

Washington State Auditor's Office
Whistleblower Investigation Report

Department of Social and Health Services

Report No. 1011790

Issue Date
May 12, 2014



Washington State Auditor
Troy Kelley

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Kevin Quigley, Secretary
Department of Social and Health Services

Report on Whistleblower Investigation

Attached is the official report on Whistleblower Case No. 10-016 at the Department of Social and Health Services.

The State Auditor's Office received an assertion of improper governmental activity at the Department. This assertion was submitted to us under the provisions of Chapter 42.40 of the Revised Code of Washington, the Whistleblower Act. We have investigated the assertion independently and objectively through interviews and by reviewing relevant documents. This report contains the result of our investigation.

Questions about this report should be directed to Whistleblower Manager Jim Brownell at (360) 725-5352.

Sincerely,

TROY KELLEY
STATE AUDITOR

cc: Andrew Colvin, Public Disclosure and Ethics Administrator
Governor Jay Inslee
Evelyn Lopez, Acting Executive Director, Executive Ethics Board

Whistleblower Investigation Report

State of Washington Department of Social and Health Services

ASSERTION

In November 2009, our Office received an assertion that the state Foster Care Program made unallowable expenditures.

RESULTS

We found reasonable cause to believe an improper governmental action occurred. During the investigation we reviewed case files and other supporting documentation for 33 foster children. Our review focused on payments for goods and services and the reimbursement of mileage paid to foster parents from 2009 through 2012.

In 19 of these 33 cases we found unsupported expenditures for items such as clothing, a computer and computer repair and mileage reimbursements for foster parents, some of which may have been unallowable. We also identified overpayments that were not sent to the Department's Office of Financial Recovery to be collected.

BACKGROUND

The Department of Social and Health Services (Department) oversees child welfare services, which includes the Foster Care Program (Program). Through the Program the Department promotes the safety, well-being and care of children placed in foster care. In addition to monthly payments that are provided to the foster parent to financially assist with the child's care, the Program provides mileage reimbursements for transporting the child, clothing vouchers for the child, medical care and additional funds dependent upon the individual needs of the child. The Program is funded by the state and federal governments.

To comply with state and federal laws, the Department has created policies that provide guidance to the employees who are responsible for recommending, authorizing and issuing funds for Program purchases and reimbursements. In most instances, the case worker assigned to the foster child is in the best position to identify the needs of the child and will request funds be expended for the child. At minimum, the funds requested require approval by the case worker's supervisor and, depending upon the dollar amount being requested, may require approval at a higher level. To be authorized for payment,

Program expenditures require a receipt or invoice, which must remain in the file after processing. In the case of reimbursements for mileage, payments made to the foster parent must have a corresponding mileage log in the file.

Although Department policies provide guidance on what type of expenses are allowable and how much money is allowed, exceptions to these policies are made frequently in order to provide the best care for the child. According to Program policy, an explanation regarding exceptions must be documented in the case file prior to the payment being authorized.

ABOUT THE INVESTIGATION

Mileage reimbursements

The Program will reimburse foster parents for mileage to transport foster children to certain activities. Examples include visitation with biological family members and trips to the doctor. Program policy also identifies trips that are not reimbursable, such as shopping and vacations. As stated above, exceptions must be documented in the case file.

The Department does not require specific addresses on mileage logs. We found that some foster parents used general locations as ending addresses, such as “Aunt’s house - in Lacey” with no other information. In these instances, there is no way for the Program to verify the mileage claimed was accurate.

We also found instances where it appears the foster parent overinflated the mileage claimed for reimbursement. For example, a foster parent submitted a reimbursement request for 240 miles one day when the normal route was 30 miles. On nine other days that month, the foster parent claimed 120 miles for the same 30 mile route. The Program employee responsible for preparing the authorization for payment (fiduciary) explained that, although the foster parent submitted the inflated mileage, the fiduciary corrected the mileage log and did not authorize payment for the inflated miles.

When we spoke with fiduciaries we were told that when they see what appears to be overinflated mileage they will discuss it with the child’s case worker, who has signed off on the mileage log. If there are still concerns, they will speak to someone at a higher level within the Program.

In four cases, there were no case notes explaining why exceptions to policy were reimbursed to foster parents. Examples were:

- Trips to church
- Trips to take the foster child to and from her place of employment
- Trips to and from the child’s school

Mileage to and from the child’s school is allowable if the child is attending the school he or she attended prior to being placed in a home no longer in that school district.

