TO: Wade F. Horn, Ph.D.
Assistant Secretary for Children and Families

FROM: Daniel R. Levinson
Inspector General

SUBJECT: Audit of Lebanon Repatriation Program Funds
        (A-01-07-02501)

The attached final report presents the results of our audit of Lebanon Repatriation Program (Program) funds. We conducted this audit at the Secretary’s request. On July 26, 2006, the Secretary advised the Chairman, House Committee on Ways and Means, that we would report to Congress by March 1, 2007, on the use of Program funds by the Administration for Children and Families (ACF).

Our objectives were to determine (1) how ACF expended Program funds and (2) whether ACF followed Federal requirements in reimbursing States for their administrative costs and in seeking recovery of temporary assistance costs from repatriates.

As of December 6, 2006, ACF had expended $1,230,525 to provide temporary assistance to 12,421 individuals repatriated from Lebanon. Of this amount, $1,015,727 represented reimbursement of States’ administrative costs, and the remaining $214,798 represented temporary assistance provided directly to 349 individuals and household heads.

ACF did not always follow Federal requirements in reimbursing States for their administrative costs or in seeking recovery of temporary assistance costs from repatriates. As of December 6, 2006:

- ACF had reimbursed Pennsylvania for $125,211 in estimated, rather than actual, administrative costs, contrary to Federal guidance. As a result, the Program’s administrative costs were overstated.

- ACF had not submitted bills for 239 temporary assistance loans totaling $135,344 that Federal regulations require repatriates to repay. As a result, the Federal Government was at increased risk of not receiving full reimbursement for these costs.
These problems occurred because ACF made clerical errors and did not request or monitor reports on the status of loan collections from the Program Support Center (PSC), ACF’s collection agent.

We recommend that ACF:

- obtain a refund from Pennsylvania for $125,211 in estimated administrative costs,
- provide PSC with all necessary information on temporary assistance loans and direct PSC to bill repatriates for outstanding loans,
- ensure that States are aware of the requirement to provide adequate documentation for claimed administrative costs, and
- implement written monitoring procedures to ensure that PSC bills for temporary assistance costs that repatriates owe the Federal Government.

In its comments on our draft report, ACF generally agreed with our recommendations and provided technical information in response to our findings. We considered ACF’s comments and revised this report where we could confirm the information.

Please send us your final management decision, including any action plan, as appropriate, within 60 days. If you have any questions or comments about this report, please do not hesitate to call me, or your staff may contact Joseph J. Green, Assistant Inspector General for Grants, Internal Activities, and Information Technology Audits, at (202) 619-1175 or through e-mail at Joe.Green@oig.hhs.gov. Please refer to report number A-01-07-02501 in all correspondence.

Attachment
The mission of the Office of Inspector General (OIG), as mandated by Public Law 95-452, as amended, is to protect the integrity of the Department of Health and Human Services (HHS) programs, as well as the health and welfare of beneficiaries served by those programs. This statutory mission is carried out through a nationwide network of audits, investigations, and inspections conducted by the following operating components:

**Office of Audit Services**

The Office of Audit Services (OAS) provides all auditing services for HHS, either by conducting audits with its own audit resources or by overseeing audit work done by others. Audits examine the performance of HHS programs and/or its grantees and contractors in carrying out their respective responsibilities and are intended to provide independent assessments of HHS programs and operations. These assessments help reduce waste, abuse, and mismanagement and promote economy and efficiency throughout HHS.

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The Office of Evaluation and Inspections (OEI) conducts national evaluations to provide HHS, Congress, and the public with timely, useful, and reliable information on significant issues. Specifically, these evaluations focus on preventing fraud, waste, or abuse and promoting economy, efficiency, and effectiveness in departmental programs. To promote impact, the reports also present practical recommendations for improving program operations.

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In accordance with the principles of the Freedom of Information Act (5 U.S.C. 552, as amended by Public Law 104-231), Office of Inspector General, Office of Audit Services reports are made available to members of the public to the extent the information is not subject to exemptions in the act. (See 45 CFR part 5.)

