

Commonwealth of Pennsylvania
Department of Public Welfare's
Cash and SNAP Programs

*Luzerne County Assistance Office
Wilkes Barre District*

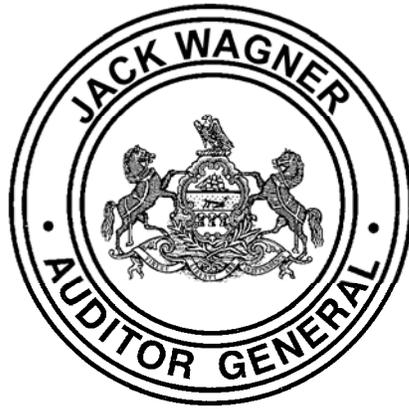
Audit Report for the Period
March 11, 2006 to December 11, 2009



Commonwealth of Pennsylvania
Department of Public Welfare's
Cash and SNAP Programs

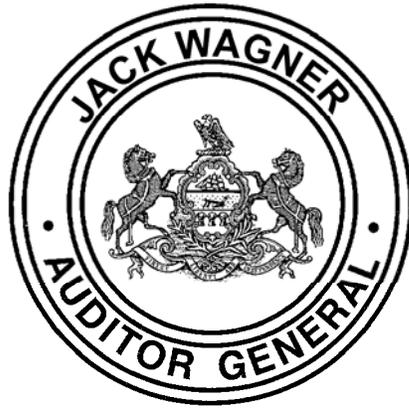
*Luzerne County Assistance Office
Wilkes Barre District*

Audit Report for the Period
March 11, 2006 to December 11, 2009



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Report of Independent Auditors

The Honorable Tom Corbett
Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120

Dear Governor Corbett:

We have conducted an audit of the Luzerne County Assistance Office (CAO), Wilkes Barre District, pursuant to Section 109.1 of Title 55 of the Pennsylvania Code and Sections 402 and 403 of the Fiscal Code. The audit period was March 11, 2006 through December 11, 2009. The objectives of our audit were to determine if cash assistance and Supplemental Nutrition Assistance Program (SNAP) benefits were provided in accordance with Department of Public Welfare (DPW) policies, laws, regulations, and if DPW adequately monitored compliance with Temporary Assistance to Needy Families (TANF) and General Assistance (GA) requirements and Road to Economic Self-Sufficiency through Employment and Training (RESET) participation.

Our audit resulted in the following findings.

- Finding No. 1 - CAO Management Failed To Ensure That GA Requirements Were Met
- Finding No. 2 - CAO Management Failed To Ensure That RESET Requirements Were Met
- Finding No. 3 - CAO Management Failed To Ensure That Recipients' Income Was Within The Established Income Limitations To Receive Benefits
- Finding No. 4 - CAO Management Failed To Ensure That Criminal History Requirements Were Met

Report of Independent Auditors (Continued)

During the exit conference, we reviewed these findings and recommendations with the Luzerne CAO, Wilkes Barre District, management. We have included the CAO and DPW management comments, where applicable, in this report.

Sincerely,

JACK WAGNER
Auditor General

January 23, 2012

**Commonwealth of Pennsylvania
Department of Public Welfare
Luzerne County Assistance Office
Wilkes Barre District**

BACKGROUND INFORMATION

Background Information

The Department of Public Welfare (DPW) is responsible for the administration of public assistance benefits to needy recipients in Pennsylvania. Benefits include cash assistance and food stamps.

Cash Assistance

Cash assistance is grant money. There are three categories of cash assistance:

1. Temporary Assistance to Needy Families (TANF), a federally-funded program that provides money to families with dependent children in need of financial support that is not available from one or both parents;
2. General Assistance (GA), a state-funded program that provides money primarily to disabled individuals who do not have enough income to meet their basic needs and who do not qualify for TANF; and
3. State Blind Pension (SBP), a state-funded program that provides money to individuals with visual limitations.

