

AUDITOR OF STATE

STATE OF OHIO

CHILD PROTECTIVE SERVICES PERFORMANCE AUDIT

MONTGOMERY COUNTY CHILDREN SERVICES AGENCY

JULY 1, 1997 - JUNE 30, 1998

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Child Protective Services Performance Audit
Montgomery County Children Services Agency

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Executive Summary

This report on our Child Protective Services Performance Audit at the Montgomery County Children Services Agency is the first step of the Auditor of State's four step strategy to assist the Ohio Department of Human Services (ODHS) increase fiscal accountability, ensure compliance with applicable federal and state laws and improve the quality of services provided.

In response to a request from thirteen members of the Ohio House of Representatives, our Office conducted a performance audit of the foster care related functions of ODHS, the Montgomery County Children Services Agency (MCCSA), a public children services agency (PCSA) and six private agencies.¹

In conducting our audit we performed procedures at the state and county levels as well as six private agencies licensed by ODHS that provided child placement services to MCCSA. Therefore, our audit findings and recommendations span all three levels, state, county and private agency. However, ODHS is the primary recipient of federal child welfare funding for the state of Ohio. Therefore ODHS is ultimately responsible for the proper administration of the program and funds in accordance with federal laws and regulations.

Our performance audit identified five areas in which significant weaknesses exist in the foster care program. Those weaknesses are presented in detail in Sections I through V of our report. A summary of our audit findings and recommendations related to each area of weakness is summarized below.

I. Internal Control Weaknesses and Non-Compliance Of the Title IV-E Program

ODHS did not oversee the proper administration of the Title IV-E (Foster Care) Program. Internal control weaknesses and misunderstanding of program requirements resulted in \$3,023,923 in federal questioned costs in Montgomery County, that we reported in the State of Ohio's single audit report for the year ended June 30, 1998. There are three additional audit findings and recommendations presented in this section.

II. Private Agencies' Financial Transactions with Related Parties and Questionable Business Practices

Private Agency's (KARE) financial self dealing and questionable business practices undermined the integrity of the system and resulted in \$306,382 in Findings for Recovery and Questioned Costs. Also potential conflicts of interest existed when MCCSA employees held second jobs with private agencies. There are five additional audit findings and recommendations in this section.

¹ The audit was performed pursuant to the authority of Ohio Rev. Code Section 117.10 and the Single Audit Act, U.S.C. Section 7501, et seq., which requires that programs receiving federal funds be audited. Specifically, the Department of Health and Human Services, which administers federal Title IV-E funds provided to states for foster care, has provided by rule that state and local governments are subject to the audit requirements contained in the Single Audit Act Amendments of 1996 and revised OMB Circular A-133, 45 C.F.R. Section 74.26(b).

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III. Risks Prior to Foster Care

Prevention and protection efforts must be strengthened to protect children prior to their removal from unsafe environments and placement in foster care since current efforts left children at risk. There are five audit findings and recommendations presented in this section.

IV. Risks During Foster Care

Systemic weaknesses and noncompliance with ODHS rules exposed foster children to avoidable risks. We found deficiencies in the protection of children and in providing the required services during foster care. There is a need to strengthen and improve management and controls of the foster care system to provide positive outcomes for children. There are five audit findings and recommendations presented in this section.

V. Internal Control and Compliance Weaknesses in the State Supervised, County Administered Child Protection Services Program.

“Ohio is a strong “home rule” state resulting in a strong county government structure. Consequently Ohio’s human services programs are “state supervised” and “county administered” with the state often setting program parameters, allocating funds and supervising county performance, and with counties administering the actual delivery of human services.”²

Ohio’s system of state supervised, county administered foster care has significant gaps in monitoring and oversight. As a result, it is ineffective in protecting children and providing permanent placement and inefficient in the cost and quality of services delivered. The general lack of written agreements that clearly identify the duties and responsibilities of the contracting parties and remedies for breach contributed to the inefficiencies. There are 17 audit findings and recommendations in this section.

The scope of our performance audit included the period July 1, 1997 through June 30, 1998. The five areas of weaknesses we identified were based on events and conditions related to that period. The scope of our performance audit did not include an assessment of ODHS’ and MCCSA’s efforts to improve their systems that occurred after our audit period.

The results of this performance audit and our special audit of Searchlight C.A.R.E. Inc., released June 3, 1999, identified the need for significant improvement of the child welfare system. ODHS has contracted with the Auditor of State to review and design internal controls at ODHS over foster care to ensure compliance with applicable laws and regulations.

We commend the Ohio Department of Human Services on its recent efforts to reform the child welfare system. The Department has invited a comprehensive group of stakeholders to participate in its child welfare reform initiative. On April 6, 1999, the Agency Director requested that the Auditor of State assist the agency in its efforts to improve the child welfare system by conducting a performance audit of the department’s child welfare program.

² The Ohio Department of Human Services Office of Prevention, Protection and Self-Sufficiency Transition Manual, April 1999, page 6

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In collaboration with ODHS and the stakeholders group, the Auditor of State Child Welfare Performance audit will identify the issues that are preventing effective and efficient delivery of high quality services to children and families, and recommend methods of improving the Department's processes.

In response to the concerns about the services provided by the private agencies a memorandum of understanding was signed July 6, 1999, between the Ohio Department of Human Services (ODHS) and the Auditor of State. A joint audit team will initiate special audits of selected private agencies and perform agreed upon procedures based upon a risk assessment. Twenty-five private agencies will be reviewed for the period January 1, 1998 through December 31, 1998.

At the request from ODHS, our Office has developed and implemented a four-step strategy to assist the Department of Human Services in its child welfare reform efforts.

- ◆ Step 1 is the Child Protective Services performance audit of the Montgomery County Children Services Agency. This audit identifies significant issues that should be considered as part of ODHS child welfare reform initiative.
- ◆ Step 2 is a joint agency audit project combining Auditor of State and ODHS staffs to audit 25 private foster care agencies operating in Ohio. Those 25 private agencies report 72% of the Title IV-E cost reported by the private agencies. In addition, those organizations reviewed represent 68% of all active family foster homes under the supervision of private agencies which receive Title IV-E funds. These audits will result in increased private agency fiscal accountability and legal compliance, and promote sound business practices. These audits will be completed June 30, 2000.
- ◆ Step 3 is a comprehensive performance audit of the ODHS Child Welfare system management and processes. This audit will be completed May 31, 2000.
- ◆ Step 4 is the conduct of special audits of public and private agencies when sufficient evidence of significant weaknesses in fiscal accountability and/or noncompliance is brought to our attention.

The challenge of child welfare reform is formidable and we applaud ODHS in its efforts to reform the system. ODHS should consider the audit findings and recommendations presented in our report as it attempts to bring about needed improvements and reform.

Child Protective Services Performance Audit Phase II

Based upon the findings in this audit, the Auditor of State and Ohio Department of Human Services signed a memorandum of understanding dated July 6, 1999, to undertake a joint effort utilizing staff from ODHS and the AOS to perform agreed upon procedures for the 25 private agencies selected. We have summarized the procedures which we will perform as follows:

1. We will examine all expenditures to ensure compliance with contract agreements, applicable laws and regulations, and proper business and public purposes at the PCPA or PNA.

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2. We will examine all receipts and deposits from PCSAs to the PCPA or PNA to determine if they were properly deposited or accounted for in the financial and accounting records of the private agency for the period of January 1, 1998 to December 31, 1998.
3. We will review certain Medicaid billings at the PCPA or PNA to determine if Medicaid expenses were improperly billed to the Title IV-E program, if applicable.
4. We will review documentation at the PCPA or PNA to ascertain if there was proper monitoring of the Medicaid counseling, if applicable.
5. We will review payments made at the PCPA or PNA to foster parents to determine if the amounts relating to Title IV-E maintenance were used in compliance with the federal program.
6. We will review the PCSAs' internal control and compliance with the requirements of the Title IV-E program in Franklin, Cuyahoga and Hamilton counties.
7. We will review case records at the PCSAs for internal control and compliance with the requirements of the Ohio Administrative Code Chapter 5101.2. The Auditor of State will not disclose or otherwise make public any confidential information obtained during the case record review.

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Introduction

In a letter, dated May 22, 1998, thirteen members of the Ohio House of Representative requested that Auditor of State Jim Petro conduct an audit of foster care in the State of Ohio, following a series of news media reports published in the *Dayton Daily News*, located in Montgomery County. Those reports alleged a number of problems with the private foster care placement agencies. The problems reported included questionable spending practices and a lack of accountability for the expenditure of public funds.

The legislators' concerns are best explained by this quote from their letter:

"Though there appear to be real problems in the system, it seems that all levels of government involved are insistent that the responsibility does not lie with them to uncover the problems and prevent them in the future.

That is why we are requesting that you take a leadership role in this situation and conduct performance audits of these agencies and the county and state oversight mechanisms to determine that best efforts are being made to ensure public funds are not being wasted under the guise of helping some of our state's most needy citizens."

Our office entered a separate letter of arrangement dated August 21, 1998, with the Ohio Department of Human Services and Montgomery County Children Services, which specified procedures to be performed in the audit which the legislators had requested.

Our report sets forth the scope and objectives of our audit, procedures performed, results and conclusions. It is intended to assist elected and appointed officials and private agencies improve the economy and efficiency of operations of the foster care program while enhancing financial accountability and the quality of services to children.

Objective, Scope and Audit Methodology

The objective of our performance audit was to identify and review the mission-critical processes that make up the child protective services system. Based on the results of the procedures performed we developed recommendations to improve the economy and efficiency of the foster care program while enhancing financial accountability and the quality of services provided to children.

The scope of our performance audit was limited to the foster care related functions at the Ohio Department of Human Services (ODHS), the Montgomery County Public Children Services Agency (MCCSA), and six of the private agencies which provided child placement services to MCCSA during the period reviewed July 1, 1997 through June 30, 1998. We also reviewed the case files of 221 children in the custody of MCCSA.

The procedures we performed to meet our audit objectives are summarized as follows:

- (1) We examined and reviewed the effectiveness and efficiency of ODHS' and MCCSA's critical processes that affect the Child Protective Services System. Those processes are licensing, rate setting, fiscal management, and quality assurance.

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- (2) We examined and reviewed ODHS', MCCSA's and the PCPA/PNAs' internal control and compliance with the requirements of the Title IV-E program.
- (3) We examined and reviewed ODHS', MCCSA's and the PCPA/PNAs' internal control and compliance with the requirements of the Ohio Admin. Code Chapter 5101:2.
- (4) We examined and reviewed internal controls over the financial and administrative records of the PCPA/PNAs serving the Montgomery County Children Services Agency.

This performance audit concludes the first step of the Auditor of State's four-step strategy to assist the Ohio Department of Human Services in its child welfare reform efforts. Our Office is currently in the process of executing the remaining three steps of the strategy as listed below:

- Step 2 is a joint agency audit project combining Auditor of State and ODHS staffs to audit 25 private foster care agencies operating in Ohio. Those 25 private agencies report 72% of the Title IV-E cost reported by the private agencies. In addition, those organizations reviewed represent 68% of all active family foster homes under the supervision of private agencies which receive Title IV-E funds. These audits will result in increased private agency fiscal accountability and legal compliance, and promote sound business practices. These audits will be completed June 30, 2000.
- Step 3 is a comprehensive performance audit of the ODHS Child Welfare system management and processes. This audit will be completed May 31, 2000.
- Step 4 is the conduct of special audits of public and private agencies when sufficient evidence of significant weaknesses in fiscal accountability and/or noncompliance is brought to our attention.

The challenge of child welfare reform is formidable and we applaud ODHS in its efforts to reform the system. ODHS should consider the audit findings and recommendations presented in our report as it attempts to bring about needed improvements and reform.

Background Information and Legal Authority

Administration of Title IV-E Funds

The Title IV-E foster care program³ authorizes the payment of federal funds to states, so that they can provide foster care to children who have been removed from their homes through a voluntary placement agreement or judicial determination. The program is administered at the federal level by the Administration for Children and Families (ACF), Department of Health and Human Services. In the State of Ohio, the program is administered by the Office of Child Care and Family Services, Ohio Department of Human Services.

³ 42 USCA §§ 670-672, 674-679, 1320(b)(2)-(b)(3).

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Ohio Rev. Code Section 5101.141 (A) states “the Department of Human Services (ODHS) shall act as the single state agency to administer federal payments for foster care and adoption assistance made pursuant to Title IV-E of the Social Security Act 94 Stat.501, 42 U.S. C. 671, as amended, and shall adopt rules to implement this authority.” Ohio Rev. Code Section 5153.16(A)(14) provides that the public children services agency (PCSA) is to administer Title IV Funds in accordance with these rules.⁴ Montgomery County Children Services Agency (MCCSA) is the PCSA at issue in this audit.

Title IV-E foster care maintenance payments as defined at 42 U.S.C.§675(4)(a), are to cover the cost of a foster child’s food, clothing, shelter, daily supervision, school supplies, personal incidentals, liability insurance with respect to a child, and reasonable travel to a child’s home for visitation.

A PCSA may contract with private child placing agencies (PCPAs) and private noncustodial agencies(/PNAs) for out of home placements for foster children.⁵ The PCPA/PNAs then place foster children with licensed family foster homes. The PCPA/PNAs bill a PCSA for both the care of the children and administrative costs incurred by the providers in providing that care. Services include but are not limited to case management, transportation for the children, recruiting and training foster parents. A county PCSA pays the PCPA/PNA for its services and requests reimbursement from ODHS.

The PCSA bills ODHS monthly via the ODHS 1925 Monthly Title IV-E Foster Care Maintenance Invoice, for children in purchased care, i.e. contract or treatment foster homes, private group homes or residential centers. ODHS makes prospective payment to the PCSA based upon the per diem paid and the number of placement days in each calendar month. Payment is received monthly and the reimbursement is listed in the ODHS Title IV-E disbursement journal.

Not-for-profit agencies that provide foster care services for Title IV-E eligible children are required to submit cost reports and audited financial statements annually to ODHS. The information from the cost reports is then used by ODHS to determine a maximum allowable Title IV-E reimbursement rate for foster care maintenance payments.

In turn, ODHS submits quarterly reports to the U.S. Department of Health and Human Services for reimbursement for the federal financial participation (FFP) in foster care payments made to the PCPAs and PNAs.⁶ Currently the FFP is 58% for Title-IV E maintenance payments and 50% for Title IV-E administrative payments.

⁴ See Ohio Admin. Code Chapter 5101:2-47, for rules governing the Title IV-E program.

⁵ Ohio Rev. Code §5153.16(C)(2)(a)(v) authorizes such contracts. See fns 11 and 12, and related text, regarding statutory authority of PCPAs and PNAs.

⁶ Ohio Admin. Code Section 5101:2-47-11 recites the foregoing reporting and reimbursement requirements. Prior to 5/1/98 these requirements were contained in Ohio Admin. Code Section 5101:2-47-65

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State and federal regulations govern the types of expenditures which PCPAs and PNAs may make.

Ohio Admin. Code § 5101:2-08 (G) specifically states:

“A PCPA or PNA shall not permit public funds to be paid or committed to be paid to any corporation, firm, association or business in which any of the members of the governing body of the agency, the executive personnel or their immediate families have any direct or indirect financial interest, or in which any of these persons serve as an officer or employee, unless the services or goods involved are provided at a competitive cost or under terms favorable to the PCPA or PNA. The PCPA or PNA shall make written disclosure, in the minutes of the board, of any financial transaction of the PCPA or PNA in which a member of the board or his/her immediate family is involved.”

In addition, the Ohio Department of Human Services considers certain costs to be “unallowable” for purposes of calculating the rate at which foster care maintenance costs can be reimbursed with federal Title IV-E funds.

During the audit period, Ohio Admin. Code Section 5101:2-47-26⁷ specifically listed the following costs among those considered unallowable: contributions, donations, or any outlay of cash with no prospective benefit to the facility or program, entertainment costs for amusements, social activities, and related costs for staff only, and costs of activities prohibited under section 501(c)(3) of the Internal Revenue Code.⁸

In addition, because the PCPAs and PNAs all enjoy federal tax-exempt status, they are directly precluded from assigning any part of their net earnings to the benefit of any private shareholder or individual by 501(c)(3) of the Internal Revenue Code and are required, in pertinent part, to be “organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary or educational purposes, or to foster national or international amateur sports competition...or for the prevention of cruelty to animals and children.

Finally, Office of Management and Budget (OMB) Circular A-133 “Audits of States, Local Governments, and Non-Profit Organizations,”⁹ which governs the audit of Title IV funds in the hands of state and local government and non-profit entities, authorizes auditors to question costs which appear to have resulted from a violation of law, regulation or other agreement governing the use of such funds, or costs which are not supported by adequate documentation, or appear unreasonable.

⁷ Prior to 5/1/98, these requirements were contained in Ohio Admin. Code Section 5101:2-47-64

⁸ 26 U.S.C. Section 501(c)(3)

⁹ Pursuant to this rulemaking authority under the Single Audit Act, 31 U.S.C. Section 7505, the Director of the Department of Health and Human Services has promulgated a regulation which provides that state and local governments, as well as recipients and subrecipients that are non-profit organizations, are subject to the audit requirements contained in the Single Audit Act, 31 U.S.C. Sections 7501 et seq., and OMB Circular A-133. See 45 C.F.R. Section 74.26(b) and (a), respectively.

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Administration of Title IV-E Foster Care Services

ODHS is also the governmental agency responsible for monitoring compliance with applicable federal and state laws and departmental rules relating to foster care services by agencies, individuals, organizations, facilities, or other service providers. Its monitoring function includes, but is not limited to, issuing licenses for private agencies and family foster homes in the State of Ohio. According to ODHS, its Children's Protective Services (CPS) program goals¹⁰ under the Office of Prevention, Protection and Self-Sufficiency (OPSS) are to promote:

- interagency coordination to protect children from abuse and neglect
- more effective delivery of services to families
- strength-based, family-focused casework practice with an emphasis on child safety, permanency, and child and family well-being
- statewide child abuse and neglect prevention through public education and public awareness campaigns

MCCSA is the public children services agency (**PCSA**) responsible for providing all child protective services mandated by Ohio law and the Ohio Department of Human Services in Montgomery County. The agency presently operates as a multi-service agency with a staff of 335. MCCSA's responsibilities include but not limited to investigating and assessing all complaints of child abuse, neglect and dependency. MCCSA provides services which include a social service staff, emergency foster homes, and in-home protective services. MCCSA's goal is to maintain children with their own biological parents whenever possible.

However, in some cases the biological parents cannot meet the physical and emotional needs of the children. In these cases, MCCSA arranges for substitute care consistent with the best interests and special needs of the child. Montgomery County is considered a metropolitan county and appears to be representative of the foster care environment in the state of Ohio. See Appendix A, Profiles of Defined Community and Client Population, Demographics.

A **PCPA**, a private child placing agency, is "any association, as defined in section 5103.02 of the Revised Code, that is certified pursuant to sections 5103.03 to 5103.05 of the Revised Code to accept temporary, permanent, or legal custody of children and place the children for either foster care or adoption."¹¹ A **PNA**, a private noncustodial agency, is "any person, organization, associates or society certified by ODHS that does not accept temporary or permanent legal custody of children, that is privately operated in the state, incorporated or unincorporated and does one or more of the following: (1) receives and cares for children for two or more consecutive weeks; (2) participates in the placement of children in family foster homes; (3) provides adoption services in conjunction with a public children service agency or private child placing agency."¹²

¹⁰ Annual Progress and Service Report, Fiscal Year 1998, prepared by ODHS

¹¹ Ohio Rev. Code §2151.0111(A)(3); Ohio Admin. Code §5101:2-5(A).

¹² Ohio Rev. Code §2151.0111(A)(4); Ohio Admin. Code §5101:2-5(A)

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Among specific functions which a PCPA/PNA must be certified to perform, are to operate a children's residential center(s), group home(s), residential parenting facility(ies), independent living arrangement(s), and to act as a representative of ODHS in recommending foster homes for certification.¹³ The PCPA/PNA typically receives referrals from MCCSA and other PCSAs to place children in family foster care homes. The PCPA/PNAs create their own foster care network of foster caregivers, a person(s) to whom a family foster home certificate has been issued by ODHS, and employ their own caseworkers.

Pursuant to authority granted by Ohio Rev. Code §5103.01, Ohio Department of Human Services has promulgated rules governing the certification and internal administration of PCPAs and PNAs, as well as their delivery of services to children. These rules are contained in Chapter 5101:2 of the Ohio Administrative Code.

As part of the Auditor of State's performance audit of the Child Protective Service system in Montgomery County, six private agencies were reviewed: Agape for Youth, Children Have Options in Caring Environments (CHOICES), Kids Are Really Essential (KARE), Ohio Youth Advocate Program (OYAP), Specialized Alternatives for Youth (SAFY) and Youth Engaged for Success (YES). We interviewed the Executive Directors or Chief Executive Officers at all six agencies to obtain a better understanding of the size of the agency and what types of foster children the agency normally placed.

An area of the audit focused on Ohio Admin. Code 5101:2-08(G), dealing with related party transactions, transactions between the agency and its affiliated companies, officers, or family members. We noted significant non-compliance of this section at KARE, which resulted in Findings for Recovery and Questioned Costs in the amount of \$306,382 and other non-compliance issues (see Section II, Private Agencies' Financial Transactions with Related Parties and Questionable Business Practices).

A brief description of each PCPA/PNA reviewed was provided by the Executive Directors of the private agencies and is presented below:

1. **AGAPE**, a PCPA, placed children from nine public children service agencies in the State of Ohio. The agency had approximately 70 children in its care per day, including those in adoption. The characteristics of the foster children were preteens with severe behavior problems which required treatment. Most of the children were placed in these foster care homes as a last resort before the children were institutionalized. The average per diem billed to MCCSA for the care and maintenance of the foster youth was \$61. The agency had a base of 40 foster caregivers. The agency required 36 hours of initial training for its foster caregivers and 35 hours of training for the foster caregivers every year thereafter.
2. **CHOICES**, a PNA, placed children from six public children service agencies in the State of Ohio. The agency had approximately 110 children in its care per day, 85 foster children and 25 children in the independent living program. The characteristics of the foster children were teenagers with few behavior problems which required minimal treatment, and enabled CHOICES to pay a lower per diem to foster caregivers. The average per diem billed to MCCSA for the care and maintenance of the foster youth was \$44. The agency had a base of 50 foster caregivers. The agency required 36 hours of initial training for the foster caregivers and 30 hours of training for the primary foster caregiver and 12 hours of training for the secondary foster caregiver every year thereafter.

¹³ Ohio Admin. Code §5101:2-5-03.

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3. **KARE**, a PNA, placed children from five public children service agencies in the State of Ohio. The agency had approximately 150 children in its care per day including those placed in adoption. The foster children with KARE ranged in age from infant to eighteen years. The teenaged foster children generally exhibited behavioral and/or emotional problems and learning disabilities that required treatment. The average per diem billed to MCCSA for the care and maintenance of the foster youth was \$50. The agency had a base of approximately 150 foster homes. The agency required 42 hours of initial training for it's foster caregivers and 42 hours of training every year thereafter.
4. **OYAP**, a PCPA, is a national corporation that has regional offices in Georgia, Illinois, Indiana, Kansas, Ohio, South Carolina, Washington, D.C., and West Virginia. In Ohio, OYAP, placed children from six public children service agencies and had approximately 490 children in its care per day. OYAP characterized the foster children as having mild to substantial problems, with multiple behaviors. The average per diem billed to MCCSA for the care and maintenance of the foster youth was \$62. The agency had a base of 384 foster caregivers and OYAP continues to actively recruit foster caregivers. The agency required 36 hours of initial training for the foster caregivers and at least 24 hours of training for the foster caregivers every year thereafter. However, if a foster caregiver needed additional training in order to handle a particularly difficult child, OYAP would ensure the foster caregiver received the extra training.
5. **SAFY**, a PCPA, is a national corporation with regional offices in Alabama, Indiana, Kentucky, Missouri, Nevada, Ohio, Oklahoma, South Carolina, and Texas. SAFY's national headquarters is located in Delphos, Ohio. In Ohio, the agency placed children from 46 public children service agencies and had approximately 600 children in its care per day. SAFY characterized the foster children as having special needs and/or mild to severe behaviors. However, the agency rarely received referrals for traditional foster youth from MCCSA because those children were placed by MCCSA within its own network of foster homes. The average per diem billed to MCCSA for the care and maintenance of a foster youth was \$62. The agency had a base of 400 foster caregivers.

