

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**THE FLORIDA DEPARTMENT
OF CHILDREN AND FAMILIES MADE
SOME UNALLOWABLE REFUGEE CASH
ASSISTANCE PAYMENTS**

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Deputy Inspector General
for Audit Services

June 2019
A-04-18-02011

Office of Inspector General

<https://oig.hhs.gov>

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OFFICE OF AUDIT SERVICES FINDINGS AND OPINIONS

The designation of financial or management practices as questionable, a recommendation for the disallowance of costs incurred or claimed, and any other conclusions and recommendations in this report represent the findings and opinions of OAS. Authorized officials of the HHS operating divisions will make final determination on these matters.

Report in Brief

Date: June 2019

Report No. A-04-18-02011

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



Why OIG Did This Review

The Refugee Act of 1980 created the Refugee Resettlement Program (RRP) to provide for the effective resettlement of refugees and to assist them in achieving economic self-sufficiency after arriving in the United States. The Act provides Federal grants to States for cash and medical assistance, social services, and targeted assistance to help qualified refugees. Within HHS, the Administration for Children and Families, Office of Refugee Resettlement (ORR) runs the RRP program. In 2015 and 2016, ORR obligated \$286 million and \$417 million, respectively, to States for the RRP.

We selected for audit Florida's Department of Children and Families (DCF) because a previous OAS audit, as well as an ORR monitoring report, identified errors. DCF coordinates and oversees many of the services provided to refugees and entrants in Florida to help them become economically self-sufficient.

Our objective was to determine whether Florida's DCF refugee cash assistance (RCA) payments to beneficiaries were allowable in accordance with Federal and State regulations.

How OIG Did This Review

Our audit covered 413,990 RCA payments totaling almost \$71 million that DCF made to beneficiaries from October 1, 2015, through September 30, 2017 (audit period). From these payments, we selected a random sample of 100 RCA payments totaling \$16,880 for review.

The Florida Department of Children and Families Made Some Unallowable Refugee Cash Assistance Payments

What OIG Found

Florida's RCA payments to beneficiaries were generally allowable in accordance with Federal and State regulations. However, Florida made some unallowable payments. Of the 100 RCA payments totaling \$16,880 in our sample, 97 were correct. For the remaining 3 RCA payments, Florida made unallowable payments totaling \$540.

These unallowable payments occurred because workers lacked adequate training from Florida to ensure that they were obtaining sufficient documentation to verify eligibility for some beneficiaries.

On the basis of our sample results, we estimated that Florida made unallowable RCA payments totaling at least \$114,504 during our audit period.

What OIG Recommends and Florida Comments

We recommend that Florida (1) refund \$114,504 to the Federal Government; (2) provide staff training on Federal regulations and State policies and procedures related to the eligibility review process and on maintaining sufficient documentation to verify entry and asylum dates; and (3) revise current policy to ensure the recovery of overpayments.

In response to our draft report, Florida outlined steps that it had taken or planned to take to address our findings and recommendations. Florida also provided additional documentation to support some of the sample items we determined to be in error and provided policies and procedures that it developed in response to some of our findings. We revised our findings, as appropriate, based on our review of the additional documentation that Florida provided.

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INTRODUCTION

WHY WE DID THIS REVIEW

The Refugee Act of 1980¹ created the Refugee Resettlement Program (RRP) to provide for the effective resettlement of refugees² and to assist them in achieving economic self-sufficiency after arriving in the United States (U.S.). The Act provides Federal grants to States for cash and medical assistance, social services, and targeted assistance to help qualified refugees. Within HHS, the Administration for Children and Families, Office of Refugee Resettlement (ORR) runs the RRP program. In 2015 and 2016, ORR obligated \$286 million and \$417 million, respectively, to States for the RRP.

We selected for audit Florida's Department of Children and Families (DCF) because a previous OAS audit,³ as well as an ORR monitoring report,⁴ identified errors. DCF coordinates and oversees many of the services provided to refugees and entrants in Florida to help them become economically self-sufficient.

