

Report in Brief

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Why OIG Did This Review

The Unaccompanied Alien Children (UAC) program served between 7,000 and 8,000 children annually from fiscal year (FY) 2005 through FY 2011. In FY 2012, the number of children in the program began to increase. By the end of FY 2012, the UAC program, under the Department of Health and Human Services, Office of Refugee Resettlement (ORR), served approximately 13,625 children. In FY 2014, referred to as the “surge” year, ORR served 57,496 children.

Funding for the program also increased. From FY 2009 through FY 2014, funding for the UAC program totaled more than \$2 billion, an increase of \$707 million during this same period.

We selected for audit His House Children’s Home, Inc. (His House), a UAC grantee responsible for caring for children in ORR custody, because a former employee was convicted of extortion, and we were interested in assessing whether there were other vulnerabilities.

Our objectives were to determine whether His House (1) met applicable safety standards for the care and release of children in its custody and (2) claimed only allowable expenditures in accordance with applicable laws, regulations, and departmental guidance.

How OIG Did This Review

Our review covered October 1, 2013, through September 30, 2014. We reviewed UAC case files, personnel records, financial transactions, and policies and procedures. Also, we inspected shelter care cottages.

Office of Refugee Resettlement Unaccompanied Alien Children Grantee Review—His House

What OIG Found

Generally, His House met safety standards for the care and release of children in its custody. However, some UAC case files were missing evidence of sponsor background checks and other required documentation.

His House claimed only allowable expenditures. However, we identified areas in which His House lacked an efficient and effective system of internal controls when administering UAC program funds.

As a result, His House (1) might not have followed ORR policies for 652 children regarding sponsor background checks, prompt medical care, provision of appropriate clothing, sponsor placement decisions, post-release services, or the notification of the Department of Homeland Security of the child’s release to a sponsor and (2) might have placed Federal funds totaling \$9 million at risk of mismanagement or misappropriation.

What OIG Recommends and His House Comments

We recommend that His House (1) develop a policy for maintaining UAC case file documentation that would ensure ORR policies and procedures were followed when releasing a child to a sponsor, (2) increase oversight of its reviewing process for UAC case files to ensure that all required documentation is maintained in the file, and (3) implement a financial management system that requires adequate identification of the source and application of Federal funds and effective accountability of property and other assets. We also made procedural recommendations aimed at addressing internal control deficiencies we identified.

His House did not agree with the OIG’s findings; however, it concurred with our recommendations and described steps that it had taken or planned to take to address our findings and recommendations.