The agency required 36 hours of initial training for the foster caregivers and 30 hours of training for the foster caregivers every year thereafter. Recently, SAFY amended their training plan to include 24 hours of ongoing training for each foster caregiver, which became effective January 1, 1999.

6. **YES**, a PNA, placed youth from nine public children service agencies in the state of Ohio. The agency had approximately 70 children in its care per day, including those placed in adoption. YES characterized the foster children as teenagers with behavioral, emotional, and intellectual problems that required treatment. The average per diem billed to MCCSA for the care and maintenance of a foster youth was \$38. YES had a base of 40 foster caregivers. The agency required 36 hours of initial training for it's foster caregivers and 24 hours of training every year thereafter. If the foster caregiver provided therapeutic care for a child, the agency required 45 hours of initial training and 32 hours every year thereafter.

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PCPA/PNAs Executives Annual Salaries for 1997

PCPA/PNA	Exec. Director Salary	Admin. Asst Salary	CFO Salary	TOTAL	Daily Avg. In Placement
CHOICES	\$35,024	\$21,105	\$25,538	\$81,667	110
YES	39,738	n/a	4,214	43,952	70
AGAPE	74,787	96,062	n/a	170,848	70
SAFY	113,844	66,654	62,051	242,549	600
OYAP	68,761	36,800	n/a	105,561	490
KARE (1)	115,492	76,150	66,059	257,700	150
TOTAL	\$447,646	\$296,771	\$157,862	\$902,278	248

(1) See page 25 for additional payments to KARE executives.

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The schedule below presents a comparative summary of key operational data and characteristics of the six PCPA/PNAs we reviewed as part of ODHS performance audit.

Comparative Summary of PCPA/PNAs Reviewed

	AGAPE	CHOICES	KARE	OYAP	SAFY	YES
Number of Children Cared for Per Day	70	110	150	490	600	70
Number of Licensed Foster Homes	40	50	150	384	400	40
Characteristics of Foster Youth Placed by the PCPA/PNA	preteen with severe behaviors	teenagers with moderate behaviors	infant to eighteen with severe behaviors	infant to eighteen with mild to substantial, multiple behaviors	infant to eighteen with special needs and or mild to severe behaviors	teenagers with severe behaviors
Average Per Diem per Youth	\$61	\$44	\$50	\$62	\$62	\$38
Required Training for Foster Caregiver Orientation	36 Hours	36 Hours	42 Hours	36 Hours	30 Hours	36 Hours
Required Annual Training for Foster Caregiver	35 Hours	30 Hours	42 Hours	24 Hours	24 Hours	24 Hours
Number of PCSA Placing Children with PCPA/PNA	9	6	5	6	46	9

SECTION I

Internal Control Weaknesses and Non-Compliance Of the Title IV-E Program

ODHS did not oversee the proper administration of the Title IV-E (Foster Care) Program. Control weaknesses and misunderstanding of program requirements resulted in a \$3,023,923 in federal questioned costs in Montgomery County and three significant areas of noncompliance.

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Audit Results

Compliance with laws, regulations, contracts, and grants applicable to ODHS, MCCSA and the PCPA/PNAs is the responsibility of their management. We considered as part of our performance audit the internal controls in place at ODHS, MCCSA and the PCPA/PNAs. We also tested compliance with applicable laws and regulations. This report describes any fraud, illegal acts or other noncompliance we detected. The report also describes any weaknesses we identified from our consideration of internal control.

I - 1. Overstated Reimbursement Claims Resulted in \$3,023,923 Questioned Costs

ODHS' Bureau of Resource Management (BRM) rate setting methodology included procedures that caused unallowable costs to be added in its calculation of the Title IV-E per diem reimbursement rates for PCPA/PNAs or private agencies. We reviewed the ODHS rate setting methodology and concluded that it did not comply with 42 U.S.C. Section 675 and U. S. Department of Health and Human Services Policy ACYF-PA-82-01, thereby resulting in a systematic overstatement of reimbursement claims.

We recalculated the reimbursement claim for private agencies contracting with MCCSA and identified \$3,023,923 in federal questioned costs that we reported as an audit finding in the state single audit.

ODHS' BRM stated that its methodology was designed to maximize the amount of federal financial participation. Furthermore BRM stated the methodology had been approved by the U.S. Department of Health and Human Services. We met with personnel from U.S. Department of Health and Human Services (HHS) to discuss our proposed audit findings on January 5, 1999. The U.S. Department of Health and Human Services agreed that ODHS' inclusion of unallowable costs in its calculation did not comply with Section 475 of the Social Security Act and U.S. Department of Health and Human Services policy ACYF-PA-82-01. In addition, letters presented by ODHS as evidence of HHS' approval of ODHS' methodology did not in fact represent their approval.

Prior to the conclusion of the performance audit HHS and ODHS held meetings to discuss the audit findings and \$3,023,923 questioned costs we reported in the State of Ohio's single audit for fiscal year ending June 30, 1998.

Per a letter dated April 13, 1999 from the Midwest Hub Regional Administrator for the U.S. Department of Health and Human Services to the ODHS, "we request that you discontinue the practice of including administrative costs in your maintenance payment claim. This practice results in an overstatement of FFP (federal financial participation) of approximately 8 percent. We ask that you make this adjustment for the quarter ended June 30, 1999."

Recommendation: ODHS should take the following three steps to prevent the systematic overstatement of reimbursement claims.

1. Change its rate setting policies and procedures to ensure the proper classification and treatment of all costs reported by PCPA/PNAs on the annual cost report (ODHS Form 2910, and 2909).
2. Obtain written agreement from HHS that ODHS rate setting policies and procedures meet the applicable federal requirements.
3. Perform periodic management review of the rate setting function to ensure continuous compliance.

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The April, 1999 letter from the U.S. Department of Health and Human Services was not the first admonition ODHS had received from that agency regarding overstated federal reimbursement. ODHS failed to take corrective action in response to audit findings reported by the U.S. Department of Health and Human Services, Office of the Inspector General's (IG) report dated March 25, 1994 and titled, "Review of the Title IV-E Foster Care Program Contract Services - Ohio Department of Human Services." The IG reported that "ineligible costs were claimed on cost reports resulting in overstated per diem rates and therefore overstated federal reimbursement."

The IG's report summary stated: "the state agency claimed ineligible costs because it did not have a policy requiring comprehensive desk reviews or field audits of the cost reports. Such reviews were not made to ensure that only eligible expenditures were reported as Title IV-E costs." ODHS responded to the IG report by agreeing to implement comprehensive desk reviews and field audits to ensure only eligible costs were claimed. We followed up on the IG audit finding to determine whether ODHS had effectively implemented the agreed procedures. We found that between 1994 and 1997 ODHS received 459 cost reports and only audited 40.

A summary of cost reports filed and audited by ODHS is presented below:

Year	Cost Reports Filed	Cost Reports Audited by ODHS	% Audited
1994	99	9	9%
1995	117	20	17%
1996	111	11	10%
1997	<u>132</u>	<u>0</u>	0%
Total	<u>459</u>	<u>40</u>	9%

ODHS' failure to effectively implement comprehensive desk reviews and field audits resulted in an unacceptable level of risk that ineligible costs could be reported and Title IV-E reimbursements overstated.

An example of ODHS' failings in this area was an incomplete field audit of Kids Are Really Essential, Inc. (KARE). We found that ODHS began an audit of KARE in February 1998. Although the working papers for that audit contained evidence of questionable expenditures and business practices, the report was not issued on a timely basis. As part of our performance audit, we reviewed expenditures and business practices at KARE without initially being aware of ODHS' incomplete audit. Our review resulted in Findings for Recovery and Questioned Costs of \$306,382 against KARE, Inc. (See Section II, Private Agencies Financial Transactions with Related Parties and Questionable Business Practices).

Recommendation: We recommend ODHS develop and implement an effective process to detect ineligible costs reported for Title IV-E reimbursement. At a minimum, ODHS should consider a comprehensive review of all cost reports and comparison of those cost reports to audited financial statements. Controls could be further enhanced by conducting field audits selected on a sample basis using a risk-based approach.

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I - 2. We Found That There Were No Accounting Systems or Procedures in Place to Ensure the Federal Reimbursement for Foster Care Maintenance Payments Received by the PCPA/PNA was Based on Eligible Foster Care Maintenance Payments Made by the PCPA/PNA to the Foster Caregiver

42 U.S.C. § 675 (4)(a) states:

The term “foster care maintenance payments” means payments to cover the cost of (and the cost of providing) food, clothing, shelter, daily supervision, school supplies, a child’s personal incidentals, liability insurance with respect to a child, and reasonable travel to the child’s home for visitation. In the case of institutional care, such a term shall include the reasonable cost of administration and operation of such institution as are necessarily required to provide the items described in the preceding sentence.

Currently the federal government reimburses 58% of eligible foster care maintenance costs and the county is required to pay 42% of those cost from state or local funds.

We reviewed a sample of the 426 foster care maintenance payments made by the six PCPA/PNAs to the foster parents. We also compared those payments to the related federal foster care maintenance reimbursement. We found that the amounts paid to the foster parents were less than the federal reimbursement in the amount of \$29,609, and less in the amount of \$142,217 for the county’s required participation of the foster care maintenance.

As a result \$171,826 that should have been paid to cover the cost of maintaining the children in the foster homes was spent for administration or other purposes. Failure to correctly classify program costs and meet federal matching requirements could result in federal questioned costs and have an adverse affect on program funding.

Recommendation: ODHS should establish accounting policies and procedures that ensure the following:

1. Program costs are properly classified
2. Foster care maintenance reimbursement requests are based on eligible foster care maintenance costs
3. Counties meet the federal matching requirements for federal reimbursements
4. Foster care children receive the full benefit of foster care maintenance payments as intended under 42 U.S.C. § 675 (4)(a)

Once established these accounting policies and procedures should be promulgated by rule. ODHS must then establish a system of monitoring controls to ensure continuous compliance.

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I - 3. Title IV-E Foster Care Maintenance Funds Were Paid for Children Placed and Maintained in Uncertified Family Foster Home

Between May 5, 1996 and August 22, 1996 KARE, a PNA serving MCCSA, placed nine children in an unlicensed home, six of whom received Title IV-E foster care maintenance in the amount of \$6,793 during that period. The foster home certificate lapsed on May 5, 1996 and the home was not recertified until August 22, 1996.

Since certification of foster care homes is critical to the process of placing children in the appropriate settings we informed ODHS about KARE's noncompliant placements. ODHS responded that it was not a rule violation to maintain foster children in an uncertified home.

ODHS stated it would be a rule violation only if new children were placed in the uncertified home. We disagree with ODHS' response. Ohio Admin. Code Section 5101:2-47-16 (A)¹⁴ states "foster care maintenance (FCM) payments may only be made if the eligible child is placed in one of the following placement settings which is licensed/certified/approved, as appropriate, by the Ohio department of human services or another state agency with such licensure/certification/approval authority."

We also found that six new Title IV-E eligible children were placed in the home after the certificate expired (lapsed) causing violation of Ohio Admin. Code Section 5101:2-5-32(A) which states "an agency shall place a foster child in a family foster home only when the agency and the foster caregiver are in compliance with the provisions of Chapters 5101:2-5 and 5101:2-7 of the Administrative Code".

Recommendation: ODHS should establish policies and procedures to ensure the following:

1. ODHS closely monitors the certification status of foster homes and notifies the PCSA when certifications expire or are revoked.
2. The PCSA upon notification from ODHS will place children in an appropriate setting that complies with all applicable rules and regulations.
3. The PCPA/PNA will notify ODHS and the PCSA of any changes to the certification status of any home for which the PCPA/PNA is the recommending agency.
4. ODHS should establish a system of monitoring controls to ensure continuous compliance.

¹⁴ This rule was amended effective 5-14-98, and applicable requirements appear in Ohio Admin. Code Section 5101:2-47-16 (A). The amendment did not substantively affect the audit results.

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I - 4. ODHS' Accounting Systems and Procedures for Processing Title IV-E Reimbursement Did Not Provide Sufficient Information to Monitor Reimbursement of Foster Care Maintenance Costs.

ODHS was unable to accurately determine the total amount of reimbursement paid from the federal government for each PCPA/PNA's cost. In processing the reimbursement ODHS does not summarize payment information by PCPA/PNA, thereby preventing ODHS from efficiently summarizing reimbursements. In addition, ODHS writes over the tape of the prior month's payment detail. There is one manual copy of each warrant journal but back up documentation was not sufficient. Having accurate and timely financial information about reimbursements for each PCPA/PNA would enhance ODHS' ability to plan, monitor, and control the foster care program.

Recommendation: ODHS should establish accounting systems and procedures that provide accountability and management better information for planning, monitoring, and controlling the foster care program. Also data should be backed up and maintained off site to guard against the loss of information, should the computer system malfunction.

SECTION II

Private Agencies' Financial Transactions with Related Parties and Questionable Business Practices

Private agency's (KARE) financial self dealing and questionable business practices undermined the integrity of the system and resulted in \$306,382 in Findings for Recovery and Questioned Costs.

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II - 1. Kids Are Really Essential, Inc. (KARE): Findings for Recovery and Questioned Costs

The Auditor of State reviewed the financial and administrative records of Kids Are Really Essential, Inc. (KARE) for the period July 1, 1997 through June 30, 1998 when it was a service provider to MCCSA..

KARE is an Ohio not-for-profit corporation, designated by the Ohio Department of Human Services as a private noncustodial agency (PNA), pursuant to and defined in section 2151.011 (A)(4) of the Ohio Rev. Code and Ohio Admin. Code Section 5101:2-1-01. KARE employed Annette Smith as its executive director and her husband Wilbur Carter as its financial officer, pursuant to employment contracts executed September 1995 and effective by their terms from October 1, 1995 through September 30, 2005. KARE is funded solely through public sources.

Our review disclosed the existence of numerous transactions between KARE and a second company, D&W Services, Inc. (D&W), which we further examined in light of administrative code rules governing private agencies such as KARE, and Ohio case law governing the use of public funds.

D&W is an Ohio for-profit corporation incorporated on November 22, 1993, by Wilbur Carter and Annette Smith for the stated purpose of providing support services, including training, rental, custodial services and such services as deemed necessary to businesses. Both Annette Smith and Mr. Carter served as directors and incorporators of D&W with an equal number of stock shares.

We found that activities of the following individuals were relevant to our inquiry:

Annette Smith, Executive Director of KARE and Director of D&W Services, Inc. (D&W), wife of Wilbur Carter

Wilbur Carter, Financial Officer of KARE and Director of D&W, husband of Annette Smith

Sherron Wester, Administrative Assistant at KARE and daughter of Annette Smith

Floyd Wester, Employed by D&W for training and custodial service while employed at MCCSA as a caseworker, and son-in-law to Annette Smith

Ebony Wester, Employed by D&W and grand-daughter of Annette Smith

John Oliver, Employed by D&W to provide maintenance management service and KARE Board Member

On April 2, 1995, KARE entered into two separate four-year contracts to purchase services from D&W. A personal services contract specified that KARE would purchase transportation, training, budget, and bookkeeping services. An independent living management service contract provided that KARE would purchase services in connection with its independent living program. With the exception of minimal cleaning services provided to other businesses, D&W provided services exclusively to KARE.

As a PNA, KARE is subject to Ohio Admin. Code provisions governing its operations and its use of public funds. See generally, Ohio Admin. Code Section 5101:2-5-08. Specifically, Ohio Admin. Code Section 5101:2-5-08(G) states:

“A PCPA or PNA shall not permit public funds to be paid or committed to be paid to any

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corporation, firm, association or business in which any of the members of the governing body of the agency, the executive personnel or their immediate families have any direct or indirect financial interest, or in which any of these persons serve as an officer or employee, unless the services or goods involved are provided at a competitive cost or under terms favorable to the PCPA or PNA. The PCPA or PNA shall make written disclosure, in the minutes of the board, of any financial transaction of the PCPA or PNA in which a member of the board or his/her immediate family is involved.”

Specifically we found the following:

1. During the period of July through December 1997, KARE made per diem payments to foster parents from Title IV-E funds to compensate them for maintenance costs including, but not limited to, food, clothing and shelter costs, which they had incurred by caring for foster children. Although the per diem payments were in amounts sufficient to permit the foster parents to pay for all of, or a significant portion of, reasonable monthly housing costs, during this period KARE made lease payments either directly to the property owners or to D&W in the total amount of \$31,314 on behalf of these foster parents. KARE then instructed the foster parents to whom it had paid the per diem that they had to reimburse KARE for the rental payments made on their behalf.

Although Annette Smith, as executive director of KARE, personally collected the rental payments in cash from the foster parents to be credited to KARE as a reimbursement for the \$31,314 expended on their behalf, she failed to remit these payments to KARE. During our audit, we provided Ms. Smith with the opportunity to provide evidence that the \$31,314 in cash that she collected was in fact remitted to KARE. Though Ms. Smith said that she had such evidence and would provide it to us, no such documentation was ever provided.

By devising a method by which KARE appeared to be appropriately paying for the costs of housing foster children but which systematically channeled public funds to herself for her personal use, Ms. Smith essentially transferred public funds from KARE’s checking account into her own. This outlay of cash provided no prospective benefit to the facility or programs but did provide an indirect financial interest to the executive director. Accordingly, we find the above-described transactions constitute a violation of Ohio Admin. Code Section 5101:2-5-08(G). **A Finding for recovery is therefore made in the amount \$31,314.**

2. D&W submitted invoices to KARE and received payment from KARE for reported expenditures of \$39,600 to provide KARE with development and management services associated with training, bookkeeping and budgeting. Wilbur Carter maintained these services had been personally provided by himself during a time period when he was also employed by KARE. Based on his job description and statements he made during an interview with a state investigator, Wilbur Carter was responsible for budgeting, bookkeeping, and training. Documentation was not provided to support that D&W had provided the services for which it billed KARE. Even if such documentation had been submitted, it appears that the aforementioned services provided by D&W were a duplication of those being provided by Mr. Carter in his capacity as KARE financial officer. Under the circumstances, we found no credible evidence that D&W, a related party, had provided services to KARE which were either at a competitive cost or under terms favorable to KARE. Accordingly, we find the above-described transactions constitute a violation of Ohio Admin. Code Section 5101:2-5-08(G). **A Finding for recovery is therefore made in the amount \$39,600.**

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3. D&W submitted invoices to KARE and received payment from KARE for reported expenditures of \$5,989 for clerical services it said were provided by Ebony Wester, granddaughter of Annette Smith. Documentation was not provided to support that the services for which D&W billed KARE were in fact performed. Under the circumstances, we found no credible evidence that D&W, a related party, had provided services to KARE which were either at a competitive cost or under terms favorable to KARE. Accordingly, we find the above-described transactions constitute a violation of Ohio Admin. Code Section 5101:2-5-08(G). **A Finding for recovery is therefore made in the amount \$5,989.**
4. D&W submitted invoices to KARE and received payment from KARE for reported expenditures of \$21,061 for youth transportation services without providing documentation to support the services were performed. A detailed invoice for all transportation services provided was required but not provided in violation of the Personal Services Contract, Paragraph 3, which states: "The Provider shall provide the Purchaser with a detailed invoice for all transportation services which are provided." Under the circumstances, we found no credible evidence that D&W, a related party, had provided services to KARE which were either at a competitive cost or under terms favorable to KARE. Accordingly, we find the above-described transactions constitute a violation of Ohio Admin. Code Section 5101:2-5-08(G). **A Finding for recovery is therefore made in the amount of \$21,061.**
5. D&W submitted invoices to KARE and received payment from KARE for reported expenditures of \$7,855 for rental of apartments for the period of July 1997 through December 1997. D&W entered into a lease agreement with various lessors or property owners and then subleased the properties to KARE. The properties were then occupied by KARE's foster caregivers. The foster caregivers paid their rent to Annette Smith, as executive director of KARE, usually in cash from public funds they received for foster care. D&W billed KARE for the payments made to the lessors or property owner. D&W billed KARE \$7,855 in excess of the amount paid to lessors or property owners. Due to the excess billing of \$7,855, the terms of the agreement were no longer competitive nor favorable to KARE. (KARE was billed and paid \$31,870 for apartment rents, D&W paid apartment rents of \$24,015, thus overcharged KARE by \$7,855.) Under the circumstances, we found no credible evidence that D&W, a related party, had provided services to KARE which were either at a competitive cost or under terms favorable to KARE. Accordingly, we find the above-described transactions constitute a violation of Ohio Admin. Code Section 5101:2-5-08(G). **A Finding for recovery is therefore made in the amount of \$7,855.**
6. D&W submitted invoices to KARE and received payment from KARE, in the amount of \$15,312 for custodial services it said were provided by Floyd Wester, Annette Smith's son-in-law, without providing documentation to support that the custodial services were in fact performed. D&W did not issue Floyd Wester a W-2 nor a 1099 for 1997, but a 1099 was issued for 1998. Under the circumstances, we found no credible evidence that D&W, a related party, had provided services to KARE which were either at a competitive cost or under terms favorable to KARE. Accordingly, we find the above-described transactions constitute a violation of Ohio Admin. Code Section 5101:2-5-08(G). **A Finding for recovery is therefore made in the amount of \$15,312.**

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7. D&W submitted invoices to KARE and received payment from KARE for management services in the total amount of \$8,661 it said were provided by KARE financial officer Wilbur Carter and KARE board member John Oliver, without providing documentation to support that the services were in fact performed. Specifically, KARE was billed for and paid \$4,450 for management maintenance services and \$4,211 for management or administrative fees. Under the circumstances, we found no credible evidence that D&W, a related party, had provided services to KARE which were either at a competitive cost or under terms favorable to KARE. Accordingly, we find the above-described transactions constitute a violation of Ohio Admin. Code Section 5101:2-5-08(G). **A Finding for recovery is therefore made in the amount of \$8,661.**

8. D&W submitted invoices to KARE and received payment from KARE in the amount of \$12,065 for group home related expenses without providing documentation to support the services were in fact performed. Also, Joyce Derrick, a Case Aide for KARE's group home, was paid from D&W's petty cash fund and D&W was reimbursed for this expense by KARE. D&W issued neither a W-2 nor a 1099 for 1997 to Joyce Derrick, but did issue a 1099 for 1998. Under the circumstances, we found no credible evidence that D&W, a related party, had provided services to KARE which were either at a competitive cost or under terms favorable to KARE. Accordingly, we find the above-described transactions constitute a violation of Ohio Admin. Code Section 5101:2-5-08(G). **A Finding for recovery is therefore made in the amount of \$12,065.**

9. D&W submitted invoices to KARE and received payment from KARE in the amount of \$7,000 for independent living management (ILM) services it said Annette Smith performed without providing documentation to support that the services were in fact performed. Furthermore, these ILM services were said to be performed by Annette Smith during a period when she stated she believed that she was on-call to provide services for KARE 24-hours a day under her contract as executive director of KARE. Under the circumstances, we found no credible evidence that D&W, a related party, had provided services to KARE which were either at a competitive cost or under terms favorable to KARE. Accordingly, we find the above-described transactions constitute a violation of Ohio Admin. Code Section 5101:2-5-08(G). **A Finding for recovery is therefore made in the amount \$7,000.**

10. D&W submitted invoices to KARE and received payment from KARE in the amount of \$4,987 for supplies and management services it said were provided by Sherron Wester, Annette Smith's daughter and employee of KARE. D&W billed KARE \$1,202 for management services without providing documentation to support that management services were in fact performed. D&W billed KARE \$3,785 for supplies it said were purchased by Ms. Wester and provided receipts documenting the expenditures in the amount of \$3,251 for an excess amount of \$534. D&W did not issue a W-2 nor a 1099 for 1997 to Sherron Wester, but she was issued a W-2 for 1998.