OBJECTIVE

Our objective was to determine whether Florida's DCF refugee cash assistance (RCA) payments to beneficiaries were allowable in accordance with Federal and State regulations.

BACKGROUND

Office of Refugee Resettlement

Within HHS, ORR provides benefits and services to assist the resettlement and local integration of eligible populations such as refugees, asylees, Cuban and Haitian entrants, Special Immigrant Visa holders, Amerasians,⁵ and victims of trafficking. ORR provides time-limited benefits and services to this eligible populations through Cash and Medical Assistance (CMA) grants to

¹ Title IV, chapter 2 of the Immigration and Nationality Act (INA) contains the provisions of the Refugee Act.

² As defined in Immigration and Nationality Act (8 U.S.C. 1101(a)(42)(A)), a refugee is any person who is outside any country of such person's nationality or, in the case of a person having no nationality, is outside any country in which such person last habitually resided, and is unable or unwilling to return to, and is unable or unwilling to avail himself or herself of the protection of that country because of persecution or a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion.

³ *Review of Refugee Cash Assistance Payments in Florida for the Period July 1, 2002, Through June 30, 2005* (A-04-05-03510).

⁴ Office of Refugee Resettlement FY 2017 Florida State Refugee Program Monitoring Report.

⁵ Amerasians are persons fathered by a U.S. citizen and born in Vietnam after January 1, 1962, and before January 1, 1976.

States. CMA grants provide cash assistance, health coverage, and domestic medical screenings to refugees.

ORR-served populations are eligible to qualify for the same Federal benefits as U.S. citizens, with some limits, such as Temporary Assistance for Needy Families (TANF), Medicaid, Children's Health Insurance Program, and Supplemental Security Income (SSI). However, when the ORR-served population⁶ does not meet the eligibility requirements for these Federal benefit programs, CMA provides cash assistance and health coverage through RCA and Refugee Medical Assistance (RMA). RCA provides cash assistance to those refugees who are ineligible for other Federal cash assistance programs such as TANF or SSI. RMA provides health coverage to those refugees who are ineligible for Medicaid. Eligibility for RCA and RMA is restricted to the first 8 months after a refugee's arrival into the U.S., or their date of eligibility.

Florida Department of Children and Families

DCF's mission is to partner with local communities to protect the vulnerable, promote strong and economically self-sufficient families, and advance personal and family recovery and resiliency. Within DCF, the Refugee Services Program assists refugees to achieve economic self-sufficiency and social adjustment once they arrive in the U.S.

The State of Florida's refugee program is the largest in the nation, resettling more than 25,000 refugees and Cuban or Haitian entrants each year, as well as more than 2,000 asylees⁷ eligible for services each year.⁸ The majority of refugees receiving services in Florida are Cuban or Haitian entrants. In FY 2016, Florida received approximately 82 percent of all Cuban/Haitian Program funding. During the period of our review, many policy changes and anticipated policy changes created fluctuations in the number of refugees entering Florida. Around December 2014, the U.S. announced a policy change regarding the U.S. relationship with Cuba. As a result, Florida began to see an increase in the number of refugees. During 2015 and 2016, the ceiling for refugees entering the U.S. was raised from 70,000 per year to 85,000 per year. In December 2016, prior to the change in the U.S. administration, Florida saw a spike in refugee entrants. In addition to these fluctuations occurring during that time, Florida was hit by Hurricane Irma in September 2017.

⁶ Throughout this report, we will refer to the ORR-served population as refugees.

⁷ As outlined in the Immigration and Nationality Act (8 U.S.C. 1158), asylees do not enter the U.S. as refugees, but may enter on their own as students, tourists, business professionals, or as unauthorized individuals. Once in the U.S., or at a land border or port of entry, they apply for asylum. Asylees are eligible for ORR refugee benefits and services beginning on the date of the final grant of asylum.