In order to qualify for TANF, applicants must fall within established income and resource limits and meet age limitation and family relationship requirements. Adults receiving assistance through TANF are required to work or participate in a work-related training program through the Road to Economic Self-Sufficiency through Employment and Training (RESET) program. This program is designed to help individuals prepare for employment and to attain long-term success by offering job related activities, education, job skills training and support in order to obtain a job earning wages that leads to self sufficiency for themselves and their families. Once it is determined that an individual must participate in the RESET program, the CAO and the individual discuss the individual's skills, prior work experience and employment during an interview process to determine which activity is appropriate for the individual. The weekly hourly work requirement is determined by family/household composition. For instance, the work requirement is 20 hours a week for an adult recipient who has a dependent child less than 6 years of age in the household. If all the dependent children in the household are over the age of 6 years, the work requirement is 30 hours a week. Recipients are enrolled in these activities either directly through the CAO or through a contractor hired by DPW. If a recipient is not able to work, good cause must be established.

Background Information

In order to qualify for GA, a recipient must have either a permanent disability or a temporary disability which would allow him/her to obtain benefits for less than 12 months. A recipient who DPW determines to be permanently disabled is eligible for Interim GA benefits, but, as a condition of eligibility, is required to apply for Social Security Administration (SSA) benefits and to sign a reimbursement agreement. If a recipient's claim for SSA benefits is successful, the recipient will be removed from Interim GA when he or she begins to receive SSA benefits. If the recipient's SSA benefits are retroactive and the recipient receives SSA benefits for an identical time period for which he/she received Interim GA, the reimbursement agreement will enable DPW to be reimbursed any cash assistance paid to the recipient for that time period. This prevents the recipient from receiving overlapping Interim GA and SSA benefits. Without the reimbursement agreement, the recipient would not be required to repay Interim GA and, as a result, the Commonwealth would lose its ability to recover the funds. If a recipient is denied eligibility for SSA, the recipient is required to appeal the decision within 60 days of the denial.

In order to qualify for SBP, applicants must fall within established income and resource limits, must also be at least 21 years of age and have limited visual acuity.

Recipients who receive cash assistance and/or food stamps can also receive Special Allowances (SPALs), which are supplemental payments to cover the cost of clothing, transportation, tools or other items necessary to participate in training or work activities.

SNAP

Benefits are provided under the federal Supplemental Nutrition Assistance Program (SNAP), which is designed to provide assistance to low-income households in order to raise their level of nutrition. It is operated jointly by the U.S. Department of Agriculture and DPW. Eligibility is based on levels of income and, in some counties, on whether a recipient is engaged in an employment and training program.

Eligibility Requirements for Cash and SNAP

Eligibility determinations are based on federal and state regulations specifying which individuals qualify for a program and the amounts for which they qualify. The Code of Federal Regulations (CFR) contains the applicable federal regulations. The Pennsylvania Code contains the applicable state regulations. The policies and procedures in place to ensure compliance with the regulations are contained in DPW's Cash Assistance

Background Information

Handbook, Supplemental Nutrition Assistance Program Handbook, Income Eligibility Verification System (IEVS) Handbook, and Supplemental Handbook.

Relevant information about recipients is recorded and maintained in DPW's Client Information System (CIS). This information is used to determine eligibility status and category of aid. The CAO updates information on CIS when new information becomes available.

CAO personnel utilize DPW's Income Eligibility Verification System (IEVS) to compare income and resource information with income and resource information obtained from outside sources. IEVS is updated on a regular basis with information from several sources including wage information from the Department of Labor and Industry, benefit information from the Social Security Administration, and tax and unearned income information from the Internal Revenue Service. CAO caseworkers are required to review this information at the time of application, when the recipient submits his/her semi-annual reporting (SAR) form and at the annual renewal. Caseworkers receive alerts when they are required to review certain information between the application date, the SAR, and at the time of the annual renewal.

**Commonwealth of Pennsylvania
Department of Public Welfare
Luzerne County Assistance Office
Wilkes Barre District**

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives, Scope, And Methodology

To achieve our audit objectives regarding eligibility, we obtained a monthly data file from the Department of Public Welfare of all recipients who received cash benefits as of July 2009. We selected a random sample of 141 cases from the 2,002 cases related to the Luzerne CAO, Wilkes Barre District, represented in the data file. Our audit period was March 11, 2006 to December 11, 2009; however, in cases where we determined an ineligible individual was receiving cash and/or food stamp benefits, we expanded that test work through the last date of his or her ineligibility.

For each case selected in our sample, we tested income, disability, work activity, and non-financial eligibility requirements to determine compliance with DPW regulations and administrative policies.