Under the circumstances, we found no credible evidence that D&W, a related party, had provided goods and services to KARE which were either at a competitive cost or under terms favorable to KARE. Accordingly, we find the above-described transactions constitute a violation of Ohio Admin. Code Section 5101:2-5-08(G). **A Finding for recovery is therefore made in the amount of \$1,736.**

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11. D&W submitted invoices to KARE and received payment from KARE in the total amount of \$ 3,594 for lawn services. D&W in some instances, and Annette Smith personally in others, entered into lease agreements with various lessors or property owners and then maintained the lawns at the properties leased to KARE's foster caregivers in addition to the KARE properties. Invoices were submitted by D&W and paid by KARE for lawn services performed at KARE properties, without documentation to support the services were performed. Under the circumstances, we found no credible evidence that D&W, a related party, had provided services to KARE which were either at a competitive cost or under terms favorable to KARE. Accordingly, we find the above-described transactions constitute a violation of Ohio Admin. Code Section 5101:2-5-08(G), and were therefore an unlawful expenditure of public funds. **A Finding for recovery is therefore made in the amount \$3,594.**
12. KARE expended public monies in the total amount of \$1,761 to pay property taxes on parcels personally owned by Annette Smith and/or Wilbur Carter. D&W improperly submitted invoices to KARE and received payment from KARE in the total amount of \$1,138 for property taxes due on 3980 Philadelphia Drive, parcel number E20-190-11-0001, and a vacant lot adjacent to 8012 North Main Street, parcel number M59-032-10-0064, both owned by Annette Smith and/or Wilbur Carter. Likewise, KARE issued checks in the total amount of \$623 to pay property taxes for these properties. Under the circumstances, this outlay of cash provided no prospective benefit to the facility or programs but did provide an indirect financial interest to the executive director and financial officer of KARE. Accordingly, we find the above-described transactions constitute a violation of Ohio Admin. Code Section 5101:2-5-08(G). **A Finding for Recovery is therefore made in the amount of \$1,761.**
13. D&W submitted invoices to KARE, and received payment from KARE in the total amount of \$ 29,032 for maintenance services. D&W in some instances, and Annette Smith personally in others, entered into lease agreements with various lessors or property owners and then performed ongoing maintenance at the properties leased to KARE's foster caregivers in addition to the KARE properties. Under the circumstances, we found no credible evidence that D&W, a related party, had provided services to KARE which were either at a competitive cost or under terms favorable to KARE. Accordingly, we find the above-described transactions constitute a violation of Ohio Admin. Code Section 5101:2-5-08(G), and were therefore an unlawful expenditure of public funds.

Furthermore, Ohio Administrative Code Rule 5101:2-7-02(D) requires a foster caregiver to have an "income sufficient to meet the basic needs of the household and to make timely payment of shelter costs, utility bills, and other debts." Through these transactions, KARE paid expenses expected to be paid by the foster caregiver. **A Finding for recovery is therefore made in the amount \$29,032.**

14. D&W submitted invoices to KARE and received payment from KARE for \$904 in excess of the total amount billed to KARE per the monthly invoices for the personal services contract. D&W did not provide documentation or services to support the expenditure of funds. Under the circumstances, we found no credible evidence that D&W, a related party, had provided services to KARE which were either at a competitive cost or under terms favorable to KARE. Accordingly, we find the above-described transactions constitute a violation of Ohio Admin. Code Section 5101:2-5-08(G) **A Finding for recovery is therefore made in the amount of \$904.**

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15. On November 2, 1994, KARE purchased a piece of real property at 3453 W. Siebenthaler Avenue, Dayton, for \$ 150,000 to be the site of its administrative offices. KARE entered a mortgage agreement with a mortgage lender, under which it became obligated to make monthly payments of \$2,215. Subsequently, Annette Smith purchased the Siebenthaler property from KARE and on September 28, 1995, entered a lease agreement with KARE, under which KARE became obligated to pay Ms. Smith \$5,000 per month in rental payments, to occupy the same premises. Specifically, for the period of October 1995 through April 1999, Ms. Smith, in her capacity as executive director of KARE, authorized total payments of \$215,000 to herself in lease payments for the Siebenthaler property. Had the unnecessary sale and lease back of the property not occurred, and had KARE continued to occupy these premises as the owner and continued to make payments under the original mortgage agreement, its total payments would have been only \$95,252. By leasing the property from Ms. Smith, KARE paid an additional \$119,748 to occupy the same premises. Under the circumstances, we found no credible evidence that Annette Smith, a related party, had provided services to KARE which were either at a competitive cost or under terms favorable to KARE. Accordingly, we find the above-described transactions constitute a violation of Ohio Admin. Code Section 5101:2-5-08(G) **A Finding for recovery is therefore made in the amount of \$119,748.**

Findings for Recovery

In accordance with the facts stated above in paragraphs 1 through 15, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against KARE; Annette Smith as executive director of KARE and director of D&W; Wilbur H. Carter, an employee of KARE and president of D&W; and KARE's professional liability coverage carrier Scottsdale Insurance Company, jointly and severally, in favor of Montgomery County Children Services Agency in the amount of **\$305,632.**

Federal Questioned Costs

Annette Smith as the executive director of KARE improperly signed two checks payable to cash for the total amount of \$750 and did not provide documentation to support the expenditure of funds. Check No. 8499 dated 12/22/97 in the amount of \$300 was issued, signed and cashed by Annette Smith. Also a bank counter check dated 11/17/97 in the amount of \$450 was written, signed and cashed by Annette Smith. Annette Smith stated the expenditures were used for monetary gifts to foster children at Christmas and a weekly allowance to a foster child in the independent living program. KARE's funding is entirely from public sources, and documentation was not provided to support the expenditures of public funds. Under the circumstances, this outlay of cash provided no prospective benefit to the facility or programs. **This is an undocumented questioned costs in the amount of \$750.**

The amounts reported as items 1-15 as findings for recovery total \$305,632. These items are also classified and reported as federal questioned costs. The \$305,632 questioned cost combined with the \$750 questioned cost described in the preceding paragraph brings the total questioned cost identified in this audit to \$306,382.

Recommendation: We recommend that through contractual agreement with the PCSA all PCPA/PNA be required to maintain sufficient records and such other documentation necessary to support program related expenditures and demonstrate compliance with applicable federal and state laws and regulations. In addition, Board approval for all transactions with related parties should be documented in the Board minutes.

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Supplemental Information

Table 1: 1997 Payment to KARE Management

KARE Employee	1997 KARE Salary	1997 Office Rent Received	1997 Group Home Rent Received	1997 D&W Services	Total Payment to KARE Management for 1997
Annette Smith, Executive Director	\$115,492	\$60,000	\$14,300	\$0	\$189,792
Wilbur Carter, Financial Officer	66,058	0	0	197,647	263,705
Sherron Wester, Administrative Assistant	76,150	0	0	0	76,150
Total	\$257,700	\$60,000	\$14,300	\$197,647	\$529,647

Note: The amounts represent total payments made to KARE's management staff including salaries from KARE and related party transactions. D&W Services include salaries of \$29,334 to Annette Smith, \$29,334 to Wilbur Carter, \$9,708 to John Oliver, \$1,305 to Ebony Wester and other employees for which W-2s or 1099s were issued. D&W Services also paid Sherron Wester \$4,385 and Floyd Wester \$15,312 but did not issue W-2s or 1099s.

II - 2. Potential Conflicts of Interest Existed When MCCSA Employees Held Second Jobs With Private Agencies

We found four MCCSA employees holding second jobs with private agencies that placed foster children for MCCSA. Employee A was employed as a typist at MCCSA and an account clerk at YES. Employee B was employed as a cottage monitor at MCCSA and a case aide at KARE. Employee C was employed as a caseworker at MCCSA and a case manager at the KARE group home.

Employee D was employed as a caseworker at MCCSA while performing janitorial duties at KARE and providing CPR training to foster care givers as an employee of D&W Services, Inc. Employee D was related to KARE's senior management through marriage and performed duties at MCCSA that could be a conflict of interest. Employee D signed the individual child care agreements as an employee of MCCSA. Documentation at MCCSA was not sufficient to determine if any other PCPA/PNAs were considered when these placements were made with KARE.

Recommendation: MCCSA should strengthen its policy regarding outside employment. MCCSA should require employees to submit annual disclosure statements that provide sufficient information to monitor any outside employment, activities, or relationships that could potentially create a conflict of interest. In addition, MCCSA should ensure the private agencies that place MCCSA's children are aware of its policy.

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II - 3. Unreasonable Costs Paid for Empty Beds

KARE paid an average of \$6,100 per month to approximately eight foster homes with an occupancy of five beds for maintaining beds regardless of the number of foster youth placed in the home. KARE was not reimbursed by MCCSA for the payments made to the emergency family foster homes outside of the policy stated below.

Pursuant to its Missing and AWOL Children policy 02.004.00 I (E), MCCSA was authorized to pay a PCPA/PNA for an empty bed for a minimum of five days and a maximum of 14 days with the manager's approval and supportive rationale, if a youth who had previously been placed in the agency's foster home, went AWOL or was admitted to a medical or treatment facility. The rationale was to include, but not be limited to: "1) Benefit to the child that child be returned to the placement upon return. 2) Information about any contractual agreement between the foster home and institutional care facility and the agency [MCCSA] about when there are unplanned absences at the point of the initial placement. 3) Efforts to negotiate the reservation of the placement at no cost to the agency [MCCSA] or at a reduced fee."

The empty beds were to be used for emergency placements per KARE. For example, if the homes maintaining the emergency bed got a call from the agency to place a child, the foster caregiver was required to take the child with little or no notice. Also, the per diem paid for maintaining an empty bed was approximately \$40 which was more than the per diem paid to foster caregivers with children, which ranged from \$23 to \$33.

The Special Investigations Department of the Auditor of State's Office interviewed two foster caregivers who received payment for five placements regardless of the number of children placed in the home. The two foster caregivers stated that they were licensed to have five beds in their home and were paid a flat rate per month by KARE regardless of how many children they had. The foster caregivers stated they were paid \$3,000 on the first and the sixteenth of each month. They stated they made cash payments to Annette Smith for rent, utilities, maintenance, cable, phone. The bills for the services do not come to their home but they could go look at them at KARE's administrative office.

They stated the monthly amount paid to Ms. Smith was about \$1,000 for utilities, maintenance, cable, phone, and \$750 for rent. Ms. Smith collected rents but did not deposit the funds with KARE, in the amount of \$31,314, (see Section II, Kids Are Really Essential, Inc. (KARE): Findings for Recovery and Questioned Costs). This indicates that public funds were used as a retainer to caregivers who maintained a space for emergency placements, instead of the needs of the foster youth cared for by the agency.

Recommendation: We recommend a contractual relationship should be established between MCCSA and the PCPA/PNA which limits its use of monies to its intended purpose and in accordance with MCCSA's policies.

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II - 4. Failure to Report Income and Withhold Federal Taxes

26 C.F.R. Section 1.6041-2 (1978) provides that wages, as defined in 26 U.S.C. Section 3401(a), are to be reported on a form W-2, or “all other payments of compensation” are to be reported on a form 1099. 26 U.S.C. Section 3402 (a) (1) generally provides “every employer making payment of wages shall deduct and withhold upon such wages as determined in accordance with the tables or computational procedures prescribed by the Secretary of the Treasury.”

KARE and Agape provided vehicles to employees for personal and agency transportation in lieu of mileage reimbursement and did not show the value of the fringe benefit on the W-2 of the employee contrary to 26 C.F.R. Section 1.6041-2 (1978). The agencies also did not withhold the Medicare and Social Security taxes on the value of the fringe benefit.

D&W Services, Inc. which provided services to KARE, employed KARE personnel and others to provide the services, but did not issue W-2s nor 1099's to several individuals who performed these services, including members of the owners' immediate family.

Failure to comply with IRS rules and regulations that govern wage reporting and tax deductions could result in substantial interest and penalties and increase administrative costs to the agency.

Recommendation: KARE and Agape should immediately comply with IRS rules that govern wage reporting and tax deduction. In addition, MCCSA should include compliance with IRS rules and regulations as a requirement in any contracts it creates with PCPA/PNAs, since any disruption of the PCPA/PNAs operation would affect MCCSA.

II - 5. Segregation of Duties

Proper segregation of incompatible duties is an underlying principle of establishing internal control. Incompatible duties exist when an individual is in the position of being able to commit fraud, misappropriate funds and conceal it. YES had only one person receiving checks, recording the deposits, and reconciling the deposits to the bank statements. Agape, CHOICES, and YES had individuals who were the authorized signers for the agency and signed their own paycheck, without review by a supervisor, the Executive Director or the Board. The Executive Director at KARE authorized payments of her own expenditures, such as reimbursements for foster youth gifts and purchases on company credit cards.

The agencies are at risk of potential fraud and embezzlement occurring without being detected due to the lack of supervisory or overview controls.

Recommendation: We recommend that the agencies improve internal controls by segregating duties of authorization, custody, and recording and implementing supervisory reviews. We recommend that any check payable to the Executive Director or authorized signers, be authorized/approved or reviewed by a board member or supervisor.

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II - 6. Agency Credit Cards

Improper segregation of duties increases the risk of fraud and the possibility of embezzlement could occur and not be detected.

KARE had two credit cards used by the Executive Director and the Financial Officer, her husband. Payments for these credit cards were authorized by the users. The check issued to pay the credit card company was authorized by the Executive Director. The lack of segregation of duties created a potential opportunity for fraud or misappropriation of funds with limited chance of detection and KARE received approximately 100% of its revenue from various public children service agencies.

For example, the lawn care services for KARE were provided by D&W according to the invoices. D&W was owned by the Executive Director and her husband. There would seem to be no reason for KARE to purchase a hedge trimmer, but a gas hedge trimmer and gas can were purchased by the Executive Director's husband using a KARE company credit card.

Recommendation: We recommend the Board review all credit card expenditures by the Executive Director and the Financial Officer, along with other related party transactions and note the approval of such expenditures in the minutes to avoid the appearance of a conflict of interest.

II - 7. The Board Retroactively Approved Health and Life Insurance Benefits for the Executive Director During the Audit

Medical expenses paid by KARE on behalf of the Executive Director exceed the benefit amount due under her contract and the KARE employee policy manual. The employee policy manual states the corporation will pay 50% of health insurance costs for employees.

We found that KARE paid medical expense on behalf of the Executive Director that exceeded her entitled benefit by \$1,683 without approval of the Board. According to the Executive Director the additional benefits were approved by the Board but not recorded in the minutes. During the course of the audit the Board retroactively approved the expenditures.

One board member John Oliver, was a related party as an employee of D&W which is owned by Annette Smith and Wilbur Carter. The family, employee and financial relationships of the board member could impair the ability of the board to provide independent oversight of KARE's operations and management.

Recommendation: ODHS should evaluate the impact of the KARE Board of Directors, family and financial relationships on its independence and ability to provide oversight in terms of both fact and perception. ODHS should consider promulgating and enforcing rules that will require the governing boards of the agencies it licenses to be independent from management in both fact and perception and/or allow the public agency to appoint a representative to the board.

SECTION III

Risks Prior to Foster Care

Prevention and protection efforts must be strengthened to protect children prior to their removal from unsafe environments and placement in foster care since current efforts left children at risk.

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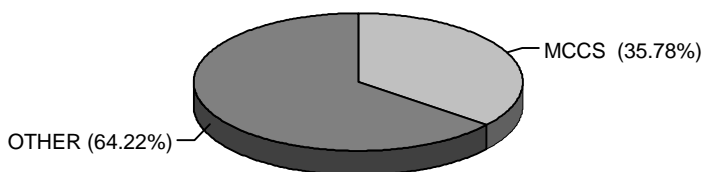
III - 1. Investigation and Risk Assessment

Removal of children from the care of their parents or guardians is the most extreme measure used in the protection of children. It is considered when there is imminent danger to the child's life and health and other measures have failed to provide sufficient protection or the emergent nature of the situation precluded services to reduce the risk of danger to the child.

Sixty-four percent of the 221 children in the cases reviewed were removed from their homes after the referral of an outside agency, such as law enforcement personnel, educators, mental health or medical professionals, child care providers and social service providers who are required to personally report suspected abuse or neglect. This was true even for cases in which the parent acknowledged use of drugs and alcohol or had requested support services from MCCSA in the past.

In 47% of all the cases reviewed, MCCSA had received prior referrals. These statistics could indicate a need for MCCSA to review the design and operation of its investigation and risk assessment processes.

Initiation of Referral



Other agencies include mandated reporters such as law enforcement personnel, educators, mental health or medical professionals, child care providers and social service providers.

Prior to the enactment of the Adoption and Safe Families Act of 1997¹⁵, the applicable laws stressed reunification or non-removal of the child from their home, through family-focused casework practice with an emphasis on child safety, permanency, and child and family well-being. The passage of this legislation emphasized “the child’s health and safety must be the paramount concern in determining reasonable efforts to preserve or reunify families that have abused or neglected their children.”¹⁶ The legislation is intended to help break the generational cycle of abuse and neglect.

Recommendation: MCCSA should objectively review its investigation and risk assessment processes to ensure they are adequately designed and operating effectively to ensure the safety and protection of children.

¹⁵ 42 U.S.C. Sections 673(b), 678, 679(b)

¹⁶ The New York State Citizens' Coalition for Children, Inc. (CCC) (1997) Rev. 8/20/98, A Summary of the Adoption and Safe Families Act of 1997

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III - 2. Substance Abuse

Seventy-eight percent of the cases in our sample involved drugs and/or alcohol use by the parent or adult in the household. In many instances the substance abuse was acknowledged by the caseworker and documented in the case record. Children were maintained in the family setting even though there was knowledge and documentation of substance abuse. Families with substance abuse issues had a high potential for repeated placement in foster care. Also see the Alcohol and Drug Abuse section of Appendix B, Environmental Factors.

A two-year study of child abuse and neglect, conducted by the National Center on Addiction and Substance Abuse at Columbia University concluded, "the urgent need for substantial increases in funding for treatment and health care for substance abusing parents and their children. Where the only hope of reconstituting the natural family for the abused child rests in comprehensive treatment for the parent, it is inexcusable and a cruel Catch-22 not to make such treatment available."¹⁷

Treatment programs are available in Ohio, but delays in admission may interfere with their effectiveness and getting the dependent person to be willing to enter into treatment may be the problem. The waiting period to enter a substance abuse rehabilitation program in Montgomery County was an average of two to four weeks for outpatient and two to six weeks for inpatient treatment through CrisisCare, an assessment and referral service used by most of the ten major public-funded treatment centers in Montgomery County. The assessment appointment could be obtained within one week, unless the person was an intravenous drug user or a pregnant woman, for which services were prioritized.¹⁸

Ohio Revised Code Section 3793.051, effective March 19, 1999 requires the Departments of Alcohol and Drug Addictions Services and Human Services to establish a joint plan to improve accessibility and timeliness of alcohol and drug addiction services for certain persons identified by public children services agencies.

According to the case records and discussions with MCCSA personnel, parents of the children who wanted help with their substance abuse were likely to change their minds or attitudes about drug or alcohol rehabilitation prior to the assessment or admission to a treatment center.

Access to a day treatment or an emergency shelter with a substance abuse rehabilitation facility which could provide immediate services and a safe and drug free environment, would improve the chances of drug rehabilitation when desired or requested, according to the Director of the Center for Alcoholism & Drug Addiction Services (CADAS) of the Montgomery County Combined Health District.¹⁹

¹⁷ The National Center on Addiction and Substance Abuse at Columbia University (1999), No Safe Haven: Children of Substance-Abusing Parents, Foreword, i.

¹⁸ Interview with Thomas W. Arnold, Director of Center for Alcoholism & Drug Addiction Services, (CADAS) (2/18/99)

¹⁹ Interview with Thomas W. Arnold, Director of Center for Alcoholism & Drug Addiction Services, (CADAS) (2/18/99)

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Recommendation: Drug and alcohol use affects the whole family. Treatment and counseling should be made available, when needed, to reduce the risk of repeated use or relapse by the parent and future abuse by the children. Follow up services are essential to have any reasonable hope of continued sobriety.

“The National Center for Addiction and Substance Abuse conducted case studies to identify innovations in the child welfare agencies and courts:²⁰

- Connecticut’s Project Safe, developed by the State Department of Children and Families, contracted with managed care to allow immediate access to assessment, testing and priority treatment.
- Sacramento County’s Alcohol and Other Drug Training Initiative, a department wide program to train caseworkers in substance abuse.
- Family and Parent Drug Courts in, Reno, Nevada; Pensacola, Florida; and Suffolk County, New York, provide for treatment and increased social services in exchange for a parental commitment to stop alcohol and drug use, submit to random drug testing and regular meetings with the judge.
- New Jersey Division of Youth and Family Services’ pairs certified addiction counselors and home visitors, who are paraprofessionals in recovery, with caseworkers to identify parental substance abuse and provide treatment.”

A referral and follow up with the parent and the other agencies within the community, or a multi-agency diversion team approach would provide assistance to address the immediate needs such as housing or payment of the utility bills and long term needs such as mental health assessment or attainment of a formal education. The immediate assistance and follow up with other agencies to monitor the progress, may help eliminate the need for removal of the child from its family setting.

In 1995 MCCSA implemented the Diversion Team as part of its Family Stability Program. The Diversion Team used a multi-disciplinary team approach collaborating with different agencies in the community to assess risk and develop service plans to help prevent “out of home placement.” MCCSA should consider expanding the program if it is found to be successful based on clearly defined performance measures and outcomes.

III - 3. Families in the Foster Care Cycle

The parent was involved with the foster care system as a child in 33% of the case records reviewed at MCCSA. Because of abuse and/or neglect suffered as a child, the adult may be more likely to be at risk of being an “abusive” parent and may not have learned or developed the skills or the emotional ties needed to be a parent.

²⁰ The National Center on Addiction and Substance Abuse at Columbia University (1999), No Safe Haven: Children of Substance-Abusing Parents, Foreword, iii.

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“Child Welfare Out of Control, Task Force Says System Called Damaging to Families” per the *Detroit Free Press*, January 15, 1993, the article notes the national studies have shown that compared to the general U.S. population adults who spent part of their childhood in foster care are:

- 10 times more likely to be homeless.
- 8 times more likely to be in a mental facility.
- 6 times more likely to be jailed or in prison
- 5 times more likely to be on welfare
- 3 times more likely to be high school dropouts “

The results were supported by the 1996 Intake Study conducted by the Office of Management Information Systems Bureau of Research, May 1998 from the Ohio Department of Rehabilitation and Correction Prison System:

- One in fifteen, 6.7% of the sample, had indications of being physically abused at some point during their first 18 years. The percentage of abuse was almost five times as high among the females (at 11.6%) as it was among the males at (6%).
- One in twenty, 4.9% of the sample, had indications of being sexually abused at some point during their first 18 years. The percentage of abuse was almost twice as high among the females at (15.1%) as it was among the males at (3.4%).
- About 15% of the males and 10% of the females had at least one placement in foster-care, treatment centers, diversion programs or detention as a juvenile.