⁸ Florida Department of Children and Families, "Eligibility Determination Training for Refugee Services Providers." Available online at <https://www.myflfamilies.com/service-programs/refugee-services/training.shtml>. Accessed on March 4, 2019.

HOW WE CONDUCTED THIS REVIEW

Our audit covered 413,990 RCA payments totaling \$70,584,499 that DCF made to beneficiaries from October 1, 2015, through September 30, 2017 (audit period). From these payments, we selected a random sample of 100 RCA payments totaling \$16,880 for review. Using the results of our sample, we estimated the total value of unallowable RCA payments for our audit period.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix A contains the details of our audit scope and methodology, Appendix B contains our detailed criteria, and Appendixes C and D contain the details of our sampling methodology and estimates.

FINDINGS

DCF's refugee cash assistance payments to beneficiaries were generally allowable in accordance with Federal and State regulations. However, DCF made some unallowable payments. Of the 100 RCA payments totaling \$16,880 in our sample, 97 were correct. For the remaining 3 RCA payments, DCF made unallowable payments totaling \$540.

These unallowable payments occurred because workers lacked adequate training from DCF to ensure that they were obtaining sufficient documentation to verify eligibility for some beneficiaries.

On the basis of our sample results, we estimated that DCF made unallowable RCA payments totaling at least \$114,504 during our audit period.

FEDERAL REQUIREMENTS

According to 45 CFR § 400.53, eligibility for refugee cash assistance is limited to those new arrivals who:

1. have resided in the U.S. less than the 8-month eligibility period determined by the ORR Director in accordance with § 400.211;
2. are ineligible for TANF, SSI, Old Age Assistance, Aid to the Blind, Aid to the Permanently and Totally Disabled, and Aid to the Aged Blind or Disabled programs;
3. meet immigration status and identification requirements in subpart D⁹ of this part or are the dependent children of, and part of the same family unit as, individuals who meet the requirements of subpart D; and

⁹ This subpart sets forth requirements concerning the immigration status and identification of eligible applicants for assistance.

4. are not full-time students in institutions of higher education.

According to 45 CFR § 400.28, a State must provide for the maintenance of operational records necessary for Federal monitoring of the State's refugee resettlement program. This recordkeeping must include documentation of services and assistance provided, including identification of individuals receiving those services.

Additionally, 45 CFR § 400.43 states that an applicant for assistance under title IV of the Act must provide proof, in the form of documentation issued by the Immigration and Naturalization Service, of one of the following statuses under the Act as a condition of eligibility:

1. paroled as a refugee or asylee under section 212(d)(5) of the Act;
2. admitted as a refugee under section 207 of the Act;
3. granted asylum under section 208 of the Act; and
4. Cuban and Haitian entrants, in accordance with requirements in 45 CFR part 401.

THE FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES MADE SOME UNALLOWABLE REFUGEE CASH ASSISTANCE PAYMENTS

Of the 100 RCA payments totaling \$16,880 in our sample, 3 RCA payments were unallowable.

Some Recipients Were Not Eligible for Benefits Received

Of the 100 RCA payments reviewed, 2 RCA payments totaling \$360 related to recipients who were not eligible:

- For one sample item, the beneficiary was incorrectly receiving both Social Security Income and RCA payments during the same period. DCF officials stated that they had not attempted to recover this overpayment because the payment was below their "cost threshold"¹⁰ policy of \$400.
- In another instance, DCF did not stop the cash payments as required after the beneficiary refused to participate in the required employability services. DCF officials stated that they had not attempted to recover this overpayment because the payment was below their "cost threshold" policy of \$400.

One Payment Lacked Sufficient Documentation

Of the 100 RCA payments reviewed, 1 RCA payment totaling \$180 contained documentation errors. Specifically, DCF did not document the entry date of the refugee into the U.S. for this sample item. Without proof of the entry date, we could not determine whether the beneficiary was a refugee, nor could we determine the beneficiary's time-limited eligibility for RCA. DCF attributed this error to inadequate training of staff.