The criteria we used to test cases in our sample include the Code of Federal Regulations and the Pennsylvania Code, Title 55.

It is DPW's position that current law does not allow DPW to provide all federal and state wage and unearned income information to the Department of the Auditor General. Therefore, DPW did not provide all federal and state wage and unearned income information to us. This scope limitation prevents us from confirming that all available resources were included in calculating recipients' eligibility for benefits.

**Commonwealth of Pennsylvania
Department of Public Welfare
Luzerne County Assistance Office
Wilkes Barre District**

FINDINGS AND RECOMMENDATIONS

Findings and Recommendations

The random sample contained 141 of 2,002 cases from the Luzerne CAO, Wilkes Barre District, July 2009 data file. The 141 cases we tested consisted of 77 TANF cases, 63 GA cases and 1 Emergency Shelter Assistance case. The following findings discuss areas where deficiencies occurred. It should be noted that deficiencies related to wage and income requirements could exist in the cases that we tested and still remain undetected because we do not have access to all wage and unearned income information as noted in our scope limitation described on page 8 of this report.

Finding No. 1 - CAO Management Failed To Ensure That GA Requirements Were Met

During our audit, we found that CAO management failed to ensure that General Assistance (GA) requirements were met in 11 of the 63 cases we tested. As a result, cash benefits totaling \$15,868 were paid to recipients while they were ineligible, as shown in Table 1 on page 11 of this report. In these cases, recipients did not provide proof of disability, apply for Social Security benefits, or appeal unfavorable decisions from SSA. In addition, recipients who applied for Supplemental Security Income did not follow the required reimbursement procedures. These amounts represent taxpayer dollars paid during periods when recipients no longer met GA requirements.

The Cash Assistance Handbook and Supplemental Handbook provide eligibility requirements to assist the CAO in making eligibility determinations. The CAO management is responsible to ensure that applicants provide proof of disability and comply with SSA requirements.

These improper determinations occurred because:

- CAO management did not adequately monitor to ensure that recipients applied for Social Security benefits, or appealed unfavorable SSA decisions, or that those who applied for Supplemental Security Income followed the required reimbursement procedures.
- CAO management did not adequately monitor to ensure that proof of disability was obtained and verified.

Findings and Recommendations

Table 1 - Summary of GA Deficiencies

	Audit Sample Number	Cash
1.	AG-18	\$1,127.50
2.	AG-2	2,460.00
3.	AG-5	381.60
4.	AG-54	1,025.00
5.	AG-55	615.00
6.	AG-75	2,977.70
7.	AG-71	4,613.30
8.	AG-88	1,468.70
9.	AG-112	922.50
10.	AG-129	102.50
11.	AG-130	174.00
	Totals	\$15,867.80

We recommend that:

- CAO management ensure that recipients apply for Social Security benefits, appeal unfavorable SSA decisions, and follow the required reimbursement procedures when applying for Supplemental Security Income.
- CAO management ensure that proof of disability is obtained and verified.

DPW's Management Response¹

- When a recipient is determined to be disabled, a referral is made to the DPW's Disability Advocacy Program (DAP) and SSA. DAP helps the recipient to navigate the SSA application and appeal process. CAO management assures that the DAP process is followed, which ensures that recipients appeal unfavorable SSA decisions.

¹ In addition to the overall management response, DPW provided a separate chart addressing individual cases in the audit finding. Some of this information is either beyond the scope of our audit, or pertained to periods outside of the audit period.

Findings and Recommendations

- DPW utilizes a Medical Assessment Form which enables the CAO IMCW to determine whether or not a recipient is disabled. The CAH, Chapter 105.431 Documentation of Disability states that the form must be completed and signed by one of the following medical providers: a physician, physician's assistant, certified registered nurse practitioner or psychologist. It is permissible to accept documentation of a physical or mental disability from other sources including, but not limited to, the SSA, the Department of Veterans Affairs (DVA), or from the DPW's Medical Review Team (MRT).
- Supervisors are required to review three records per worker every month to ensure that all factors of eligibility are addressed. Management will ensure that reviews occur and areas of concern are addressed.
- Supervisors hold monthly meetings to review findings from previous audits and to review policy with IMCWs to ensure that the audit findings are addressed. Supervisors also hold individual monthly conferences to review each worker's CSR results and to offer additional individual training to ensure that compliance with policy is maintained.
- Desk guides have been prepared and distributed, and includes:
 - Reporting requirements (SAR) for all budgets;
 - Criminal history desk guide;
 - IEVS desk guide; and
 - ETP codes desk guide.