OAS FINDINGS AND OPINIONS

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

BACKGROUND

U.S. Repatriation Program

The U.S. Repatriation Program provides temporary assistance to U.S. citizens and their dependents who have returned from a foreign country to the United States because of destitution, illness, war, threat of war, or similar crisis and who do not have immediate access to financial resources. The Administration for Children and Families (ACF), Department of Health and Human Services (HHS), is responsible for implementing the program. The States have operational responsibility for the repatriates’ reception, temporary care, and transportation.

ACF reimburses States and providers for documented administrative costs incurred to provide temporary assistance to repatriates. ACF also provides temporary assistance, such as airfare and cash, directly to repatriates. Repatriates are required to repay these loans (plus interest if the loan is not fully repaid within 30 days) unless ACF grants a hardship waiver.

ACF relies on another HHS agency, the Program Support Center (PSC), to process payments to States for allowable costs and to administer the collection of loans from repatriates. Upon request, PSC provides reports to ACF on the status of these collections.

Lebanon Repatriation Program

In July 2006, the Department of State, which is responsible for certifying eligibility for repatriation and for bringing repatriates to U.S. soil, notified ACF of an imminent emergency repatriation from Lebanon. Under the Lebanon Repatriation Program (the Program), ACF offered temporary assistance to repatriates at four ports of entry located in Georgia, Maryland, New Jersey, and Pennsylvania.

HHS obligated $1,797,000 for the Program. As of December 6, 2006, ACF had expended $1,230,525. On July 26, 2006, the Secretary of HHS advised the Chairman, House Committee on Ways and Means, that the Office of Inspector General would submit a report to Congress by March 1, 2007, on the use of these funds.

OBJECTIVES

Our objectives were to determine (1) how ACF expended Program funds and (2) whether ACF followed Federal requirements in reimbursing States for their administrative costs and in seeking recovery of temporary assistance costs from repatriates.

SUMMARY OF FINDINGS

ACF expended $1,230,525 to provide temporary assistance to 12,421 individuals repatriated from Lebanon. Of this amount, $1,015,727 represented reimbursement of States’ administrative

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costs, and the remaining $214,798 represented temporary assistance provided directly to 349 individuals and household heads.

ACF did not always follow Federal requirements in reimbursing States for their administrative costs or in seeking recovery of temporary assistance costs from repatriates. As of December 6, 2006:

- ACF had reimbursed Pennsylvania for $125,211 in estimated, rather than actual, administrative costs, contrary to Federal guidance. As a result, the Program’s administrative costs were overstated.

- ACF had not submitted bills for 239 temporary assistance loans totaling $135,344 that Federal regulations require repatriates to repay. As a result, the Federal Government was at increased risk of not receiving full reimbursement for these costs.

These problems occurred because ACF made clerical errors and did not request or monitor PSC’s reports on the status of loan collections.

RECOMMENDATIONS

We recommend that ACF:

- obtain a refund from Pennsylvania for $125,211 in estimated administrative costs,

- provide PSC with all necessary information on temporary assistance loans and direct PSC to bill repatriates for outstanding loans,

- ensure that States are aware of the requirement to provide adequate documentation for claimed administrative costs, and

- implement written monitoring procedures to ensure that PSC bills for temporary assistance costs that repatriates owe the Federal Government.

ADMINISTRATION FOR CHILDREN AND FAMILIES COMMENTS

In its comments on our draft report, which are included as Appendix B, ACF generally agreed with our recommendations and provided technical information in response to our findings. We considered ACF’s comments and revised this report where we could confirm the information.
# Table of Contents

INTRODUCTION .................................................................................................................................................. 1

BACKGROUND .................................................................................................................................................. 1
- U.S. Repatriation Program ......................................................................................................................... 1
- Role of the Administration for Children and Families .............................................................................. 1
- Lebanon Repatriation Program .................................................................................................................. 1
- Secretary’s Letter to Chairman, House Committee on Ways and Means................................................. 2

OBJECTIVES, SCOPE, AND METHODOLOGY ......................................................................................... 2
- Objectives ................................................................................................................................................... 2
- Scope .......................................................................................................................................................... 2
- Methodology .............................................................................................................................................. 2

