



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

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DEPARTMENT OF PUBLIC SAFETY, OFFICE OF JUVENILE JUSTICE

The state Office of Juvenile Justice under-billed federal agencies almost \$424,500 for federal foster care funds because it did not properly review reimbursement requests prepared by its parent agency, the Department of Public Safety and Corrections, Legislative Auditor Daryl Purpera said Monday.

The net under-billing of an estimated \$424,489 resulted because DPS used an “incorrect percentage” of Foster Care-eligible juveniles in calculating the administrative costs for placing youth in residential facilities, the management letter to OJJ said.

The agency under-billed the federal program an estimated \$440,379, but also overbilled the government \$15,890, for the net under-charge of \$424,489, the report said. “Under-billings of program costs may decrease the program’s effectiveness in achieving its objectives and increase the use of state funds when federal funds are available,” the report said.

The report points out that this is the second consecutive year the juvenile justice office was cited by auditors for under-billing federal grants for Foster Care. Last year’s report said about \$1.6 million was not claimed by OJJ in its billings.

“OJJ should review the reimbursement requests to ensure accuracy and compliance with applicable requirements to obtain all federal funds due to the state and prevent overbillings that could result in disallowed costs,” auditors wrote.

In a second finding, the state auditor’s report said, OJJ “did not have adequate support” for the rates used in making \$2.4 million in foster care maintenance payments to six residential foster care facilities in the state for the fiscal year that ended June 30, 2014.

Without adequate support for the rates assessed, the report said, there is a risk that the federal agency that granted the money could seek reimbursement of the funds.

The six facilities serve youth who have been judged delinquent or are in need of services, including those who need foster care. The daily payment rates for the juveniles at five of the six facilities were outlined in the request for proposal submitted by the operators before a contract was awarded to them by the state.



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The sixth facility, Ware Youth Center in Coushatta, was not subject to the RFP bidding process and is not paid on a “cost-per-juvenile basis,” auditors said. “In effect, this facility is paid the same amount each month by OJJ whether all or none of its beds are occupied.”

The report said Ware was reimbursed an average of \$174.09 per juvenile each day in federal funds, compared to the average reimbursement of \$87.38 a day for each juvenile at the other five facilities. “Therefore, the payment rate at Ware does not appear reasonable,” the report said.

“OJJ should develop and implement rate-setting policies and procedures that ensure reasonable rates are paid to residential facilities and the portion of those payments charged to the Foster Care program are adequately supported and include only allowable expenditures,” according to the report.

For more information, contact:

Daryl G. Purpera, CPA, CFE
Legislative Auditor
225-339-3800

On Twitter: OJJ under-billed federal government for foster care funds.