171 in ineligible payments. Federal reimbursement (FFP) was \$3,274,586. In FY 1988 the point estimate and precision upon which this finding is based are \$2,315,575 +/- \$692,411. In FY 1989 the point estimate and precision are \$5,933,302 +/- \$1,007,295.

We also performed subsidiary sample analyses to show the relative significance of the specific types of errors. These analyses were made using the same criteria as above except that an error was defined as the amount claimed for any payment that was ineligible for a single type of error. The results of the individual error type have been reported at the point estimate as follows:

<u>TYPE</u>	<u>NUMBER OF PAYMENTS</u>	<u>FFP POINT ESTIMATE</u>
Grant Claims	43	\$1,748,550
Shelter Claims	84	\$2,366,440
Burial Claims	9	\$ 9,448
Missing Casefiles	13	\$1,148,071

Because some payments were ineligible for more than one reason, the results of the subsidiary sample analyses are not mutually exclusive of each other and should not be added together. An accurate estimate of the total number of ineligible payments can be obtained from our combined analyses.

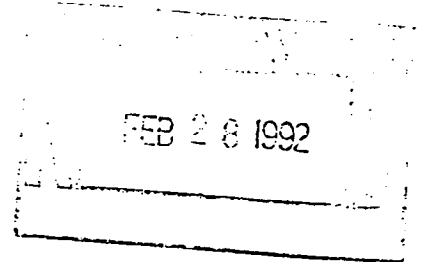


GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF HUMAN SERVICES
WASHINGTON, D.C. 20002

INCOME MAINTENANCE ADMINISTRATION
FEB 27 1992

IN REPLY REFER TO:

Mr. G. A. Rafalko
Regional Inspector General
for Audit Services
Department of Health & Human Services
Region III
3535 Market Street
Philadelphia, Pa. 19101



Reference # A-03-90-00260

Dear Mr. Rafalko:

Pursuant to your letter, dated February 24, 1992, I am pleased to submit the Department of Human Services' response to subject audit.

As I suggested in my previous letter, dated February 19, 1992, there are serious discrepancies between the findings by your auditors and our review. The OIG auditors reviewed two hundred and thirty (230) emergency assistance payments claimed for FFP by the Department of Human Services during FY 1988 and FY 1989. Your office has determined that one hundred and thirty six (136) of these payments violated one or more of the provisions of Title IV-A or DHS regulations and were, therefore, ineligible for FFP. I am providing the enclosed response to your findings. You will note from the summary sheet that, of the 136 cases your office found in error, the Department is contesting 115 of those cases. I believe that, prior to the release of any final report, a meeting should be convened between staff from the OIG, ACF and DHS to reach some consensus on these findings. A discrepancy of this magnitude strongly suggests that there may be some procedural or interpretative issues that require resolution. For this reason, I strongly recommend that a joint review be conducted on these cases to resolve our apparent differences.

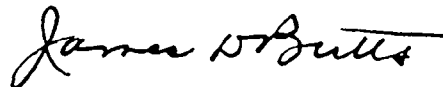
During our meeting with your staff on Friday, February 14, 1992, we also expressed concern about the randomness of the sample. The master audit sheet was changed on several occasions with the addition and deletion of several cases after the sample had been established. Also, the [REDACTED] case, involving the death of 3 children (your sample: 69, 70, 71), was purportedly drawn three times. From a statistical perspective, it is highly unusual that a small sample would identify 3 cases from the same family. Since all of the

- 2 -

children died in the same fire, we think this review should be treated as one case. In view of these circumstances, I would like to receive a complete list of the original sample plus all deletions and additions that were made to it.

I shall look forward to hearing from you regarding my recommendation.

Sincerely,

A handwritten signature in cursive script that reads "James D. Butts".

James D. Butts
Administrator

Enclosures

SUMMARY

The Office of the Inspector General (OIG) reviewed two hundred thirty (230) payments claimed for FFP by the Department of Human Services during FY 1988 and FY 1989. OIG has determined one hundred thirty-six (136) of the payments "violated one or more provisions of Title IV-A or DHS regulations", and were therefore, ineligible for FFP.

DHS has responded to OIG's findings by conducting a review of all cases receiving citations if the case was available for review.

DHS findings are exhibited in the chart below.

Category	Number of Cases Cited By OIG	Contested by DHS	Number of Cases DHS Concur With OIG
Burials	09	05	04
Grants	43	35	08
Shelter	84	75	09
Total	136	115	21