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Auditor General DePasquale Demands Accountability by Launching Unique Review of Key Audits

Special reports will track how well agencies implemented recommendations for improvement

HARRISBURG – Auditor General Eugene DePasquale today said he will evaluate how well state agencies have followed 207 recommendations from nine key audits and special reports ranging from water quality and dog law enforcement to ChildLine, veterans’ homes and untested rape kits.

“As we just saw with Reading School District, implementing my audit recommendations can have a major positive impact on how well agencies and programs serve the people of Pennsylvania,” DePasquale said. “Over the next two years, I will check back in on nine state programs to see how well they have followed my recommendations and the changes they’ve seen since my last audit.”

The special report follow-ups will focus on nine programs:

- Department of Community and Economic Development’s (DCED) job-creation programs,
- Department of Human Services’ (DHS) ChildLine performance,
- Department of Agriculture’s dog-law enforcement,
- Department of Military and Veterans’ Affairs (DMVA) waiting list compliance for veterans’ homes,
- Department of Environmental Protection’s (DEP) water-quality protection capabilities,
- State Employee Retirement System’s (SERS) and Public School Employees’ Retirement System’s (PSERS) fund administration,
- Pennsylvania State System of Higher Education’s (PASSHE) Title IX and Clery Act compliance,
- Pennsylvania Higher Education Assistance Agency’s (PHEAA) board makeup, and
- The status of untested rape kits in the commonwealth.

“These reports touched the lives of all Pennsylvanians and I owe it to them to find out where these programs currently stand,” DePasquale said.

“I fight to make sure every tax dollar is spent effectively, and when I find waste or poor fiscal management, I expect officials to make improvements to better serve people,” he said.

“Choosing not to implement audit recommendations has consequences for the people who rely on these programs.”

Job-creation programs

Released in 2014, the performance [audit](#) of DCED’s job-creation programs — which expend hundreds of millions of dollars to attract and retain businesses in the commonwealth — found that better oversight of the programs by the department was required.

This audit focused on the extent to which businesses that received job-creation assistance actually created and retained the family-sustaining jobs they promised. DePasquale's audit found that only 56 percent of the businesses awarded job-creation money actually met their promised goals.

"I expect to see much more focus on holding these businesses that receive job-creation money accountable for their promises," DePasquale said. "It's simple: If a business doesn't do what it says it will, then the taxpayer money it received should be taken back."

This follow-up special report is expected to be completed in 2018.

ChildLine

When DePasquale began his performance audit of ChildLine in 2016, he was so disturbed by how the child-abuse hotline was functioning that he issued an [interim report](#) in May.

"Because of the deficiencies at DHS, 42,000 phone calls about potential child abuse went unanswered in 2015 alone," DePasquale said. "I knew that DHS and ChildLine officials needed to take corrective action immediately to save children's lives."

The interim report and [the final report](#) issued in October 2016 identified four major issues:

- 22 percent of all calls went unanswered in 2015,
- ChildLine was constantly understaffed in 2015,
- Nearly one-third of all calls received in 2014 and 2015 were not tracked, and
- Supervisors monitored only 0.005 percent of all calls in 2015.

"I recognize that DHS worked quickly to implement many of the recommendations from this audit," DePasquale said. "Now I want to see if ChildLine continues to function effectively to protect at-risk kids from abuse and neglect."

This follow-up special report is expected to be completed in mid-2019.

Dog-law enforcement

Lax leadership, an intentional lack of enforcement and poor financial management were the key findings in this performance [audit](#), released in 2013.

DePasquale found that the Department of Agriculture knew that it was violating the law by not enforcing the commonwealth's dog law and commercial kennel canine health regulations, yet its officials deliberately chose to continue to violate the law and put the health of Pennsylvania residents and dogs at risk.

Because of the lax enforcement, DePasquale said at the time, "People could be exposed to dangerous dogs, consumers could be emotionally and financially affected by sick dogs from puppy mills, and the dogs themselves could be physically harmed by living in unhealthy conditions."

This follow-up special report is expected to be completed in late 2019.