Auditors' Conclusion

We acknowledge DPW's efforts to review current procedures with the CAOs to ensure that the recipient is disabled and that DPW policy is followed. It is clear, however, that the current procedures have not been effective in monitoring the SSA application and appeals process. Without better monitoring procedures in place, these deficiencies will continue to occur. DPW should ensure that CAO personnel are adequately trained to understand the eligibility requirements and that procedures are being performed on a consistent basis. Therefore, we continue to recommend that DPW ensure that personnel

Findings and Recommendations

are adequately trained to aid recipients in applying for Social Security benefits and appealing unfavorable SSA decisions, and to follow the required reimbursement procedures when applying for Supplemental Security Income.

With regard to the Medical Assessment Form or other acceptable disability verification forms, the deficiencies cited in this finding were not a result of an inadequate policy, but were a result of the CAO not following the procedures provided by DPW in the Cash Assistance Handbook, Chapter 105.431. In several instances, the documents required by the policy that DPW cites in its response were not included in the case record. Therefore, no evidence of disability existed in the case record. This indicates that DPW's monitoring of compliance with existing DPW policy needs to be improved – not the policy itself.

We determined that \$15,868 was paid to recipients who no longer met GA requirements. DPW classifies \$14,604 as overpayments subject to potential reimbursement. As a result, the information that the CAO enters into its overpayment system and forwards to the Office of Inspector General (OIG) is not a complete picture of the amount of taxpayer dollars spent for benefits paid to ineligible recipients. We believe that every dollar that was paid while a recipient is ineligible should be subject to reimbursement.

We will examine the implementation of these additional procedures during our next audit to determine whether or not the action taken adequately addresses the deficiencies noted in this report. In addition, we will examine the status of these cases to determine whether or not action was taken by either DPW or OIG to recoup these payments.

Finding No. 2 - CAO Management Failed To Ensure That RESET Requirements Were Met

During our audit, we found that CAO management failed to ensure that RESET requirements were met in 19 of the 77 cases we tested. In these cases, recipients were not enrolled in a training or work activity, or did not meet the work hour requirements, or did not provide good cause for not working. The amount of benefits paid in these cases while the recipients were not meeting the requirements totals \$8,105 including \$3,852 in cash and \$4,253 in food stamps, as shown in Table 2, beginning on page 14 of this report.

Findings and Recommendations

The Cash Assistance Handbook provides RESET requirements and the SNAP Handbook provides employment and training requirements to assist the CAO in making eligibility determinations. The CAO management is responsible for ensuring that TANF recipients meet the work requirements by placing the recipients in a training or work activity and monitoring the recipients' participation. In addition, when DPW hires a contractor to place recipients in work activities, CAO management must monitor the contractor and verify that recipients are meeting training and/or work requirements.

These improper determinations occurred because:

- CAO management did not adequately monitor to ensure that recipients were enrolled in training or work activities, or were meeting the work hour requirements, or that good cause was established for recipients who were not working.
- CAO management did not have proper controls in place to monitor outside contractors and verify that recipients met training or work activity requirements.

Table 2 - Summary of RESET Deficiencies

	Audit Sample Number	Cash	Food Stamps
1.	AG-4	\$222.00	\$334.00
2.	AG-13		645.00
3.	AG-5		155.00
4.	AG-25	777.00	
5.	AG-21		465.00
6.	AG-35		387.00
7.	AG-53	435.00	
8.	AG-45	729.00	
9.	AG-62	222.00	
10.	AG-44		128.00
11.	AG-65		324.00
12.	AG-91	376.00	
13.	AG-68	222.00	
14.	AG-95	205.00	

Findings and Recommendations

Table 2 - Summary of RESET Deficiencies (continued)

	Audit Sample Number	Cash	Food Stamps
15.	AG-85	\$348.00	
16.	AG-105	205.00	
17.	AG-49		\$1,260.00
18.	AG-119		555.00
19.	AG-94	111.00	
	Totals	\$3,852.00	\$4,253.00

We recommend that:

- CAO management ensure that recipients' training and/or work requirements are met and that good cause is established for recipients who are not participating in training or work activities.
- CAO management ensure that proper controls are in place to monitor recipients' participation in training and work activities, including monitoring of outside contractors.