In 1997 Congress passed the Adoption and Safe Families Act of 1997.²¹ The intent of the legislation was to place emphasis on the protection of the child rather than keeping dysfunctional families together and to help break the generational cycle of abuse and neglect.

Recommendation: MCCA should consider expanding its efforts to ensure the “at risk” parent is taught skills to develop the emotional ties with their own children, such as paternal bonding. Currently this is being done on a limited basis at the Erma House in Dayton. In participatory settings, the parents and children interact in a structured activity while being supervised or monitored to provide feedback or suggestions to the family to assist in establishing or rebuilding healthy relationships. If the program proves to be successful, based upon performance measures and outcomes, visitation centers should be established throughout the community. Also, children in foster care should attend classes on parenting, communication, job skills, financial skills and other topics that will help them succeed as adults and break the generational cycle that may put their future children at risk.

²¹ 42 U.S.C. Section 673(b), 678, 679(b)

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III - 4. Pre-placement Preventive or Support Services

MCCSA was required to provide support services to children in their own homes while attempting to strengthen their families through support, guidance and linkage with needed community services. The In-Home Protective Services at MCCSA provided mandatory services, (adoption, case management, and counseling) and other supportive services, (crisis services, employment and training) as well as information regarding services available in the community. Many parents did not participate or did so for a short period of time.

MCCSA offered supportive services in 69% of the cases reviewed, but there was no requirement the parents participate in the services offered. "The agency's hypothesis that removals occur for various reasons, and agency intervention may not always have sufficient impact to prevent ultimate removal..."²²

Also, the support services provided by MCCSA funds were expended without established performance measures, desired outcomes, or evaluation of services for educational programs. Certificates for the completion of parenting classes or other life skill training programs were found in the case records reviewed.

However, there was no documentation or verification that classes attended met the requirements of the case plan, goals and objectives to be achieved, or conditions in the home that must be improved to ensure the child would receive proper care.

There was not an assessment or evaluation of the classes to determine if the classes addressed or matched the comprehension level of the parent, considered cultural diversity or was certified by an educational accreditation institution. Neither qualifications of the teachers, nor the success rate was documented. No evaluation was undertaken to determine if the class addressed or met the needs of the parent or objectives of the course and case plans.

Recommendation: Families need community programs that will help parents and young people make positive life choices and attain self-sufficiency. MCCSA should review the intensity or focus of these support services, including evaluation of goals and outcome measurements, to determine if they are meeting goals of the case plan and the needs of the children and their families. Outcome data collected, disseminated, analyzed and used to develop action plans can and will demonstrate the agency's ability to effectively utilize resources and achieve positive change for its clients.

MCCSA should consider reducing the period of extended services if the family does not participate in the case plan or the services offered. The emphasis should be on the protection of the child which may mean more occurrences of temporary custody until the parent or adult demonstrates interest or participation in the case plan or their parental rights are terminated.

The traditional funding structure places the emphasis on foster care after the child has been removed from the home, not on prevention and support. Intervention activities help to prevent families from becoming involved in the foster care system.

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The Montgomery County Children Services Final Report for Stage I of Child Protection Oversight and Evaluation Quality Assurance System (CPOE) dated 3/31/98 from Marlene Preston-Rombach, Technical Assistance Manager, ODHS, p.10

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The interventions should address the behaviors and needs of the family. The knowledge and advocacy skills of the MCCSA personnel should be continually updated. Temporary Assistance to Needy Families (TANF) Prevention Retention and Contingency Funds are a potential resource of funding for these type of services.

The same preventive maintenance or support services that would be provided to a family while in foster care should be available to families and their extended family members, who provide support, prior to the removal of the child by MCCSA through an integrated community approach, that would:

- ✓ Include incentives for demonstrated and monitored parenting skills or change in life styles.
- ✓ Provide incentives for attaining educational goals for parents and children.
- ✓ Create a team between parents, caregivers, and school and court officials to determine how to help a child who is at risk for placement or school disruption and provide appropriate resources.
- ✓ Focus on the “school to work” transition programs or vocational training.
- ✓ Encourage any activity which teaches social skills and encourages interaction with other children while providing respite for the parent or caregiver.
- ✓ Find or create peer support groups which provide positive intervention for building self-esteem and self-respect so the children, parents, or caregivers can identify with each other and communicate on a clear and tangible level.

Studies have shown that coaching teachers and parents on how to encourage young children’s involvement and interest in school and teaching children how to interact socially can have a significant long-term effect on their behavior and academic achievement.

Many of the community based agencies require the same type of educational services for the same or similar clients. A comprehensive integrated community based educational program should be developed and implemented by a resource team such as the Family and Children First Council. The team could establish criteria and evaluate the courses available based upon the need of the clients or families in the community. The team could identify education providers with proven success rates and educational accreditation and publish a list of approved educational providers.

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III - 5. Adolescents in the Judicial System

A national study concluded “substance abuse and addiction dangerously compromise or destroy the ability of parents to provide a safe and nurturing home for children and confound the child welfare system’s ability to protect these children. Individual caseloads for judges and caseworkers reach as high as 50; judges have only 10 minutes to decide the fate of a child; caseworkers and judges lack training in substance abuse and addiction; substance abuse treatment is not available for most parents who need it; more younger children are being abused and neglected and an increasing number of abused and neglected children are receiving fewer services.”²³

42 U.S.C. Section 675 (5)(c) requires that a family court make a decision about a child’s permanent placement and complete a plan within twelve months. However, family courts are “seriously overloaded and backlogged.”²⁴ Judge Paul Boland, presiding judge of the Juvenile Courts of Los Angeles, was reported as saying that a family judge may only have ten minutes “to determine each child’s fate and each family future.”²⁵

Adolescents comprise the largest age group among children placed in out-of-home care in the State of Ohio as well as in Montgomery County. Between 1991 and 1997, the annual number of abused, neglected and dependent children as well as unruly and delinquent youth in Ohio who were placed in out-of-home care increased from 27,606 to 32,643. In Montgomery County, for the same period, the increase was from 1302 to 1,902.²⁶

Some of the contributing factors may include the behavior of the child, and the community services available to avert the removal or the level of parent involvement. Also, “the custody determination of judges and magistrates; the philosophy of the courts involved (reunification, removal, pro-parent, for instance,); the reasons for imminent risk to the child as identified in investigative and risk assessment processes.”²⁷

Ohio Rev. Code Sec. 2151.28 (L) requires all findings of dependency to be accompanied by findings of fact. Assessing this mandate, Public Children Services of Ohio (PCSAO) has noted that the provision “requires a comprehensive assessment of risk for all reports of child abuse, neglect and dependency. The legislation also increased accountability for child and family service providers when it comes to collaboration.

²³ The National Center on Addiction and Substance Abuse at Columbia University (1999), No Safe Haven: Children of Substance-Abusing Parents, p. 2

²⁴ N. Davies, Foster Care (1994), p. 67.

²⁵ J.C. Barden, “Foster Care System Reeling, Despite Law Meant to Help,” The New York Times, September 21, 1990, p.18, as noted in Davies, Foster Care, p. 67.

²⁶ Public Children Services Association of Ohio (PCSAO), The Child Protection Mission: Safe Children, Stable Families and Strong Communities, A Factbook 1999-2000, pp. 25, 139

²⁷ Public Children Services Association of Ohio (PCSAO), The Child Protection Mission: Safe Children, Stable Families and Strong Communities, A Factbook 1999-2000, p. 16.

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Since implementation of this legislation (August 1996), the proportion of all children placed in out of home care due to dependency has declined slightly.²⁸

Delinquency and at-home abuse have been linked to out-of-home placement of adolescents, whether they have been ordered outside the home by a court or run away themselves. As one study reports: "Mistreatment and delinquency are found in the same types of environment. In one study nearly half the families reported for child abuse and neglect were found to have at least one child who was later taken to court as ungovernable (unruly) or delinquent.... Some abused adolescents become runaways and hence are delinquent in that sense. They are not usually capable of functioning on their own and often contribute, sometimes unwillingly or unwittingly to the criminal underground of pornography, prostitution, and drugs... The bitter truth is that many teenagers run away for good cause: to escape intolerable conditions. What is more, many (perhaps a third) are actually "throwaways," kids who have been rejected by their parents and expelled from their homes."²⁹

Recommendation: Due to the overloaded and backlogged courts and the burden placed on a family judge, and the complex nature of the cases, an option state legislators may want to consider is the establishment of a panel, within the court, consisting of individuals with expertise in the social, legal and placement issues to recommend placement decisions. Also providing the panel with access to a integrated data base of information about the children and their families would help to enhance to process.

²⁸ Public Children Services Association of Ohio (PCSAO), The Child Protection Mission: Safe Children, Stable Families and Strong Communities, A Factbook 1999-2000, pp. 15, 17.

²⁹ Prevent Child Abuse America (formerly the National Committee to Prevent Child Abuse) Editorial Committee Review of Maltreatment of Adolescents, a pamphlet by James Garbarino, Ph.D., and Anne C. Garbarino (3d ed. 1993).

SECTION IV

Risks During Foster Care

Systemic weaknesses and noncompliance with ODHS rules exposed foster children to avoidable risks. We found deficiencies in the protection of children and in providing the required services during foster care. This requires strengthening and improving management and controls of the foster care system in order to provide positive outcomes for children.

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IV - 1. Percent of Cases Opened More Than Once

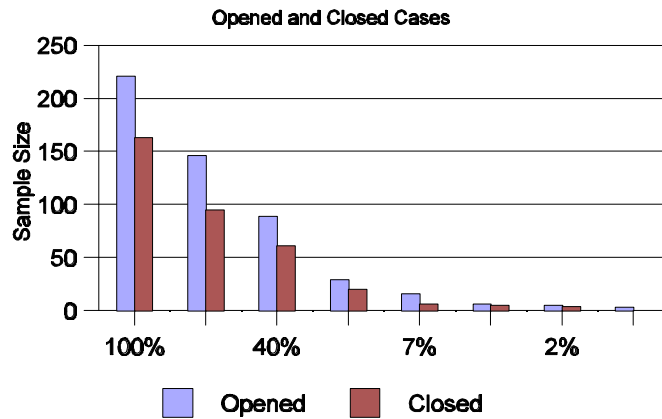
Recidivism resulting in multiple case openings and closings are a drain on the resources of the agency and have a negative impact on the stability of the child's life. Continued recidivism increases the likelihood the child will ultimately be removed from their home in spite of the agency's efforts to prevent out of home placement.

We reviewed 66 cases related to 221 children to determine the number of times cases were opened and closed. A summary of our review is presented below:

Cases Opened More Than Once

#of Times	Opened	Closed	Percentage Re-opened
1st	221	163	
2nd	146	95	66%
3rd	89	61	40%
4th	29	20	13%
5th	16	6	7%
6th	6	5	3%
7th	5	4	2%
8th	3		1%

Casefile Review



Public Children Services Association of Ohio's (PCSAO)³⁰ reported that for the six month period July 1, 1997 to December 31, 1997 the average percentage of children removed from their homes more than once, was 28% for the metropolitan counties. CPOE data for the same period indicated MCCSA's average was 22%.³¹ PCSAO classifies Cuyahoga, Franklin, Hamilton, Lucas, Montgomery, and Summit as metropolitan counties. See Appendix A, Profiles of Defined Community and Client Population, Demographics.

³⁰ Public Children Services Association of Ohio (PCSAO), The Child Protection Mission: Safe Children, Stable Families and Strong Communities, A Factbook 1999-2000, p. 20

³¹ Ohio Department of Human Services, Office of Prevention, Protection and Self-Sufficiency, CPOE Outcome Indicator Measurement Report, Montgomery County, Indicator:7

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In response to its Child Protection Oversight and Evaluation (CPOE) results concerning the number of time a child is removed from his/her own home, MCCSA stated, "There was agreement that services impact the number of times children are removed from the home. Concern that the service provision is not adequate to effect permanent problem remediation was expressed."³²

It was noted by MCCSA "that some of the repeated removals may be children who are in relative placements as there is some concern that relatives may not be properly assessed and adequately supported in providing care to the children. There was additional comment that the numbers may be inflated due to situations where time limits run out for court disposition and a complaint may need to be refiled. This activity creates the necessity to terminate the custody and placement in FACSIS and enter a new set of events upon refiling. Another major concern is that of families where substance abuse is an issue. Children in these families tend to be placed more frequently, it is thought, due to frequent relapse of addicted parents."³³

Research studies on foster care underscore the benefits of stable long-term placements. As noted in one study "fewer different placements while in care were associated with better adult functioning. Living in fewer placements was found to be associated with better school achievement and more years of education; increased contacts with and feelings of closeness to foster families after discharge; less criminal activity; more informal social supports, increased life satisfaction; greater housing stability; self support; increased ability to access health care; better chance to avoid early parenthood and being a cost to the community; and better care for one's own children."³⁴

Likewise, PCSAO predicted a closer look at permanency in Ohio. Ohio Rev. Code Section 3793.051, "Ohio's legislative response to Adoption and Safe Families Act (ASFA) will require Ohio's county children services agencies [PCSAOs] and the courts to look comprehensively at children who are repeatedly removed. Cumulative out-of-home stays totaling 12 months out of any consecutive 22-month period will trigger the beginning of permanency activities. This action focuses on the overall safety and stability of children versus decision-making based on short-term and immediate problems."³⁵

Recommendation: Recidivism drains resources and disrupts the child's stability. MCCSA should analyze the causes of its recidivism rate and develop a strategy to reduce it. They should consider placing greater emphasis on determining whether the case plan has been successfully followed by all parties, particularly in cases where substance abuse was a factor in the child's removal.

³² The Montgomery County Children Services Final Report for Stage I of Child Protection Oversight and Evaluation Quality Assurance System (CPOE) dated 3/31/98 from Marlene Preston-Rombach, Technical Assistance Manager, ODHS, p.20

³³ The Montgomery County Children Services Final Report for Stage I of Child Protection Oversight and Evaluation Quality Assurance System (CPOE) dated 3/31/98 from Marlene Preston-Rombach, Technical Assistance Manager, ODHS, p.20

³⁴ Thomas P. McDonald, Reva I. Allen, Alex Westerfelt, & Irving Piliavin, Assessing the Long Term Effects of Foster Care: A Research Synthesis, p.135, (Child Welfare League of America 1996)

³⁵ Public Children Services Association of Ohio (PCSAO), The Child Protection Mission: Safe Children, Stable Families and Strong Communities, A Factbook 1999-2000, p. 20

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IV - 2. Family and Children Services Information System (FACSIS) Limitations Results in Risk in the Selection of Substitute Care Placement

Ohio Admin. Code Section 5101:2-39-45 (A)³⁶ states “each PCSA or PCPA shall select a substitute care placement setting which is consistent with the best interest and special needs of the child and which is also:

- The least restrictive, most family-like setting available which meets the child’s emotional and physical needs;
- In close proximity to the home from which the child was removed or the home in which the child will be permanently placed;
- Designed to enhance the likelihood of reunification, when appropriate;
- Able to maintain the cultural heritage, social and cultural ties of the child;”

The process for selecting a placement setting begins with the completion of the Placement Request Form by a caseworker at MCCSA. The form lists the child’s specific needs and behaviors. The caseworker uses this information when selecting the appropriate placement. Once a family foster home within MCCSA’s or a PCPA/PNA’s network has been identified for the child’s placement, MCCSA’s staff review the FACSIS record for that home to determine the children currently placed in the home. FACSIS does not provide MCCSA with information about the needs and behaviors of children currently in the home. In addition, MCCSA is unable to determine from FACSIS if the home includes out of county placements from another PCSA. As a result relevant and important information is not considered during the placement decision thereby contributing to the risk of an inappropriate placement.

Recommendation: MCCSA should institute policies and procedures to ensure that all the information necessary to reduce the risk of making inappropriate placements including information about the behavior of children already in the home, is reviewed and considered. ODHS should place a major focus on providing technological solutions that facilitate more efficient and effective case management at the county level. Caseworkers need accurate and timely access to information that serves as criteria for their decision making. In addition, caseworkers need automated case management tools that would enable them to document actions and track critical events efficiently and effectively.

IV - 3. Rules Governing Alternative Care Arrangements for Foster Children Should be Strengthened to Better Ensure Their Safety

Ohio Admin. Code Section 5101:2-7-08 (B) states, “Alternative arrangements for the care of a foster child by someone other than the foster caregiver shall be approved by the recommending agency.” In addition, Ohio Admin. Code Section 5101:2-7-08 (D) states, “A foster caregiver shall have prior written approval by the recommending agency of a statement for each foster child specifying whether or not the foster child may be left unattended and, if so, for what period of time.”

³⁶ This rule was repealed and reenacted effective 3/18/99 and applicable requirements appear in Ohio Admin. Code Section 5101:2-42-05(C). The amendment did not substantively affect the audit results.

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The administrative rules did not set forth minimum guidelines for the recommending agencies to use when approving alternative care arrangements.

We found that 5 of the 6 PCPA/PNAs we reviewed did not have written policies for alternative care arrangements. The procedures for approving alternative care arrangements varied among the 6 PCPA/PNAs. Three of the six PCPA/PNAs documented their approval of alternative care arrangements annually and updated the documentation when the alternative caregiver changed. Leaving the foster child unattended without the recommending agency's approval or leaving the child in the care of a person who has not been adequately screened and approved by the recommending agency exposes the foster child to risk that could be avoided.

Recommendation: ODHS should amend its rules governing alternative care arrangements. ODHS should establish minimum guidelines to be used by the recommending agencies to make and document decisions about alternative care agreements that minimize the foster child's exposure to risk. In addition, ODHS should require recommending agencies to have written plans designed to ensure child safety and organizational compliance.

IV - 4. Private Agencies Failed to Verify Foster Parent Applicant's Residency in Ohio for Five Year Period

Ohio Admin. Code Section 5101:2-5-091(I) states the agency shall request the Bureau of Criminal Identification and Investigation (BCII) to obtain information from the Federal Bureau of Investigation (FBI) as a part of the criminal records check for the person if:

1. The person does not present proof of residency in Ohio for the five-year period immediately prior to the date upon which the criminal records check is requested; or
2. The person does not provide evidence that within that five-year period, BCII has requested information about the person from the FBI in a criminal records check

Twenty-nine percent of the foster home files reviewed did not contain documentation or evidence that the foster parents recommended for licensing by the PCPA/PNA, had resided in Ohio for the five-year period immediately prior to the date of the application to become a foster parent.

Failure to comply with Ohio Admin. Code Section 5101:22-5-091(1) results in the risk that individuals with recorded histories and backgrounds, in other states, that would make them unsuitable as foster caregivers could be licensed and have children placed in their homes.

Recommendation: ODHS should strengthen its monitoring of the PCPA/PNAs compliance with its rules and regulations. ODHS rules and regulations designed to minimize the risk of abuse and neglect of foster children should be a major focus of ODHS' strengthened monitoring of PCPA/PNAs.

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IV - 5. K.A.R.E. Inc. Did Not Select Substitute Care Placement Consistent With The Best Interest of the Children

Ohio Admin. Code Section 5101:2-39-45 (A)³⁷ states in part, that “each PCSA or PCPA shall select a substitute care placement setting which is consistent with the best interest and special needs of the child and which is also:

- (1) The least-restrictive, most family-like setting available which meets the child’s emotional and physical needs.
- (2) In close proximity to the home from which the child was removed or the home in which the child will be permanently placed;
- (3) Designed to enhance the likelihood of reunification, when appropriate; and
- (4) Able to maintain the cultural heritage, social and cultural ties of the child.”

Ohio Admin. Code Section 5101:2-5-32 (B) states in pertinent part, “not more than five foster children and not more than a total of ten children, including the children of the foster caregiver, shall reside in a family foster home at any one time except:

- (1) When a foster caregiver has been certified less than two years to operate a family foster home, or has less than two years of professional child care experience as documented by the recommending agency, not more than three foster children shall be placed in the home at any one time except sibling groups.
- (2) Not more than two children under the age of two years, except sibling groups, including the children of a foster caregiver, shall be placed in a family foster home at any one time.
- (3) Not more than four children under the age of five years, except sibling groups, including the children of a foster caregiver, shall be placed in a family foster home at any one time.”

KARE recommended for licensing a single female in her early twenties (foster caregiver Z) who lived with her mother at the time the application was completed. One month later the homestudy conducted showed her address at a property leased by KARE. On that same day she was licensed she moved into a home that KARE leased and paid rent to the property owner on behalf of caregiver Z.

We found that prior to foster caregiver Z’s moving into the home, three other KARE foster caregivers had resided there between 1995 and 1997.

³⁷ This rule was repealed and reenacted effective 3/18/99 and applicable requirements appear in Ohio Admin. Code Section 5101:2-42-05(C). The amendment did not substantively affect the audit results.

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MCCSA investigated the foster caregiver X that resided in the home prior to foster caregiver Z. The MCCSA report stated in part, "The foster caregiver had been hired by KARE to foster children and live in the home leased by KARE . The foster caregiver was paid a foster care maintenance check of approximately \$2,000 per month. Rent and utilities were deducted from the foster care maintenance check before paying the foster caregiver."

KARE asked the foster caregiver X to move and she complied, because she had tested positive for marijuana and exhibited other inappropriate behavior which did not involve the children. However, no action was taken by to revoke the caregiver's license.

When caregiver Z replace caregiver X in the home, it was occupied by four foster children and the infant child of one of the foster children. One child had lived in the home since 1996, and the others one month prior to foster caregiver Z being licensed.

Shortly after foster caregiver Z's arrival allegations of verbal and physical abuse were investigated but not substantiated. Twenty two days after foster caregiver Z's arrival, three of the children were removed from the home at her request. Within three months all of the children were removed from the home and replaced with other foster children.

KARE's placement practices at this home created an environment with group home characteristics without being subject to ODHS' group home requirements. Furthermore it did not appear to meet the best interest of the children, did not provide the most family-like setting and seemed overwhelming for a newly licensed foster caregiver.

Recommendation: MCCSA should monitor the placement of its children by PCPA/PNAs. The focus of the monitoring should be to ensure its children are placed in appropriate settings and comply with applicable rules and regulations governing those placements.

SECTION V

Internal Control and Compliance Weaknesses in the State Supervised, County Administered Child Protection Services Program

“Ohio is a strong “home rule” state resulting in a strong county government structure. Consequently Ohio’s human services programs are “state supervised” and “county administered” with the state often setting program parameters, allocating funds and supervising county performance, and with counties administering the actual delivery of human services.”³⁸

Ohio’s system of state supervised county administered foster care has significant gaps in monitoring and oversight. As a result, it is ineffective in protecting children and providing permanent placement and inefficient in the cost and quality of services delivered. The general lack of written agreements that clearly identify the duties and responsibilities of the contracting parties and remedies for breach contributed to the inefficiencies.

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V - 1. The Current Process For Certifying Foster Care Homes Should Be Redesigned to Increase ODHS Review and Oversight

ODHS receives recommendations for the certification of foster care homes from Public Children Services Agencies (PCSA), Private Child Placing Agencies (PCPA), and Private Noncustodial Agencies (PNA). These recommending agencies assess each applicant to determine their compliance with Ohio Admin. Code Chapter 5101:2-7 and document their assessment of each applicant by completing ODHS 1349 "Family Foster Home Study" along with other required documentation. The recommending agencies make their recommendations for certification or denial of certification to ODHS on ODHS 1317 "Recommendation for Certification/Recertification of Family Foster Homes." ODHS approves or denies the certification at its discretion and notifies the applicant and the recommending agency.