However, when this occurs, case workers must document in the file why the mileage is allowable.

In seven cases, mileage logs were not in the case file to support payments issued to the foster parent. The total number of missing logs was 28. The fiduciaries we spoke with said they do not process payments without supporting documentation; invoices or receipts are returned to the case worker to be retained in the file.

Clothing allowances

When a foster child is initially placed in the Program, he or she may receive a \$200 voucher for clothing. Thereafter, the child may receive a \$200 voucher annually. The voucher is issued for a particular store and, after the purchases are made, the store submits the voucher and accompanying receipt to the Program for payment. The receipt is forwarded to the case worker to maintain in the file.

We found one child received two \$200 vouchers within three months, one of which had no supporting receipt. When questioned why one child received \$400 for clothes in a three-month period, the fiduciary said the child changed homes and the clothes were purchased for the separate homes. We asked why the child did not take the clothes from one home to the other and were told that it should have happened, but does not always. There was no documentation in the file explaining why the additional voucher was authorized. The fiduciary said clothing vouchers are always approved by the supervisor when requested.

In another instance, a child received two vouchers for clothing within two months. One voucher for \$315 was used for this child and a sibling, but the full amount was documented under this child. The following month this same child (without the sibling) used a voucher for \$200 for more clothing. The explanation for this was that the child was returning to his biological home and did not have any clothes there. When questioned why the child did not take his clothing that was purchased the prior month, the Program employee said there was nothing noted in the file regarding what the child returned home with. The file did not include a receipt for the second clothing voucher.

Overpayments

Program policy states that reimbursement requests for mileage submitted after 90 days will not be paid. We found a foster parent was reimbursed \$1,080 for four months of mileage reimbursements that were submitted after the 90-day cutoff. A Program employee said that if the mileage log is received within 90 days, but is not forwarded timely by the social worker, the Program will still pay the foster parent. In this instance, the logs were submitted by the foster parent well after the 90-day cutoff date. There was nothing in the case file noting why the exception was made.

While reviewing two foster children's cases, we identified overpayments that were made for services that were not provided to the child. Specifically, a youth services provider

was overpaid \$1,774 and a child care provider was overpaid \$836. After we brought these issues to the attention of Program staff, they were referred to the Office of Financial Recovery – the Department’s collection unit.

Two foster parents were double paid a total of \$420 for mileage. No follow up has been initiated by the Program to collect these overpayments.

Independent living skills

Additional money for older foster children is provided through Independent Living Skills (ILS), which is funded with federal dollars. To qualify for these funds, the child must have been in the Program for at least 30 days past his or her 15th birthday. Each child can receive up to \$500 for expenses that will assist him or her in obtaining necessary skills to live independently once he or she leaves the Program. When requesting money from this fund the case worker must document in the child’s case plan how the purchase will benefit the child in gaining living skills.

In two instances, we found no supporting receipts; one provided a child with \$500 to purchase a laptop and the other was for \$110 for the repair of a laptop.

Inconsistent application of policies

Conversations with Department employees revealed confusion regarding what expenditures are allowable. For example, we identified mileage reimbursements for picking up medication for a foster child; one Department employee said this was allowable and one said it was not. When asked if foster parents have to work in order to receive services for child care, one answered no and the other answered yes, but the Department can make exceptions.

RECOMMENDATIONS

We recommend the Department:

- Ensure that exceptions to policies are documented in the case file.
- Maintain receipts and mileage logs to support payments.
- Require street addresses on mileage logs in order to verify the accuracy of reimbursement requests.
- Forward overpayments identified in this investigation to the Office of Financial Recovery.

DEPARTMENT'S PLAN OF RESOLUTION

The Department has implemented a process known as the Exceptional Cost Plan (ECP) to document each exception to policy when making payments. This process requires that all proper approvals are obtained on the ECP before our fiduciaries will make any payments. These will be documented in the case files.

The Department has also developed a Foster Parent Mileage reimbursement form for Foster Parents to submit along with their receipts. This form contains all of the necessary information, including addresses, for the fiduciary to validate the mileage being claimed.

If it has been determined that an overpayment has occurred, documentation is sent to the Office of Financial Recovery for collection. The Department would appreciate the opportunity to work with the State Auditor's Office to obtain the details within their working papers so we can submit any overpayments identified during the investigation that have not already been submitted for collection.