Veterans' homes

Released in 2016, this performance [audit](#) raised concerns about how the Department of Military and Veterans' Affairs administered the waiting list for veterans' homes and how it handled complaints about the care veterans were receiving in those homes.

"This audit exposed flaws at the DMVA that led to delayed care for Pennsylvania veterans," DePasquale said. "I want to ensure changes have been made so that our veterans are able to receive the care they deserve."

This follow-up special report is expected to be completed in 2020.

Water quality

In 2014, a performance [audit](#) found that DEP was in no way equipped to protect Pennsylvanians' drinking water during the meteoric growth of the shale gas industry.

"The dedicated, hard-working staff at DEP during that time were hampered in doing their jobs by a lack of resources," DePasquale said. "As I said at the time, it was almost like firefighters trying to put out a five-alarm fire with a 20-foot garden hose.

"DEP needed immediate help to protect clean water. I want to make sure that happened."

This follow-up special report is expected to begin in 2020.

SERS/PSERS

In separate audits released in May and August 2017, DePasquale found that [PSERS](#) and [SERS](#) were suffering from a similar affliction: Sky-high investment management fees that are going into the pockets of Wall Street managers, not into these pension funds for Pennsylvania retirees.

"Every dime that goes to Wall Street managers is a dime not going into the pension funds that so desperately need it," DePasquale said.

"My team did a quick check and found that PSERS's management fees rose from \$416 million in 2016 to \$474 million in 2017," DePasquale said. "Regardless of the reasons, spending that amount of money on fees is unfathomable to me.

"It tells me PSERS officials aren't aggressively negotiating lower fees to save taxpayers money."

As with many public retirement systems, SERS and PSERS face large unfunded liabilities. As of June 2016, PSERS was only 57.3 percent funded, with an unfunded liability of \$43 billion. At the same time, SERS was only 58.7 percent funded, with a projected unfunded liability of \$19.5 billion for 2017.

"The need for pension reform in Harrisburg is very real," DePasquale said. "And if I need to remind our legislators of that, I will do so."

This follow-up special report will begin in 2020.

Campus safety

Released in 2015, this performance [audit](#) evaluated the State System of Higher Education's ability to handle grievances and notices of discrimination related to sexual discrimination and sexual violence on campuses. Specifically, the audit evaluated the state-owned universities' compliance with Title IX and the Clery Act, both federal laws.

"Title IX is about more than gender equality in sports," DePasquale said. "It deals with a wide range of policies and procedures for preventing sexual violence and sexual discrimination in all aspects of college life.

"The Clery Act requires an annual report on campus crime statistics for each state-owned university."

DePasquale's audit found the state system needed to make improvements in both areas to keep students safer on campuses.

This follow-up special report will begin in 2019.

PHEAA

Released in 2008 under former Auditor General Jack Wagner, this performance [audit](#) called for PHEAA to halve the number of governing board seats held by legislators, among other changes.

"This audit found that PHEAA's governing culture sometimes allowed self-rewards to supersede sound financial decisions," DePasquale said. "PHEAA was failing in its mission to use all available resources to benefit Pennsylvania students."

This special report follow-up will begin in 2019.

Untested rape kits

Released in 2016, DePasquale's [special report](#) on untested rape kits in the commonwealth found three major issues:

- Inadequate communication to local law-enforcement agencies about reporting and handling rape kits,
- Errors in the Department of Health's official report on backlogged kits, and
- Resource shortages that could lead to delayed justice for rape victims.

"When I first looked at this issue, there were more than 3,000 untested rape kits sitting on shelves in evidence rooms and crime labs across Pennsylvania," DePasquale said. "I have continued to shine a light on this incredibly important issue, which ultimately should lead to answers for sexual assault victims.

"We now have fewer than 900 untested rape kits in the commonwealth, and the three major public crime labs tell us they are on pace to eliminate their backlogs by the end of 2018," he continued. "Now our focus will turn to appropriately notifying victims of their kits' results which could also help catch criminals who belong behind bars."

This special report's follow-up is ongoing.

All reports from the Department of the Auditor General will be posted online at: www.PaAuditor.gov.

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