¹⁰ Benefit Transmittal: I-13-09-0022, effective September 2013.

HIGHER NUMBERS OF REFUGEES AND COST THRESHOLD POLICIES CONTRIBUTED TO UNALLOWABLE PAYMENTS

Department of Children and Families Processed Higher Numbers of Refugees During Our Audit Period

DCF stated that, during the 2 years of our audit period, employees were required to process comparatively higher numbers of refugees into Florida.¹¹ Because of the higher number of refugees entering Florida at that time, in addition to the hurricane that interrupted services, DCF stated that it employed additional, nonspecialized staff to assist with processing the large caseload. The heavy workload, combined with the nonspecialized staff, likely led to human error during the eligibility determination process.

Adverse Actions and Cost Threshold Policies Prevented DCF From Recouping Some Unallowable Payments

In addition, DCF stated that it followed its “adverse actions”¹² policy that required DCF to notify beneficiaries and stop RCA payments after it determined a beneficiary to be ineligible. DCF stated that it also followed the “cost threshold” policy set at \$400. These two policies together allowed DCF to notify a beneficiary that it would stop RCA payments after it determined the beneficiary to be ineligible, but it did not allow DCF to recoup some of the unallowable payments that it had already made as the policy does not address retroactive payments.

ESTIMATE OF UNALLOWABLE REFUGEE CASH PAYMENTS

On the basis of our sample results, we estimated that DCF made unallowable RCA payments totaling at least \$114,504 during our audit period.

RECOMMENDATIONS

We recommend that DCF:

- refund \$114,504 to the Federal Government;
- provide staff training on:
 - Federal regulations and State policies and procedures related to the eligibility review process and

¹¹ Refugee numbers ranged from less than 4,000 refugees per month that DCF employees processed in the 2 years before our audit period to a high of over 8,000 per month during our audit period.

¹² Florida Program Policy, 3460.0100 - Written Notice Requirements.

- maintaining sufficient documentation to verify entry and asylum dates; and
- revise current policy to ensure the recovery of overpayments.

DEPARTMENT OF CHILDREN AND FAMILIES COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE

In response to our draft report, DCF outlined steps that it had taken or planned to take to address our findings and recommendations. DCF provided additional documentation to support some of the sample items we determined to be in error and provided policies and procedures that it developed in response to some of our findings. We revised our findings, as appropriate, based on our review of the additional documentation that DCF provided.

With respect to our review of the RCA sample items, DCF provided additional documentation to support three sample items that we initially determined to be in error. We accepted this documentation for two sample items and adjusted our sample results and estimates accordingly. However, we did not accept the documentation for the third sample item because the beneficiary did not enroll in employability services, which is a requirement for eligibility. As a result, we did not adjust our sample result for this item. We included these changes in the body of the report, as well as in Appendix D.

DCF also commented that it would reduce the new refund amount that we requested in our first recommendation by \$5,550 based on a recovery payment that it made to ORR in March 2019 that was applicable to a review that ORR conducted. According to DCF, ORR's review covered the same period as our review. However, we have no assurance that the ORR review included the same claims that we reviewed. Therefore, we suggest that DCF work with ORR to determine whether there was duplication in the claims reviewed and, if there was, to reduce our recommended overpayment accordingly.

With respect to our second recommendation regarding staff training, DCF stated that it would provide state-wide training and issue a policy clarification to staff to ensure that:

- beneficiaries who are aged (65 or older), blind, or disabled and applying for RCA are referred to the Social Security Administration to apply for SSI cash assistance;
- RCA benefits "are terminated timely" once the RCA recipient receives SSI;
- appropriate documentation of the beneficiary's status and date of entry is stored in the system; and
- employment and training sanctions "are timely imposed" to terminate RCA benefits.

In addition, DCF said it would broaden the scope of its monitoring activities to review for SSI benefits.

