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## **Alternate Headline:**

Auditors flag problems at Department of Children and Families

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A new audit has found widespread problems at the state Department of Children and Families, including improper use of discretionary spending accounts, missing equipment, improper documentation of payroll records and overpayments to service providers--in one case, for a total of \$111,267.

"There are lots of issues that the Department of Children and Families needs to fix," said state Auditor Kevin P. Johnston. "With an agency with their kind of funds it could be very expensive for the state if the proper monitoring is not done."

The audit, covering the 2007 and 2008 fiscal years, also found that relatives who took in children often were not licensed within 90 days, as required by law, and that in 10 of 192 cases reviewed, the department could not provide adequate documentation of criminal background checks of foster parents.

"You want to make sure that when you are giving out this money and placing kids with someone that you have done a criminal background check and that these people should be caring for kids in the first place. ... We couldn't find that is always the case," Johnston said.

Examining payments to vendors, the audit found one case in which a service provider had been paid for dates after the services had stopped. DCF looked further and found that Alliance Staffing had double-billed DCF for a total of \$111,267 for mentors, therapists, nurses and transportation for foster care children in the Waterbury and Cheshire regions, Johnston said.

But the overpayments may not be limited to Alliance, Johnston said, because DCF did not have the proper controls in place to avoid duplicate payments for the hundreds of providers paid by the agency.

Alliance Staffing did reimburse the state for the double payments, which Johnston said originated with a mistake by an employee of the vendor. DCF has since upgraded their billing system to avoid duplicate payments.

"They have launched controls to monitor that now. It won't happen again," Johnston said.

DCF has for 20 years been under federal court oversight regarding its services to foster children, and Martha Stone, of the lawyers involved in that oversight case, said she is concerned about the finding regarding a lack of documentation of criminal background checks. However, she said she is reserving judgement as to whether it is a problem.

"It may just be a paperwork issue," she said. "But they do need to be held accountable that these checks are being completed."

The agency responded saying they agree with the 16 findings in the audit, and outlined steps they are taking to comply. Those steps include reminding supervisors of policies and the proper documentation that is needed.

"While there may be instances in which the documentation may not meet all expectations, the safety issues themselves have been addressed," Gary Kleeblatt wrote in an emailed statement. "In 2008, all licensing files were reviewed to ensure that background checks were conducted. In cases where the documentation was lacking, new checks were made."

But Johnston said during a phone interview that DCF has been trying for years to correct these problems and the paperwork is still missing. DCF is audited by Johnston's office every two years.

"Because of the enormity of the task they face, it's not surprising that there are a number of issues. But we still believe there are way more issues than there should be," he said.

State appropriations for DCF have inflated significantly over the years - from \$734.9 million in fiscal 2005 to \$850.2 million for the current fiscal year - as lawmakers work to relieve DCF from nearly 20 years of federal supervision in the way children in state custody are cared for.

Stone said that with the state facing a \$3.3 billion deficit in the next fiscal year, it is even more important that DCF is using its resources effectively.

"Every dollar needs to be spent appropriately. All the money needs to be accounted for, especially now," she said. But Stone worries lawmakers may overreact to the audit and decide to reduce discretionary funding for DCF. "That money is important."

Governor-elect Dan Malloy said while on the campaign trail that he recognizes that things need to change at DCF, but that funding is not the agency's main problem.

On Friday, Malloy echoed those remarks on WNPR's Colin McEnroe Show. "I think we're spending money unwisely" at DCF, he said. "I am going to address the management side."

Current DCF commissioner Susan Hamilton announced last week that she intends to resign at the start of the year.

**Human Services**

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