FINDINGS AND RECOMMENDATIONS ................................................................................................. 3

STATE ADMINISTRATIVE COSTS ............................................................................................................ 3
- Federal Requirements ................................................................................................................................. 3
- Estimated Costs Reimbursed ...................................................................................................................... 4

COSTS FOR TEMPORARY ASSISTANCE ................................................................................................. 4
- Federal Requirements ................................................................................................................................. 4
- Costs Not Billed to Repatriates .................................................................................................................... 5

RECOMMENDATIONS .................................................................................................................................. 5

ADMINISTRATION FOR CHILDREN AND FAMILIES COMMENTS ..................................................... 6

APPENDIXES

A – STATE INVOICES SUBMITTED FOR REIMBURSEMENT OF ADMINISTRATIVE COSTS

B – ADMINISTRATION FOR CHILDREN AND FAMILIES COMMENTS
INTRODUCTION

BACKGROUND

U.S. Repatriation Program

Title XI, section 1113, of the Social Security Act (the Act) established the U.S. Repatriation Program. This program provides temporary assistance to U.S. citizens and their dependents who have returned from a foreign country to the United States because of destitution, illness, war, threat of war, or similar crisis and who do not have immediate access to financial resources. The program provides funds to States and vendors to cover the administrative costs of providing temporary assistance to these individuals. The program also provides temporary assistance directly to repatriates.

Role of the Administration for Children and Families

The Department of State is responsible for certifying that citizens and their dependents are eligible for repatriation and for bringing them to U.S. soil. Once repatriates arrive in the United States, the Office of Refugee Resettlement within the Administration for Children and Families (ACF), Department of Health and Human Services (HHS), assumes responsibility for implementing the repatriation program. The States have operational responsibility for the reception, temporary care, and transportation of repatriates. ACF reimburses States and providers for all costs associated with providing temporary services, including administrative costs and direct temporary services expenses. Federal guidance requires States to provide supporting documentation for their claims for reimbursement. In addition, Federal regulations require ACF to recover temporary assistance costs (plus interest if the loan is not fully repaid within 30 days) from all repatriates who require temporary assistance except for those granted hardship waivers.

ACF relies on another HHS agency, the Program Support Center (PSC), to process payments to States for allowable costs and to administer the collection of loans from repatriates. Upon request, PSC provides reports to ACF on the status of these collections.

Lebanon Repatriation Program

In July 2006, the Department of State notified ACF of an imminent emergency repatriation from Lebanon. U.S. citizens and their dependents arrived from Lebanon at four ports of entry: Hartsfield-Jackson Atlanta International Airport in Georgia, Baltimore-Washington International Airport in Maryland, McGuire Air Force Base in New Jersey, and Philadelphia International Airport in Pennsylvania.

Under the Lebanon Repatriation Program (the Program), ACF set up a Processing Reception Center at each port of entry and offered repatriates such assistance as food and medical care. Repatriates who did not have immediate access to financial resources completed an intake processing form and loan repayment agreement. ACF staff then interviewed these repatriates to determine what additional assistance they needed. Most repatriates requesting additional assistance needed air transportation, which ACF staff booked through its travel vendor and
charged to an ACF account. Others required hotel accommodations or cash assistance, which agencies of the four States provided. After the repatriation emergency ended, States submitted claims to ACF for the administrative costs that they had incurred, as well as for temporary assistance provided directly to repatriates.

In fiscal year 2006, Congress authorized up to $6 million for the provision of temporary assistance to repatriated U.S. citizens and their dependents. HHS obligated $1,797,000 of these funds for the Program. As of December 6, 2006, ACF had expended $1,230,525. ACF reserved the remaining $566,475 for obligated vendor costs and anticipated expenditures for continuing assistance to repatriates from Lebanon.

Secretary’s Letter to Chairman, House Committee on Ways and Means

On July 26, 2006, the Secretary of HHS advised the Chairman, House Committee on Ways and Means, that the Office of Inspector General would submit a report to Congress by March 1, 2007. The report would address the use of funds under section 1113 of the Act to provide assistance to U.S. citizens repatriated from Lebanon on or after July 20, 2006.