With respect to our final recommendation that DCF revise current policy to ensure the recovery of overpayments, DCF stated that its RCA program is consistent with its TANF program as required by 45 CFR 400.65 and 400.66. While DCF is consistent with TANF regarding its RCA program's policy on recovering overpayments from beneficiaries, we maintain that DCF should have refunded to ORR the unallowable RCA overpayments identified in our report. After reviewing DCF's comments and additional documentation, we made changes where appropriate and maintain that our findings and recommendations are valid.

DCF's written comments are included as Appendix E. However, we did not include DCF's exhibits because they contained personally identifiable information.

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

Our audit covered 413,990 RCA payments totaling \$70,584,499 that DCF made to beneficiaries from October 1, 2015, through September 30, 2017 (audit period). From these payments, we selected a random sample of 100 RCA payments totaling \$16,880 for review. Using the results of our sample, we estimated the total value of unallowable RCA payments for our audit period.

We performed our fieldwork at DCF in Tallahassee, Florida, from March 2018 through February 2019.

Our objective did not require an understanding of all of DCF's internal controls. We limited our assessment to DCF controls pertaining to the selected RCA transactions that we reviewed.

METHODOLOGY

To accomplish our objective, we:

- reviewed applicable Federal laws, regulations, and guidance;
- reviewed DCF's State Refugee Assistance Plans for the audit period;
- reviewed grant documents, DCF policies and procedures, and DCF organizational structure;
- interviewed DCF officials;
- selected a statistical sample of RCA payments made to beneficiaries (Appendix C);
- reviewed supporting documentation for each sampled transaction and documented any deficiencies;
- estimated results of statistical samples, as applicable (Appendix D); and
- discussed our findings with DCF officials.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX B: FEDERAL AND STATE REQUIREMENTS

Federal Requirements:

45 CFR Part 75

- § 75.2 “Improper payment: (1) means any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements (2) Improper payment includes . . . any duplicate payment”

- § 75.410

Payments made for costs determined to be unallowable by either the HHS awarding agency, cognizant agency for indirect costs, or pass-through entity, either as direct or indirect costs, must be refunded (including interest) to the Federal Government in accordance with instructions from the Federal agency that determined the costs are unallowable unless Federal statute or regulation directs otherwise. See also subpart D of this part, § 75.300 through 75.309.

45 CFR Part 400

- § 400.211 “(a) The time-eligibility period for refugee cash assistance and refugee medical assistance will be determined by the Director each year, based on appropriated funds available for the fiscal year.”
- § 400.28 “(a) A State must provide for the maintenance of such operational records as are necessary for Federal monitoring of the State’s refugee resettlement program in accordance with part 74, Subpart D, of this title. This recordkeeping must include: (1) Documentation of services and assistance provided, including identification of individuals receiving those services”

- § 400.43

(a) An applicant for assistance under title IV of the Act must provide proof, in the form of documentation issued by the Immigration and Naturalization Service (INS), of one of the following statuses under the Act as a condition of eligibility: (1) Paroled as a refugee or asylee under section 212(d)(5) of the Act; (2) Admitted as a refugee under section 207 of the Act; (3) Granted asylum under section 208 of the Act; (4) Cuban and Haitian entrants, in accordance with requirements in 45 CFR part 401.

- § 400.53 “(a) eligibility for refugee cash assistance is limited to those who (1) are new arrivals who have resided in the U.S. less than the RCA eligibility period determined by the ORR Director in accordance with § 400.211.”
- § 400.66 “(a) in administering a publicly administered refugee cash assistance program, the State agency must operate its refugee cash assistance program consistent with the provisions of its TANF program in regard to . . . (2) the determination of benefit amounts (payment levels based on size of the assistance unit).”
- § 400.75 “(a) as a condition for receipt of refugee cash assistance, a refugee who is not exempt under § 400.76 of this subpart must, except for good cause shown—(1) register with an “appropriate agency providing employment services,” as defined in § 400.71, and, within 30 days of receipt of aid, participate in the employment services provided by such agency, as defined in § 400.154(a) of this part.”

