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Auditor General DePasquale Says Erie County Children, Youth Agency Paid Nearly \$17 Million to Providers Without Verifying Services

Says all future county children, youth agency audits statewide will look for similar problem

ERIE – Auditor General Eugene DePasquale said today that the Erie County Children and Youth Agency paid \$16.99 million over five years to in-home services providers without verifying that services were actually provided to needy children.

“State and county agencies must ensure that they are spending taxpayer money on services that will improve the lives of the children they serve,” DePasquale said. “Every dollar spent must be tracked and validated as a justifiable expense.

“When my team examined the submitted invoices for in-home services, they discovered that no one was verifying that these services were actually provided,” DePasquale said. “The Erie County Office of Children and Youth was simply accepting the invoices as proof of service. That practice must stop immediately.”

Among the types of in-home services that Erie County paid for are family counseling, parenting skills classes and early-intervention programs for at-risk youth.

Earlier this year, auditors began looking into whether county children and youth offices across the state actively verify whether invoiced in-home services were actually provided.

“I thank Controller Mary Schaaf for bringing concerns about improper billing practices of a particular contractor to our attention,” DePasquale said. “In the second finding in our report, auditors outline how the provider submitted invoices for one preventive service program but used the money to pay for another preventive service program instead.”

Auditors found that the program, known as Parents as Teachers, increased its billing amounts significantly in the 2012-13 fiscal year without providing documentation of increased costs or increased services.

“What our auditors uncovered was that, after appointing a new executive director, the contractor billed for costs related to another program, called 1-2-3 Magic,” DePasquale said. “Obviously, if the Erie County Children and Youth office was actively verifying that billed services were indeed provided, its team could have found this problem before we did. Because the lack of in-home service verification increases the risk of overbillings and fraudulent billings, money intended to help children and their families could be misused.”

New statewide examination

Auditors found that, between 2008 and 2013, the Erie Children and Youth Agency paid \$16.99 million to 48 in-home service providers without verifying and documenting that these services were actually provided.

DePasquale said the findings in Erie and other county children and youth agencies highlight the need for auditors to look for similar problems in all counties.

“I’m putting all children and youth agencies on notice: During our audits, we will look at whether you are monitoring to ensure that children and their families are indeed receiving the in-home services you are paying for,” DePasquale said. “Simply accepting a submitted invoice and paying for it is not doing enough to ensure these children receive the help they so desperately need.”

The 59-page audit — which covers July 1, 2008, through June 30, 2013 — contains four findings, one observation and 11 recommendations.

The Erie County Children and Youth Agency audit report is available online at: www.PaAuditor.gov.

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