



# Richmond Office of the City Auditor

Office of the Inspector General

*Fighting government waste, fraud and abuse*

**Umesh Dalal, CPA, CIA, CIG**  
Richmond City Auditor/Inspector General

**August 5, 2011**

**Dr. Carolyn Graham, DCAO, Human Services**  
**Ms. Doris Moseley, Director, Department of Social Services**

The Office of the Inspector General (OIG), with collaboration from the Department of Social Services (DSS) Fraud Unit, completed an investigation in DSS. This letter informs you of the results of the investigation.

## **Complaint**

The recently completed audit of the Comprehensive Services Act (CSA) and Foster Care Program identified duplicate payments to a foster parent, covering the 15-month period from July 2007 through September 2008. The investigator found that the foster parent receiving the overpayments was notified in October 2008. The DSS foster care staff and DSS Fraud Unit attempted to recover the overpayment with no success. Monies had not been recovered nor had a resolution been implemented upon discovery of the duplicate payments during the audit. Therefore, the City Auditor's Office referred this matter to the OIG for further investigation.

## **Legal Requirements**

In accordance with the Code of Virginia, §15.2-2511.2, the City Auditor is required to investigate all allegations of fraud, waste and abuse. Also, the City Code 2-231 requires the OIG to conduct investigations of alleged wrongdoings.

## **Background**

The Code of Virginia §63.2-512 governs the recovery of public assistance erroneously paid. The Code states "Any assistance or part thereof erroneously paid to a recipient or former recipient may be recovered by the Board or local board from the recipient or former recipient as a debt."

## **Findings**

Duplicate foster care maintenance payments totaling \$11,817 were inappropriately remitted to a foster parent for 22 months occurring between September 2006 and September 2008. This total includes an additional \$3,381 in duplicate payments that were not previously identified since the payments were issued outside the scope of the CSA and Foster Care audit.

Pursuant to DSS protocol, monies for therapeutic foster care services provided through a Child Placing Agency are paid directly to the agency, which then makes the payment to the foster parents. However, in this case, monthly foster care maintenance payments were issued directly to the foster

parent as well as through the agency. The foster parent received and cashed payments from both the City and the agency.

The duplicate payments began in September 2006 when payments were inappropriately set up for the foster parent. As a result, the foster parent received duplicate payments for 22 months between September 2006 and September 2008. According to the social worker, the payments were set up and approved monthly due to her lack of understanding regarding the payment process for therapeutic foster care services.

The DSS Fraud Unit attempted to contact the foster care parent three times in 2009 and once in 2010, but was not successful. In July 2011, the OIG investigator and the DSS Fraud Unit Supervisor were able to set up an interview with the foster care parent, who was cooperative and forthcoming during the interview. According to the foster care parent, he had notified the social worker that he received additional payments which he may not be entitled to. However, the foster care parent claimed the social worker never contacted him with her findings. Therefore, he assumed he was entitled to the additional funds. In response to the foster parent's assertions, the social worker indicated that she could not recall if the foster parent ever contacted her regarding the additional payments.

The foster parent agreed that he received the duplicate payments and entered into a written agreement to repay the City the full amount of the duplicate payments. The details and evidence in this case did not allow the OIG to file any criminal charges.

### **Conclusion**

The Department's (DSS) weak internal controls, lack of policies and procedures and inadequate staff training at the time of the CSA and Foster Care Audit, enabled the duplicate payments to occur and prevented timely detection. As noted in the CSA and Foster Care Audit, the Department's weak internal control structure has created an environment that is susceptible to misappropriation and errors. Adequate controls and procedures need to be implemented over the payment process to minimize the risk of duplicate payments. These weaknesses are currently being addressed by DSS management. DSS must exercise due diligence to ensure the recovery of \$11,817 in duplicate payments.

If you have any questions, please contact me at extension 5616.

Sincerely,



Umesh Dalal, CPA, CIA, CIG  
City Auditor/Inspector General

Cc: Byron C. Marshall, Chief Administrative Officer