DPW's Management Response

- Additional procedures have been implemented. The IMCW and supervisors will conduct reviews to ensure that recipients are enrolled in the training and/or work activities, and that they are meeting the work hour requirements or that good cause is established for recipients who are not participating in training and work activities.
- The Bureau of Employment and Training conducts monthly contractor performance reviews and a formal on-site program evaluation each year to confirm prior year performance. On-site evaluations are conducted more frequently for contractors whose performance did not meet DPW standards. Additionally, the CAOs meet with contractors in bi-weekly Direct Service Team (DST) meetings to discuss client

Findings and Recommendations

participation and review Commonwealth Workforce Development System (CWDS) reports. CAOs also participate in Local Management Committees (LMCs) which consist of representatives from the CAO workforce development and educational entities in the local area to review performance and discuss program design and corrective action.

- Supervisors are required to review three records per worker every month to ensure that all factors of eligibility are addressed. Management will ensure that reviews occur and areas of concern are addressed.
- Food Stamp ETP refresher training was held on June 24-26, 2008. This training covered factors that must be considered when determining the employment status of all food stamp recipients, including but not limited to age, disability, and family composition.
- Supervisors hold monthly meetings to review findings from previous audits and to review policy with IMCWs to ensure that the audit findings are addressed. Supervisors also hold individual monthly conferences to review each worker's CSR results and to offer additional individual training to ensure that compliance with policy is maintained.
- Desk guides have been prepared and distributed, and includes:
 - Reporting requirements (SAR) for all budgets;
 - Criminal history desk guide;
 - IEVS desk guide; and
 - ETP codes desk guide.

Auditors' Conclusion

We are encouraged that the CAO has implemented additional procedures to ensure that recipients are enrolled in training and/or work activities. DPW should monitor the CAO to ensure that these additional procedures are being performed on a consistent basis.

However, with respect to contractor performance reviews and on-site evaluations, it is clear that the current procedures have not been effective in verifying whether or not a

Findings and Recommendations

recipient is meeting the work hour requirements. Without better monitoring procedures in place, these deficiencies will continue to occur. DPW needs to hold its contractors accountable. Therefore, we continue to recommend that DPW put proper controls in place for CAOs to monitor recipients' participation in training and work activities, including monitoring of outside contractors.

We will examine the implementation of these additional procedures during our next audit to determine whether or not the action taken adequately addresses the deficiencies noted in this report. In addition, we will examine the status of these cases to determine whether or not action was taken by either DPW or OIG to recoup these payments.

Finding No. 3 - CAO Management Failed To Ensure That Recipients' Income Was Within The Established Income Limitations To Receive Benefits

During our audit, we found that CAO management failed to ensure that income requirements were met in 16 of the 141 cases we tested. As a result, benefits totaling \$14,325 were paid to recipients while they were ineligible. This includes \$10,802 in cash and \$3,523 in food stamps, as shown in Table 3, on page 18 of this report. In these cases, recipients' income was above the established eligibility income limit; therefore, making them no longer qualified to receive benefits. These amounts represent taxpayer dollars paid during periods where recipients no longer met income requirements.

The Cash Assistance Handbook, SNAP Handbook, and IEVS Handbook provide eligibility requirements to assist the CAO in making eligibility determinations. The CAO management is responsible to ensure that recipients' income is within the established eligibility limits.

These improper determinations occurred because:

- CAO management did not adequately monitor to ensure that income from IEVS alerts was properly reconciled with reported income.
- CAO management did not adequately monitor to ensure that income information was properly entered on the Client Information System.

Findings and Recommendations

- CAO management did not adequately monitor to ensure that income from IEVS history was properly reconciled with reported income at application and renewals.
- At the time of our audit, DPW's policy did not require a review of income from ongoing employment when the information became available on IEVS. Instead, DPW's policy required that information regarding ongoing employment be reviewed only during a recipient's annual renewal.