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

Our objectives were to determine (1) how ACF expended Program funds and (2) whether ACF followed Federal requirements in reimbursing States for their administrative costs and in seeking recovery of temporary assistance costs from repatriates.

Scope

We reviewed the $1,230,525 that ACF had expended for the Program as of December 6, 2006. We limited our review of internal controls to obtaining an understanding of ACF’s policies and procedures related to the operation of the Program.

We performed fieldwork at the ACF central office in the District of Columbia from October to December 2006.

Methodology

To accomplish our objectives, we:

- reviewed applicable Federal laws, regulations, action transmittals, policies, and procedures on the provision of temporary assistance under the Program;
- reviewed ACF information on Program costs incurred and identified the total State administrative costs reimbursed and the total costs of temporary assistance provided directly to repatriates by both ACF and the States;
• reviewed PSC records to determine the amount of Program funds that HHS obligated and ACF expended;

• traced State invoices to supporting documentation;

• reconciled the number of individuals who received temporary assistance under the Program to ACF supporting documentation;

• reconciled the costs of temporary assistance provided directly to repatriates to the amounts that ACF submitted to PSC for collection; and

• reconciled the amounts that ACF submitted to PSC for collection to the amounts that PSC processed for collection.

We performed our audit in accordance with generally accepted government auditing standards.

FINDINGS AND RECOMMENDATIONS

ACF expended $1,230,525 to provide temporary assistance to 12,421 individuals repatriated from Lebanon. Of this amount, $1,015,727 represented reimbursement of States’ administrative costs, and the remaining $214,798 represented temporary assistance provided directly to 349 individuals and household heads.

ACF did not always follow Federal requirements in reimbursing States for their administrative costs or in seeking recovery of temporary assistance costs from repatriates. As of December 6, 2006:

• ACF had reimbursed Pennsylvania for $125,211 in estimated, rather than actual, administrative costs, contrary to Federal guidance. As a result, the Program’s administrative costs were overstated.

• ACF had not submitted bills for 239 temporary assistance loans totaling $135,344 that Federal regulations require repatriates to repay. As a result, the Federal Government was at increased risk of not receiving full reimbursement for these costs.

These problems occurred because ACF made clerical errors and did not request or monitor PSC’s reports on the status of loan collections.

STATE ADMINISTRATIVE COSTS

Federal Requirements

U.S. Repatriate Program Action Transmittal No. SSA-REP-AT-84-A, section IV, part B.1., specifies that ACF will reimburse States for any identifiable administrative costs that State agencies incur in providing temporary assistance to eligible people under the Program. In an undated letter to the four States participating in the Program, ACF set forth requirements that the States must follow to receive reimbursement. The letter provides that if a State “. . . incurs costs during an emergency repatriation, the State itemizes those costs and forwards an invoice (with a unique invoice number for payment identification) for payment . . . .”

Estimated Costs Reimbursed

ACF expended $1,015,727 for the four States’ administrative costs (including the costs of personnel, facilities, security, and food) to provide temporary assistance to 12,421 individuals repatriated from Lebanon. (See Appendix A for a breakdown of these costs by State and cost category.) The four States provided ACF with documentation for $890,516 of the $1,015,727 in administrative costs claimed.

Our reconciliation of the States’ invoices to their actual itemized costs found that ACF had reimbursed Pennsylvania $509,888, of which $384,677 was for actual costs incurred and $135,495 was for estimated costs. ACF reimbursed Pennsylvania for the estimated costs because of a clerical error. After we informed ACF of the error, ACF contacted Pennsylvania and requested that the State either provide documentation for the estimated costs by December 1, 2006, or return the unsupported amount to ACF. Pennsylvania provided ACF with additional documentation for only $10,284 of the estimated costs. As a result, ACF overstated the Program’s administrative costs by a total of $125,211 ($135,495 less $10,284), as the following table illustrates.

