



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

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March 10, 2022

TO: Ginger Pryor, Acting 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) – SECOND AND FINAL FOLLOW-UP REVIEW**

We completed a second and final 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). We reviewed the status of one Priority 1 recommendation that had not been fully implemented in our first follow-up report issued on January 11, 2021.

As summarized in Table 1, DCFS needs to fully implement the one outstanding Priority 1 recommendation to strengthen controls over verification of program beneficiary eligibility.

**Table 1 - Results of Second and Final 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

For details of our review and the Department’s corrective actions, see Attachment.

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](mailto:rcampbell@auditor.lacounty.gov), or your staff may contact Supervising Investigator Cristina del Rosario at (213) 893-0868 or [cdelrosario@auditor.lacounty.gov](mailto:cdelrosario@auditor.lacounty.gov).

RGC:GH:CDR:jh

Attachment

c: Arlene Barrera, Auditor-Controller  
Audit Committee  
Audit Division

**Report #F2-2018-14227**

# LOS ANGELES COUNTY AUDITOR-CONTROLLER

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**Robert Campbell**  
DIVISION CHIEF

Office of County Investigations

Report #F2-2018-14227

**DEPARTMENT OF CHILDREN AND FAMILY SERVICES  
IMPROVEMENT OPPORTUNITIES NOTED DURING LIMITED REVIEW  
(#IOR-2018-14227) – SECOND AND FINAL FOLLOW-UP REVIEW**

	RECOMMENDATION	A-C COMMENTS
1	<p><b>Priority 1</b> – 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><b>Original Issue/Impact:</b> DCFS’ 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><b>Recommendation Status: Partially Implemented</b></p> <p>DCFS informed us that they are working with County Counsel to obtain the commercially available version of the SSA’s Death Master File, for use in verifying that AAP and other DCFS program payment recipients and beneficiaries are still alive.</p> <p>As an interim solution, DCFS is continuing to use quarterly Medi-Cal alert listings to identify any deaths of AAP or other program beneficiaries. We confirmed that DCFS has identified 25 cases from June 2019 to May 2021 where program payment beneficiaries were deceased, which resulted in total overpayments of \$17,952. As of August 2021, DCFS reported that they have recovered \$5,658, and they are working with County Counsel to pursue collection of the remaining recoverable amounts.</p> <p>DCFS was unable to provide documentation indicating that they performed any additional comparisons between the recipients and beneficiaries of program payments and the quarterly Medi-Cal alert listings since May 2021, or that they collected any additional amounts of the recoverable overpayments since August 2021.</p> <p>DCFS management indicated they are unable to 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](http://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.