Recommendation: We recommend that ODHS take a more active role in licensing foster caregivers. With the current process, many foster caregiver's applications may never be reviewed due to the use of sampling methods and lean staffing at ODHS to perform the reviews. If the review did reveal that a foster caregiver was inappropriately recommended for certification, it could be a year or more after the certificate was issued and children had already been placed in the home before the error may be detected. This could expose foster children to risk. Also, since the licensing specialist personnel appear to be under staffed, this increases the risk that newly licensed foster caregiver may not be reviewed in a timely, effective or efficient manner.

We recommend that ODHS assess its personnel levels for licensing specialists. We also recommend rotating licensing specialists among the PCPAs in that district to help ensure independence.

V - 2. Quality Assurance Function at ODHS

Ohio Admin. Code §5101:2-57-01 (E)³⁹ states:

"Quality assurance review" is an examination of a PCSA's performance level on specific outcomes and processes that are to be accomplished through the PCSA's child protection and permanency program and is conducted by ODHS in participation with the PCSA.

Ohio Admin. Code §5101:2-57-02 (H) further states:

"ODHS shall implement an oversight and evaluation system which is based upon a continuous quality improvement process, focusing on specific service delivery processes and client outcomes within the county child protection and permanency program. The oversight and evaluation quality assurance system includes a set of outcome domains of child safety, child permanency and child and family well-being as well as local demographic and agency infrastructure information. Measurement of PCSA practice will be based upon data gathered at different levels by ODHS. Throughout the process ODHS and the PCSA will engage in systematic and focused problem-solving as both parties analyze data to determine achievement of outcomes."

³⁹ This rule was repealed effective 5/14/98 and applicable requirements appear in Ohio Admin. Code Section 5101:2-1-01(A). The amendment did not substantively affect the audit results.

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The Office of Prevention, Protection, and Self-Sufficiency of the Ohio Department of Human Services has developed a new quality assurance system called the Child Protection Oversight and Evaluation Quality Assurance System (CPOE). The mission of the CPOE quality assurance system is to promote system strengths for the advancement of effective outcome-based service delivery to at-risk children and their families. The goal of CPOE is to work with PCSAs to reduce and eliminate system deficits and barriers which prohibit effective service delivery to children and families and promote system strengths to advance effective practices in the field. During our audit period CPOE was in the beginning stages of its implementation.

Based on our inquiry and system documentation, we conclude that the department's quality assurance system, CPOE, appears to be designed to provide an effective outcome-based review and evaluation. However, there are limitations and/or deficiencies that we noted in the quality assurance system which were not covered by CPOE.

We noted the following areas of concern within the quality assurance process:

- Review of the county's processes was not sufficient to ensure compliance with applicable state and federal rules and regulations.
- There was no verification of eligibility and/or status of Foster Care recipients.
- The Family and Children Services Information System (FACSIS), the statewide data system, was not complete nor accurate due to errors of omission by the county staff that resulted in a lack of integrity of the data and information derived from the system. See V -3, Management Information Systems section in this report
- CPOE reviews are limited to information that can be measured or entered into FACSIS.

It is ODHS' responsibility to monitor and conduct evaluations of the activities funded by the Title IV-E program for compliance with state and federal regulations. The Ohio Admin. Code Section 5101:2-5-10 lists guidelines that must be adhered to when documenting a child's case file. These rules are for the safety, development and well being of the foster child. In the past ODHS did perform case reviews at the county. Per ODHS, CPOE, moves away from a rule-based review to one that focuses on key delivery processes and essential client outcomes within a continuous quality improvement framework. Nonetheless, case reviews must be monitored to ensure compliance with the Ohio Administrative Code. Federal requirements for the case review system are recited at 42 U.S.C. Section 675 (5) (A)-(G).

PCSAs hold temporary custody of the child and keep a case file for that child. PCPA/PNAs also maintain case files of the children contracted to their care. A federal Policy Interpretation from the federal Department of Health and Human Services ACYF-PIQ-82-07 states:

“...the ultimate responsibility for ensuring there is an appropriate plan of care, case review, and activities to improve the home of the child remains with the State agency....Thus, the State agency must actively supervise the various activities performed by the contractor or other agency. This supervision includes case plan assessment and case review functions...the State is ultimately responsible for proper operation of the foster care program.”

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Recommendation: Although the CPOE quality assurance system provides relevant outcome information, we recommend ODHS ensure that the monitoring functions are extended to include detailed monitoring of the records maintained at the PCPA/PNA and the PCSA offices. We also recommend that ODHS reimplement a case file review system to determine compliance with federal and state regulations. We further recommend that steps be taken by ODHS to increase the integrity of information entered by the PCSAs into the FACSIS system.

V - 3. Management Information System

Due to the complexity of foster care, it is extremely difficult to operate and manage effectively without timely and accurate automated information. The management information system should provide relevant, complete, reliable information to the management and staff responsible for providing protective services or supportive services to the child and his parent, guardian or custodian. The MICRO-FACSIS (Family and Children Services Information Systems) is an automated system, administered by ODHS and used by the PCPA/PNA and PCSA to maintain data on the children in foster care and foster care providers.

We found the following weaknesses in the MICRO-FACSIS system:

- (1) The employees at MCCSA had to look at three different screens to verify the date a child entered and exited a PCPA/PNA.
- (2) The database at MCCSA was not linked to the database of the PCPA/PNAs. The PCPA/PNAs and MCCSA relied on their respective caseworkers to record the information concerning placement dates and other relevant information. The information was not always entered on a timely basis, or reviewed for completeness and accuracy. Errors could occur and go undetected, and could potentially lead to errors in payments.
- (3) FACSIS did not provide the PCSA the ability to identify the children in the foster caregiver's home when another PCSA maintained custody of the child, or the total number of children in the family foster home.
- (4) Changes were made to the events documented in FACSIS without creating a documented audit trail to provide information regarding why the change was needed, who authorized the change, who made the change or when the change was made.
- (5) There were two instances found in which two different foster caregivers had family foster home certificates issued for the same address during concurrent or overlapping periods. FACSIS had limited ability to sort or trace data as needed by the user. It was noted ODHS did not have the ability to track or trace a foster caregiver by the address on the family foster home certificate or to detect a duplication of addresses.

These weaknesses in the management information system limit the reliability of the data in the system. Also, relevant information needed for decision making may be inaccessible due to the limitations of the system.

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During our performance audit ODHS staff stated the department was in the process of the development and implementation of a new Statewide Automated Child Welfare System (SACWIS) which supports direct services workers and management in their efforts to monitor and control foster care activities. However, on September 27, 1999 the Department of Administrative Services advised vendors that all SACWIS proposals were rejected and canceled. The request for proposals had been issued August 20, 1998.

Recommendation: ODHS should place a major emphasis on using technology to enhance the efficiency and effectiveness of its foster care processes. The department as part of its development of SACWIS should take particular care to ensure all potential users are identified and that user needs are adequately addressed during the systems development.

V - 4. Background Checks

Ohio Admin. Code Section 5101:2-5-091(A) states in pertinent part, "An agency shall request the Bureau of Criminal Identification and Investigation (BCII) to conduct a criminal records check with respect to:

- (1) Any prospective employee who has applied to the agency for appointment or employment.
- (2) Any person seeking certification as a foster caregiver and, at the agency's discretion, any adult member of the person's household."

The Ohio Admin. Code Section 5101:2-5-091 which required a criminal records check for all prospective employees and certified foster caregivers did not require:

- (1) Annual updated criminal records checks for employees or certified caregivers
- (2) A records check with the public children services agencies (PCSA) and/or the ODHS State Child Abuse and Neglect Registry for certain prospective employees or during the initial certification of a prospective foster caregiver.

The potential risk exists that an employee or certified foster caregiver could be involved in child abuse, violence or a drug related incident without the knowledge of the PCSA or PCPA/PNA after the initial date of employment or certification.

Recommendation: To help ensure children are continuously maintained in a safe environment, ODHS should establish procedures to periodically check the backgrounds of child welfare employees and foster caregivers to ensure their continued suitability for employment or certification.

V - 5. MCCSA's Contracts or Written Agreements with Private Agencies Were Not Effective in Ensuring Compliance and Fiscal Accountability

MCCSA did not consistently enter into contracts with the PCPA/PNAs. MCCSA and the PCPA/PNAs signed individual per diem agreements for each child that set forth the per diem amount the PCPA/PNA would receive for each child. We reviewed the extent to which MCCSA used contracts and other written agreements to manage the six PCPA/PNAs selected in our performance audit.

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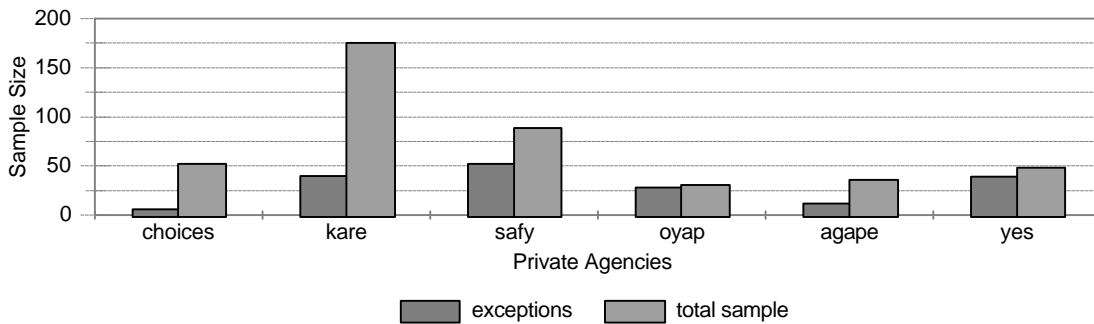
We found that MCCSA had contracts with two of the six PCPA/PNAs reviewed. One contract with OYAP effective March 1, 1997, was entered into at the request of that PCPA/PNA, and according to its Regional Director, OYAP hoped the contract would result in increased placements. The second contract was with CHOICES, and had an effective date of February 1, 1992. Although CHOICES management thought the contract was still in effect, MCCSA had no knowledge or record of the contract. Neither contract sufficiently set forth the responsibilities of the contracting parties in regards to fiscal accountability, compliance, and records retention.

The six PCPA/PNAs signed individual per diem agreements with MCCSA for each child placed with the PCPA/PNA. These agreements were created by each PCPA/PNA and varied in content. Some of the agreements included the level of care required by the child and defined services to be provided by the PCPA/PNA, while other agreements only consisted of the child's name and the per diem rate.

We compared the per diem agreement rates with the rates billed on the invoices for our sample, we found in the sample of 426 per diem agreements, 238 or 56% of the agreements were either missing from the file located in the Benefits Department at MCCSA or stated a per diem different from the per diem billed. Due to the lack of internal controls at MCCSA, it relied upon the PCPA/PNA to detect and correct errors or overpayments. Erroneous payments in the amount of \$6,395 did occur and reimbursements were obtained from the PCPA/PNAs by MCCSA before our audit.

Contracts Between MCCS and PCPAs

Per Diem Agreements per Foster Youth



The lack of an effective system of contracting and contract monitoring impairs MCCSA's ability to manage costs and ensure it receives the level and quality of services needed.

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Recommendation: ODHS should make periodic reviews of policies and procedures implemented concerning amounts paid as foster care maintenance to ensure compliance. ODHS and MCCSA should establish a system of contracting and contract monitoring that as a minimum includes the following:

1. ODHS should establish standard contracting requirements for child placement and related services that at a minimum include: the scope of services to be provided, requirements for documenting fiscal accountability and legal compliance, a definition of allowable costs, and record retention requirements for financial records.
2. MCCSA should require that the individual per diem agreements include at a minimum the following information required to be included in the Individual Childcare Agreement by Ohio Admin. Code Section 5101:2-42-91(B) which states in pertinent part:
 - (1) “The PCSA or PCPA name and address and the name of the PCSA or PCPA representative to be contacted regarding the child, and information as to how an agency representative can be contacted on an emergency basis;
 - (2) The child’s name and date of birth;
 - (3) History and background information known about the child...;
 - (4) Information regarding the child’s need for placement;
 - (5) Procedures for emergency and nonemergency medical needs;
 - (6) Services to be provided to a child or substitute caregiver, if applicable, including services for which a PCSA or PCPA is responsible, and services provided by other persons or agencies involved in the case planning or delivery or provision of services;
 - (7) Services to be provided to the child by the substitute caregiver;
 - (8) The estimated timeframe for the child’s placement;
 - (9) Visitation plan with the child’s parent, guardian, custodian and other persons when applicable, pursuant to rule 5101:2-42-92 of the Administrative Code;
 - (10) Transportation arrangements for visits and other activities, if applicable;
 - (11) The case plan goal for the child pursuant to rule 5101:2-39-081 of the Administrative Code for a PCSA and rules 5101:2-39-11 and 5101:2-39-10 of the Administrative Code for a PCPA;
 - (12) Any special needs the child may have such as diets, therapy, tutoring, learning disabilities, and any other needs requiring assistance from the substitute caregiver;
 - (13) Methods of discipline shall comply with rule 5101:2-7-09 and 5101:2-9-21 of the Administrative Code;
 - (14) Billing procedures, if applicable; and
 - (15) Rights and responsibilities of the PCSA or PCPA substitute caregiver “
3. MCCSA should also consider including appropriate remedies for breach of its contracts and written agreements by the PCPA/PNA.

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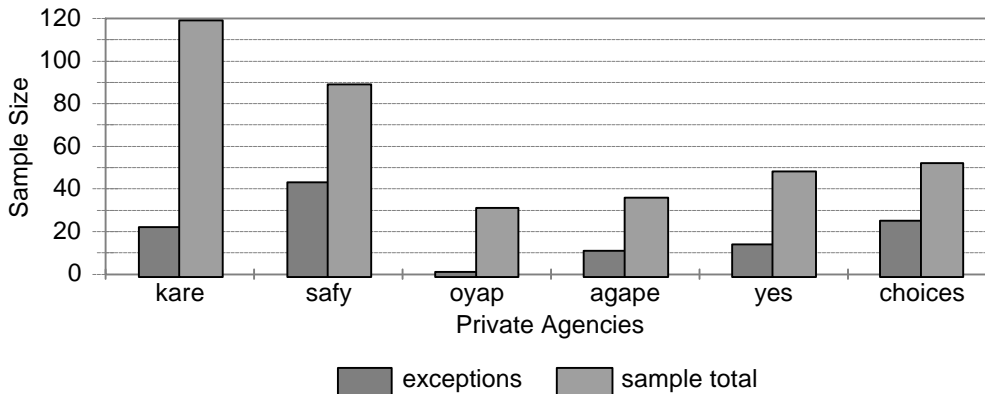
V - 6. Family and Children Services Information System (FACSIS) Did Not Provide an Accurate Accounting of the Dates a Foster Child Entered and Exited the Care of a Private Agency

Accurate accounting for the dates a child enters and exits the care of a PCPA/PNA is necessary to ensure the child is continuously maintained in a safe environment, providing documentary evidence in the event of litigation, and calculating payments due to the PCPA/PNA.

Inaccurate information about the dates children are placed in the care of PCPA/PNAs could result in inappropriate administrative decisions and incorrect payments to the PCPA/PNAs.

We compared 370 placement dates recorded by MCCSA and the PCPA/PNA and found 161 dates where the records did not agree. We investigated the cause of these errors and found that MCCSA used only the "Event Inquiry for Placement" screen in FACSIS to determine dates. However, under certain circumstances it was necessary to review three separate screens to determine placement dates. We brought this to MCCSA's attention, and retested our sample. The results of our sample reduced the number of exceptions to 26% or 98 out of 370.

Entry and Exit Dates



Recommendation: ODHS should make the necessary programming changes to FACSIS that would ensure the integrity of data needed by the PCPA/PNA's to manage the foster care program.

The risk that under or over payments could occur and be undetected increases significantly due to the lack of integration of information and potentially incomplete or inaccurate information obtained from MICRO-FACSIS.

We also recommend a system be developed and implemented that would integrate all placement information into a complete, accurate, and easily accessible database. We also recommend that MCCSA and the PCPA/PNAs review the process of recording the date children enter and exit the PCPA/PNA to find the most effective and efficient process.

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V - 7. MCCSA's Documentation of Case Records, Individual Child Care Agreements, and Health Care Records Was Not Sufficient to Ensure Needs of its Foster Children Were Met

Ohio Admin. Code Section 5101:2-5-10 (A) states; "An agency shall maintain a case record for each child in out-of-home care which shall include but not be limited to the documentation as required by Sections 5101:2-5, 5101:2-7, 5101:2-9, 5101:2-39, 5101:2-42 and 5101:2-48 of the Administrative Code as applicable to the certified function of the agency for at least five years after discharge."

Case Records

In 44% of the cases reviewed at MCCSA the case plan was not completed within the required time frame and may not have included a narrative explanation of the appropriateness of the child's placement, contrary to Ohio Admin. Code Section 5101:2-39-11(D) and 5101:2-39-10(K) respectively. When information was requested that was missing from the case files, we found in some instances the document was maintained by the caseworker. In other cases, the document was missing.

In response to the Council on Accreditation (COA) of Services for Families and Children self study and exceptions noted for time frames for decision-making, MCCSA responded the "Staff will utilize their time initiating contacts with the new families versus completing the paperwork on cases ready for closing. They do give priority to completing paperwork on cases which need transfer for ongoing services. This prevents us from meeting time frames for substantiation since this is completed at the time of case closing."⁴⁰ Case records reviewed did not include all relevant information due to the numerous changes in the caseworker and supervisor, changes or amendments to the case plan, and transfer of documentation between departments, thus the case records management system was ineffective.

Individual Child Care Agreements

Ohio Admin. Code Section 5101:2-42-91(A) states "the PCSA or PCPA shall have a written individual child care agreement signed by the substitute caregiver and a representative of the agency outlining the rights and responsibilities of the PCSA, PCPA and substitute caregiver for each child. The agreement shall be executed prior to the child's placement or within one week of placement."

The individual child care agreement form used by MCCSA was not adequately designed to meet the Ohio Admin. Code Section 5101:2-42-91(B) requirements for documentation, and the following information was found to be either missing or incomplete:

- The Public Child Service Agency (PCSA) or the Private Child Placing agency (PCPA) representative to be contacted regarding the child and how the representative can be contacted on an emergency basis
- Information regarding the child's need for placement
- Procedures for emergency and non-emergency medical needs
- Services to be provided to the child or substitute caregiver
- Estimated time frame for the child's placement
- Transportation arrangements for visits and other activities
- Method of discipline

⁴⁰ MCCSA's response to the Manual for Agency Accreditation Self-Study from the Council on Accreditation (COA) of Services for Families and Children, DD.4.05

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- The case plan goal for the child
- Rights and responsibilities of the PCSA or PCPA and substitute caregiver
- Any special needs the child may have such as diets, therapy.

In 47% of the case files reviewed at MCCSA copies of all the individual child care agreements between MCCSA and the private child placing agency were not maintained in the child's case record as required by the Ohio Admin. Code Section 5101:2-42-91(A).

Also the change notices, required for an accurate reflection of a child's placement were not completed consistently. This was especially true when placements were with relatives and the moves were from one relative to another. MCCSA did not complete a child care agreement if the child was placed with a relative. The lack of the required documentation made the tracking of the child's placement difficult and case records incomplete.

Health Care Records

Ohio Admin. Code Section 5101:2-42-661 (A) states "the PCSA, PCPA or PNA shall be responsible for the supervision of comprehensive health care including a physical health examination, developmental and psychological assessments, for each child in its custody and placed in substitute care."

Ohio Admin. Code Section 5101:2-42-662 (A) states "a PCSA, PCPA or PNA shall document and maintain in the case record a physical health examination records, and developmental and psychological assessments and treatment for each child in the custody of a PCSA, PCPA. or PNA."

Thirty-two percent of the case records reviewed at MCCSA did not document whether or not the initial medical screening and assessments for vision, hearing and dental were completed within the required time frames, within five days of the child being removed from his home. Thirty-nine percent did not document the child's record of immunizations, illnesses, sexual development or abuse, medications, allergies, cultural background, health history of biological parents and extended family and other pertinent health information necessary to assure those persons providing care for the child had adequate information to provide such care. The required documentation was not maintained in each child's case record as required by the Ohio Admin. Code Section 5101:2-42-661 (A) and 662 (A).

Recommendation: During the period of our fieldwork MCCSA participated in a consultant facilitated "process" redesign effort. We reviewed the report and recommendations of the consultants and believe MCCSA should review and consider its recommendations related to case load management.

A supervisory review process and/or checklist should be completed to ensure the timely completion and inclusion of the required documentation. Furthermore, we highly recommend that a level of management that is not directly involved in case management such as an internal auditor, periodically review a sample of cases to assess the quality of documentation and demonstrate the priority management places on compliance with documentation requirements.

The required documentation should be maintained in each child's case record as required by the Ohio Administrative Code to provide documentation of the child's mental and physical development or lack of development. This information is essential, foster caregivers need to know the child's medical information as well as the child's mental and physical development in order to properly care for the child.

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V - 8. Record Retention Requirements

The record retention requirements of the Ohio Admin. Code Section 5101:2-5-10 (A) addresses only the case records for each child in out-of-home care, and the family foster home records but the financial, programmatic, statistical, recipient records, supporting documents or other relevant information of the PCSA or the PCPA/PNA is not addressed in the OAC except for limited statistical information at the PCSA.

Recommendation: The record retention requirements established by ODHS for the PCSAs and PCPA/PNAs should be amended by rule to include financial, programmatic, statistical, recipient records, supporting documents and other relevant information.

V - 9. Semiannual Administrative Review (SAR)

Ohio Admin. Code Section 5101:2-42-43 (A) states “each PCSA and PCPA required to prepare a case plan for a child pursuant to rule 5101:2-39-08, 5101:2-39-081 or 5101:2-39-10 of the Admin. Code shall complete a semiannual administrative review (SAR) of the case plan no later than six months after whichever occurs earlier:

- (1) The date the original case plan was completed for in-home voluntary supportive services, no court order.
- (2) The earlier of either the date on which the complaint in the case was filed or the child was first placed in substitute care.
- (3) The earlier of either the date on which the complaint in the case was filed or the court issued an order section 2151.414 or 2151.415 of the Revised Code regarding when the case has been terminated and an extension is requested
- (4) The earlier of either the date on which the complaint in the case was filed or the court issued an order of protective supervision pursuant to section 2151.353 of the Revised Code.”

Ohio Admin. Code Section 5101:2-42-43 (B) states “after the first SAR, the PCSA or PCPA shall continue to conduct an SAR no later than every six months after the most recent SAR.”

Sixteen percent of the cases we reviewed at MCCSA did not have the SAR completed within six months after placement, 30% did not include an update of the education and healthcare information of the child, and 18% did not continue to have reviews conducted every six months after the completion of the first SAR. Fifteen percent of the SARs did not contain one or more of the following: the written summary conclusion regarding the appropriateness of the child’s placement; the extent of compliance with the case plan of all parties; the extent of progress made toward alleviating the circumstances that required the PCSA or PCPA to assume temporary custody of the child; an estimated date by which the child may be returned home, placed with a relative, placed in long-term foster care, placed for adoption or prepared for independent living; an explanation regarding any changes that are proposed for the case plan; the PCSA or PCPA recommendation as to which agency or person should be given custodial rights for the next six months; names of all persons that participated in the administrative review.

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The rules governing the SAR including items required in the SAR are intended to facilitate an informed and reasoned decision regarding the placement of a foster child. Failure to comply with these rules increases the risk of an inappropriate placement of the child. There is an increased risk the child may be retained in foster care longer than necessary. There is also an increased risk the child may be returned to an unsafe environment only to be returned to foster care in a short period of time. In addition, to the risk the foster child faces, poor decisions that result from noncompliance increases the financial cost of the services.

