



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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January 11, 2021

TO: Bobby D. Cagle, Director
Department of Children and Family Services

FROM: Robert G. Campbell, Chief
Office of County Investigations

SUBJECT: **DEPARTMENT OF CHILDREN AND FAMILY SERVICES –
IMPROVEMENT OPPORTUNITIES NOTED DURING LIMITED
REVIEW (REPORT #IOR-2018-14227) - FIRST FOLLOW-UP REVIEW**

We have completed a follow-up review of the Department of Children and Family Services (DCFS or Department) Improvement Opportunities Noted During Limited Review dated June 26, 2019 (Report #IOR-2018-14227). As summarized in Table 1, DCFS partially implemented the recommendation to enhance their internal controls over Adoption Assistance Program and other payments, to identify and prevent improper/ineligible payments to program recipients and/or beneficiaries. The Department should fully implement the outstanding recommendation to strengthen controls over verification of program beneficiary eligibility.

Table 1 - Results of First Follow-up Review

PRIORITY RANKINGS	TOTAL RECOS	RECOMMENDATION IMPLEMENTATION STATUS		
		FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED
PRIORITY 1	1	0	1	0
PRIORITY 2	0	0	0	0
PRIORITY 3	0	0	0	0
TOTAL	1	0	1	0
			1	

Bobby D. Cagle, Director

January 11, 2021

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Attachment I details our review and the Department's corrective actions. We will continue to follow-up and report back on the outstanding Priority 1 recommendation until it is fully implemented.

We thank DCFS management and staff for their cooperation and assistance during our review. If you have any questions please contact me at (213) 893-0058 or rcampbell@auditor.lacounty.gov, or your staff may contact Cristina del Rosario at (213) 893-0868 or cdelrosario@auditor.lacounty.gov.

RGC:GH:CDR:jh

Attachment

c: Audit Committee
Audit Division

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DIVISION CHIEF

Office of County Investigations

Report #F1-2018-14227

DEPARTMENT OF CHILDREN AND FAMILY SERVICES #2018-14227 - FIRST FOLLOW-UP REVIEW

	RECOMMENDATION	A-C COMMENTS
<p>1 Priority 1 – Department of Children and Family Services (DCFS) management identify all programs that issue recurring payments, such as the Adoption Assistance Program (AAP), and strengthen the eligibility verification process for each of those programs by performing periodic comparisons of government death records with payment recipients and beneficiaries.</p> <p>For example, DCFS could compare the Social Security Administration’s (SSA) Full Death Master File with a list of AAP beneficiaries and payees to ensure that AAP payments are not issued for deceased children or to deceased caregivers.</p> <p>Original Issue/Impact: DCFS’s current eligibility process does not provide any independent verification that the recipients and/or beneficiaries of AAP payments are alive. As a result, payments could be issued for deceased children or to deceased caregivers and go undetected. We found evidence that DCFS paid monthly AAP benefits totaling more than \$200,000 over a five-year period to an adoptive parent who falsified eligibility certifications and concealed that their child was deceased.</p>	<p>Recommendation Status: Partially Implemented</p> <p>We confirmed that DCFS has requested access to the SSA’s Full Death Master File but was not granted access by the SSA. As of November 2020, DCFS indicated they are working to obtain access to the SSA Full Death Master File from the State, to begin verifying that AAP and other program payment recipients and beneficiaries are alive.</p> <p>We confirmed that as an interim solution, DCFS is using quarterly Medi-Cal alert listings to identify all alerts related to the death of an AAP or other program beneficiary for verification. So far, DCFS has identified 11 cases where program payment beneficiaries were deceased, which resulted in total overpayments of \$12,620. DCFS indicated that they have recovered \$6,677 in overpayments and are pursuing recovery of the remaining \$5,943.</p> <p>We also confirmed that DCFS updated their AAP review procedures to include verification of the AAP beneficiary’s eligibility information and reviewing the beneficiary’s date of death on the Medi-Cal Eligibility Data System (MEDS). In addition, we confirmed that DCFS management updated their Quality Assurance case review procedures for Foster Care, Kin-Gap, and AAP to include reviewing and verifying the beneficiary’s date of death from MEDS.</p> <p>Because access to the SSA Full Death Master File is dependent on the State, DCFS management cannot provide a target date for implementation.</p>	

We conducted our review in conformance with the International Standards for the Professional Practice of Internal Auditing. For more information on our auditing process, including recommendation priority rankings, the follow-up process, and management’s responsibility for internal controls, visit auditor.lacounty.gov/audit-process-information.

Priority Ranking: Recommendations are ranked from Priority 1 to 3 based on the potential seriousness and likelihood of negative impact on the Agency’s operations if corrective action is not taken.