State Requirements:

State of Florida Refugee Assistance Plan:

- “Any non-exempt recipient must participate in employment program services. Failure to comply with this requirement will result in the loss of assistance through sanctions.”
- “Direct and Administrative Costs – (1) In compliance with Federal regulations and State Letter #12-08, the following costs will be charged to the Cash and Medical Assistance Grant: (a) Services to clients for actual costs of RCA and RMA provided to eligible clients in the first 8 months after entry or date of asylum status.”

Florida Program Policy Manual:

- 1460.1900 – “Individuals subject to work requirements must comply with the work requirements. Applicants must work register and complete an overview of the basic options and services of the program as a condition of eligibility.”
- 1460.1904 – “Participation status must be determined during the initial application, each eligibility review, or upon receipt of information that a change in participation status may have occurred.”
- 2660.0109.01 – “In order to be eligible, the assistance group’s gross income cannot exceed the appropriate Eligibility Standard at the initial determination. The Eligibility Standard is based on the size of the assistance group and whether the assistance group has a shelter obligation.”

APPENDIX C: STATISTICAL SAMPLING METHODOLOGY

Target Population

The target population consisted of RCA payments made to beneficiaries during the period of October 1, 2015, through September 30, 2017.

Sampling Frame

DCF provided an Excel file containing all RCA payments made from their Florida Online Recipient Integrated Data Access system on behalf of refugees during the audit period. This Excel file contained 451,185 payments totaling \$72,320,907. We then removed all payments less than \$95.¹³ The remaining 413,990 payments totaling \$70,584,499 became our sampling frame.

Sample Unit

The sample unit was an RCA payment.

Sample Design and Sample Size

We used a simple random sample and selected 100 payments for review.

Source of Random Numbers

We used the Office of Inspector General, Office of Audit Services (OIG/OAS) statistical software to generate the random numbers.

Method of Selecting Sample Items

We consecutively numbered the sample units, and, after generating the random numbers, we selected the corresponding frame items for review.

Estimation Methodology

We estimated the total amount of any expenditures that were unallowable. To be conservative, we recommend recovery at the lower limit of a two-sided 90-percent confidence interval. Lower limits calculated in this manner will be less than the actual unallowable total 95 percent of the time.

¹³ The minimum RCA payment amount as documented in the State Plan is \$95.

APPENDIX D: SAMPLE RESULTS AND ESTIMATES

Table 1: Sample Results

Sample Frame	Sample	Frame Amount	Unallowable RCA Payments	Value of Unallowable RCA Payments
413,990	100	\$70,584,499	3	\$540

Table 2: Statistical Estimates
(Limits Calculated at the 90-Percent Confidence Level)

Lower limit	\$114,504
Point estimate	2,235,546
Upper limit	4,356,588



APPENDIX E: DEPARTMENT OF CHILDREN AND FAMILIES COMMENTS

**State of Florida
Department of Children and Families**

Ron DeSantis
Governor

Chad Poppell
Secretary

May 1, 2019

Lori S. Pilcher
Regional Inspector General
Department of Health and Human Services
Office of Audit Services, Region IV
61 Forsyth Street W.W. Suite 3T41
Atlanta, GA 30303

Dear Ms. Pilcher:

Thank you for the March 25 letter providing the Office of Inspector General draft report entitled "The Florida Department of Children and Families Made Some Unallowable Refugee Cash Assistance Payments," Report Number A-04-18-02011. We appreciate the opportunity to respond.

The Department remains committed to being conservative fiscal stewards of the taxpayer's dollars and providing the highest level of customer service.

Enclosed is our formal response to the findings and recommendations. Rebuttal documents as referenced in this response have been provided to members of your audit team.