Recommendation: MCCSA should require staff to develop a planning and scheduling process to ensure the semiannual administrative review (SAR) is completed in accordance with all applicable rules. Management should then monitor the process on a regular basis.

V - 10. Out-of-Home Care Investigations Conducted by the Public Children Services Agency

Ohio Admin. Code Section 5101:2-34-32 contains requirements for the public children services agencies (PCSAs) to follow when assessing and investigating reports of child abuse and neglect.

Ohio Admin. Code Section 5101:2-34-34 outlines requirements for PCSAs to follow conducting out-of-home care and third party investigations of child abuse or neglect.

Ohio Admin. Code Section 5101:2-34-34 (A)(5) requires the PCSA contact “to the administrator or designee of the out-of-home care setting and the appropriate licensing and supervising authorities, pursuant to Ohio Admin. Code Section 5101:2-34-35 (C) to share information in accordance with Ohio Admin. Code Section 5101:2-34-38 upon completion of the investigation.”

The case records reviewed included allegations or reports of incidents that detailed complaints to the Intake department or by the child, usually to the caseworker, about the foster caregiver, the living situation, or some type of inappropriate behavior by the child. The information documented in the case record appeared to be incomplete. There was no indication the incidents were reviewed by a supervisor, or if a follow up was performed by MCCSA when a private agency was involved, nor the disposition of the report included within the child’s case record. It was documented in the foster caregiver’s file.

In addition, 71 out-of-home referrals occurring during the audit period for seven agencies were reviewed. Information was obtained from the Sensitive Case log and the sensitive (red record) case file maintained for each foster caregiver. MCCSA’s “red record” or sensitive file involves an intake investigation and a referral to the police, if applicable. MCCSA’s special investigation unit would perform the investigation and usually involved a professional caregiver, such as a foster home, day care, school, group home, or residential center licensed by ODHS.

The National Center on Addiction and Substance Abuse’s at Columbia University report, No Safe Haven: Children of Substance-Abusing Parents, a two-year national study dated January 11, 1999, noted, “even though child welfare agencies have allocated more time to investigating neglect and abuse, at the expense of providing needed services to help prevent further maltreatment, in 1997 they were able to investigate only one-third of all cases.”

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Of the 71, out-of-home care investigations reviewed: KARE had 37%, SAFY had 18%, Agape had 17%, YES had 11%, Lifeway had 7%, CHOICES had 6%, and OYAP had 4%. Twenty-seven percent of the referrals or allegations reviewed were due to physical neglect, 38% due to physical abuse, 18% due to sexual abuse and 17% were due to investigations or courtesy interviews requested by other PCSAs. Seventeen percent of the referrals or allegations were substantiated, or found to have occurred, 52% of the allegations were not substantiated, 14% were not opened or not investigated, and 17% were completed courtesy interviews. Cases were denied or not opened because it was a “rules” violation and not child abuse or neglect.

Ohio Admin. Code Section 5101:2-34-32 (T) states “the PCSA shall complete a case disposition at the completion of a out-of-home care and third party investigation, but no later than thirty days from the receipt of the report (forty-five days when information needed to determine the case disposition cannot be completed within thirty days and the reasons are documented in the case record).”

Only 52% of the referrals were closed or had dispositions within 30 days in accordance with Ohio Admin. Code Section 5101:2-34-32 (T). Eight and one half percent of the referrals had dispositions within 45 days and 8.5% were completed in 46 days or more contrary to Ohio Admin. Code Section 5101:2-34-32 (T). Also discrepancies or questions of the disposition date did arise due to the use of the case dictation date in MICRO-FACISIS (Family and Children Services Information Systems), used by MCCSA to record the events of a case record or investigation.

The reason(s) the investigations were not completed within 30 days were not noted in the case record, nor the decision-making process as required by MCCSA’s policy, section 03.001.00 (D), which states “a conference shall be called not later than 30 days from receipt of the initial report to make a final decision as to whether the report was substantiated or unsubstantiated and shall be fully recorded and included in the case record.”

Ohio Admin. Code Section 5101:2-34-34 (G) states “no later than three working days after the completion of the case disposition pursuant to paragraph (S) of rule 5101:2-34-32 of the Admin. Code, the PCSA shall provide written notification of the case disposition to the administrator, director, or other chief administrator and the owner or governing board of the out-of-home care entity and the appropriate licensing and supervising authorities to share information in accordance with rule 5101:2-34-38 of the Admin. Code. The PCSA shall not provide witness statements or police or other investigative reports.”

The results of the investigations were not communicated to the PCPA/PNAs within the required time frame in most instances. There was no monitoring or tracking of all the investigations performed by the PCPA/PNAs or MCCSA regarding the number or type of allegations made in the family foster home or with the foster caregiver.

The Intake Referral Unit is the first step in the investigation process. If the referral is not assessed properly initially, resources may be used in an efficient and ineffective manner.

Most of the personnel in the Intake Referral Unit has less than two years of experience. The lack of experience and knowledge of the foster care system may contribute to the excessive number of referrals not substantiated and not opened.

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Recommendation: The procedures and the number of investigators used to conduct out-of-home care investigations should be reviewed to determine the reason(s) the investigations were not completed or disposed within the required time. Also the case records should note the reason(s) why the investigation was not completed within 30 days and the conference held to determine the disposition of the case should be documented as required by the MCCSA policy. The disposition of the investigation should be communicated to the PCPA/PNA in accordance with Ohio Admin. Code Section 5101:2-34-34 (G).

The number and type of allegations made in the family foster home or regarding a foster caregiver should be tracked and periodically monitored to look for patterns of abuse or neglect. If patterns are detected a corrective action plan should be developed and implemented by the PCSA to ensure the safety of the children in the home.

V - 11. Controls Are Weakened When Rules Allow Private Agencies to Investigate Allegations of Rule Violations by Foster Care Givers They Recommended For Licensing

Ohio Admin. Code Section 5101:2-5-28 (D) states, "For all currently certified family foster homes, the recommending agency shall begin an investigation of all allegations of violations of Section 5101:2-7, of the Ohio Admin. Code, Administrative Rules for Family Foster Homes, within three calendar days of receipt of an allegation of a rule violation. An agency shall complete the investigation within thirty calendar days of beginning the investigation unless the investigation of rules violation conflicts with any third party or law enforcement investigation. The results of investigations conducted pursuant to this paragraph and the development and implementation of corrective action plans as required by the agency shall be documented and maintained in the foster caregiver record."

The PCSA and ODHS relied upon the PCPA/PNA to document investigations that involved its own foster caregivers. The PCPA/PNA was not required to notify MCCSA or ODHS of an incident or investigation for a "rules" violation. The PCPA/PNA was required to determine if a "rule" violation had occurred, i.e., inappropriate discipline, a child being left unsupervised, or lack of food for the foster child. The PCPA/PNA was required to determine the type of investigation to be performed, if a violation occurred, establish a corrective action plan and monitor the progress, if applicable. This allowed the PCPA/PNAs to police themselves without oversight or monitoring by ODHS or the PCSA.

Patterns of abuse or neglect could occur and not be communicated or concealed from ODHS and MCCSA. In several instances, we found foster caregivers who had numerous investigations conducted by the PCPA/PNA for "rules" violations such as, lack of supervision and/or inappropriate discipline, continued to have children placed in their homes even when the allegations were substantiated. In one instance, a foster caregiver who admitted to SAFY staff that she smoked marijuana, and had been investigated by MCCSA six times for allegations of physical and sexual abuse and by SAFY eighteen times for rule violations and continued to have children maintained in her home.

During the review of investigations conducted by the PCPA/PNAs we noted foster caregivers found to be in violation of "rules" usually were notified of the violation through a meeting or a letter. Rarely was there a corrective action plan, required training or additional support or counseling provided to the foster caregiver regarding the "rules" violation. There appeared to be no difference in the procedures used whether the results of the investigation were substantiated or unsubstantiated.

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The PCSA responsible for the custody of the foster child may never have knowledge a investigation occurred, if it was not disclosed by the PCPA/PNA's caseworker or the child involved. During our review of investigations conducted by the PCPA/PNAs, we found inconsistencies in the disposition of the incidents and rule violations. We believe children were at risk when private agencies did not act on admitted drug use by a foster caregiver, from foster children's allegations of abuse and neglect, and repeated rule and policy violations. ODHS' delegation of authority does not result in the reduction of its responsibility to ensure compliance with applicable laws intended to provide safety for the children.

Recommendation: ODHS should establish policies and procedures to strengthen controls over the process of investigating allegations of rule violations by foster caregivers that includes the monitoring of compliance with those rules.

V - 12. Private Agencies Did Not Verify The Accuracy of Information Submitted On The Family Foster Home Application

Ohio Admin. Code Section 5101:2-5-20 (C) provides: "An agency shall use ODHS 1691(9/96) for all initial family foster home applications and for the simultaneous approval of an applicant for adoptive placement, (1) An agency shall not accept an application for a family foster home certificate and approval for adoptive placement which does not contain complete and accurate information."

We found that the PCPA/PNAs we reviewed did not take adequate measures to ensure the information on their family foster home applications was complete and accurate.

Twenty-one percent of the applications reviewed had incomplete or inaccurate information. The PCPA/PNAs we reviewed did not consistently verify employment, income, and the applicant's assertions of prior child care experience.

Ohio Admin. Code Section 5101:2-5-20 (H) states: "Prior to an initial recommendation for certification of a family foster home, an agency shall contact all references given by the applicant, including any other agency or organization with which the applicant has been previously certified as a foster caregiver, or has provided care and supervision of children. All contacts with references shall be documented in the narrative section of the ODHS 1349 Family Foster Home Homestudy."

Failure to verify the completeness and accuracy of information on the Family Foster Home Application increases the risk that unsuitable applicants may be recommended and approved.

Recommendation: ODHS should design and implement a system of controls over the licensing process that ensures that applicants that should be identified as unsuitable during the application process do not circumvent the system and obtain licenses while submitting incomplete or inaccurate information.

V - 13. Private Agencies Did Not Consistently Ensure That All Household Members Were Free of Physical, Emotional or Mental Conditions That Could Endanger The Foster Child

Ohio Admin. Code Section 5101:2-5-20 (D) states: "An agency shall require that the applicant provide a statement for all members of the household on the ODHS 1653 "Medical Statement for Foster Care/Adoptive Applicant and All Household Members," completed by a licensed physician within six months prior to an initial recommendation by the agency for certification. Such statement shall document that the caregiver and all members of the household are free from any physical, emotional, or mental condition which would

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endanger children or seriously impair the ability of the household to care for a foster child.”

Fourteen percent of the medical statements reviewed at the PCPA/PNAs were not completed within six months prior to the initial recommendation by the agency for certification as required by Ohio Admin. Code Section 5105:2-5-20 (D) and did not assess and document the applicant and all members of the household were free from any physical, emotional or mental condition which would endanger children.

The form was completed by a licensed physician who may or may not have prior knowledge of the applicant. In many instances the only information the physician may have had on which to base his opinion regarding the individual's suitability as a foster caregiver, may have been the physical examination and responses by the applicant on prior medical history. The emotional or mental condition of the applicant was not assessed or documented in the foster family records. There could be a potential risk to the child due to the improper assessment and documentation of the emotional and/or mental condition of the applicant.

YES was the only one, of six PCPA/PNAs reviewed, which documented a psychological assessment. The emotional or mental condition of the applicant was determined by the use of a specialized psychological assessment which was completed by the applicant and scored by an agency representative as to the individual's suitability to be a foster caregiver.

Failure to properly assess whether household members are affected by any physical, emotional, or mental condition increases the risk that ODHS could license an unsuitable foster home. In addition, it exposes the foster child to avoidable risk of abuse and neglect that could result from an inappropriate placement.

Recommendation: ODHS should design and implement a system of controls over the licensing process that ensures that administrative procedures designed to protect children are fully complied with before licenses or certifications are issued.

V - 14. Circumvention of Occupancy Limitations Increases the Risk of Inappropriate Foster Care Placements

Ohio Admin. Code Section 5101:2-5-32 (B) states in pertinent part, “not more than five foster children and not more than a total of ten children, including the children of the foster caregiver, shall reside in a family foster home at any one time except:

- (1) When a foster caregiver has been certified less than two years to operate a family foster home, or has less than two years of professional child care experience as documented by the recommending agency, not more than three foster children shall be placed in the home at any one time except sibling groups.”

At KARE we tested 26 family foster files for placement requirements and found that 15% of those examined had more than three children placed in the home during the first two years of initial certification and did not have a proper waiver from ODHS or documentation of professional experience in violation of Ohio Admin. Code Section 5101:2-5-32 (B).

In 7 of the 10 family foster homes reviewed for licensing requirements KARE recommended or placed more than three foster children in the foster home, when the foster caregiver had been certified less than two years to operate a family foster home. The agency used “prior child care experience” to justify the placement of more than three children based on the following situations:

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- Listed as an alternative caregivers from 1989 to present with a letter of reference from the applicant's family members noting assistance with natural & foster children
- "I have six stepchildren of my own."
- A reference letter from an individual stating the applicant was a professional daycare provider even though this information was not listed on the application nor in the homestudy performed by the agency
- Substitute residential advisor for six months
- Provided daycare in their home per the homestudy, even though this information was not listed on the application

KARE circumvented the three child limit by using questionable "professional childcare experience" documentation in the foster caregivers files.

Placing more than the recommended three children with a newly licensed foster caregiver may prove overwhelming to the foster caregiver, but beneficial to the agency due to the increased administrative reimbursement.

The children enter care due to their families' inability to care for them, resulting in abuse, neglect and/or family conflict. The children may exhibit emotional and/or behavioral problems unlike other children and when placed in an unfamiliar situation, coupled with an inexperienced foster caregiver it may prove devastating for both the child and foster caregiver. Others in the household may also be placed at risk.

Recommendation: ODHS should promulgate rules that clearly define the criteria for waiving occupancy limits based on "professional child care experience." The criteria should be sufficiently high to protect the interest of the foster children that would be placed in the home.

V - 15. Private Agencies' Evaluations of Changes in Household Occupancy Were Not Adequate To Ensure The Changes Did Not Place the Foster Child at Risk.

Ohio Admin. Code Section 5101:2-5-30 (A) states in pertinent part that upon notification of any change in household occupancy of a family foster home, change in marital status, or change of address, the recommending agency shall evaluate the change within thirty days of the agency's receipt of notification to determine if the foster caregiver is capable of providing continued care for foster children, or determine that new household occupants meet any applicable requirements of Section 5101:2-5 or Section 5101:2-7 of the Administrative Code for Public & Private Agencies and Family Foster Homes, respectively.

Nineteen percent of the changes reviewed were not evaluated by the recommending agency within the 30 day time period required by Ohio Admin. Code Section 5101:2-5-30 (A). The PCPA/PNAs reviewed processed changes in occupancy and/or marital status in various manners. If an adult or paramour (significant other) moved into the household all agencies obtained a Bureau of Criminal Identification and Investigation (BCII) records check. Three obtained medical statements, four assessed the impact on the members of the household, three required references, six completed orientation training and two required the completion of an application. The OAC has not established guidelines or the documentation required for the changes noted, so it was left to the discretion of each PCPA/PNA. If the agency does not obtain all relevant information the child may be placed in an unsuitable environment putting the child at risk.

Recommendation: ODHS should promulgate rules that establish the minimum procedures that must be performed by a recommending agency when evaluating a change in the foster family household.

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V - 16. Private Agencies Did Not Consistently Ensure That Applicants They Recommended Met the ODHS Rule Requirement of Income Sufficient to Meet the Basic Needs of the Household

Ohio Admin. Code Section 5101:2-7-02 (D) states, “A foster caregiver shall have an income sufficient to meet the basic needs of the household and to make timely payment of shelter costs, utility bills and other debts.”

The PCPA/PNAs did not document that the applicant’s income was sufficient to meet the basic needs of the household in 23% of the foster home files we reviewed. In addition, we found that PCPA/PNAs did not verify income.

We compared license applications, home studies and foster family files and found indications that individuals were licensed without income sufficient to meet the basic needs of the household.

KARE had five of ten applicants move or change their address between the period the application and homestudy was completed, three more moved within six months after being licensed. The move increased the beds available for placement of children and the potential amount of foster care reimbursement payable to the foster caregiver and the agency. Five of the applicants moved into homes owned or leased by KARE through a company owned by KARE’s Executive Director and her husband, D&W Services, Inc.

The agency paid utilities, bought appliances and made improvements to the homes without charging or obtaining a reimbursement from the foster caregivers, indicating their income was not sufficient to meet their basic needs, which would appear to be inconsistent with Ohio Admin. Code Section 5101:2-7-02 (D).

It appears the foster caregivers did not have sufficient income to meet the basic needs of the household as required and should not have been recommended to ODHS by KARE to become a licensed family foster home. KARE’s management, associates or family members appear to have personally benefitted from the transactions involving the use of public funds and assisted in the circumvention of this section of the Ohio Admin. Code Section (See Section II, Private Agencies Financial Transactions With Related Parties & Questionable Business Practices).

At SAFY an applicant stated she planned to quit her job to become a full-time foster caregiver. The question on the homestudy requesting whether income was sufficient to meet the needs of the household was left blank. This foster caregiver had no other source of income other than the foster care reimbursement. It appears SAFY violated this rule.

Recommendation: ODHS should establish standards for recommending agencies to assess and document the sufficiency of the applicants’ income. In addition, it should develop procedures to monitor compliance with this requirement.

V - 17. Family and Children Services Information System Limitations Prevents ODHS From Identifying When Multiple Family Foster Home Certificates Are Issued For the Same Address

On two occasions ODHS issued family foster home certificates to two different foster caregivers at the same address for concurrent and overlapping periods. KARE leased the two properties and paid the rent for the foster caregivers residing in both the properties. KARE did notify ODHS that a new set of foster caregivers moved in but did not notify ODHS that the previous foster caregivers moved out.

Ohio Admin. Section 5101:2-5-30(A) states pertinent part that upon notification of any change in household

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occupancy of a family foster home, change in marital status, or change of address, the recommending agency shall evaluate the change within thirty days of the agency's receipt of notification to determine if the foster caregiver is capable of providing continued care for foster children, or to determine if the new site of the family foster home meets all the requirements of Chapter 5101:2-7 of the Administrative Code.

In one instance, it appears KARE maintained the home occupied by foster children while moving foster caregivers in and out as necessary. This practice does not place the foster child in a stable family-like setting.

During the audit we informed KARE of our audit finding, KARE then submitted ODHS Form 1317 "Recommendation for Certification/Recertification of a Family Foster Home" to ODHS to recommend the revocation of the family foster home certificates because the original foster caregivers moved without leaving a forwarding address.

According to KARE, ODHS stated that it would not revoke the certificate because the foster caregivers failed to notify them of a new address. ODHS explained a foster caregiver may take longer to get settled in and prepare to receive children again and the agency could not arbitrarily close the certificate without the signature requesting a voluntary withdrawal.

ODHS would return the Form 1317s submitted by the agency stating the agency would have to wait until the recertification dates to mail the ODHS 1331, "Notice of Expiration & Reapplication for a Family Foster Home Certificate". The agency would be allowed to close the certificate based on certified receipts as proof of its attempt to contact the foster caregiver at the time of recertification.

Recommendation: ODHS should design and implement controls in the Family and Children Services Information System (FACSIS) that would detect and/or prevent the issuance of multiple certificates to the same foster home address. MCCSA should also monitor the placement practices of PCPA/PNAs to ensure children are placed in the most appropriate family-like setting.

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***Appendix A
Profiles of Defined Community and the Client Population***

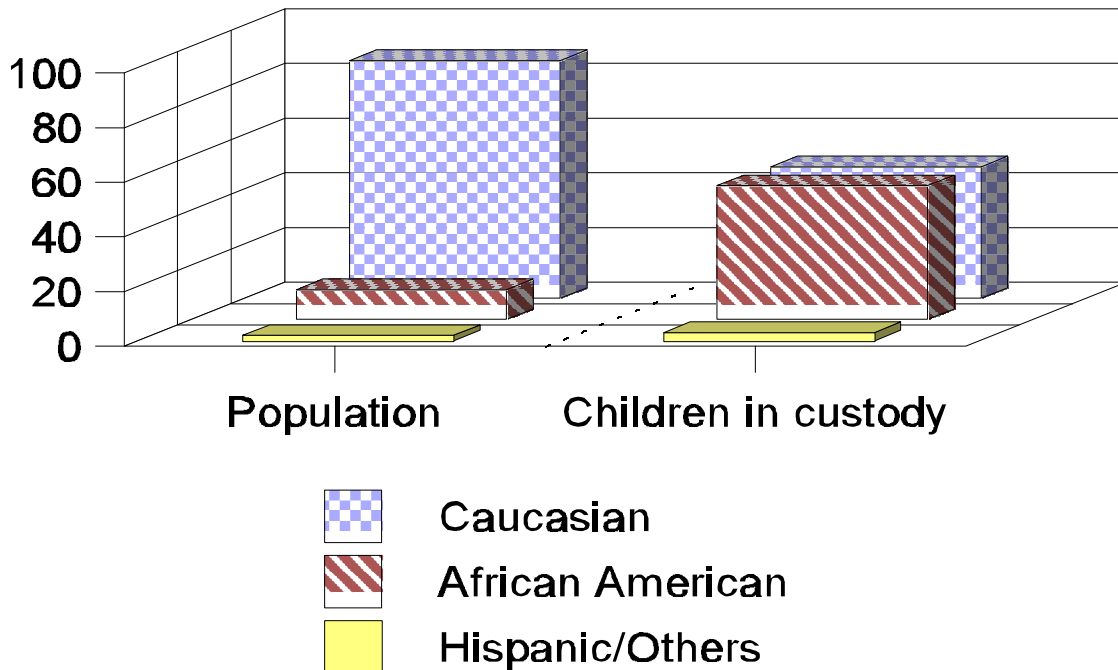
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Profiles of Defined Community and the Client Population

Demographics

The State of Ohio has a population of 11,172,782 which includes 87% Caucasian, 11% African American and 2% Hispanic/Other. Twenty-six percent of the population is under the age of 18, 38% of all households have two parents, the per capita income is \$20,857 and the annual unemployment rate in 1997 was 4.6% compared to 5.6% in 1990.⁴¹ The ethnic background of the 19,815 Ohio children in custody as of January 1, 1998 was 48% Caucasian, 49% African American, and 3% Hispanic/Others.⁴² There was a disproportionate number of minority children in foster care compared to the State's total population. While families experiencing poverty, substance abuse, inadequate housing, teen pregnancy or the lack of educational success were not pre-disposed to abuse or neglect their children, families entering the child protection system are often struggling with one or more of these conditions.

Ethnic Background in Ohio (1997)



⁴¹ Public Children Services Association of Ohio (PCSAO), The Child Protection Mission: Safe Children, Stable Families and Strong Communities, A Factbook 1999-2000 p. 24

⁴² Public Children Services Association of Ohio (PCSAO), The Child Protection Mission: Safe Children, Stable Families and Strong Communities, A Factbook 1999-2000 p. 25

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Montgomery County appears to be representative of the foster care environment in the State of Ohio based on the outcome indicator measurements reports available for counties from January 1992 to the present, per the Child Protection Oversight and Evaluation (CPOE) indicators.⁴³ PCSAO classifies Cuyahoga, Franklin, Hamilton, Lucas, Montgomery, and Summit as metropolitan counties.