<table>
<thead>
<tr>
<th>State</th>
<th>Administrative Costs Claimed</th>
<th>Administrative Costs Supported</th>
<th>Administrative Costs Not Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Georgia</td>
<td>$61,341</td>
<td>$61,341</td>
<td>$0</td>
</tr>
<tr>
<td>Maryland</td>
<td>435,432</td>
<td>435,432</td>
<td>0</td>
</tr>
<tr>
<td>New Jersey</td>
<td>9,066</td>
<td>9,066</td>
<td>0</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>509,888</td>
<td>384,677</td>
<td>125,211</td>
</tr>
<tr>
<td>Total</td>
<td>$1,015,727</td>
<td>$890,516</td>
<td>$125,211</td>
</tr>
</tbody>
</table>

COSTS FOR TEMPORARY ASSISTANCE

Federal Requirements

Section 1113(a)(2) of the Act states: “Except in such cases or classes of cases as are set forth in regulations of the Secretary, provision shall be made for reimbursement to the United States by the recipients of the temporary assistance to cover the cost thereof.” Federal regulations (45 CFR § 212.7(a)) state:
An individual who has received temporary assistance shall be required to repay, in accordance with his ability, any or all of the cost of such assistance to the United States, except insofar as it is determined that:

(1) The cost is not readily allocable to such individual;

(2) The probable recovery would be uneconomical or otherwise impractical;

(3) He does not have, and is not expected within a reasonable time to have, income and financial resources sufficient for more than ordinary needs; or

(4) Recovery would be against equity and good conscience.

Federal regulations (45 CFR § 212.1(j)) also state: “The term temporary assistance means money payments, medical care, temporary billeting, transportation, and other goods and services necessary for the health, or welfare of individuals, including guidance, counseling, and other welfare services.”

Costs Not Billed to Repatriates

ACF provided $214,798 in temporary assistance directly to 349 individuals and household heads for airfare ($206,554), cash ($4,416), and lodging ($3,828). As authorized by 45 CFR § 212.7(a), ACF granted hardship waivers in 35 of these cases, waiving the requirement to repay loans totaling $21,284.

For the remaining 314 loans totaling $193,514, PSC billed repatriates for 75 loans totaling $58,169. However, repatriates had not been billed for 239 loans totaling $135,344 as of December 6, 2006:

- ACF had provided PSC with information on 216 loans totaling $130,351, but PSC had not processed the loans because of a clerical error in reading an electronic spreadsheet. ACF was unaware that PSC had not processed these loans because ACF did not analyze PSC’s reports on the status of collections.

- ACF had not provided PSC with information on 23 loans totaling $4,993 because of a clerical error. Therefore, PSC had not processed these loans.

As a result of the lack of timely billing, the Federal Government was at increased risk of not receiving full reimbursement for $135,344 in temporary assistance costs.

RECOMMENDATIONS

We recommend that ACF:

- obtain a refund from Pennsylvania for $125,211 in estimated administrative costs,

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1As of November 2, 2006, PSC had collected $1,086 on three loans.
• provide PSC with all necessary information on temporary assistance loans and direct PSC to bill repatriates for outstanding loans,

• ensure that States are aware of the requirement to provide adequate documentation for claimed administrative costs, and

• implement written monitoring procedures to ensure that PSC bills for temporary assistance costs that repatriates owe the Federal Government.

ADMINISTRATION FOR CHILDREN AND FAMILIES COMMENTS

In its February 22, 2007, comments on our draft report, ACF generally agreed with our recommendations. ACF also provided technical information in response to our findings. ACF’s comments are included as Appendix B.