STATE AUDITOR'S OFFICE REMARKS

We thank Department officials and personnel for their assistance and cooperation during the investigation.

Whistleblower Investigation Criteria

State of Washington Department of Social and Health Services

We came to our determination in this investigation by evaluating the facts against the criteria below:

WAC 388-25-0090. What are the department's expectations for foster care providers to whom the department makes reimbursement for services?

- (1) Foster care providers are responsible for:
 - (a) Protecting and nurturing children in a safe, healthy environment that provides positive supervision for the child in care;
 - (b) Taking the child to a physician or nurse practitioner to complete an EPSDT (early and periodic screening, diagnosis and treatment) examination. EPSDT exams must be scheduled within one month of initial placement and annually thereafter.
 - (c) Reporting to the social worker the fact that an EPSDT examination took place and if the examination showed that further treatment is needed.
 - (d) Observing and sharing information about the child's behavior, school and medical status, response to parental visits, and the child's growth and development with persons designated by the assigned CA social worker (see chapter 388-148 WAC).
 - (e) Meeting the developmental needs of the child by:
 - (i) Teaching age appropriate skills;
 - (ii) Supporting cultural identity;
 - (iii) Helping the child attach to caring adults;
 - (iv) Building self-esteem;
 - (v) Encouraging and modeling positive social relationships and responsibilities;
 - (vi) Supporting intellectual and educational growth;
 - (f) Supporting the permanent plan for the child;
 - (g) Participating as a member of the child's treatment team by taking part in the development of the service plan for the child and providing relevant information about the child's progress for court hearings;

(h) Providing assistance to the social worker, when working with the biological parents is part of the service plan, by assisting in family visitation and modeling effective parenting behavior for the family.

(2) Therapeutic foster care and rehabilitative service providers are responsible for additional therapeutic services as defined in their service agreements or contracts with the department.

WAC 388-25-0100. What are the department's responsibilities regarding financial assistance to support children in the department's foster homes and child placing agency foster homes?

(1) The department pays only for placements and plans the department has approved.

(2) The department has final responsibility for determining initial and ongoing eligibility for financial support.

(3) Payment for children served through the behavior rehabilitation services program is limited to those children who are ages six to eighteen.

(4) The department maintains control and oversight of placements and payments through written agreements with the child placing agencies, quarterly reports, and planning meetings with the agency or facility.

WAC 388-25-0125. When may the department authorize a clothing allowance for a child in out-of-home care?

When the department or a contracted child placing agency places a child in foster care or, at other times, the social worker may authorize a clothing allowance to supplement a child's clothing supply, when necessary. This allowance may not exceed two hundred dollars unless authorized by the DCFS regional administrator or the regional administrator's designee. The allowance must be based on the needs of the child and be provided within available funds. Clothing purchased becomes the property of the child and will be sent with the child if placement changes.

WAC 388-147-0190. What independent living skills may be offered?

(1) The types of assistance, service, and support the pregnant and parenting teen program offers will vary based on the chronological age, the developmental stage, family resources, and the supervision needs of the individual youth.

(2) Assistance may be offered in the broad categories of:

- (a) Parenting skills development and support (including instruction that includes the prohibition of spanking or the use of cruel or frightening discipline of her child by the teen parent);
- (b) Skills for independence (budgeting, comparative shopping, cooking, cleaning, etc);
- (c) Basic educational competencies (including assisting in developing or arranging for an educational plan for each youth in care who has not completed high school or the GED, support for regular school attendance, homework completion, and tutoring;
- (d) Employment preparation (including volunteer experiences, job interview skills, resume development, appropriate work environment behavior, vocational training etc.);
- (e) Interpersonal skills and health care (including education in nutrition, pregnancy prevention, sexually transmitted infections, substance abuse, health insurance, etc.);
- (f) Housing (including skills needed to be a good roommate, options for housing, rental agreements, landlord/tenant relationships, etc.); and
- (g) Developing significant support systems (identifying adults who can be a positive example and support in the future).

DSHS Policies:

- 19-10-04 Mileage Reimbursement
- 5250 Caregiver Transportation and Mileage Reimbursement
- 4537 Clothing Allowance for Children in Out-of-Home Care
- 45372 Eligibility
- 45373 Procedures for Access