CPOE Indicator	Small Counties	Medium Counties	Large Counties	Metro Counties
% of Investigations Completed Within 45 days	85%	77%	82%	73%
% of Child Abuse & Neglect Cases in Which Children were Removed from their Homes	3.5%	3.9%	3.4%	6.3%
% of Children in Out of Home Care due to Dependency 1995 and 1997	33% - 1995 40% - 1997	30% 28%	41% 42%	31% 24%
% of Children Remaining in Out of Home Placement 6,12,18 and 24 months	42.5% 6mos 23.9% 12 mos 16.9% 18 mos 12.6% 24 mos	30.9% 19.6% 13.8% 8.7%	50.9% 34.3% 25.5% 17.3%	53.6% 38.5% 28.0% 19.7%
% of Children Who Experience One or Fewer Moves while in Out of Home Placement	77%	78%	69%	69%
% of Children Removed from Their Homes More than Once	28%	34%	26%	28%
% of Children in Court Ordered Long Term Foster Care Status 1995 and 1997	4.1% - 1995 3.3% - 1997	2.3% 2.6%	3.4% 2.2%	2.5% 1.5%
% of Custody Terminations for Children by Reunification	45%	42.6%	45.7%	39%

⁴³

Public Children Services Association of Ohio (PCSAO), The Child Protection Mission: Safe Children, Stable Families and Strong Communities, A Factbook 1999-2000, pp. 15-21, 23

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Montgomery County is considered one of the metropolitan counties in the State of Ohio according to the demographics, with Dayton as the county seat. Montgomery County has a population of 578,642 which includes 52% females and 47% males. Children under 18 years of age represent 27% of the population of Montgomery County. The racial diversity of the population includes 81% white, 17% Black or African American, .8% Hispanic, 1% Asian or Pacific Islander and .2% American Indian or Alaska Native. The median family income by household in Montgomery County is \$30,111. Montgomery County has 9.8% of the population living below the poverty level. In 1995 the unemployment rate was 4.2 %.⁴⁴ There is a disproportionate number of minority children in foster care compared to the County's total population.

<u>Montgomery County</u>		<u>MCCSA's Client Population</u>	
Annual Family of Four Income:	%	Annual Family of Four Income:	%
Under \$13,000 - \$20,000	36	Under \$13,000	13
\$20,001 - \$30,000	18	\$13,001 - \$20,000	78
Above \$ 30,000	46	\$20,001 - \$30,000	7
		Above \$ 30,000	2
Sex:		Sex:	
Men	48	Men	12
Women	52	Women	88
Age:		Age:	
Under 12	20	Under 12	46
Youth 12 - 17	7	Youth 12 - 17	19
Young Adults 18 - 25	9	Young Adults 18 - 25	22
Adults 26 - 64	51	Adults 26 - 64	12
Adults 65 and Over	12	Adults 65 and Over	1
Racial/Ethnic Composition:		Racial/Ethnic Composition:	
White (Caucasian)	81	White (Caucasian)	41
Black/African American	17	Black/African American	46
Indian (American or Canadian)	0.2	Indian (American or Canadian)	2
Asian or Pacific Islander	1	Asian or Pacific Islander	0.5
Eskimo or Aleutian	0	Eskimo or Aleutian	0
Hispanic	0.8	Hispanic	5

Source: Montgomery County Public Children Services Agency Preliminary Accreditation Report dated 10/18/96 to the Council on Accreditation of Services for Families and Children

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Source: 1990 United States Census Report.

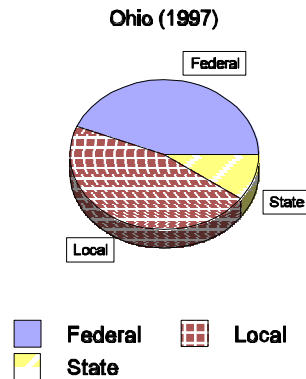
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Funding

According to the Public Children Services Association of Ohio (PCSAO)⁴⁵, the total annual expenditures for child protection in Ohio were \$571,774,181 in 1997. The State portion includes special grants and the Children's Trust Fund in addition to the State Child Protection Allocation of \$42 million. The local portion includes children services levies maintained by 42 of Ohio's 88 counties, while 46 did not. Montgomery County was one of the 42 to maintain a children services levy in 1997. The breakdown is as follows:

State of Ohio		
Federal	\$253,681,483	44%
State	56,017,761	10%
Local	<u>262,074,937</u>	<u>46%</u>
	\$571,774,181	100%
MCCSA		
Federal	\$ 16,145,561	43%
State	3,883,604	10%
Local	<u>17,503,165</u>	<u>47%</u>
	\$ 37,532,330	100%

Expenditures



Type and Cost of Placement

Ohio Admin. Code Section 5101:2-39-45 (A)⁴⁶ states in pertinent part "Each PCSA or PCPA shall select a substitute care placement setting which is consistent with the best interest and special needs of the child and which is also:

- (1) The least-restrictive, most family-like setting available which meets the child's emotional and physical needs;
- (2) In close proximity to the home from which the child was removed or the home in which the child will be permanently placed;
- (3) Designed to enhance the likelihood of reunification, when appropriate; and
- (4) Able to maintain the cultural heritage, social and cultural ties of the child."

⁴⁵ Public Children Services Association of Ohio (PCSAO), The Child Protection Mission: Safe Children, Stable Families and Strong Communities, A Factbook 1999-2000, p. 25

⁴⁶ This rule was repealed and reenacted effective 3/18/99 and applicable requirements appear in Ohio Admin. Code Section 5101:2-42-05(C). The amendment did not substantively affect the audit results.

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Research studies on foster care underscore the benefits of stable placements. “Subjects who had been in family foster care functioned better as adults than those who had spent all or part of their time in group settings: they completed more education; were less likely to have been arrested or convicted of a crime, were less likely to be dissatisfied with the amount of contact they had with their biological siblings; less likely to have no close friends; had stronger informal support networks; moved less often in adulthood; less likely to live alone, to be single- parent heads of households and to be divorced; less likely to report alcohol or drug problems.”⁴⁷

Forty-seven percent of all out-of-home care in the State of Ohio and 52% in Montgomery County was purchased from private sources by the public children service agencies. Adolescents comprise the largest age group among children placed in out-of-home care in Ohio as well as in Montgomery County.⁴⁸

A “family foster home” as a private residence in which foster children are received apart from their parents, guardian or legal custodian by an individual for hire, gain, or reward for nonsecure care, supervision or training twenty-four hours a day.

A “group home for children” as any facility, public, or private which meets all of the following criteria; 1) gives a maximum of 10 children, including the children of the operator or any staff who reside in the facility, nonsecure care and supervision twenty-four hours a day for hire, gain, or reward by a person or persons who are unrelated to such children by blood or marriage, or who is not the appointed guardian of such children. Any individual who provides care for children from only a single-family group, placed there by their parents or other relative having custody, shall not be considered as being a group home for children; 2) is not certified as a family foster home and 3) receives or cares for children for two or more consecutive weeks.

A “residential facility” as a facility that is not a private residence in which children reside where care is provided by child care staff employed by a agency. A family foster home is not a residential facility. A “residential parenting facility” as a facility in which teenage mothers and their children reside for the purpose of keeping mother and child together, teaching parenting and life skills to the mother, and assisting teenage mothers in obtaining educational or vocational training and skills.

⁴⁷ Thomas P. McDonald, Reva I. Allen, Alex Westerfelt, & Irving Piliavin, Assessing the Long Term Effects of Foster Care: A Research Synthesis, p.132, (Child Welfare League of America 1996)

⁴⁸ Public Children Services Association of Ohio (PCSAO), The Child Protection Mission: Safe Children, Stable Families and Strong Communities, A Factbook 1999-2000, pp. 25, 139

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Types of Placement

State of Ohio

	Temporary Custody	Long Term Foster Care	Permanent Custody	Total	%
Family Foster Home	8,135	1,628	3,117	12,880	65%
Relative/Kinship Home	3,257	144	166	3,567	18%
Group Home	518	192	83	793	4%
Residential Care	1,216	359	208	1,783	9%
Adoptive Homes, other	139	72	582	793	4%
Total Placements	13,265	2,394	4,156	19,815	100%

MCCSA

	Temporary Custody	Long Term Foster Care	Permanent Custody	Total	%
Family Foster Home	720	159	197	1,076	87%
Relative/Kinship Home	6	4	2	12	1%
Group Home	35	21	7	62	5%
Residential Care	41	16	4	62	5%
Adoptive Homes, other	5	6	13	25	2%
Total Placements	807	206	224	1,237	100%

Source: Public Children Services Association of Ohio (PCSAO), The Child Protection Mission: Safe Children, Stable Families and Strong Communities, A Factbook 1999-2000, pp. 25 , 139. The definitions apply for purposes of the study.

The average cost per month for placement in a MCCSA foster home was \$544, \$1,543 for a PCPA/PNA foster home, \$2,069 for a treatment foster home (specialized training required to address the behaviors or needs of foster children), \$2,140 for a group home, \$4,902 for a residential center and \$78 for an adoptive home. Placements within MCCSA's foster home network help to reduce the cost of placement, facilitates the visitation of family members due to close proximity and maintains the child in a local or familiar setting.

Number of Children per

Type of Placement	1997	%	1996	%	1995	%
MCCSA Foster Homes	7,751	36.86%	8,179	41.46%	8,589	42.70%
PCPA/PNA Foster Homes	3,570	16.98%	2,543	12.89%	2,922	14.53%
Treatment Foster Homes	783	3.72%	\$687	3.48%	\$631	3.14%
Group Home	433	2.06%	\$254	1.29%	\$314	1.56%
Residential Centers	425	2.02%	\$323	1.64%	\$345	1.72%
Adoptive Homes	8,068	38.36%	7,742	39.24%	7,315	36.36%
	21,030	100.00%	19,728	100.00%	20,116	100.00%

Cost Associated With Placement

	1997	%	1996	%	1995	%
MCCSA Foster Homes	\$4,215,049	28.17%	\$3,839,316	32.36%	\$3,465,794	29.61%
PCPA/PNA Foster Homes	\$5,519,289	36.89%	\$4,044,260	34.09%	\$4,362,086	37.27%
Treatment Foster Homes	\$1,613,913	10.79%	\$1,396,582	11.77%	\$1,250,492	10.68%
Group Home	\$924,438	6.18%	\$553,691	4.67%	\$609,313	5.21%
Residential Centers	\$2,058,725	13.76%	\$1,449,900	12.22%	\$1,460,538	12.48%
Adoptive Homes	\$630,132	4.21%	\$580,798	4.90%	\$555,174	4.74%
	\$14,961,546	100.00%	\$11,864,547	100.00%	\$11,703,397	100.00%

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1997 Average Monthly Cost	# of Children	Cost	Cost per Child
MCCSA Foster Homes	646	\$351,254	\$544
PCPA/PNA Foster Homes	298	\$459,941	\$1,543
Treatment Foster Homes	65	\$134,493	\$2,069
Group Home	36	\$77,037	\$2,140
Residential Centers	35	\$171,560	\$4,902
Adoptive Homes	672	\$52,511	\$78
	1,752	\$1,246,796	\$712

(The MCCSA's cost does not include administrative or overhead costs. The total amount billed by the PCPA/PNAs include approximately 50% for administrative costs). Source: Montgomery County Public Children Services Agency Comparison of Placement Costs for 1995 and 1996 and 1997 and 1998

Reports of Abuse and Neglect

According to the Public Children Services Association of Ohio (PCSAO)⁴⁹, new reports of child abuse and neglect have fluctuated in the State of Ohio and Montgomery County. In 1997 new reports totaled 105,727 up from 95,240 in 1991 for the State of Ohio and 4,949 up from 3,343 for the same period in Montgomery County. The increase in the number of reports may be reflective of an increase in public awareness. Ohio Rev. Code Section 5153.16 requires a comprehensive assessment of risk on all reports of abuse or neglect. Ohio Rev. Code Sec. 2151.421 (F)(1) also requires public children services agencies to initiate investigations of new reports within 24 hours.

The unduplicated number of new reports and their percentage of total reports in 1997, are categorized into five categories:

New Reports	State of Ohio		MCCSA	
	#	%	#	%
Physical Abuse	31,194	30%	1,543	31%
Neglect	41,536	40%	2,068	42%
Sexual Abuse	15,028	14%	744	15%
Emotional Maltreatment	2,649	3%	101	2%
Dependency	15,320	13%	493	10%
Total	105,727	100%	4,949	100%

MCCSA's Intake and Emergency services received, screened, prioritized and investigated all child abuse and/or neglect referrals. Referrals came from mandated reporters, i.e. schools, police, hospitals, doctors, neighbors, relatives and other concerned parties.

⁴⁹ Public Children Services Association of Ohio (PCSAO), The Child Protection Mission: Safe Children, Stable Families and Strong Communities, A Factbook 1999-2000, pp. 24, 138.

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According to MCCSA's service statistics in the Annual Report and Evaluation for 1996 there were 29,275 telephone calls received, 4,437 family cases were referred, 4,280 cases had dispositions or referrals, 43% as neglect, 28% as physical abuse, 12% as sexual abuse, 11% as dependency and 6% other. During 1996, 44% of referral complaints were substantiated or indicated, 56% were unsubstantiated.⁵⁰

MCCSA stated "they concur that many of the calls which are repeat calls are those which are spite calls or custody battles. The valid repeat calls typically are a result of the family's failure to respond or to superficial utilization of services."⁵¹

According to MCCSA's annual report "By law, Montgomery County Public Children Services Agency (MCCSA) must be involved in all situations where there are allegations of child abuse and neglect. MCCSA provides 24-hour, 7 day per week coverage through Intake and Emergency Services program." The initial assessment of cases of child abuse and neglect is referred to as an investigation or sensitive case requiring an out-of-home care investigation. "Investigation is a the fact-finding process which includes information gathering from interviews, observations, and contact with other collateral resources. The data provided information upon which to base an assessment of family functioning and to make a disposition regarding the report of abuse or neglect."⁵²

New Custodies

Studies indicate increasing demands for foster care. The National Center on Addiction and Substance Abuse reports: "Nationwide, the number of children in foster care has nearly doubled, rising from 280,000 in 1986 to 502,000 in 1996. The number of children in and out of foster care nationwide over the course of a year is at least 700,000....⁵³ Over the past 10 years, fueled by alcohol and illegal drugs, the number of abused and neglected children has more than doubled – from 1.4 million in 1986 to more than 3 million in 1997, a rise more than eight times greater than the increase in the children's population (114.2% compared to 13.9%)."⁵⁴

50 Montgomery County Children Services Annual Report and Evaluation for 1996, Section A(5), Intake and Emergency Services, submitted April 25, 1997.

51 The Montgomery County Children Services Final Report for Stage I of Child Protection Oversight and Evaluation Quality Assurance System (CPOE) dated 3/31/98 from Marlene Preston-Rombach, Technical Assistance Manager, ODHS, p.8.

52 Montgomery County Children Services Annual Report and Evaluation for 1996, Section A(5), Highlights and Accomplishments, submitted April 25, 1997.

53 The National Center on Addiction and Substance Abuse at Columbia University (1999), No Safe Haven: Children of Substance-Abusing Parents, p.33.

54 The National Center on Addiction and Substance Abuse at Columbia University (1999), No Safe Haven: Children of Substance-Abusing Parents, Foreword, i.

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“Children whose parents abuse drugs and alcohol are almost 3 times likelier to be abused and more than 4 times likelier to be neglected than children of parents who are not substance abusers.”⁵⁵

According to a study published by the Child Welfare League of America, the reason for out of home placement may affect the ultimate outcome. “In general placement because of neglect, abandonment, or physical abuse, compared to placement because of mental illness, death, imprisonment, or physical illness of the caretaker, was found to be associated with the following negative outcomes; more criminal behavior; feeling less close to one or both parents; poorer sense of well-being and lower educational achievement.”⁵⁶

The number of Ohio children in any custody status on January 1 increased 16% between 1996 and 1998. That number increased 21% in Montgomery County between 1996 and 1998.⁵⁷ MCCSA is a public agency and cannot control the influx of new cases into the Intake Division. In response to the growing caseloads MCCSA stated, “The staff’s ability to manage cases within the desired time-frames is dependent on the incoming workload, which during 1996 ranged from 10.4 new cases to 17 cases per month per worker during the first 10 months of 1996.”⁵⁸ According to PCSAO, as of January 1, 1998, MCCSA’s averages for new investigations as well as ongoing cases per worker were 15 and 21, well above the maximum standard level of 12 and 13 respectively recommended by PCSAO. The average for the State of Ohio was 13 and 22 respectively.⁵⁹

Between 1991 and 1997, the annual number of abused, neglected and dependent children as well as unruly and delinquent youth in Ohio who were placed in out-of-home care increased from 27,606 to 32,643. In Montgomery County, for the same period the increase was from 1,302 to 1,902.⁶⁰

Between 1994 and 1996, the annual number of abused, neglected and dependent children as well as unruly and delinquent youth in Montgomery County who were placed in out-of-home care increased from 370 to 652. Some of the contributing factors may include the behavior of the child, the agency’s assessment about why an abuse or neglect finding was reduced to one of dependency by the court, or community services available to avert the removal or the level of parent involvement.

⁵⁵ The National Center on Addiction and Substance Abuse at Columbia University (1999), No Safe Haven: Children of Substance-Abusing Parents, Foreword, ii.

⁵⁶ Thomas P. McDonald, Reva I. Allen, Alex Westerfelt, & Irving Piliavin, Assessing the Long Term Effects of Foster Care: A Research Synthesis, p.134, (Child Welfare League of America 1996).

⁵⁷ Public Children Services Association of Ohio (PCSAO), The Child Protection Mission: Safe Children, Stable Families and Strong Communities, A Factbook 1999-2000, pp. 25, 139.

⁵⁸ MCCSA’s response to the Manual for Agency Accreditation Self-Study from the Council on Accreditation (COA) of Services for Families and Children, Section DD.4.05.

⁵⁹ Public Children Services Association of Ohio (PCSAO), The Child Protection Mission: Safe Children, Stable Families and Strong Communities, A Factbook 1999-2000, pp. 25, 139.

⁶⁰ Public Children Services Association of Ohio (PCSAO), The Child Protection Mission: Safe Children, Stable Families and Strong Communities, A Factbook 1999-2000, pp. 25, 139.

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The following table notes the reasons for placement by MCCSA from 1996 -1994. MCCSA discontinued accumulating this information in 1997. This information provided management with characteristics of the client population that MCCSA is required to serve. Management should continue to gather the information and use the information as a planning tool to determine support services to be offered, areas for training of the caseworkers and foster caregivers, budgeting, and client projections for the future.

New Custody	1996	%	1995	%	1994	%
Dependency	312	47.85%	310	52.45%	160	43.24%
Physical Abuse	97	14.88%	61	10.32%	34	9.19%
Neglect	196	30.06%	155	26.23%	80	21.62%
Court Ordered	5	0.77%	10	1.69%	2	0.54%
Environment	2	0.31%	29	4.91%	41	11.08%
Family Conflict	26	3.99%	0	0.00%	46	12.43%
Sexual Abuse	14	2.15%	26	4.40%	7	1.89%
Total	652	100.00%	591	100.00%	370	100.00%

With the increase in the number and costs associated with new placements and the increasing caseloads the In-Home Protective Services staff will be required to provide support and preventive services in a more efficient and effective manner. Also the new requirements of federal legislation contained in the Adoption and Safe Families Act (AFSA) significantly reduced time frames and increased requirements. Therefore it will be imperative to have the ability to measure outcomes and success.

In January 1999 MCCSA implemented a pilot project of the Workload Management System⁶¹ targeted at improving productivity, utilization and quality of service. The goals are to:

- Implement a Workload Management system targeted at improving productivity, utilization and quality of service
- Increase direct services time
- Increase time spent on transferring cases from Intake to Ongoing, thereby increasing the number of monthly transfers
- Implement a case tracking system to identify backlog and to forecast individual weekly workload by case
- Facilitate a vertically integrated team approach
- Implement electronic processing and transfer of referrals decreasing processing time and increasing response time
- Implement a multi-tiered Intake system to differentiate between assessment and investigation. Services are front-end loaded and service interruptions eliminated
- Reorganize agency structure to eliminate multiple clerical handling, multiple case transfers and multiple caseworker and supervisor assignments
- Shift non-caseworker specific activities to paraprofessional and clerical staff to provide lower cost of service and to increase caseworker availability for direct service
- Reduce paperwork through elimination of paper based referral systems, redesign the intake logs and eliminate multiple transfers

⁶¹ Montgomery County Children Service Process Redesign Team Update by A.. T. Hudson, 10/98.

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- Process change notices
- Establish a child abuse/neglect hotline
- Design a quality assurance department to ensure service quality and ODHS compliance
- Create a concurrent planner position to facilitate case flow and monitor case practice
- Decrease average case length

The Minority Placement Prevention (MPP) program within the In-Home Service Department was used to provide intensive support and/or services to minority families with children at risk of being placed into a substitute (foster) care in an effort to preserve, maintain and empower the families. Services were provided for at least 90 days. Information and education on community resources, social and cultural issues, housing, mental health issues, medical providers, drug/alcohol treatment, day care, transportation, and assistance in obtaining significant or required documentation were addressed.

MPP used paraprofessionals, the referring caseworker and supervisor to assess the needs of the family from a team approach for each case and develop a project outline or goals based upon the case plan. The initial home visit was conducted with the team and the family members. MPP personnel carried a much smaller caseload, six to eight cases with a primary and secondary worker for each case. During the first 30 days MPP workers completed at least three home visits a week to develop a relationship with the family members and extended family. The next 30 days were used for providing information, education, training and other needed services.

The last 30 days were used to monitor the family and the resources provided. During 1998 MPP accepted 99 referrals which included 275 children of which 252 or 92% remained in their parent's or guardian's home. These types of intense team approaches may help eliminate the need for removal of the child from his/her family setting.

Length in Custody

Per PCSAO Ohio's children can be classified in three custody types: temporary custody. (65%), long-term foster care (12%), and permanent custody (21%). According to PCSAO, "Temporary custody is limited to one year unless extended for up to an additional year by the juvenile court."⁶² Long term foster care includes "children which are not available for adoption nor is it planned for them to be returned to their parents. There is no plan for permanent attachment to a family."⁶³ Permanent custody includes children whose "parental rights have been permanently severed. A majority are waiting for an adoptive family."⁶⁴

⁶² Public Children Services Association of Ohio (PCSAO), The Child Protection Mission: Safe Children, Stable Families and Strong Communities, A Factbook 1999-2000,p. 25.

⁶³ Public Children Services Association of Ohio (PCSAO), The Child Protection Mission: Safe Children, Stable Families and Strong Communities, A Factbook 1999-2000,p. 25.

⁶⁴ Public Children Services Association of Ohio (PCSAO), The Child Protection Mission: Safe Children, Stable Families and Strong Communities, A Factbook 1999-2000,p. 25.

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Contributing factors may include the “availability of prospective adoptive parents, recruitment of adoptive parents, location of placement (in-county versus out of county); type of placement; level of contact by agency staff with the placement providers.”⁶⁵

State of Ohio

Total years in custody	Temporary custody	Long term foster care	Permanent custody	Total
0 - 2	11,386	455	1,039	12,880 (65%)
2 - 4	1,047	982	1,538	3,567 (18%)
4+	832	957	1,579	3,368 (17%)
	13,265	2,394	4,156	19,815 (100%)

MCCSA

Total years in custody	Temporary custody	Long term foster care	Permanent custody	Total
0 - 2	735	58	36	829 (67%)
2 - 4	38	91	94	223 (18%)
4+	33	58	94	185 (15%)
	807	206	224	1,237 (100%)

Six percent of children placed in temporary custody in the State of Ohio and 4% of children placed in the temporary custody of MCCSA remained in care for four or more years. Four years is an excessive amount of time to be in temporary care without any permanency planning. The result was children unable to feel attachment to the foster caregivers or their biological parents because they were constantly at risk of entering and exiting the foster care system or changing foster caregivers. Temporary custody was to be limited to one year unless extended for up to an additional year by the juvenile court. Children in temporary custody for more than two years were being neglected by the system.