Should you have questions, please contact Cindy Mickler, Chief of the Office of Continuous Improvement, at (850) 717- 4123.

Sincerely,

Taylor M. Hatch
Assistant Secretary
Economic Self-Sufficiency

Enclosure

1317 Winewood Boulevard, Tallahassee, Florida 32399-0700

Mission: Work in Partnership with Local Communities to Protect the Vulnerable, Promote Strong and Economically Self-Sufficient Families, and Advance Personal and Family Recovery and Resiliency

HHS Recommendation #1

We recommend that DCF refund \$838,731 to the Federal Government.

DCF Response:

DCF has reviewed and found that three of the five payments determined ineligible by the auditors are, in fact, eligible for Refugee Cash Assistance (RCA) in the selected sample month as indicated below:

- DCF Policy 0860.0500(2) requires that adverse changes become effective the first month following the receipt of sufficient information to act on an adverse change, allowing for 10 days adverse action notice. The recipient was eligible for RCA benefit for the sample month of 11/2015 as benefits were issued on 11/01/2015 and benefits could not be reduced or terminated until after notification was received which would have been 12/01/2015. No benefit recovery was permissible as the recipient did not lose eligibility and was eligible for RCA in the sample month of 11/2015.

45 CFR 205.10(a)(4) requires that states give timely and adequate notice of at least 10 days before reduction or termination of benefits. This requirement is applicable to the Refugee Cash Assistance program as 45 CFR 400.66(a)(1) and (4) requires the State agency operate the program consistent with TANF in regard to eligibility and payments.

For one sample item, the recipient was eligible for RCA benefits for the sample month of 11/2015 since benefits could not be terminated until 12/01/2015. The recipient refused employment services on 11/02/2015 per paper notification received from the employment provider on 02/17/2016. Had the notification been received timely, the 11/2015 payment would not have been affected and thus, no overpayment.

- For another sample item, the recipient was eligible for RCA benefits as duplicate benefits were not issued for the sample month of 05/2016.
- For the third sample item, the recipient was eligible for RCA benefits as a shelter expense was reported for the sample month of 05/2017.

DCF is requesting that HHS-OIG re-review these payments as they should not be considered in the determination of the refund amount for the unallowable RCA payments. The detailed response and supporting documents have been provided to the auditors via the HHS secure email server.

After HHS-OIG redetermines the refund amount and notifies DCF, the ESS Program Office will coordinate with the Office of Revenue Management to issue a refund check for the revised amount.

Please note: DCF will adjust the revised refund amount by \$5,550.30. This amount, which covers unallowable RCA payments cited by HHS Office of Refugee and Resettlement (ORR) from their May 8-12, 2017, review for the same review period as this audit, was required to be refunded. DCF refunded the referenced amount back to HHS Program Support Center, Division of Fiscal Services, Debt Management Branch on March 19, 2019 (Documentation of the payment has been provided to the auditors). Since the HHS-OIG refund amount covers unallowable payments for the entire RCA payment universe for the audit period, the HHS-OIG refund amount must be adjusted to account for the HHS-ORR refund amount of \$5,550.30 to prevent duplication of repayment.

HHS Recommendation #2

We recommend that DCF provide staff training on:

- Federal regulations and State policies and procedures related to the eligibility review process; and
- maintaining sufficient documentation to verify entry and asylum dates

DCF Response:

DCF will provide statewide training and issue a policy clarification to staff to ensure:

- individuals who are aged (65 or older), blind or disabled and applying for RCA are referred to the Social Security Administration (SSA) to apply for Supplemental Security Income (SSI) cash assistance
- RCA benefits are terminated timely once the RCA recipient receives SSI
- appropriate documentation of the refugee/asylee/parolee status and date of entry/status is stored in the electronic case record (Document Imaging System)
- employment and training (E&T) sanctions are timely imposed to terminate RCA benefits

As a part of its quality assurance efforts for RCA, DCF will also broaden the scope of its monitoring activities to review for referrals to SSA for SSI benefits (apply for other benefits) and E&T sanctions.