We considered ACF’s comments and revised this report where we could confirm the information.
APPENDIXES
## STATE INVOICES SUBMITTED FOR REIMBURSEMENT OF ADMINISTRATIVE COSTS

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Pennsylvania</th>
<th>Maryland</th>
<th>Georgia</th>
<th>New Jersey</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
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<td>$176,571</td>
<td>$37,531</td>
<td>$8,477</td>
<td>$405,486</td>
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<td>Facilities/Space</td>
<td>163,536</td>
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<td>280,704</td>
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<tr>
<td>Food</td>
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<td>46,763</td>
<td>-</td>
<td>-</td>
<td>106,763</td>
</tr>
<tr>
<td>Other</td>
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<td>Security</td>
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<td>13,780</td>
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<tr>
<td>Medical</td>
<td>15,411</td>
<td>7,381</td>
<td>12,066</td>
<td>-</td>
<td>34,858</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$509,888</strong></td>
<td><strong>$435,432</strong></td>
<td><strong>$61,341</strong></td>
<td><strong>$9,066</strong></td>
<td><strong>$1,015,727</strong></td>
</tr>
</tbody>
</table>
TO:                   Daniel R. Levinson
                   Inspector General

FROM:       Wade F. Horn, Ph.D.
           Assistant Secretary
           for Children and Families

SUBJECT:   Audit of Lebanon Repatriation Program Funds
           (A-01-07-02501)

Attached are comments of the Administration for Children and Families on the above-referenced Office of Inspector General draft report.

Should you have questions or need additional information, please contact Martha Newton, Director, Office of Refugee Resettlement, at (202) 401-9246.

Attachment
COMMENTS OF THE ADMINISTRATION FOR CHILDREN AND FAMILIES ON THE OFFICE OF INSPECTOR GENERAL DRAFT REPORT TITLED, "AUDIT OF LEBANON REPATRIATION PROGRAM FUNDS" (A-01-07-02501)

The Administration for Children and Families (ACF) appreciates the opportunity to comment on the above Office of Inspector General (OIG) draft report.

OIG Recommendations

We recommend that ACF:

- obtain a refund from Pennsylvania for $125,211 in estimated administrative costs,
- provide PSC with all necessary information on temporary assistance loans and direct PSC to bill repatriates for loans totaling $135,344,
- ensure that States are aware of the requirement to provide adequate documentation for claimed administrative costs, and
- implement written monitoring procedures to ensure that PSC bills for temporary assistance costs that repatriates owe the Federal Government.

ACF Comments

ACF’s Office of Refugee Resettlement (ORR) has the following comments related to the above recommendations:

- ORR has been working with Pennsylvania. Pennsylvania will be returning $125,211 to ORR within the next three weeks.
- On December 12, 2006, the Program Support Center (PSC) was provided with updated loan collection information and instructions regarding repatriates' bills totaling $171,600. As of December 30, 2006, PSC had processed and billed all referred cases and had collected approximately $28,000.
- States are and were aware of their requirement to provide adequate documentation for claimed administrative costs. During this emergency, the Director of Budget, Data, and Policy Analysis for ORR provided States with specific direction and information regarding submission of documents and deadlines by phone and conference call. ORR will continue to ensure that States are aware of and follow ACF’s reimbursement request procedures.
- ORR will continue working with PSC to ensure that monthly status reports are submitted. ORR and PSC will continue working together to identify reporting criteria that will assist
In monitoring billings.

In addition to the above comments, ORR would like to provide the following comments relating to specific OIG's findings:

**OIG Findings**

ACF expended $1,230,525 to provide temporary assistance to 12,421 individuals repatriated from Lebanon. Of this amount, $1,015,727 represented reimbursement of States' administrative costs, and the remaining $214,798 represented temporary assistance provided directly to 349 individuals and household heads.

ACF did not always follow Federal requirements in reimbursing States for their administrative costs or in seeking recovery of temporary assistance costs from repatriates. As of December 6, 2006:

- ACF had reimbursed Pennsylvania for $125,211 in estimated, rather than actual, administrative costs, contrary to Federal guidance. As a result, the Program's administrative costs were overstated.

- ACF had not submitted bills for 239 temporary assistance loans totaling $135,344 that Federal regulations require repatriates to repay. As a result, the Federal Government was at increased risk of not receiving full reimbursement for these costs.

These problems occurred because ACF made clerical errors and did not request or monitor PSC's reports on the status of loan collections.

**ACF Comments**

As of December 2006, ORR had disbursed $1,346,161 to provide temporary assistance to 12,421 eligible individuals repatriated from Lebanon. Of this amount, $1,141,442 had been disbursed to States for their administrative costs and the remaining $204,719 represented temporary assistance provided directly to 331 eligible cases.