Table 3 - Summary of Income Deficiencies

	Audit Sample Number	Cash	Food Stamps
1.	AG-15	\$790.00	
2.	AG-20	426.94	
3.	AG-30	403.00	
4.	AG-37	205.00	
5.	AG-41	484.25	
6.	AG-42		\$1,001.00
7.	AG-17		148.00
8.	AG-45	2,013.40	
9.	AG-47		248.00
10.	AG-55		57.00
11.	AG-52		525.00
12.	AG-70		814.00
13.	AG-68	316.00	568.00
14.	AG-114	190.00	
15.	AG-101	5,973.10	
16.	AG-111		162.00
	Totals	\$10,801.69	\$3,523.00

We recommend that:

- CAO management ensure that caseworkers properly reconcile reported income with IEVS alerts.

Findings and Recommendations

- CAO management ensure that personnel accurately enter income information into the Client Information System.
- CAO management ensure that caseworkers properly reconcile reported income with IEVS history at application and renewals.

Subsequent to the period under review, effective December 14, 2009, DPW management implemented Data Exchange Targeting Logic Enhancements to require a review of income from ongoing employment when the information becomes available on IEVS.

During our next audit, we will examine the implementation of these additional procedures to determine whether or not it adequately addresses the deficiencies noted in this report.

DPW's Management Response²

- During September of 2008, with the implementation of Workload Dashboard, training was provided to IMCWs that included an extensive review of the IEVS processing procedures.
- Timely and correct disposition of pending IEVS alerts is monitored by the supervisor as part of the established CAO supervisory procedures.
- Reconciliation of IEVS is reviewed by the supervisor when individual cases are transferred, sent to the closed file, or selected for targeted supervisory review.
- New IEVS targeting logic was implemented on December 14, 2009 and now generates an alert to the IMCW when a change in wages exceeds \$100 for current employment. Please note that DPW stands by the current \$100 income change threshold. If the policy was changed to include any change in income, an administrative burden would be created since the IMCWs would be forced to follow up on

² In addition to the overall management response, DPW provided a separate chart addressing individual cases in the audit finding. Some of this information is either beyond the scope of our audit, or pertained to periods outside of the audit period.

Findings and Recommendations

many immaterial income changes. Such immaterial income changes are addressed during the semi-annual review process.

- Supervisors are required to review three records per worker every month to ensure that all factors of eligibility are addressed. Management will ensure that reviews occur and areas of concern are addressed.
- Food Stamp ETP refresher training was held on June 24-26, 2008. This training covered factors that must be considered when determining the employment status of all food stamp recipients, including but not limited to age, disability, and family composition.
- Supervisors hold monthly meetings to review findings from previous audits and to review policy with IMCWs to ensure that the audit findings are addressed. Supervisors also hold individual monthly conferences to review each worker's CSR results and to offer additional individual training to ensure that compliance with the policy is maintained.
- Desk guides have been prepared and distributed, and includes:
 - Reporting requirements (SAR) for all budgets;
 - Criminal history desk guide;
 - IEVS desk guide; and
 - ETP codes desk guide.

Auditors' Conclusion

We acknowledge DPW's efforts to review and revise current IEVS processes and procedures to ensure that income from IEVS is properly reconciled with reported income, including implementation of the Workload Dashboard and new IEVS targeting logic. It should be noted that during our fieldwork, we determine that a deficiency exists only when income from IEVS is at least \$100 more than what was reported by the recipient. It is clear that the policy and procedures in place at the time of our audit were not effective to ensure that IEVS information was properly monitored and reconciled.

Findings and Recommendations

We determined that \$14,325 was paid to recipients who no longer met income requirements. DPW classifies \$4,838 as overpayments subject to potential reimbursement. As a result, the information that the CAO enters into its overpayment system and forwards to the Office of Inspector General (OIG) is not a complete picture of the amount of taxpayer dollars spent for benefits paid to ineligible recipients. We believe that every dollar that was paid while a recipient is ineligible should be subject to reimbursement.

We will examine the implementation of the Workload Dashboard and IEVS targeting logic changes during our next audit and determine whether or not the action taken adequately addressed the deficiencies in this report. In addition, we will examine the status of these cases to determine whether or not action was taken by either DPW or OIG to recoup these payments.

Finding No. 4 - CAO Management Failed To Ensure That Criminal History Requirements Were Met

During our audit we found that CAO management failed to ensure that criminal history requirements were met in 4 of the 38 cases with known criminal history. As a result, cash benefits totaling \$7,394 were paid to recipients while they were not meeting criminal history requirements, as shown in Table 4, on page 22 of this report. In these cases, recipients were not in compliance with court ordered payment plans for costs and fines. These amounts represent taxpayer dollars paid during periods where recipients no longer met criminal history requirements.

