



Richmond Office of the City Auditor

Office of the Inspector General

Fighting government waste, fraud and abuse

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Richmond City Auditor/Inspector General

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Mr. David Hicks, Interim Director
Richmond Department of Social Services

The Office of the Inspector General (OIG) has completed an investigation within the Richmond Department of Social Services (RDSS). This report presents the results of the investigation.

Complaint:

RDSS did not comply with the Virginia Department of Social Services (VDSS) Independent Living (IL) grant program requirements resulting in non-compliance with and misuse of State and Federal grant funding. The allegation claimed improper procurement practices were used to purchase iPads, computers, and software.

Legal Requirements:

In accordance with the Code of Virginia, §15.2-2511.2, the City Auditor is required to investigate all allegations of fraud, waste, and abuse. Also, City Code section 2-231 requires the Office of the Inspector General to conduct investigations of alleged wrongdoing.

Background:

RDSS Finance and Administration Division became aware in May 2013 that State and Federal grant funds remained available for use before the end of the State's fiscal year (May 31). The RDSS Deputy Director for Finance and Administration met with staff from various program sections to decide the best use of the remaining budget funds for FY13. The Foster Care Unit developed a strategy to purchase 108 laptop computers, software, and 15 mini iPads along with other educational items to be given to selected foster care clients. The IL grant funds were earmarked by RDSS to purchase these items.

IL allows two purchasing methods. Bulk purchases of items that can be subsequently distributed as the client becomes eligible. The second method involves prequalification of clients for eligibility and subsequent purchase to satisfy the need. However, once this method is adopted and a purchase is made, the item cannot be distributed to an individual other than the specified client.

Since the IL Supervisor was unable to obtain assistance from the RDSS individual who was responsible for procurement, the IL Supervisor used the second method. The IL Supervisor requested and received a list of eligible individuals then placed the order to purchase the above items for distribution.

Findings:

The investigator conducted numerous interviews with RDSS employees and reviewed files (electronic and paper) and emails related to the purchase of the computers, iPads, and software.

The review revealed the following facts:

According to the VDSS policies, RDSS was required to preapprove the client prior to purchasing computers, software, and iPads. The investigator identified that the Foster Care Unit used procedures to purchase those items that were non-compliant with the VDSS policy. In addition, the staff did not properly document IL and Transitional Living Plans in the State OASIS client system and local client paper files. The files were found to contain out-of-date assessments, incorrect entries, or missing plans. About 27% (30 of 108 selected clients) of the local case files had out-of-date assessments, incorrect entries, or missing plans. The investigation revealed the primary Social Worker overseeing the project did not receive VDSS IL certification training until June 2013.

The Foster Care Unit developed a list of 108 clients without pre-qualifying them under the IL requirements. The review further revealed 25 out of the 108 clients were not eligible to receive computers. Currently, RDSS holds 13 computers that could not be distributed due to client ineligibility. RDSS staff is still waiting for guidance from the VDSS to distribute these units to different clients.

Conclusion:

Due to the above circumstances, the grant deadline was not met. This resulted in the unscheduled expenditure of City funds by RDSS to pay for the iPads, computers, and software. Based on the above information, the investigator concluded that the complaint is substantiated.

If you have any questions, please contact me at extension 5640.

Sincerely,

Umesh Dalal

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City Auditor/Inspector General

c: Mr. Byron Marshall, Chief Administrative Officer
Honorable Members of City Council
City Audit Committee Members