ORR follows cost principles in reimbursing costs; however, ORR was under tremendous pressure from the States and Congress to reimburse the costs of the Lebanon Repatriation by the end of the Federal Fiscal Year. ACF repeatedly provided guidance and requested actual expenditures from all four States, but in the case of Pennsylvania, the City of Philadelphia Department of Aviation submitted to ORR estimated costs and did not label them as such.

ORR provided direct temporary assistance to 331 eligible cases. It is important to understand that the number "331" does not represent the number of individuals and household heads, but rather cases. A case can be defined as "an eligible individual and/or group of individuals processed under the same Department of Health and Human Services (HHS) form." One case
may represent more than five individuals.

As of August 3, 2006, ACF had expended $204,719 on temporary services provided directly to eligible repatriates. Of the 331 cases that were processed, 27 cases were referred to the States for follow-up assistance. Under 45 CFR 212.4, repatriates are eligible to receive up to 90 days of temporary services and, under certain circumstances, an extension could be granted by ORR for an additional 90 days. As of January 1, 2007, ORR did not have a final amount for costs associated with direct temporary services and/or State administrative costs.

ORR followed internal procedures in seeking recovery of direct temporary assistance costs from repatriates. On August 28, 2006, ORR submitted to PSC the information necessary for the collection of repatriates’ loans. As of December 6, 2006, most of ORR’s referred loans were not processed by PSC due to a clerical error in reading an electronic spreadsheet.

Once a case is referred to PSC, it becomes PSC’s responsibility to follow established Federal requirements in seeking recovery of loans. On August 28, 2006, ORR provided PSC with an electronic list containing 293 cases for collection totaling $191,271. A revised electronic list was submitted to PSC on December 8, 2006, containing 265 cases for collection totaling $174,465. The number of cases referred for collection decreased because ORR was not able to collect from certain individuals mainly due to hardship and inaccurate or missing billing addresses. Once a repatriated individual’s situation was assessed by an authorized staff member and determined to be eligible for a HHS loan, the lack of having an address in the United States did not preclude that eligible individual from receiving services.

ORR has a contract with PSC to provide a range of financial management services, including debt collections. It is important to understand that PSC should submit monthly status reports to ORR regarding collection. An e-mail dated January 12, 2006, specifies the nature and frequency of the report that PSC must submit to ORR. A copy of this e-mail was given to OIG. It is also critical to note that the OIG financial audit began approximately at the point when ORR would have normally received the monthly report including loan information from the Lebanese Emergency Repatriation.

**OIG Findings**

ACF provided $214,798 in temporary assistance directly to 349 individuals and household heads for airfare ($206,554), cash ($4,416), and lodging ($3,828). As authorized by 45 CFR 212.7(a), ACF granted hardship waivers in 35 of these cases, waiving the requirement to repay loans totaling $21,284.

For the remaining 314 loans totaling $193,514, PSC billed repatriates for 75 loans totaling $58,169. However, repatriates had not been billed for 239 loans totaling $135,344 as of

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1As of November 2, 2006, PSC had collected $1,086 on three loans.
December 6, 2006:

- ACF had provided PSC with information on 216 loans totaling $130,351, but PSC had not processed loans because of a clerical error in reading an electronic spreadsheet. ACF was unaware that PSC had not processed these loans because ACF did not analyze PSC's reports on the status of collections.

- ACF had not provided PSC with information on 23 loans totaling $4,993 because of a clerical error. Therefore, PSC had not processed these loans.

As a result of the lack of timely billing, the Federal Government was at increased risk of not receiving full reimbursement for $135,344 in temporary assistance costs.

ACF Comments

The most accurate information as of December 6, 2006, is as follows:

ORR provided $204,719 in temporary assistance directly to 331 cases for airfare ($196,198.60), cash ($4,554), lodging ($3,446.52), and other transportation ($520.07). As authorized by 45 CFR 212.7(a), ORR granted 42 hardship waivers totaling $21,374. In addition, ORR was not able to collect on 24 cases totaling $8,898 due to missing address/information, individuals declining certain services, and/or services rendered by States without ORR approval.2

For the remaining 265 loans totaling $174,450 PSC billed repatriates for 75 loans totaling $58,169. However, repatriates had not been billed for 191 loans totaling $116,281.