The Cash Assistance Handbook and Supplemental Handbook provide eligibility requirements to assist the CAO in making eligibility determinations.

These improper determinations occurred because:

- CAO management did not adequately monitor to ensure that recipients with known criminal history were in compliance with court ordered payment plans at application and renewal.
- CAO management did not properly establish communication with local courts or other authorities to verify compliance with payment plans.

Findings and Recommendations

Table 4 - Summary of Criminal History Deficiencies

	Audit Sample Number	Cash
1.	AG-9	\$3,690.00
2.	AG-26	739.50
3.	AG-43	757.90
4.	AG-115	2,206.10
	Totals	\$7,393.50

We recommend that:

- CAO management ensure that personnel properly verify compliance with court ordered plans at application and renewals.
- CAO management ensure that personnel establish communication with local courts and other authorities to obtain payment.

DPW's Management Response

- An applicant must complete the Criminal History Inquiry Form if the individual answers "yes" to any of the Criminal History questions on the PA 600. An answer to any questions which indicates that he/she has not paid all fines, costs and restitution, or is not in compliance with any approved payment, will result in ineligibility. The CAO must check and verify with criminal history requirements at application, re-determination or when the CAO receives information that the individual is out of compliance. The CAO is not required to re-verify information that has been previously verified. But if an individual has ongoing fines and costs, compliance must be re-verified at each renewal or when the CAO receives information that the individual is out of compliance.
- The CAO is encouraged to establish direct lines of communication, when possible, with local official sources (such as court officials,

Findings and Recommendations

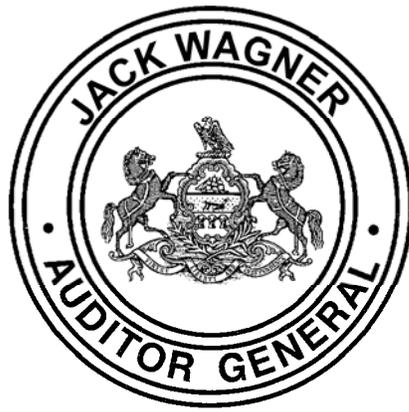
parole officers, law enforcement officials, etc.) to verify compliance with payment plans.

- Supervisors are required to review three records per worker every month to ensure that all factors of eligibility are addressed. Management will ensure that reviews occur and areas of concern are addressed.
- Supervisors hold monthly meetings to review findings from previous audits and to review policy with IMCWs to ensure that the audit findings are addressed. Supervisors also hold individual monthly conferences to review each worker's CSR results and to offer additional individual training to ensure that compliance with the policy is maintained.
- Desk guides have been prepared and distributed, and includes:
 - Reporting requirements (SAR) for all budgets;
 - Criminal history desk guide;
 - IEVS desk guide; and
 - ETP codes desk guide.

Auditors' Conclusion

With respect to the verification process, it is clear that this process has not been effective in verifying whether or not a recipient is compliant with court ordered payment plans, or with outstanding warrants. Without better monitoring procedures in place, these deficiencies will continue to occur. DPW should ensure that CAO personnel are adequately trained to understand eligibility requirements and that DPW policy is adhered to on a consistent basis. We will examine the implementation of these additional procedures during our next audit to determine whether or not the action taken adequately addresses the deficiencies noted in this report.

We are encouraged that the CAO is making efforts to communicate with local official sources to verify compliance with payment plans. DPW should continue to support this endeavor, as proper benefit payments depend on this.



**Commonwealth of Pennsylvania
Department of Public Welfare
Luzerne County Assistance Office
Wilkes Barre District**

AUDIT SUMMARY

Audit Summary

For the audited period, our audit of the Luzerne CAO, Wilkes Barre District, resulted in four findings: CAO management failed to ensure that GA requirements were met, CAO management failed to ensure that RESET requirements were met, CAO management failed to ensure that recipients income was within the established income limitations to receive benefits, and CAO management failed to ensure that criminal history requirements were met.

Audit Report Distribution List

This report was originally distributed to the following:

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Luzerne County Board of Assistance
Wilkes Barre District

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