HHS Recommendation #3

We recommend that DCF revise current policy to ensure the recovery of overpayments

DCF Response:

DCF operates its RCA program in accordance with 45 CFR 400.65 and 400.66, which provides the option for the state to operate RCA consistent with its Temporary Assistance for Needy Families (TANF) program. In doing so, 45 CFR 400.66(a)(4) provides that "[t]he State agency must operate its refugee cash assistance program consistent with the provisions of its TANF program in regard to any other State TANF rules relating to financial eligibility and payments." Additionally, 45 CFR 400.54(a)(1) provides that "[a] written notice must be sent or provided to a recipient at least 10 days before the date upon which refugee cash assistance will be reduced, suspended, or terminated." DCF's adverse action policy for RCA follows this regulation and is consistent with the TANF regulations at 45 CFR 205.10 which contains similar language, "(i) The State or local agency shall give timely and adequate notice, except as provided for in paragraphs (a)(4) (ii), (iii), or (iv) of this section. Under this requirement: (A) Timely means that the notice is mailed at least 10 days before the date of action, that is, the date upon which the action would become effective."

The DCF TANF State Plan, which has been approved by the HHS Administration for Children and Families, provides the following:

7.4 PROGRAM INTEGRITY

Provisions related to strengthening and maintaining program integrity, from fraud prevention activities, recovery of erroneously paid benefits, and the federal provisions for audits are included in ss. 414.095(15), 414.122, 414.39, 414.391, 414.392, 414.41, 414.42, 414.27, 414.28, 414.17, Florida Statutes. See *Chapter 414, Fla Stat.*

<http://flsenate.gov/statutes/index.cfm?Mode=ViewStatutes&Submenu=1>

<http://www.leg.state.fl.us/Statutes/index.cfm?Mode=View%20Statutes&Submenu=1&Tab=statutes&CFID=165464613&CFTOKEN=7cad9f913aeac399-9A144157-A6E8-38E2-7AE9B9BC3601C1CE>

Per Florida Statutes 414.41 Recovery of payments made due to mistake or fraud.—

(1) Whenever it becomes apparent that any person or provider has received any public assistance under this chapter to which she or he is not entitled,

through either simple mistake or fraud on the part of the department or on the part of the recipient or participant, the department shall take all necessary steps to recover the overpayment. Recovery may include Federal Income Tax Refund Offset Program collections activities in conjunction with the Food and Nutrition Service and the Internal Revenue Service to intercept income tax refunds due to clients who owe food assistance or temporary cash assistance debt to the state. The department will follow the guidelines in accordance with federal rules and regulations and consistent with the Food Assistance Program. The department may make appropriate settlements and shall establish a policy and cost-effective rules to be used in the computation and recovery of such overpayments. (emphasis added).

Pursuant to section 7 CFR 273.18 (d) (2), which gives a state agency the option to develop and follow its own plan for the efficient and effective management of claim referrals, and pursuant to section 7 CFR 273.18(e)(2), which states that state agencies may opt not to establish and subsequently collect an overpayment that is not cost effective, the Office of Public Benefit Integrity (PBI), which is responsible for recovering overpayments, used the basis of a cost benefit analysis to gain approval from the U.S. Department of Agriculture (USDA), Food and Nutrition Service (FNS) to establish a minimum threshold for claims establishment for Supplemental Nutrition Assistance Program (SNAP), commonly referred to as Food Assistance in Florida, overpayments.

As DCF operates its RCA program consistent with its TANF program and sections 414.14 and 414.41, Fla. Stat. allow DCF to align and simplify its public assistance policy and direct DCF to follow the guidelines in accordance with federal rules and regulations and consistent with the Food Assistance Program and to establish a policy and cost-effective rules to be used in the computation and recovery of such overpayments, PBI will issue a policy clarification to include RCA as a program subject to the minimum threshold policy.