⁶⁵

Public Children Services Association of Ohio (PCSAO), The Child Protection Mission: Safe Children, Stable Families and Strong Communities, A Factbook 1999-2000, p. 18

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***Appendix B
Environmental Factors***

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Environmental Factors

Alcohol and Drug Abuse

“..The National Committee to Prevent Child Abuse issued an in-depth report on the problem [of child abuse] based on 1996 figures. Among the findings: Profound neglect involving children left unsupervised and uncared for, often by parents with drug and alcohol problems was by far the most common form of abuse, and comprised 60 percent of all cases. Physical abuse (23 percent) and sexual abuse (9 percent) occurred less often, but those numbers -- represent more than 220,000 and 87,000 children, respectively.”⁶⁶

Based upon the 1996 Intake Study conducted by the Office of Management Information Systems Bureau of Research dated May 1998 from the Ohio Department of Rehabilitation and Correction Prison System:

- Almost seven of every ten (68.8%) drug related offenses committed by males and more than three-fourths or 77.1% of those committed by females involved crack cocaine
- There was some evidence of a recent drug abuse problem among 74.7% of the sample, only about 1 in 9 or 11.7% had been diagnosed with or treated for drug abuse during the 6 month period prior to the date of arrest
- Almost 63.2% of the sample had some evidence of a recent alcohol abuse problem

The impact of substance abuse will continue to be a substantial cost to society, CASA's study reports, “In human tragedy, the cost is inestimable. In dollars, parental substance abuse and addiction costs the nation some \$20 billion a year: \$10 billion in federal (44%), state (44%) and local (12% mostly county) child welfare systems costs --70% of the \$14 billion total -- and an estimated \$10 billion more in lost productivity and health care, law enforcement, criminal justice, family courts, welfare and social service costs.”⁶⁷

In 1997 a total of 13,675 adolescents in Ohio and 159 in Montgomery County began substance abuse treatment. About 70% of all parents with children in out-of-home care have a substance abuse problem. A recently enacted Ohio law requires those parents to participate in treatment services, or risk losing their children permanently.⁶⁸

⁶⁶ As reported in People Magazine, December 15, 1997(actual study not available).

⁶⁷ The National Center on Addiction and Substance Abuse at Columbia University (1999), No Safe Haven: Children of Substance-Abusing Parents, p. 4.

⁶⁸ Public Children Services Association of Ohio (PCSAO), The Child Protection Mission: Safe Children, Stable Families and Strong Communities, A Factbook 1999-2000,pp. 24, 138.

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In 1995 a total of 14,470 in adolescents in Ohio and 391 in Montgomery County began substance abuse treatment. Approximately 30% of all children in out-of-home care had identified substance abuse problems in Ohio and 15% in Montgomery County.⁶⁹

According to the preliminary results of the 1996 National Household Survey on Drug Abuse (NHSDA) “the number of current illicit drug users did not change significantly from 1995 (12.8 million) to 1996 (13 million).⁷⁰ Data indicates a leveling off in use in many urban areas.”

The “Patterns of Use Report FY 1997”, dated February 1998, prepared by the Montgomery County Alcohol, Drug Addiction & Mental Health Services Board, included consumer demographic information and patterns of use for alcohol and other drug treatment providers. The report includes all consumers that were open cases and received a service during the year. The report noted:

- The number of cases serviced in FY 94, FY 95 and FY 96 were 4,501, 4,410, and 5,088 respectively. The 7,387 individual cases in FY 97 represent a 45% increase over the cases in FY 96.
- 65.5% of service recipients were male while 34.5% were female, 53.1% of those serviced were Caucasian, 45.9% African American and 1% other.
- 93.4% of service recipients were between the ages of 18-64
- 37% had income from wages or salary income, 13.2% from family or relatives, 21.6% from child support, social security, aid to dependent children or welfare. 4.7% other and 23.5% had no income.
- In FY 97, CrisisCare provided 45.8% of the services utilized by service recipients, the Center for Alcoholism & Drug Addiction Services (CADAS) of the Montgomery County Combined Health District provided 24.9%, the Nova House provided 11.3%, and Project Cure provided 7.1% of services. Prior to 1997 CADAS provided most of the alcohol and drugs assessments prior to the opening of CrisisCare in 1997. In FY 96, CADAS provided 51.4%, the Nova House 14.9%, and Project Cure 10.7%. The Board uses 10 providers for drug and alcohol treatment.

⁶⁹ Public Children Services Association of Ohio (PCSAO), The Child Protection Mission: Safe Children, Stable Families and Strong Communities, A Factbook 1996-1997, pp. 18, 132.

⁷⁰ “National Trends” Infobox, National Institute on Drug Abuse, National Institutes of Health, (NIDA & NIH) www.nida.nih.gov/infobox/nationtrends.html, p.1

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On February 18, 1999 in an interview with Thomas W. Arnold, Director of CADAS, he noted the waiting period to enter a substance abuse rehabilitation program in Montgomery County was an average of two to four weeks for outpatient or intensive outpatient; and two to six weeks for residential treatment through CrisisCare, an assessment and referral service used by most of the ten major publicly funded treatment centers in Montgomery County. The assessment appointment could be obtained within one week, unless the person was an intravenous drug user or a pregnant woman for which services were prioritized.⁷¹

According to the Center for Alcoholism and Drug Addiction Services (CADAS) of the Combined Health District of Montgomery County, "The purpose of the outpatient treatment program is to provide a variety of comprehensive services to meet the needs of alcohol and other drug dependent persons and their families.... The goal is to help clients understand and accept their chemical dependency and to assist them in developing the necessary skills and lifestyle changes which will support their attainment and maintenance of long-term, quality sobriety and help improve their overall functioning (emotional, interpersonal, social, legal, physical). This goal is attained by providing outpatient, intensive outpatient and residential care programs."⁷²

For out-patient treatment at CADAS the average number of days from the date of the first appointment was set until the date the client was admitted or first seen was 13 days in 1996, and 19 days in 1997 and 1998. Outpatient services include but are not limited to individual, group and family counseling, case management and screening analysis services.

For intensive out-patient treatment at CADAS the average number of days from the date of the first appointment was set until the date the client was admitted or first seen was 24 days in 1997, and 18 days in 1998. The intensive outpatient program did not become operable until August 1996.

Per CADAS, "The purpose of the intensive outpatient services include, but are not limited to "individual counseling, treatment planning, 12 step self-help groups, case management, drug screening analysis and crisis intervention, each client is involved in recovery oriented educational and experiential activities. Through didactic presentations, group therapy, discussion groups, videos and individual counseling, clients explore the core issues of addiction and recovery and gain valuable experiences while trying new sober attitudes and behaviors."⁷³

71 Interview with Thomas W. Arnold, Director Center for Alcohol & Drug Addiction Services, (CADAS), (2/18/99)

72 Center for Alcohol & Drug Addiction Services (CADAS), Combined Health District of Montgomery County, Treatment Services, Outpatient Treatment

73 Center for Alcohol & Drug Addiction Services (CADAS), Combined Health District of Montgomery County, Treatment Services, Outpatient Treatment

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For residential treatment at CADAS the average number of days from the date of the first appointment was set until the date the client was admitted or first seen was 29 days in 1996, and 40 days in 1997 and 44 days in 1998. Per CADAS, "The residential treatment program serves adult males and females. The highly structured program (27 beds), appropriate for those clients who are unable to maintain any significant periods of abstinence, who lack family and emotional supports, and may have had unsuccessful outpatient outcomes. Individuals on the waiting list receive support through attending weekly pre-admission groups and individual sessions conducted by the staff until time of admission."⁷⁴

The National Center on Addiction and Substance Abuse's report "calls for urgent action to dramatically overhaul child welfare practices to: step up efforts to prevent substance abuse and addiction; increase home care and treatment for abused and neglected children; train child welfare workers to screen and assess parental substance abusing, know what to do when they spot it and refer them to timely and appropriate treatment; provide funding for comprehensive treatment; train all child welfare, court, social and health service professionals in substance abuse and increase research and improve evaluations."⁷⁵

Poverty

PCSAO has also looked at poverty in Ohio as it relates to children. Its 1999-2000 Factbook reports: "Poverty is greatest among female headed, single parent families. The poverty rate among Ohio's children is alarmingly high. Recent data show that rate at 25% for children ages 3 and 4 and 19% for school-age children, ages 5-17 for the State of Ohio. Recent data for Montgomery County show that rate at 28% for children ages 3 and 4 and 22% for school-age children, ages 5-17."⁷⁶ The poverty level set by the Federal Government in 1997 was \$16,050.

The poverty level set by the Federal Government in 1995 was \$15,150. In that same year, according to PCSAO "only 20% of all children in out-of-home placement care originally came from two parent households and the poverty rate stood at 25% for children ages 3 and 4, up from 23% in 1990 for the State of Ohio. In Montgomery County, the rate stood at 28% for children ages 3 and 4, up from 25% in 1990. The state's overall poverty rate was 15% in 1995, this was also the rate for Montgomery County in 1995. The robust economy and the shift from Aid to Dependent Children to Ohio Works First with a job placement focus may have contributed to this shift."⁷⁷

⁷⁴ Center for Alcohol & Drug Addiction Services (CADAS), Combined Health District of Montgomery County, Treatment Services, Intensive Outpatient Care

⁷⁵ The National Center on Addiction and Substance Abuse at Columbia University (1999), No Safe Haven: Children of Substance-Abusing Parents, p. 80-83

⁷⁶ Public Children Services Association of Ohio (PCSAO), The Child Protection Mission: Safe Children, Stable Families and Strong Communities, A Factbook 1999-2000, pp. 24, 138

⁷⁷ Public Children Services Association of Ohio (PCSAO), The Child Protection Mission: Safe Children, Stable Families and Strong Communities, A Factbook 1996-1997, pp. 18, 132

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Housing

The PCSAO study also linked housing issues with child protection services. “Homelessness or substandard housing is a primary problem for one in four families involved with the child protection system, the study reports, “Thirty-seven percent of all Ohio renters must pay more than 30% of their income on housing exceeding the federal benchmark for accountability. In Montgomery County, the figures are 33% and 30% respectively.”⁷⁸

Overall the study estimates “17% of all households in Ohio and Montgomery County were paying in excess of 35% of their gross income on housing”⁷⁹ per The Child Protection Mission: Safe Children and Stable Families & Strong Communities, 1996-1997 PCSAO Fact book.

The Dayton Metropolitan Housing Authority prepared demographics as of June 1998 which included several conventional public housing categories. The statistics for the Family (Adults and Children) demographics included:

- There were 2,798 households which included 7,360 adults and 4,142 children. The average household size was 2.6.
- The average annual income was \$7,174, the average rent was \$115 which represented 19% of the annual income.
- Income was comprised of 34% from Aid to Dependent Children (ADC) or Temporary Assistance to Needy Families (TANF), 26.7% from wages, 16.4% from social security, 5.4% from benefits (i.e., workers compensation and SSI), 12% from other, and 5.5% unknown.
- Females comprised 86% of the residents and males 14%, with 18% Caucasian, and 81% African American.

Teen Pregnancy

Per PCSAO, “Young mothers who gave birth as teenagers constitute a growing percentage of families in the child protection system. In 1996 there were 20,156 births to Ohio teens, a rate of 26 per 1,000 population and in Montgomery County there were 1,031 births to teens, a rate of 28 per 1,000 county population. Thirty-seven percent of these births were to minors age 17 or younger in Ohio and 38% in Montgomery County.”⁸⁰

⁷⁸ Public Children Services Association of Ohio (PCSAO), The Child Protection Mission: Safe Children, Stable Families and Strong Communities, A Factbook 1999-2000, pp. 24, 138

⁷⁹ Public Children Services Association of Ohio (PCSAO), The Child Protection Mission: Safe Children, Stable Families and Strong Communities, A Factbook 1996-1997, pp. 18, 132

⁸⁰ Public Children Services Association of Ohio (PCSAO), The Child Protection Mission: Safe Children, Stable Families and Strong Communities, A Factbook 1999-2000, p. 24 and 138

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In 1994, there were 21,234 births to teens in Ohio, 8,132 of them being age 17 or younger. In Montgomery County there were 1,096 births to teens, 427 of being under the age 17.⁸¹ The shift may be attributed to public awareness and education on teen pregnancy.

Education

In PCSAO assessment “Educational success directly impacts future economic success. The high school graduation rate among county public [school] students in 1997 was 79% for the State of Ohio and 74% for Montgomery County.

Recent census data showed 24% of adults aged 25 or older in Ohio and 22% in Montgomery County had less than a high school education.”⁸² The high school graduation rate among public school students in Ohio in 1995 was 67% and 51% in Montgomery County.⁸³

Public Assistance

“Effective October 1997, welfare reform transformed the eligibility focused Aid to Dependent Children (ADC) to the job-placement focused Ohio Works First (OWF) program, causing a shift in work and training participation requirements. From September 1997 to September 1998 the statewide adult work participation rate improved from 34% to 47%. Thanks to this shift and a robust economy, public assistance rolls statewide have declined significantly. The data below include the number of Ohio residents who received ADC/OWF benefits in January of each year, average ADC/OWF and food stamp monthly payments for a family of three, and those payments as a percentage of Ohio’s Standard of Need.”⁸⁴

Public Assistance State of Ohio	MCCSA		
	1998	1990	1980
Total Recipients	386,239	626,754	506,014
Adults	112,538	215,297	n/a
Children	273,701	411,457	n/a
ADC/OWF Payment	\$362	\$334	\$263
Food Stamps Payment	\$321	\$271	\$136
% of Standard of Need	67.00%	78.00%	115.00%

⁸¹ Public Children Services Association of Ohio (PCSAO), The Child Protection Mission: Safe Children, Stable Families and Strong Communities, A Factbook 1999-2000, p. 18 and 132

⁸² Public Children Services Association of Ohio (PCSAO), The Child Protection Mission: Safe Children, Stable Families and Strong Communities, A Factbook 1999-2000, p. 24 and 138

⁸³ Public Children Services Association of Ohio (PCSAO), The Child Protection Mission: Safe Children, Stable Families and Strong Communities, A Factbook 1999-2000, p. 18 and 132

⁸⁴ Public Children Services Association of Ohio (PCSAO), The Child Protection Mission: Safe Children, Stable Families and Strong Communities, A Factbook 1999-2000, pp. 24, 138

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Profile of Parents with Children at Risk

One goal of the child protection system was to promote strength-based, family-focused casework practice with an emphasis on child safety, permanency, and child and family well-being. We found it was not unusual for both parents to have been unemployed, were frequently homeless, had a history of drugs and alcohol abuse, lacked a formal education and many had underlying mental health issues. Seventy-eight percent of the cases in our sample involved drugs and/or alcohol use by the parent or adult in the household. Many had been imprisoned for nonviolent crimes. These issues or a combination of factors may increase the stress on parents and make them more likely to abuse or neglect their children.

According to Robin S. Levi, Advocacy Director at Women's Institute for Leadership Development for Human Rights, "The dramatic increase in the number of women in American jails and prisons has probably had the largest impact on children. Eighty percent of these women have children under 18, and most of these women were the primary caregiver."⁸⁵ The societal costs of female incarceration may be higher than actually documented because of the social services and foster care required for their dependent children.

The 1994 dissertation "Incarcerated Female Dropouts: Background and Perceptions" prepared by Ruth Lynne Fritts noted the economic consequences of dropping out and incarceration are readily apparent.

- ◆ "Over half the respondents were single mothers of approximately 2.5 children who began sexual activity at about age 14 and had their first child at about age 17. By virtue of their imprisonment, they were separated from their children and nearly 80% were under the age of 18 at the time of the study."
- ◆ "Nearly two-thirds were unemployed at the time of their first arrest... and 70% were arrested for crimes that were economic in nature."
- ◆ "Over 80% had at least one immediate family member who had dropped out of school. Many disclosed that incarceration was a two-generation problem in their families."
- ◆ Nearly 50% "revealed that substance abuse had been a problem in their families" and over 50% "reported a personal history of physical and/or sexual abuse."
- ◆ "The predominant reasons for leaving school centered around pregnancy/motherhood and child care responsibilities, either for their own children or their siblings."

Based upon the 1996 Intake Study by the Office of Management Information Systems Bureau of Research, May 1998 from the Ohio Department of Rehabilitation and Correction Prison System:

- ◆ The number of dependent children living with the offender at the time of the arrest ranged from one to six or more children for 49% of the females in the sample.

⁸⁵ Letter from Robin S. Levi, Advocacy Director at Women's Institute for Leadership Development for Human Rights, to the Editor of N. Y. Times, (April 11, 1999).

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- ◆ 56.5% were unemployed at the time of the arrest that led to their current incarceration, 55.2% for the males and 65.1% for the females.
- ◆ 55.4% had not earned a high school diplomas or GEDs at the time of their arrest, 56.3% of the males and 49.6% of the females.
- ◆ Roughly two-thirds, 67.8% were single, having never been married approximately ½ or 54% of the females, but almost 7 of 10 or 69.8% of the males had not been married at the time of arrest
- ◆ Female inmates were more likely than their male counterparts both to have admitted having a mental illness (19.2% vs. 10.7%) and to have been diagnosed with and/or treated for a mental illness (20% vs. 12.3%).
- ◆ Over four of every ten males (41.6%) and almost 3 of every 10 females (29.6%) had served at least one prison term prior to the arrest for their current conviction.
- ◆ Ohio's six largest counties, accounted for more than three-fifths, 62.6% of new prison intake. Cuyahoga (26.9%), Franklin (8.7%), Hamilton (12.6%), Summit (5.8%), Lucas (4.7%) and Montgomery (3.9%).

In her previously cited article Robin S. Levi, stated, "Many women and their children would be better served by alternatives to incarceration that allow them to live together in controlled environments with drug rehabilitation, job training and parenting instruction. Such an approach would be far more likely to end the cycle of incarceration."⁸⁶

In April 1999, the Ohio Department of Rehabilitation and Corrections established post release service centers or residential treatment service (RTS) programs to create a continuum of sanctions to simultaneously address the needs of the community and the substance abusing violator.

The services may be provided by private not-for-profit organizations. The programs vary in length from 90 days to a year to complete, most have halfway house placement, intensive outpatient treatment and after care and participation in the day-reporting programs. The halfway house program includes GED classes and testing, 12 step programs, life skills training, and financial management education. Employment assistance is provided and once employed, residents pay a per diem to offset the cost of the program. Residents also participate in intensive outpatient and aftercare during their halfway house residency. The program provides comprehensive assessments, individual/group counseling and self-help groups.⁸⁷

In July, 1999 Governor Bob Taft announced that \$14.2 million in grants will be provided in the current fiscal year to fund two new women's treatment centers in Summit and Lorain counties and help fund 92 existing facilities. The programs operated by the facilities provide housing for both women and children during addiction treatment and strive to teach women how to find and keep well-paying jobs.

⁸⁶ "How Can We Help the Children of Inmates?" Robin S. Levi, Advocacy Director at Women's Institute for Leadership Development for Human Rights

⁸⁷ Paula Eyre, Executive Director, CURE-OHIO, Effective Alternatives to Incarceration Can Reduce Prison Crowding and Drug-related Crime , Against All Odds, Vol. V, No. 2 (March/April 1999), p.6

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Adolescents in the Criminal Court System

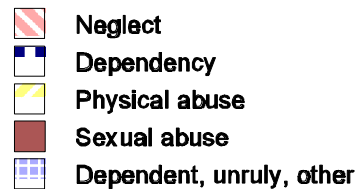
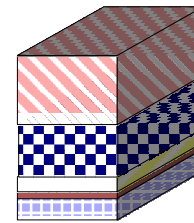
In our review of case records at MCCSA there were several instances in which the parents or guardians refused the supportive services or did not comply with the case plan. The agency continued the efforts to extend the services to the family. In most cases these efforts extended the period of time the child was in an unsafe environment or in temporary custody.

According to the Public Children Services Association of Ohio (PCSAO)⁸⁸, the total number of Ohio children in custody as of January 1, 1998 was 19,815. The court rationale for placement of the children was:

State of Ohio

Neglect	42%
Dependency	32%
Physical abuse	9%
Sexual abuse	4%
Delinquent, unruly, other	<u>13%</u>
Total	100%

Reason for Removal



MCCSA

Neglect	32%
Dependency	49%
Physical abuse	7%
Sexual abuse	3%
Delinquent, unruly, other	<u>9%</u>
Total	100%

The Montgomery County Court of Common Pleas, Juvenile Division was charged with the responsibility of handling cases on delinquent and unruly children as well as those charged with traffic violations. The Court also made judicial determinations relating to dependent, neglected and abused children. The 1997 Annual Report from the Juvenile Division of the Common Pleas Court of Montgomery County noted the following:

Referral Source information was derived from all complaints on children except traffic referrals, 10,636 referrals by law enforcement agencies; referrals by other agencies total 5,256 with 2,782 53% from the Children Services Board, 806 from school districts and 1,653 from other sources that included parents or relatives, attorneys and others.

Delinquent Children: The family status of the 4,809 delinquent children noted 2,931 or 61% came from single parent homes with 2,498 or 52% from homes with a mother only and 337 lived with a foster caregiver or relative.

⁸⁸ The Child Protection Mission: Safe Children and Stable Families (1999-2000), the Public Children Services Association of Ohio (PCSAO), p.25

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The 10,275 delinquent referrals included 1,416 or 14% for assault & menacing, 2,270 or 26% for theft & fraud and 1,500 or 15% for violation of a court order. Seventeen percent of referrals involved children age 11 to 13, 33% age 14-15 and 50% age 16 and over. Seventy-seven percent were male and 23% were female.

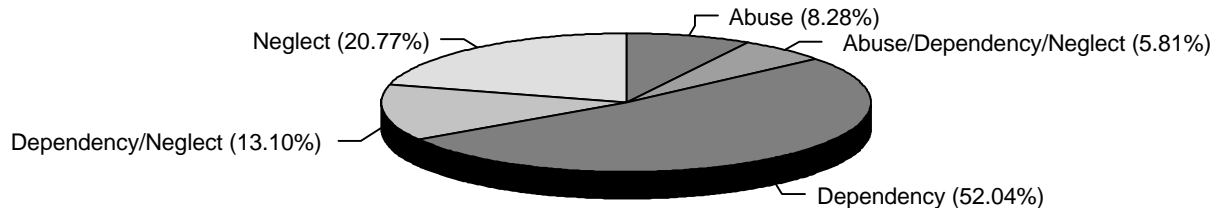
Unruly Children: The family status of the 2,563 unruly children noted 1,638 or 64% came from single parent homes with 1,439 or 56% from homes with a mother only. 196 lived with a foster caregiver or relative. The 3,721 unruly referrals consisted of 23% for truancy, 22% for runaways, 29% for ungovernable, 19% for other unruly /behavior and 7% for unruly special which involved a domestic violence situation which caused no physical harm and did not use a deadly weapon. Eighteen percent of referrals involved children ages 11 to 13, 43% ages 14-15 and 39% ages 16 and over. Fifty-seven percent were male and 43% were female.

The reason for referrals could include but are not limited to incest, physical abuse, sexual abuse, neglect, contributing to unruliness, failure to send to school, and contributing to the neglect of a child. 396 of the 450 complaints or 88% was due to failure to send the children to school for grades K-6, 358 were disposed by ordering the parents to ensure the youth attend school.

**1997 Annual Report
The Montgomery County Court of Common Pleas, Juvenile Division**

Abused, Dependent and/or Neglected Children

**Juvenile Court
Reasons for Referral**



Reason for Referral		%
Abuse	134	8.28%
Abuse/Dependency/Neglect	94	5.81%
Dependency	842	52.04%
Dependency/Neglect	212	13.10%
Neglect	336	20.77%
Total	1618	100.00%