As of December 8, 2006:

- ORR had provided PSC with information on 265 collectable loans totaling $174,450 but PSC had not processed the loans because of a clerical error in reading an electronic spreadsheet. By the time the financial audit was conducted, ACF did not have the PSC monthly reports to analyze.

- ORR had not provided PSC with information on a loan totaling $123.08 because of a clerical error. This loan information has been provided to PSC.

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2 During preliminary planning, ORR authorized the State of Maryland (MD) to reserve a number of hotel rooms. These rooms were not fully utilized by eligible repatriates as the number of repatriates needing these services was fewer than anticipated. Upon finding that the repatriation event did not require that many blocked hotel rooms, ORR advised MD to decrease the number of hotel rooms, which they did. However, for a number of evacuees, MD provided lodging without ORR authorization. Nonetheless, these funds would have been disbursed to MD regardless since these hotel rooms were approved by ORR during preliminary planning stages.
As of December 30, 2006:

- On December 11, 2006, OIG provided ORR with a table containing 23 cases. OIG advised that those cases were not referred to PSC for collection. After a thorough analysis and review of these cases, ORR found that 14 cases were not referred to PSC because ORR cannot collect due to hardship. Services were provided at the point of entry without ORR’s authorization and/or there was no address on the form. The remaining cases, with the exception of the one above case totaling $123.08, were referred to PSC on August 28, 2006, with a $1,800 difference (this information was provided to PSC on December 8, 2006).

- ORR takes issue with the idea that the Federal Government was at increased risk of not receiving full reimbursement for the identified costs. The nature of collecting payments, especially from individuals who have been dislocated from their place of residence and financial records, as in the case of Lebanese repatriates, is an ongoing process. Having a number of outstanding accounts remaining a couple of months after such a significant dislocating event is not unreasonable, nor does it seem unusual compared with financial collection practices in other government agencies.

**OIG Findings**

In Federal Fiscal Year 2006, Congress authorized up to $6 million for the provision of temporary assistance to repatriated U.S. citizens and their dependents. HHS obligated $1,797,000 of these funds for the Program. As of December 6, 2006, ACF had expended $1,230,525. ACF reserved the remaining $566,475 for obligated vendor costs and anticipated expenditures for continuing assistance to repatriates from Lebanon.

**ACF Comments**

As of December 6, 2006, ORR had disbursed $1,346,161. ORR reserved $446,289 for anticipated expenditures for continuing assistance.

**Technical Comments**

For the accuracy of the OIG report, it is important to make the following corrections/clarifications:

Page 1, paragraph 1, first and second sentences state, “Title XI, section 1113, of the Social Security Act (the Act) established the U.S. Repatriation Program. This Program provides temporary assistance to U.S. citizens and their dependents...who do not have immediate access to financial resources.” It should be noted that this legislation does not only cover financial needs but other services as well.
Page 1, second paragraph, fourth sentence states: "ACF reimburses States for the administrative costs that they incur in providing assistance to repatriates." For clarification, please note that the Program reimburses States and providers for temporary assistance for all costs associated with the provisions of temporary services. These costs include administrative costs and direct temporary services expenses.

Page 1, third paragraph, first sentence states, "ACF relies on another HHS agency, the Program Support Center (PSC), to process payments to States for allowable costs and to administer the collection of loans from repatriates." Please note, however, that only during emergency repatriations does ORR rely on another HHS agency, PSC, to process payments to States and other providers for allowable costs. PSC collects loans on all Program activities. PSC should provide ORR with monthly status reports, not upon request, as mentioned in the OIG report.

In addition, for purposes of clarification, it would be helpful to note that the OIG financial audit began around the time ORR would have normally received the first monthly report on Lebanese Emergency Repatriation collection activities from PSC.